

TITLE

Impact of global adoption of IFRS on Nigerian Stock Market effectiveness

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ABSTRACT

International Financial Reporting Standard (IFRS) is a statement of intent to globalize financial standards so as to enable investors move capital and as such enshrine global competitiveness. Nigeria's case to attract investment through the capital market can be advanced effectively if financial reporting is standardized and adopted. As an impact study, we employed adaptive expectation variant of the autoregressive model and multiple regression technique to study the prospect of Compliance with IFRS and how the Nigerian quoted companies faired in compliance with Nigerian Accounting Standards and its correlation with reporting incentives, idiosyncratic volatilities and stock price informativeness; which more or less indicates their preparedness for global adoption of IFRS in 2012. It is recommended that stiff penalties are required to prepare Nigerian financial environment for the global adoption of IFRS. A clear road map of adoption of IFRS will further drive the much needed foreign investment in-flow and help to brand Nigeria out of the corruption quagmire.

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