

**GLOBAL ACCOUNTING CONVERGENCE: QUALITY, ACCEPTABILITY
AND ENFORCEABILITY OF IFRS IN NIGERIA**

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ABSTRACT

In view of the pressing demands to converge with IFRS as the international accounting benchmark and to serve as common global accounting language, coupled with the concerns expressed by critics over its uniform suitability and relevance in diverse economic, political and institutional settings across the globe, it is increasingly significant to empirically investigate; the quality, acceptability and enforceability of the International Financial Reporting Standards (IFRS) in countries of different settings. Therefore, this study investigates the perception of financial reporting users and preparers on global accounting convergence in terms of IFRS quality, IFRS acceptability and IFRS enforceability in Nigeria. Data was collected using online and self-administered survey approach. Based on the empirical findings, it was concluded that despite the possible issues and challenges associated with convergence to IFRS, it could yet be considered as a right step, in a right direction and at a right time for Nigeria. Convergence to IFRS is in the best interest of the country in order to tap its full economic potential and her deserving leadership within the global financial market. It has been proven that convergence to IFRS has positive impact to the country's reporting system with improvement in reporting quality leading to reduction in income smoothing, and increased in value relevance of reported income.

Keywords: International Financial Reporting Standards, convergence, quality, acceptability, enforceability.

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LIST OF ABBREVIATIONS

IFRS	International Financial Reporting Standards
IASB	International Accounting Standard Board
NASB	Nigerian Accounting Standard Board
FRC	Financial Reporting Council
IASC	International Accounting Standard Committee
IFAC	International Federation of Accountants
SAS	Statement of Accounting Standards
GAAP	Generally Accepted Accounting Principles

CHAPTER ONE

INTRODUCTION

This chapter tries to explain the general overview of the whole work, and it is arranged as follows: background of the study, problem statement, research questions and objectives, significance of the study, scope and limitations as well as organization of the study.

1.1 Background of the Study

The globalization of financial markets, the interconnectivity of the global economies, and how no country can declare self-reliance on its activities without depending on another country have intensified the clamour to develop a common language in accounting reporting, so that stakeholders within and outside the country can fully understand what the contents of financial reports depict. Considering the old maxim “accounting is the language of business”, then enterprises around the globe cannot afford to be speaking in different languages while communicating the financial information of their activities to one another. Thus, a uniform set of accounting standards is needed to enhance the understandability and comparability of the firms’ financial reporting across the world (Ojeka & Dickson, 2011).

IFRS are designed as a common global language for the company’s activities in order to improve the quality, understandability and comparability of financial reporting across International boundaries. The standards are meant to attain three fold objectives. Firstly, to help in standardizing the diverse accounting policies prevailing around the globe and remove the incomparability of financial statements within and across entities. Secondly, they facilitate the presentation of high quality, transparent and comparable information in financial statements. Thirdly, they reduce the

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