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The General Tenets of Positive Accounting Theory Towards Accounting Practice and Disclosure in Corporate Organizations in Nigeria

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Abstract
This study was about the general tenets of positive accounting theory towards accounting practice and disclosure. The objective of the study was to examine the relationship between positive accounting theory, accounting practice and disclosure in corporate organizations. This study was anchored on the concept of voluntary disclosure and stakeholder's agency theory. It was carried out in Achievers Investment Limited, Ibadan. Primary data is collected using purposive sampling technique and the Secondary data was gotten from the company's audited annual financial statements on return on equity for 2012-2015. Multiple linear regression is adopted to analyze the primary and secondary data. The study hypothesis was tested at 0.5 per cent level of significance. Findings revealed that there is significant relationship between positive accounting theory and financial reporting and disclosure in corporate organizations. It is recommended that there is need to explore the principles of positive accounting theory in accounting practice and disclosures in corporate organization in Nigeria.
Keywords: Accounting Practice, Accounting Theory, Corporate Organizations, Disclosures, Financial Reporting, Stakeholders, Positive Accounting Theory

1.0 Introduction

Accounting arisen in the first stages of its historical development, drawing on the customary rules to provide financial information to beneficiaries of particular activity (Hassan & Talal, 2015). According to Hendriksen (1982) accounting theory may be defined as logical reasoning in the form of a set of broad principles that provide a general frame of reference by which accounting practice can be evaluated and guide the development of new practices and procedures. The reality is that accounting theories provides a general frame of reference by which accounting professionals can be judge and also guide the way to development of new principles and procedure (Adeleke, 2018). How organization present information in its financial statements is very important because financial statements are a central feature of financial reporting, and this is, a principal means of communicating financial information to the various stakeholders aside from the investors (Adeleke, 2018). According to Solomon (2007) one of the basic principles for the well-functioning of corporate governance system is transparency. The purpose of corporate governance is to serve the stakeholders to became better informed, the role of disclosure is important no matter of the disclosure form: mandatory or voluntary, financial or non-financial. Corporate governance and accountability developments aware companies about the responsibilities they should have towards all their stakeholder groups, to the environment and society. In the last decades, the social role of the firm has come under increasing scrutiny (Allouche, 2006). The changes in the international business environment have imposed reviews in the nature and content of the corporate reporting. The concepts like "sustainable development'', ''corporate sustainability'', ''corporate social responsibility'' has revolutionized corporate financial reporting. The later trends in business reporting have put in the front line the importance of non-financial disclosure and the growing needs of the potential shareholders that expect any company in which they invest to meet certain minimum standards in terms of governance and disclosure (Allouche, 2006).

As the entity's stakeholders interact with the entity they make decisions which require relevant information about the entity's performance and governance. Investors for example require information about the entity's profitability and risk in order to make investment decisions. Lenders, in making lending decisions, also require information about the entity's ability to repay loans and pay interest thereon. In recent years there have been several high profit corporate failures, financial crises and economic scandals which have emphasized the importance of transparency and the need for strong corporate governance and disclosures (Linsley &Shrives, 2005; Bendriba, 2014). Corporate disclosure is regarded as an effective way by which companies communicate their affairs to their stakeholders who include investors, lenders, employees, government and the public as well as suppliers and customers. Effective corporate disclosure benefits not only the company and its stakeholders but also the economy as a whole. However, because corporate disclosure has its costs, there is a tendency among firms not to disclose their affairs fully but only to disclose after considering the costs and benefits involved (Cormier, Aerts, Ledoux & Magnan, 2009). This tendency has made corporate disclosure a recurrent theme amongst regulators, the academia

as well as politicians (Davey, 2008)

Adeleke (2018) observed that over the years, accounting theories have helped to strengthen various assumptions and principles in the financial reporting policies of most organizations. However, despite this advantage, some researchers and globally recognized standard setting bodies, still see some of these accounting theories as contradictory. According to IASB (2008) the presence of so many alternatives in theories, has resulted in several criticisms, and this has made it difficult to compare various organizations financial report. Also according to European Commission (2011) most of the preparers of these financial reports do not give adequate consideration to the different peculiarities in some organizations operations before publishing most of these accounting theories, and this has made it difficult for these organizations to adopt these theories. The problem of this study is to examine if some specific theories (e.g. normative and positive theory) also have controversial meaning to organization. Cormier et al (2009) remarked that the basic principles Positive Accounting Theory (PAT) is perhaps aptly suited making disclosures in corporate organizations.

Therefore, the aim of this study is to examine the role of the general tenets of positive accounting theory towards accounting practice and disclosure among corporate organizations in Nigeria.

2.0 Literature Review

2.1 Conceptual Framework

2.1.1 The Concept of Voluntary Disclosure

According to Ahmed (1994), the primary objective of traditional financial reporting is the disclosure of financial data within the framework of International Financial Reporting Standard (IFRS). Nevertheless, despite their global importance, both sets of accounting standards have major deficiencies from a capital market perspective. For instance, conventional standards provide a huge scope for managerial profit manipulation. In addition, the retrospective nature of the financial reporting process means that the reported data is not always a reliable basis for forecasting future performance, which can result in a loss in credibility from a stakeholder perspective. Furthermore, contemporary accounting reports focus almost exclusively on quantitative data and typically, reveal little about issues such as investment risks and the long-term effects of capital investments (Edogiawerie & David, 2016). In addition, key drivers of corporate value in critical areas of the business are not reported to investors under the traditional accounting model, for instance, human capital, customer relations, innovation, research and development, and corporate reputation. In recent years, however, both theorists and practitioners have begun to recognize the inherent shortcomings of traditional reporting and have developed models for additional voluntary disclosure (e.g., the value reporting framework developed by Price water house Coopers) (Amernic & Maiocco 1981; Edogiawerie & David, 2016). These business reporting frameworks provide information supplementary to the traditional financial report and may help investors to better identify value-driving activities. Although the developments in the field are emerging on a rather piecemeal basis, voluntary reporting is now, nonetheless, gradually being accepted as part of the company's official external reporting (Bradbury, 1992: Edogiawerie & David, 2016).

Reporting and disclosure are the most important tools that companies use to communicate with their stakeholders. Disclosure is a crucial element in ensuring the effective allocation of resources in society and diminishing the information asymmetry between company and its stakeholders. Companies have at their disposal two kinds of publishing variants through which they can diminish the informational asymmetry towards their stakeholders: compulsory and voluntary disclosure. The most important publishing variant is represented by the compulsory disclosure. The mandatory character of reporting is ruled at national or even regional level through professional organizations or government authorities, being practiced in most of the countries by all the firms regardless of their size, their judicial, fiscal or national accounting system, the favorite finance sources and other factors with impact on disclosure policy (Edogiawerie & David, 2016). The second, voluntary disclosure comes to complement the mandatory reporting process that often seems to be inadequate for satisfying user's needs. Traditional financial reporting mostly provides historical information, moreover, in certain industries, conventional accounting and reporting strategies may not be sufficient to accurately represent the complexity of a firm's operations. Mandatory disclosure refers to those aspects and information which must he published as a consequence of' the existence of some legal or statutory stipulations, capital markets, stock exchanges commissions or accounting authorities' regulations. The aim of mandatory disclosure is to satisfy the user's informational needs, ensuring the production quality control through the laws and standards observance (Ahmed, 1994; Edogiawerie &David, 2016).

The voluntary disclosure has its sources in the past of the business development, when, as a result of the fact that owners have delegated to the managers the leading function of the enterprises, the need for voluntary disclosure appears as a consequence of the information asymmetry between the two parties: managers are better informed about the business than its owners. The development the capital market has led to a more and more emphasized manifestation of' the voluntary disclosure. The voluntary disclosure regards information made public through the firm's free choice. It is influence by culture, social economic and behavioral factors that are specific

to each firm (Ahmed, 1994; Edogiawerie and David, 2016). There is no generally accepted definition or theoretical background for voluntary disclosure. Thus, voluntary disclosure can he explained as being an additional offer of information in relation to different national regulations or international referential of business reporting, that is, something that is not compulsory by the law, but becomes voluntary through the behavior regarding publication. In other words, the voluntary offer of information represents the excess of information, dependent both on the free choice of the enterprise leadership and on the regulations in force, the outside pressures of the capital markets, financial analysts, consulting firms and the cultural factors (Ahmed, 1994; Edogiawerie and David, 2016). Although the voluntary disclosure represents the reporting outside the financial statements, which is not explicitly ruled through norms or laws, it is admitted that many of these voluntary disclosures" are made in order to be in agreement with the requests of the stock-exchange commission regarding: the companies presentation, analysis and management presentations regarding risk, opportunities and the results obtained or provisioned., therefore, in order to obtain capital and moreover to attract investors, companies often voluntarily disclose corporate information seen in the absence of regulation (Edogiawerie & David, 2016).

2.1.2 Concept of Financial Reporting

Financial reporting involves recording financial information according to relevant accounting standards. According to (Vargiya, 2015) financial reporting includes the exposure of related financial information to the different Stakeholders about an organization over a predefined timeframe. These Stakeholders include – investors, lenders, suppliers, and government organizations. Financial Reporting is considered as the final result of Accounting. It comprises of various important statement which include financial related explanations from Statement of financial position, Statement of comprehensive income, Statement of cash flow, Statement of changes in equity, notes to financial related explanations, quarterly and Annual reports (if there should be an occurrence of quoted organizations), Prospectus (if there should be an occurrence of organizations going for Initial Public Offers) and Management Discussion and Analysis (if there should be an occurrence of open organizations) (Vargiya, 2015; Saliu, 2015).

2.1.3 Concept of Reliability of Financial Reporting

The expression ''reliable quality'' in connection to financial communication is a vital subjective property of accounting information. This term is imperative and may impact whether the information is helpful to the individuals who read financial related explanation or something else. The reliable quality of inspected corporate yearly financial report is thought to be vital and a fundamental element influencing the convenience of information made accessible to different users. The accounting researches have perceived that the dependability of reports is a critical normal for financial accounting information and for administrative and expert offices. Reliable quality idea is a nature of information that guarantees the management that the information contained in the financial related records catches the genuine conditions and occasions of the communication substance. The International Accounting Standards Board (FASB) was the main standard setter to characterize the term dependability. As far as the FASB Concepts Statement No. 2 (FASB, 1980) the dependability of a measure lays on the loyalty with which it speaks to what it implies to present (portrayal dedication), combined with an affirmation for the client, which comes through confirmation, that it has that representational quality (undeniable nature). In Contrast, the IASB Framework expresses that information has the nature of dependability when it is free from material blunder and inclination and can be relied on by customers to speak to reliably which it either indicates to speak to or could sensibly be required to speak to. In the IASB Framework five qualities are included under the idea of dependability: loyal portrayal, substance over form, nonpartisanship (Vargiya, 2015; Saliu, 2015).

The attributes of reliable quality are:

I) True and reasonable

Reliable information implies that the financial proclamations are an impression of the organization's financial reality. At the end of the day, are there a genuine and reasonable introduction of the organization's working outcomes and its financial condition? However, what is ''genuine and reasonable''? In an International Financial Reporting Standards (IFRS) setting, ''genuine'' implies that the information is objective and spoke to in an unprejudiced way and ''reasonable'' implies that sound judgment wins in light of the fact that IFRS supports utilizing financial saving advantage parameters to adjust the premiums of the peruses with the cost of planning IFRS financial exposures.

II) Free of Material Blunder

All together for information to be solid, it must be free of material mistakes. Material things are those that can possibly change the feeling of the users of the financial proclamations. Material information must not be withheld from loan specialists and lenders. On the off chance that there is any uncertainty about whether a thing is material or not, the information ought to be given to the users of the financial explanations. Full exposure is dependably the shrewd decision.

III) Neutral

Reliable information should likewise be impartial. It must be free from inclination. In spite of the fact that it is unimaginable in view of human instinct to totally wipe out every single inclination, bookkeeper should consistently

attempt to be autonomous. The notes to the financial articulations ought to be painstakingly composed in a way that passes on the actualities without communicating any individual perspectives.

IV) Completeness

Reliable information should likewise be finished. One of the objectives of International Financial Reporting Standards (IFRS) is to rouse certainty that all correlated information is included.

V) Substance

Decisions about whether information about individual transactions ought to be accounted for must be founded on the expectation of displaying a genuine and reasonable photo of the organization's outcomes and financial condition. IFRS is evident that mirroring the organization's financial reality in its financial related articulations involves substance over shape.

VI) Prudence

International Financial Reporting Standards (IFRS) requires that bookkeepers who plan financial related articulations must exercise judgment in managing the inescapable instabilities of valuation and materiality. They are relied upon to utilize a level of alert in making these judgments. Accounting experts must be judicious in their approach by considering every one of the realities and information, both target and subjective, to deliver financial articulations that meet the reliable quality prerequisite of IFRS.

2.1.4 Tenets of Positive Accounting Theory (PAT) and Accounting Practice

Positive Accounting Theory (PAT) is concerned with predicting actions such as the choices of accounting policies by firm managers and how managers will respond to proposed new accounting standards. The term ''positive'' refers to a theory that attempts to make good predictions of real world events (Scott, 2003).

Watts and Zimmerman (1978) develop a positive theory of the determination of accounting standards. They investigate the factors influencing management's attitude (lobbying behavior) on accounting standards including regulation, political costs, management compensation plans, taxes and information production (e.g. book keeping). They argued that individuals act to maximize their own utility and management lobbies on accounting standards based on their own self-interests, for example managers have incentives to choose accounting standards which report lower earnings due to tax, and political and regulatory systems. The findings showed that firm size is the most important factor, explaining managerial behavior towards financial accounting standards. This is explained in the sense that the larger firms are more likely to be subjected to governmental interference costs (political costs) than smaller firms.

According to Basu (2009) positive accounting is very much different from conservative accounting approach because it assumes that conservative accounting yields sub-optimal results. Conservative accounting requires lower magnitude of verifiability to recognize losses whereas it requires very high degree of verifiability to recognize gains. The contractual view of positive accounting puts it in tension with value relevance studies in accounting. Positive accounting considers that accounting's primary role is to value the firm which indicates that positive accounting favors efficiency perspective which emphasizes how various managers choose accounting methods that show a true representation of the firm's performance (Basu, 2009; Shubhankar, 2015) (see fig 1).

This efficiency perspective of positive accounting can be explained alternatively through the opportunistic perspective which hold the view that managers, who are agents to the owners (shareholders, represented by the board of directors), act to their self-interests. They only adopt accounting policies that allow them to benefit and they think what is good for them is also good for the firms. In this regard, Watts and Zimmerman (1978) highlight three main hypotheses for PAT such as political cost, bonus plan, and debt hypothesis that reveal the motives of the managers in choosing one accounting method over another.

Shubhankar (2015) succinctly espoused these tenets of PAT in the light of the choice of accounting practices in corporate organizations as follows:

a) Bonus Scheme or Compensation Hypothesis

The management compensation hypothesis affirms that managers who have accounting incentives or their remuneration that is attached with the firm's accounting performance will tend to maneuver accounting method in a way which will reflect better accounting figures that they would be; in this regard, methods of depreciation, uncollectible allowance and research and development costs would be treated in a way which will incentivize the managers.

b) Debt-Equity Hypothesis

The debt-equity hypothesis states that managers will tend to cook the financial statements which show better profits as similar to the bonus plan with the anticipation of having a better performance and liquidity position which will exhibit better condition to pay the interest and principal of the debt owners.

c) Political Cost Hypothesis

The political cost hypothesis presumes that firms will tend to decorate their financial statements in a way which does not attract the attention of the politicians, policy makers so that no adverse or extra regulations in respect of tax or compliances are imposed. What are the other factors that motivate companies to change accounting methods? First and foremost, generalized answer to this question is managers have self-interest in how the financial

statements make the company look. They naturally wish to show their financial performance in the best light. A favorable profit picture can influence investors, and a strong liquidity position can influence creditors. Too favorable a profit picture, however, can provide union negotiators and government regulators with ammunition during bargaining talks. Hence, managers might have varying motives for reporting income numbers (Shubhankar, 2015).

Shubhankar (2015) affirmed that in addition to these fundamental tenets of PAT, studies have provided additional insights into why companies may prefer certain accounting methods over others and the reasons behind them are as follows:

1) Political Costs

As companies become larger and more politically visible, politicians and regulators devote more attention to them. The larger the firm, the more likely it is to become subject to regulation such as antitrust, and the more likely it is to be required to pay higher taxes. Therefore, companies that are politically visible may seek to report low income numbers, to avoid the scrutiny of regulators. In addition, other constituents, such as labor unions, may be less willing to ask for wage increases if reported income is low. Researchers have found that the larger the company, the more likely it is to adopt income-decreasing approaches in selecting accounting methods.

2). Capital Structure

A number of studies have indicated that the capital structure of the company can affect the selection of accounting methods. For example, a company with high debt to equity ratio is more likely to be constrained by debt covenants. The debt covenant may indicate that the company cannot pay dividends if retained earnings fall below a certain level. As a result, such a company is more likely to select accounting methods that will increase net income.

3). Bonus Payments

Studies have found that if compensation plans tie managers' bonus payments to income, management will select accounting methods that maximize their bonus payments.

4). Manage or Smooth Earnings

Substantial earnings increase attracts the attention of politicians, regulators and competitors. In addition, a large increase in income is difficult to achieve in following years. Further, executive compensation plans would use these higher numbers as a baseline and make it difficult for managers to earn bonuses in subsequent years. Conversely, investors and competitors might view large decreases in earnings as a signal that the company is in financial trouble. Also, substantial decreases in income raise concerns on the part of stockholders, lenders, and other interested parties about the competency of management. For all these reasons, companies have an incentive to "manage" or "smooth" earnings. In general, management tends to believe that a steady (say 10% for an example) growth per year is much better than a 30% growth one year and a 10% decline next year (Shubhankar, 2015).

Scott (2003) argued that firms accounting policies will be chosen as part of the broader problem of attaining efficient corporate governance which requires trading of cost of capital (debt and equity) and contracting costs (contracts with managers, suppliers, capital providers which results in costs such as negotiation, monitoring, bankruptcy). PAT, does not suggest that firms or standard setters should completely specify the accounting policies they use because this would be otherwise too costly. Hassan (2008) argued that profit after tax (PAT) helps to explain how a conflict of interest between managers, shareholders and debt holders influences the corporation's accounting practices.

Many disclosure studies examined disclosure practice in the light of PAT. Among PAT hypotheses, the political-cost hypothesis is the most widely used in disclosure literature. Political- costs theory is linked to disclosure practice in the sense that certain companies (e.g. large firms) attract the attention of the media, public and politicians. These firms have incentives to disclose more information voluntarily in order to manipulate their image and deflect unwanted attention (Linsley & Shrives, 2000; Abdulla, 2011).

2.1.5. Conceptual Framework of General Tenets of Positive Accounting Theories, Accounting Practice and Disclosure in Corporate Organizations in Nigeria

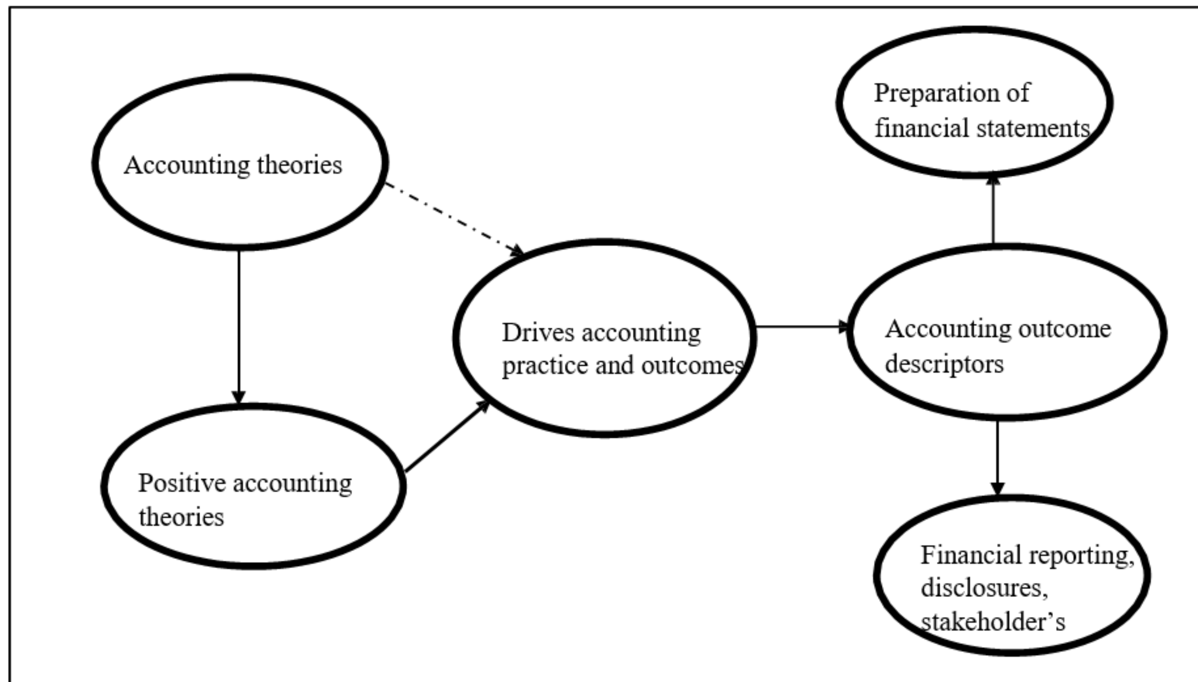

Fig 1. Authors' Conceptual Framework of General Tenets of Positive Accounting Theories, Accounting Practice and Disclosure in Corporate Organizations in Nigeria Model

2.2 Theoretical Framework

2.2.1 Stakeholder's Theory

According to Fredman (1994), stakeholder theory emphasizes that some individual or group are very important for the survival of the organization. This explanation is seen as organization oriented explanation, but in an earlier research freeman reported that stakeholder theory refers to any group or individual who can affect or who is likely to be affected by the achievement of the organization objective. The stakeholder in most organizations usually includes shareholders, employees, customers, lenders, suppliers, local charities, various interest group and government. Clarke (2004) reported that stakeholder's theory emphasizes that all stakeholders have right to be provided with relevant information about how the organization and this information could involve information about influence of pollution from the organization to the environment, information about community sponsorship, information on provision of employment, information on safety initiative provided by the organization etc. He also emphasized that this information should be provided to the stakeholders even though they do not affect the survival of the organization (Clarke, 2004).

2.2.2 Agency Theory

According to this theory when one party (the principal) delegates decision making powers to another party (the agent) under a contract, a principal – agent relationship arises (Jensen et.al 1976; Clarke, 2004). Jensen et.al (1979) defined the principal-agent relationship as a contract under which one or more persons (principals) engages another person (the agent) to perform some services on their behalf, which involves giving some decision making authority to the agent. While the intention of both parties in the agency relationship is to work towards the interest of the principal, information asymmetry and greed lure management into pursuing personal objectives instead of those of the principal. This conflict of interest or lack of goal congruence between management and the shareholders is described as the agency problem (Clarke, 2004).

A typical example of the principal–agent relationship is that between management and shareholders. The relationship arises when shareholders delegate the administration of an entity to management, thus making management the agent of the shareholders. In this kind of relationship, the expectation is that the agent (management) will pursue the shareholders' wealth maximization objective (Clarke, 2004). In the shareholder – management relationship the agency problem may take different forms, for example, management may pay themselves hefty remuneration packages, undertake risky investment projects or because of information asymmetry and greed, management may pursue personal objectives instead of those of the principal, or they may operate less profitably (Gitman, 2009).

Another example of the principal – agent relationship is that between shareholders (through management)

and lenders. Lenders entrust their money to shareholders, with the expectation that shareholders will honor the loan covenants agreed between the two parties. However, what may happen is that the shareholders, through management, may pay themselves excessive dividends or take on more loans contrary to the existing covenants with the lenders (Gitman, 2009).

The agency theory's concern to solving the agency problem has led to two somehow different but complementary versions of the theory; the positivist version and the principal – agent version. According to the positivist version of the agency theory, the agency problem can be solved by prescribing the appropriate governance mechanisms to limit the agent's opportunistic behavior. document that the proponents of the Positivist Theory are more concerned with describing the mechanisms that solve the agency problem than with the various forms that the agency relationship may take or the optimal governance mechanism to apply (Eisenhardt, 1989; Clarke, 2004).

Positivists propose two alternative approaches in solving the agency problem depending on the extent to which the principal is able to observe the behavior of the agent. When the behavior of the agent is not observable this version of the Agency Theory recommends an outcome type of contract. This is a contract in which the principal remunerates the agent on the basis of outcome Eisenhardt (1989) argued that such a contract will automatically realign the agent's goals to those of the principal. Remuneration in the form of share options is an example of this type of outcome- based contract. He remarked that alternatively, the principal can invest in information systems such as budgeting, and corporate disclosure that motivate the agent to align his goals with those of the principal.

The principal – agent version of the agency theory, on the other hand, is concerned with the general theory of agent-principal relationships as well as with the best approach to solving the agency problem. It is general in that it can be applied in different forms of the principal – agent relationships including the customer – supplier, bank – customer and employee – employer relationships, and not just with the owner – management relationship as with the Positivist version. Its approach to the agency problem involves determining the optimal contract between the principal and the agent depending on the extent to which the behavior of the agent is observable (Clarke, 2004; Eisenhardt, 1989). Thus, when the behavior of the agent is unobservable the principal – agent version of the agency theory proposes that the principal should either use an outcome based contract or invest in information systems such as budgeting and disclosure that assist the principal in knowing what the agent is doing. On the other hand, where the principal does know what the agent is doing, the principal should use a behavior-based contract to mitigate the agency problem (Clarke, 2004).

The two versions of the agency theory are complimentary in that they both prescribe investment in information systems as one of the solutions to the agency problem. From a financial reporting and accounting perspective, the agency theory explains and predicts accounting practice by citing the use of accounting practices to reduce information asymmetry, promote transparency and fight agency problems. Typical accounting rules and regulations that explain how the Agency Theory influences mandatory corporate disclosure include the disclosure of related party transactions, directors remuneration and auditor's remuneration (Clarke, 2004).

3.0 Methodology

This study adopted a survey research method, which is based on the distribution of questionnaire. A purposive technique was adopted to approach to achiever's investment limited, Ibadan where the study was conducted. A total of 16 questionnaires were distributed among accounts and financial analyst/experts in the company order to elicit data on the use of positive accounting theories in corporate accounting practice, financial reporting and disclosure. The study adopted a multiple linear regression to test the hypothesis of the study.

3.1 Model Specification

This model is based on the description of the relationship between the dependent and independent variables of this research work.

Y = f (X) --(i)

Where Y = dependent Variable – Accounting practice represented by information on the financial statement and disclosure.

X = Independent Variable is positive accounting theories represented

The multiple linear regression model for this study is defined as:

Y= β1 + β1X1 + β2X2 + e --- (ii)

Regression line equation: Info = β0 + β2 PstAhry + e

Where: β0 = Constant

InfonAp = Information on the financial statement and disclosure

PstAhry = Positive accounting theory

β1 and β2: Regression parameters. e = error term

4.0 Results

4.1 Test of Hypotheses

There is no significant relationship between positive accounting theory and accounting practice and disclosure in corporate organizations in Nigeria.

Table 4.1: Descriptive Model variables

Descriptive Statistics

Variables	Mean	Std. Deviatioonon	N
Positive accounting theory	1.8750	1. 02470	16
Use principles of positive accounting theory in accounting practices	1.7500	.57735	16
Use principles of positive accounting theory in disclosure	1.6875	.47871	16
Benefits of disclosure to overall organizational performance	1.7500	.44721	16
Recommendation for post qualification and registration trainings in emerging accounting theories and trends	1.6250	.50000	16

Source: Authors' Computation from SPSS output

Table 4.2: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846a	.816	.612	.63818

Source: Authors' Computation from SPSS output

a. Predictors: (Constant): Use principles of positive accounting theory in accounting practices, use principles of positive accounting theory in disclosure, benefits of disclosure to overall organizational performance, recommendation for post qualification and registration

Table 4.3:Anova Model

Anova Model

Model		Sum of quares	Df	Mean Square	F	Sig.
1	Regression	11.270	4	2.818	6.918	.005b
	Residual	4.480	11	.407		
	Total	15.750	15			

Source: Authors' Computation from SPSS output

a. Dependent Variable: Positive accounting theory

b. Predictors: (Constant): use principles of positive accounting theory in accounting practices, use principles of positive accounting theory in disclosure, benefits of disclosure to overall organizational performance, recommendation for post qualification and registration trainings in emerging accounting theories and trends.

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Table 4.4: Coefficient of the Model Dependent Variables

Coefficient of the Model

Model		Unstandardized Coefficient		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.320	.675		-.474	.045
	Use principles of positive accounting theory in accounting practices	.8 80	.542	-.496	1.625	.032
	Use principles of positive accounting theory in disclosure	1.680	.675	-.785	-2.487	.030
	Benefits of disclosure to overall organizational performance	2.120	.896	.925	2.367	.037
	Recommendation for post qualification and registration trainings in emerging accounting theories and trends	1.760	.599	.859	2.940	.013

Source: Authors' Computation from SPSS output

a. Dependent Variable: Principles of positive accounting theory.

4.2 Discussion of Findings

Table 4.1 (descriptive statistics) showed the mean and the standard deviation of the dependent and independent variables. The model summary, the R- squared (0.816) which is a coefficient of determination gives the proportion or percentage of the total variation in the dependent variable explained by the explanatory variables. This indicates that there is 81.6 per cent relationship between the predictors (independent variables) and predicted (dependent variable) i.e. 81.6 per cent of the variation has been accounted for and 18.6 per cent of the variation may be due to error or other variables which the model could account for.

From the table 4.4, the coefficient of the independent variable in the model are all significant which implies that there is a relationship between general tenets of positive accounting theory and accounting practice and financial disclosure in corporate organization. Moreover, the results of the analysis of variance (ANOVA) points to the fact that the more general tenets of positive accounting are enforced and applied in accounting practice, the more equip are corporate organization capability to make financial disclosure. If calculated F value in a test is larger than your F statistics, you can reject the null hypothesis. From the ANOVA table, the F value is (6.918) is larger than the F statistics (3.36) from the F table of the statistical table. From this, we reject the null hypothesis. All the independent variables are all significant i.e. significance level < 0.05. Conclusively we reject the null hypothesis and accept the alternative hypothesis that there is significant relationship between positive accounting theory and financial reporting and disclosure in corporate organizations.

The findings of this study are similar to the interpretation given by previous researchers who emphasized that both normative and positive theories have significant impact on accounting records of organization (Watts &

Zimmerman, 1978; Adeleke & Olukayode, 2018).

5.0 Summary and Conclusion

This study conclude that positive accounting theory has a positive significant relationship with accounting practice and disclosure of financial information in corporate organization, and this was confirmed by the F-value obtained from the analysis of variance table (ANOVA) is higher than the F statistics and all significant levels are lowered than the (0.05) level of significant stated for the study.

Based on the above, the following recommendations are suggested:

1). Quoted corporate organization should be consistent in the application of the tenets of positive accounting theory in general accounting practice (preparation of their records, since this study has established statistically that accounting theory has significant relationship with practice).

3). There is need to explore the principles of positive accounting theory in corporate organizations financial disclosure process as disclosure would position the organization for healthy and sustainable growth.

2.) Since theories drivers practice in every profession, corporate organization should as matter of priority encourage period trainings in emerging theories of accounting and trends, in order to be abreast with best practice in the profession.

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