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Value Relevance of IFRS Based Accounting Information: Nigerian Stockbrokers' Perception

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Abstract

Value relevance of accounting information is a well-researched market-based accounting research which calls for more empirical evidence into perception of information users at the stock market. This study examined perception of the Nigerian stockbrokers regarding value relevance of International Financial Reporting Standards (IFRSs)-based accounting information. Data used were drawn from 121 purposively selected stockbrokers at the Nigerian Stock Exchange using Likert scale survey questionnaire and based on exploratory paradigm. Relative importance index measure showed that earnings, net assets and cash flows from investment ranked first separately as critical variables while operating income, book value of equity and net cash flows at the year-end ranked least accounting data for each statement respectively. One way contingency Chi-square test revealed that sampled stockbrokers perceive IFRS disclosure demands present accounting information better than Nigerian Statement of Accounting Standards (SASs). Further tests using the stockbrokers' perception on value relevance of IFRS-based income statement, financial position and cash flows statements accounting information showed that all tested accounting data were statistically value relevant. The results imply that accounting disclosure demands/standards drive value relevance more under IFRS regime than under Nigerian SAS. Thus, beyond earnings and book value, according to Ohlson price model, value relevance of other accounting data should be explored while other users' perceptions should be investigated and compared in future studies.

Keywords: *Accounting information, IFRS, SAS, Stockbrokers, Value relevance.*

1. Introduction

Accounting information is expected to be prepared and disclosed with adequate cognisance of qualitative and up-to-date generally acceptable accounting standards. However, emergence and subsequent growing adoption of International Financial Reporting Standards (IFRS) by several corporate entities and capital markets as basis for corporate financial reporting is no longer fresh trend. This suggests that accounting information issued under this accounting standards perhaps possess more qualitative and informative features to its users over the one issued based on national or religion-based accounting standards.

Accounting figures conveyed to the public through periodic audited financial reports unveil fundamentals about corporate entities' financial performance and position among others. These accounting data provide basis for any economic decision that individuals (especially stockbrokers in line with the focus of this study) as well as other entities intend to make about the firm. Thus, relevance and/or faithful representation of the accounting data in terms of quality of basis on which accounting information is prepared becomes inviolable.

Value relevance concept is a market-based form of accounting research that seeks to unearth how much of changes in share value that could be explained by issued accounting information such as earnings, book value of equity etc. According to Barth, Beaver and Landsman (2001), value relevance test is one approach to operationalise stated criteria of relevance and reliability (or faithful representation) by the standards setters. This implies that value relevance study is of utmost importance to accounting standards setters. Etymology of value relevance has been well traced to Ball and Brown's (1968) seminar where they argued that newly released useful accounting information will affect efficient capital market (Desoky & Mousa, 2014; Okafor, Anderson & Warsame, 2016). That is, when publicly available accounting data are processed by its users, it results in change in share price of listed firms at the stock market. Meanwhile, this process was being spear headed through a folk of professionals otherwise called stockbrokers.

Extant studies have employed Ohlson (1995) price model invariantly such as Umoren and Enang (2015) and/or its modified form as used by Omokhudu and Ibadin (2015) including introduction of product terms in the model as in Clarkson, Hanna, Richardson and Thompson (2010). Other studies have employed Easton and Harris (2001) return model side-by-side Ohlson price model such as Alfaraih (2009) and Alade, Olweny and Oluouch (2017). Most of these studies obtained their findings based on secondary data source, using pooled or panel data. Further, Oyerinde (2011) made attempt to examine perception of institutional and individual investors about value relevance with a submission of no significant difference in their perceptions.

Apparently, investors at the stock market majorly rely on stockbrokers for guide on appropriate investment opportunity to make based on available information rather than to personally (investors) engage in the process. Farj, Jais and Isa (2016) observed this in Libya with a submission that investors depend mainly on stockbrokers-based information in their investment plans. However, above extant studies showed that perception of this users group (stockbrokers) regarding value relevance of IFRS-based accounting data over erstwhile local standard-based accounting information is ill-examined. This concern suggests a need for a study to examine perception of this users of the account figures in 'the market' (stockbrokers) about how well IFRS-based accounting data translate to change in share value especially after the adoption of the perceived more qualitative and informative accounting standards.

As a result, the objective of this study was to find out how well the accounting information issued based on Nigerian Statement of Accounting Standards could be more or less value relevant than IFRS-based accounting database on the sampled Nigerian stockbrokers' perception. Other specific goals are to examine whether IFRS disclosure requirements drive value relevance more; income, financial position and cash flows statements accounting information are more value relevant upon the adoption of IFRS based on the stockbrokers' perception.

2. Literature Review

2.1 IFRS Adoption and Nigerian Stock Market

Prior to the emergence of IFRS in April 2001, corporate financial reporting of many countries was based on country or regional generally acceptable accounting principles (standards). However, in order to ensure improved qualitative attribute of financial reports, IFRS and it's adoption became a requisite. It is also believed that the accounting standards would provide support for capital market efficiency and as a way of extenuating the effect of possible information asymmetry at the stock market (BoliBok, 2014; Kothari, 2000).

As at 2005, several countries of the world had adopted IFRS; especially in Europe and Asia. Nigeria as a sovereign nation followed suit in September 2010 when the federal government of Nigeria rolled out roadmap of convergence with IFRS (Edogbanya & Kamardin, 2014; OR&C, 2011). Subsequently, Nigerian Stock Exchange (NSE) regulator issued out a directive that all listed companies at the stock market should file their financial reports in compliance with IFRS with effect from January, 2012. This step was informed by perceived benefits associated with adopting IFRS which include global capital market integration and cross-border listing, improved foreign direct investment, high quality financial reports among others. Thus, stock market participants, especially stockbrokers are now expected to trade with IFRS-based accounting data.

Furthermore, there were obvious forms of similarities and differences between IFRS requirements and Nigerian erstwhile SASs. OR&C (2011) demonstrates a sound grasp of those similarities and dichotomy between the two accounting standards when it stressed that no (summarised) publication can totally showcase detail justice to many of their differences. This is because when the guidance is alike, there is conspicuous difference in the application capable of impounding material impact on financial statements. This is a fact coming from practice in this regard.

Regarding NSE, the market came to being as a product of Lagos Stock Exchange incorporated as limited liability company in September 1960 through indigenization decree of 1977 (Osaze, 2007; Olowe, Matthew & Fasina, 2011).The capital market was internationalised by the federal government of Nigeria in 1995 through abrogation of laws that restrained foreign investors from participating in the market. Also, the stock market emerged to create necessary facilities for corporate entities and government to raise funds for growth and development among others.

NSE operational performance reached an all-time All Share Index (ASI) of 43,031.83 points in July 2014 and one of the top performing exchanges globally in 2012 (Onyema, 2013). As the second largest financial centre in sub-Saharan Africa, NSE (2016) record as at December 31, 2015 shows total market capitalisation of ₦17.00trillion ($85.29billion) comprising equity and bonds markets, 184 listed companies with equities market capitalisation of ₦9.86trillion ($49.46billion), representing about 58% of the total market capitalisation.

Specifically, post-listing demands at the stock market require listed firms to ensure timely release of their information to the stock market. Whereas, financial report that is expected to be prepared and issued in accordance with generally acceptable accounting standards is one of the information. Confidence of users of accounting information is enhanced through adequate compliance with required standards by the listed firms. Undoubtedly, this act would translate to change in share value of listed firms as processed by users (in this case, stockbrokers).

2.2 Theoretical Background

2.2.1 Efficient Market Hypothesis (EMH)

Efficient market was first defined by Fama (1965) in his land-mark empirical analysis of stock market prices with a conclusion that they follow a random walk. The term was eventually described by Fama (1970) as a market in which prices always fully reflect available information. Specifically to security market, Scott (2009) puts efficient security market as the one where prices of security traded on that market at all times fully reflect all information that is publicly known about those securities. Although to Grossman (1976), efficient market price systems aggregate diverse information perfectly, Sewell (2011) argues adversely that the term 'fully' is a fastidious requirement suggesting that no real market could ever be efficient.

According to Adelegan (2004) and Oyerinde (2009), the central philosophy of efficient market theory is that markets respond quickly to new information as a pointer that capital markets are efficient.

Tsalavoutas (2009) stresses further that market efficiency is all about how information is absorbed and processed by market participants at the stock market. Since accounting information is vital to determining, at least, information efficiency of the security market, adoption of supposed (more) informative and qualitative accounting standard (IFRS) would be expected to enhance quality of accounting data issued under it. This postulation cannot be out rightly unfamiliar to users of accounting information at the stock market. That is, the attributes of different accounting standards which should be expected to impact accounting information differently cannot be strange to users of the accounting data especially stockbrokers in line with this study. As such, it is the proposition of this study that quality of IFRS-based accounting information should have improved informational efficiency of the stock as translated to firm's market value based on stockbrokers' perception, thereby providing theoretical basis for the main objective of this study.

2.3 Empirical Review

A number of studies on value relevance of accounting information have been conducted. For instance, Liu, Yao, Hu and Liu(2011) examined the impact of IFRS adoption on accounting quality of 870 Chinese listed firms between 2005 and 2008 using stock price at sixth month after fiscal year-end as dependent variable in line with Ohlson (1995) framework. The results showed that accounting quality improved with increased value relevance of accounting measures after IFRS adoption in tandem with Chalmers, Clinch and Godfrey (2011)who obtained incremental information content of earnings and book value of Australia-listed firms. In like manner, Okafor *et al.* (2016) investigated whether financial information issued under IFRS has incremental value relevance over accounting information issued under Canadian GAAP. Findings showed that accounting information disclosed under IFRS unveils higher price and returns value relevance than accounting information prepared under local GAAP unswervingly with Liu's *et al.* (2011) findings from China.

Gjerde *et al.* (2008) employed 145 restatements of accounting information from Norwegian GAAP to IFRS of firms listed on the Oslo Stock Exchange, Norway. The study unearthed distinctive finding on theoretically established incremental information content of the accounting data upon IFRS adoption against that of Liu *et al.* (2011), and Umoren and Enang (2015) with a finding indicating little evidence of increased value-relevance after adopting IFRS. By using 153 firms, and based on Ohlson price valuation model, Tsalavoutas, André and Evans (2012) investigated value relevance of combined book value and net income before IFRS adoption in Greece with a finding that indicated no significant change in the explanatory power of the variables between the two periods. The finding was in tandem with Karğın (2013) from Turkey who obtained that value relevance of income statement information decreased during IFRS period, suggesting a reduced value relevance under the perceived more qualitative accounting standards (i.e. IFRS). This implies that after IFRS adoption, there is no unanimous submission regarding value relevance using secondary data. Also, there is a need to expand value relevance conjecture under IFRS from accounting information users' perception.

Prior to IFRS adoption in Nigeria, Oyerinde (2011) had investigated value relevance of accounting data in the Nigerian stock market. Evidence from the primary data used showed that perceptions of institutional and individual investors about the value relevance of accounting information are not significantly different. This empirical finding does not only serve as impetus for sampling the opinion of stockbrokers in this study, but also because investors' economic decision that affect share values at the stock markets are mostly processed and executed through brokers' professional efforts and knowledge while investors might not be fairly accessible for data collection on the other hand.

Stockbrokers are group of professionals who deal in various forms of stocks at the stock market on behalf of their clients. They could also be regarded as external users of corporate financial reports for economic decision purpose. Their economic knowledge and decision based on publicly available accounting information about each firm inform the kind of investment decision they make about each firm which would have direct consequence on the firm value at the stock market. This is contingent on the fact that stock market participants desire high-quality accounting information to strengthen their confidence in the local or global stock markets (Nobes & Parker, 2008; Kothari, 2000).

Value relevance is one of the mostly used measures of accounting quality majorly examined through either Ohlson (1995) price valuation and/or Easton and Harris (1991) returns models. While Ohlson price model considers share prices as response variable in value relevance regression model, Harris and Easton adopts security returns. That is, Ohlson model presents firm value as a linear function of book value of equity and the present value of expected future abnormal earnings while Harris and Easton model relates change in security returns as a function of both current earnings level and change in earnings variables. These models depend majorly on secondary data such as earnings, book value of equity, and change in earnings etc which have been well considered in literature.

It is, however, not out of focus to direct empirical attention to investigating the opinion of users of the accounting information in the stock market concerning value relevance upon the adoption of perceived more qualitative accounting standards. This is due to the fact that this accounting information users group have explored and employed accounting information under the two regimes to make capital investment decision at the market. Thus, similarities and differences between the two different accounting standards-based accounting information as well as their informative natures could not be unfamiliar to the stockbrokers. As such, the main objective of this study is to explore perception of stockbrokers at the NSE regarding value relevance of IFRS-based accounting data over erstwhile Nigerian SASs or otherwise. This study, therefore, proposes the following statistical hypotheses. That is,

H_{01}: IFRS disclosure requirements do not present accounting information better than Nigerian SASs

H_{02}: NSE stockbrokers do not perceive IFRS-based income statement data more value- relevant than SAS-based accounting information

H_{03}: NSE stockbrokers do not perceive IFRS-based financial position statement data more value relevant than SAS-based accounting information

H_{04}: NSE stockbrokers do not perceive IFRS-based cash flows statement data more value- relevant than SAS-based accounting information

3. Methodology

Research methods employed for the study were based on quantitative philosophy and exploratory research design. Likert scale survey questionnaire was employed to elicit data from 121 purposively selected stockbrokers at the Nigerian stock exchange market. Validity of the instrument was enhanced through prior examination and comments from six purposively selected brokers and financial analysts consulted at their various brokerage firms around NSE in Lagos, Nigeria. Reliability test was also performed to unveil internal consistency of the scale employed using Cronbach's Alpha. The results as shown in Table 3.1 show Cronbach's Alpha value above 0.8 in each case suggesting very good internal consistency of the scale used which provided the basis for using items employed under each content of financial report. These findings are generally below 0.934 Cronbach Alpha reported by Oyerinde (2011), although this study conducted the reliability test based on items under each content of financial report used unlike Oyerinde (2011) whose reliability test was based on all the items pooled together.

Table 3.1: Reliability Statistics

	Cronbach's Alpha	**No of Items**
Income Statement Accounting Data	0.917	6
Statement of Financial Position Accounting Data	0.838	4
Cash flows Statement Accounting data	0.866	4

Source: Authors Computation, 2018

Both descriptive analysis and semi-parametric statistics were performed. The descriptive analysis involved the use of frequency, percentage and mean value including the use of Relative Importance Index (RII).

$$\boldsymbol{RII} = \frac{\sum fx}{\sum f} \times \frac{1}{k}$$

Where $\sum fx$ is the total weight given to each attribute by the respondent

$\sum f$ is the total number of respondents in the sample

K is the highest weight on the Likert scale here k = 4

One way contingency Chi-square statistic was employed to tests stated hypotheses while the result obtained informed the submission and recommendation of the study.

4. Results and Discussion

4.1 Data presentation: Descriptive Analysis

Table 4.1 presents frequency and percentage distribution of the sampled respondents' responses to various questionnaire items examined. The respondents' work experience results show that most of the stockbrokers (about 76%) already had over ten (10) years working experience. This is an indication that the respondents were knowledgeable professionals who have been in the business for at least five years before and after IFRS adoption in Nigeria. It also suggests that they should be able to understand how the two accounting standards would have influenced value relevance differently through the accounting information issued for their use in the market.

Table 4.1: Distribution of the Respondents Responses to the Questionnaire Items

S/N	Items	1-5 years	6-10 years	11-15 years	16-20 years	Above 20years	Total Freq(%)
A 1	Respondents Work Experience	9 (7%)	21 (17%)	37 (31%)	24 (20%)	30 (25%)	121 (100)
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
		1	2	3	4	5	
B 1	IFRS disclosure demands presents Accounting information better than that of SASs	0	3 (3%)	9 (7%)	51 (42%)	58 (48%)	121 (100)
		Strongly Irrelev.	Irrelev.	Moderately Relev	Relev	Strongly Relev.	
C 1	Turnover	0	3 (3%)	15 (12%)	60 (50%)	43 (35%)	
C 2	Operating Income (OI)	3 (3%)	6 (5%)	15 (12%)	54 (45%)	43 (35%)	
C 3	Net Operating Income (NOI)	0	6 (5%)	12 (10%)	63 (52%)	40 (33%)	
C 4	Profit After Tax (PAT)	3 (3%)	6 (5%)	6 (5%)	51 (42%)	55 (45%)	
C 5	Earnings per Share (EPS)	0	3 (3%)	12 (10%)	54 (45%)	52 (43%)	
C 6	Dividend per Share (DPS)	0	6 (5%)	12 (10%)	54 (45%)	49 (40%)	
D 1	Total Assets (TA)	0	0	6 (5%)	67 (55%)	48 (40%)	
D 2	Net Assets (NA)	0	0	3 (2%)	70 (58%)	48 (40%)	
D 3	Book Value of Equity (BE)	0	3 (2%)	15 (12%)	60 (50%)	43 (36%)	
D 4	Total Liability (TL)	0	0	18 (15%)	49 (40%)	54 (45%)	

E1	**Net Cash Flows from Operation (NCFO)**	0	0	12 (10%)	64 (53%)	45 (37%)
E2	**Net Cash Flows on Investment (NCFI)**	0	0	9 (7%)	67 (54%)	45 (37%)
E3	**Net Cash flows on Financing (NCFF)**	0	0	12 (10%)	70 (58%)	39 (32%)
E4	**Net Cash and Cash equivalent (NCFend)**	0	6 (5%)	9 (7%)	64 (53%)	42 (35%)

Source: Authors Computation, 2018.

Concerning item B1 which seeks to find out whether disclosure requirements under IFRS presents accounting information that is more value-relevant than the one issued under Nigerian SASs, about 48% and 42% (i.e. 58 and 51) of the respondents strongly agree and agree with this assertion respectively, leaving around 10% of them undecided or disagree. These results indicate that most of the respondents believe that IFRS adoption could lead to improved quality of accounting information issued under the accounting standards.

Furthermore, items C1 to C6 were drawn to obtain opinion of the brokers regarding value relevance of income statement items to them when valuing firms in the stock market after IFRS adoption. Over 50% of them perceive that all the six accounting data are value-relevant and strongly value-relevant under IFRS than under erstwhile SASs. Similar results were obtained regarding statement of financial position using items D1 – D4 and cash flows statement (items E1 – E4) accounting data. Nevertheless, certain number of the respondents is indifferent and disagrees with the proposition about value relevance of these data.

4.2 Relative Importance Index Statistics

Since descriptive statistics results generally showed that the stockbrokers agreed that all tested accounting data under IFRS were more value relevant at the stock market, it becomes necessary to unearth how the accounting figures under each of the three contents of financial statement are relatively important. According to Johnson and LeBreton (2004), relative importance seeks to uncover proportionate contribution of each parameter/predictor. The RII results are presented and concisely discussed under each of the following subsections.

4.2.1 RII of Income Statement Accounting Data

As presented in Table 4.2, earnings per share (EPS) is ranked as the most value-relevant income statement accounting data (RII = 0.08562) followed by profit after tax (RII = 0.8463) based on the respondents' perception while operating income (RII = 0.8116) coming as the least value-relevant among the examined items. This might be because earnings potential of a listed firm drives investors' investment decision about the firm, and more reason Ohlson (1995) model considers earnings as one of the explanatory factors of change in share values.

Table 4.2: RII Results of Income Statement Items

	Strongly Irrelev.	Irrelev.	Mod. Relev.	Relev.	Strongly Relev.					
	1	**2**	**3**	**4**	**5**	**∑F**	**∑FX**	**MEAN**	**RII**	**RANKING**
Turnover	0	3	15	60	43	121	506	4.1818	0.8364	4th
OI	3	6	15	54	43	121	491	4.0579	0.8116	6th
NOI	0	6	12	63	40	121	500	4.1322	0.8265	5th
PAT	3	6	6	51	55	121	512	4.2314	0.8463	2nd
EPS	0	3	12	54	52	121	518	4.2810	0.8562	1st
DPS	0	6	12	54	49	121	509	4.2066	0.8413	3rd

Source: Authors Computation, 2018.

4.2.2 RII of Financial Position Statement Accounting Data

Table 4.3 showcases RII results of value relevance of tested statement of financial position accounting information. Net assets (RII = 0.8744) was perceived by the respondents as the most relatively important statement of financial position that influences share value in the stock market followed by total assets (RII = 0.8694) while total liability (0.8364) coming as the least important. This finding confirms pragmatic disposition of shareholders regarding security of their investment in the entity in the event of liquidation. That is, investors tend to assess the value of an entity at the stock market mostly based on its book value of equity or net worth.

Table 4.3: RII Results of Statement of Financial Position Items

	Strongly Irrelev.	Irrelev.	Moderately Relev	Rel ev.	Strongly Relev.					
	1	2	3	4	5	∑F	∑FX	MEAN	RII	RANKING
TA	0	0	6	67	48	121	526	4.3471	0.8694	2nd
NA	0	0	3	70	48	121	529	4.3719	0.8744	1st
BVE	0	3	15	60	43	121	506	4.1818	0.8364	4th
TL	0	0	18	49	54	121	520	4.2975	0.8595	3rd

Source: Authors Computation, 2018.

4.2.2 RII of Cash Flows Statement Accounting Data

As touching cash flows statement accounting information items, the stockbrokers perceived that net cash flows from investing activities (RII = 0.8595) is the most important cash flows accounting data that drive share value at the NSE. This is marginally followed by net cash flows from operating activities (RII = 0.8546). Net cash and cash flows (RII = 0.8347) at the year-end ranked the least accounting data in this regard perhaps as a result of the fact that it is built up of cash from various business activities.

Table 4.4: RII Results of Cash Flows Statement Items

	Strongly Irrelev.	Irrelev.	Moderately Relev.	Relev.	Strongly Relev.					
	1	2	3	4	5	∑F	∑FX	MEAN	RII	RANKING
NCFO	0	0	12	64	45	121	517	4.2727	0.8546	2nd
NCFI	0	0	9	67	45	121	520	4.2975	0.8595	1st
NCFF	0	0	12	70	39	121	511	4.2231	0.8446	3rd
NCFend	0	6	9	64	42	121	505	4.1736	0.8347	4th

Source: Authors Computation, 2018.

4.3 Chi-square Test Results and Test of Hypotheses

In a bid to test perception of the stockbrokers regarding possible ability of IFRS disclosure demands to present accounting information issued under the standards better than Nigerian SASs hypothetically, first null hypothesis was framed.

H_{01}: IFRS disclosure requirements do not present accounting information better than Nigerian SASs

One way contingency chi-square test was performed. The result as presented in Table 4.5 based on the perception of the stockbrokers shows that IFRS disclosure requirements present accounting information better than that of Nigerian Accounting standards (SASs) since statistical significance was obtained as p-value less than 0.01.

Table 4.5: Chi-Square Test Summary of IFRS demands' Presenting Accounting Data Better

	Chi-Square	df	P-value.
IFRS disclosure demands presents Accounting information better than that of SASs	79.165[a]	3	0.000

Source: Authors Computation, 2018.

H_{02}:NSE stockbrokers do not perceive IFRS-based income statement data more value- relevant than SAS-based accounting information

Further, second proposition was made to find out whether the Nigerian stock market brokers perceive IFRS-based income statement accounting data more value-relevant than erstwhile Nigerian SAS-based accounting information. The test result based on one way contingency chi-square as shown in Table 4.6 revealed that all the tested accounting data were significant statistically (p-value < 0.01). This suggests that stockbrokers perceive all the accounting information as part of bases that drive their economic decision that could affect firm value in the stock market more under IFRS regime than it was under the erstwhile Nigerian SASs.

Table 4.6: Chi-Square Test Summary of Value Relevance of Income Statement Accounting Data

Items	χ^2	df	P-value	Status
Turnover	66.868[a]	3	0.000	Significant
Operating Income	87.058[b]	4	0.000	Significant
Net Operating Income	69.050[a]	3	0.000	Significant
Profit After Tax	114.826[b]	4	0.000	Significant
Earnings Per Share	69.843[a]	3	0.000	Significant
Dividend Per Share	60.719[a]	3	0.000	Significant

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.3.
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 24.2.

Source: Authors Computation, 2018.

H_{03}:NSE stockbrokers do not perceive IFRS-based financial position statement data more value-relevant than SAS-based accounting information

Null hypothesis three was constructed to test whether NSE stockbrokers do not perceive IFRS-based financial position statement data more value-relevant than SAS-based accounting information. Four accounting data were drawn and tested. All the four were statistically significant (p-value < 0.01) as indicated in Table 4.7, suggesting that stockbrokers perceive IFRS-based accounting data do not only contribute to change in share value at the stock market but demonstrate higher value relevance than accounting data issued under SASs.

Table 4.7: Chi-Square Test Summary of Value Relevance of Statement of Financial Position Accounting Data

Items	χ^2	df	P-value	Status
Total Assets	48.314[a]	2	0.000	Significant
Net Assets	57.835[a]	2	0.000	Significant
Book Value Equity	66.868[b]	3	0.000	Significant
Total Liability	18.860[a]	2	0.000	Significant

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 40.3.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.3.

Source: Authors Computation, 2018.

H_{04}:NSE stockbrokers do not perceive IFRS-based cash flows statement data more value- relevant than SAS-based accounting information

Hypothesis four seeks to observe whether NSE stockbrokers do not perceive IFRS-based cash flows statement data more value-relevant than SAS-based accounting information. Statistical evidence presented in Table 4.8, based on one way contingency chi-square result test on each of the four accounting data examined, showed that the proposition is statistically significant at 0.01 level. The results suggest that these IFRS based accounting information are more value-relevant than the one issued under Nigerian SASs.

Table 4.8: Chi-Square Test Summary of Value Relevance of Cash Flows Statement Accounting Data

Items	χ^2	df	P-value.	Status
Net Cash Flows from Operation	34.331[a]	2	0.000	Significant
Net Cash Flows on Investment	42.512[a]	2	0.000	Significant
Net Cash flows on Financing	41.769[a]	2	0.000	Significant
Net Cash and Cash equivalent	76.587[b]	3	0.000	Significant

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 40.3.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.3.

Source: Authors Computation, 2018.

Succinctly, the above statistical evidence-based on perception of Nigerian stockbrokers drawn through survey questionnaire showed that accounting information prepared and issued under IFRS disclosure demands are more value-relevant than the one issued under the former Nigerian GAAP (SASs) consistently with existing studies conducted using continuous variables such as Liu *et al.*,(2011), Okafor *et al.* (2016), and Chalmers *et al.* (2011) but at variance with Tsalavoutas, André and

Evans (2012) and Kargın (2013). Theoretically, the findings also suggest that IFRS-based accounting information improves informational efficiency of the market. This also implies that the market participants are more informed about the affairs of listed corporate entities through the IFRS-based accounting data issued compared to the one issued under the then Nigerian SASs.

5. Conclusion and Recommendation

Drawing from the findings of this study, it is clear that NSE stockbrokers do not only perceive that IFRS disclosure demands and its consequent accounting information are more value-relevant than the one issued under erstwhile Nigerian SASs, their perceptions are statistically significant. This is in tandem with efficient market theory that stock market prices respond spontaneously to available information (Fama; 1965, 1970; Scot; 2009; Oyerinde, 2009). It is, therefore, concluded that based on NSE stockbrokers' perception, IFRS-based accounting information is more value relevant than SASs-based accounting data. Consequently, the stock market informational efficiency in this regard is also expected to have improved thereby establishing relevance of EMH to value relevance concept. This implies that IFRS disclosure demands inform issuance of more informative accounting data that could strengthen stock market efficiency informatively compared to erstwhile Nigerian SASs.

It is, therefore, recommended that accounting standards setters should ensure issuance of more users-supportive IFRSs that could strengthen users' confidence about content of financial reports. Stock market regulators should also crusade improve compliance with IFRS disclosure demands to enhance results of economic decision of the users at the stock market. Although the submission of this perception-based value relevance study was meant to document opinions of the accounting information users, there is a need to expand the coverage of the respondent group(or users of accounting information) considered in this study in future investigation which is adduced as the limitation of this study.

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