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IFRS Adoptions on Entrepreneurship Entry and Entrepreneurship Exit: The Nigeria Experience From 2006-2017

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ABSTRACT

This study investigated pre and post IFRS adoption on entrepreneurship entry and entrepreneurship exit from 2006-2017 using stacked data from annual financial statement of quoted companies. Data for the study were obtained from secondary sources and analysed using graphical and table presentation on Eview9 statistical package. Data for the work were drawn from samples of 72 observations Nigeria stock exchange statistical Bulletins. The descriptive statistics revealed high benefits of the Post instead of the Pre IFRS adoption which favours entrepreneurship entry and elimination entrepreneurship exist. Therefore, overall the relevance of reporting method using IFRS is credible in short-run and long-run relationship between employed variables favours the Post IFRS adoption on entrepreneurial entry, while discouraging entrepreneurial exit. Thus, there are correlations between the variables to predict the future trend on entrepreneurship entry in the long-run and short-run. In conclusion, it can be notices that with the non-current asset, current asset, total asset performed well, most especially the profit after tax in the mean descriptive statistics on post IFRS adoption. It is therefore recommended that quoted enterprise should put in place a system that would allow the enterprise prto epare its detailed annual financial statements to boost sustainability in the entrepreneurship entry. This will enables the reduction of entrepreneurship existing on enterprise winding up and closure by practicing IFRS adoptions in macro and micro enterprises.

INTRODUCTION

It is new dawn to entrepreneurs is all sector of the global economy to adopt new trend of accounting reporting methods that would boost the income. The manner in which new companies spring up and wind up is so alarming. Something needs to be done to identify such bottlenecks and pitfalls that affect the growth and development of enterprise (Ovharhe & Chukwemeka, 2023; Ovharhe & Okolo, 2022). Entrepreneurs' always identify new opportunities and port folio metrics in the business world. The business world is surrounded with vital opportunities in the long-run and short-run. The problem entrepreneurs encountered is how to be optimistic about sustainability, survival and success of the new business, especially in the small and medium scales enterprises (SMEs) that spring up every second (Ovharhe, 2023).

This means the concept of entrepreneurship entry that focus on identification of business opportunities and satisfaction of customer needs should be paramount issues and concerns to all entrepreneurs. In the contrast, the entrepreneurship exit that focused on winding up and closure of enterprise should be deemed to be demised. This substantiate that the enterprise should be sustainable, survived and success in her operation for existence (Ovharhe, Woko & Ogolo, 2021). To enable swiftness and practical growth, development, extension and expansion of the enterprise entrepreneurship entry should be boost up, while entrepreneurship exit would be discouraged by mergers, reconstructions, hybrid acquisitions and diversification of port folios (Ovharhe & Igbokwe, 2021). On the other hand for sustainability purposes the entrepreneurship entry should adopt product development, market development, market extension and business rejuvenization (Ovharhe, 2023b; Rossi & Volpin, 2004).

One of the standard reporting methods that should be employing by the micro enterprise and macro enterprise by entrepreneurs is the International Financial Reporting Standards (IFRS) (Hussen, Sinan & Azher; 2023; Barth, Landsman & Lang, 2008).

International Financial Reporting Standards (IFRS) are body of prescriptive rules and guidelines with global reach and appeal which provide direction and guidance on how business enterprises in a globalized world could achieve the goal of proper record keeping, transparency, uniformity, comparability and enhancing public confidence in financial reporting (Abata, 2015).

Thus, failure on the part of the firm to apply the requirements of IFRS would result in inconsistencies, lack of accountability and transparency, distortion in financial reports, which in turn results into poor financial reporting practices and dissemination of accounting information that is of less value to any particular group of users (Agana, Zamore & Domeher, 2023; Samuel, 2014). IFRS represent a single set of high quality, globally accepted accounting standards that can enhance comparability of financial reporting across the globe. This increased comparability of financial information could result in better investment decisions and ensure a more optimal allocation of resources across the global economy (Abdul-Baki, Uthman & Sanni, 2014).

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The preparation and presentation of financial statements will be bereft of objectivity, reliability, credibility and comparability, and thus results in fraudulent business practices which subsequently lead to business failure and become devastating on the national economy (Saunders & Lewis, 2012).

Empirically, mixed findings have been discovered among several studies that investigated the relationship between IFRS adoption and firms' performance at both international and local level. Notable among these studies include Adzor and Patricial (2014) who found that IFRS adoption has partially improved firms performance, while Mcconnell (2012) discovered IFRS adoption has not improved firms' performance.

The increase in the growth of international business, and financial transactions across borders call for IFRS adoption for the following reasons: promotion of uniformity and transparency of reporting; harmonisation of standards for the purpose of consistency and comparability of annual reports leading to a boost in the investment potential of countries (Bodhanwala & Shernaz, 2016). Nigeria adopted International Financial Reporting Standards (IFRS) in September, 2010 but the process commenced with companies listed on the Nigerian stock exchange for financial years commencing January 1, 2012. Other significant interest companies adopted IFRS in January 2013 while Small and Medium-sized Entities (SMEs) equally adopted it in January 2014.The adoption was organized such that all stakeholders use IFRS by January, 2014. This was done to ensure agreement in financial reporting practices between countries. It is also to enable government to show financial statements from various sources supported by IFRS as similar (Adetula, Nwobu & Owolabi, 2014). The IFRSs are standards set by the International Accounting Standards Board (IASB) responsible for overseeing the convergence of accounting standards and high quality financial statements worldwide. Before the emergence of IFRS, many countries used local standards issued by their accounting bodies (Okpala, 2012). GAB (2012) opined that financial statements' preparation in line with IFRS enhanced the transparency of stewardship reporting and thus improved the investment ability of countries affected. This means that IFRS adoption will give stakeholders more assurance in the financial statements since they are in line with the international standards (Agana, Zori & Alon, 2023). Foreign direct investment therefore emerges due to the elimination of hindrances across country borders and improved trade between countries (Adetula, Nwobu & Owolabi, 2014).

In this vein, the study coin its point of departure from Zakari (2006) with intends to bridge the gap in the pre and post of IFRS adoption on entrepreneurship entry and entrepreneurship exist on basis of value relevance reporting method in Nigeria quoted firms from 2006 to 2017.

Aim and Objectives of the Study

The aim of this empirically study focused on the pre and post of IFRS adoption and value relevance for accounting information in Nigeria quoted companies'. The specific objectives are to:

1. Find out the impact of non-current asset on profit after tax of the pre and post of IFRS in Nigeria quoted companies.
2. Investigates the impact of current asset on profit after tax of the pre and post of IFRS in Nigeria quoted companies.
3. Ascertain the impact of total asset on profit after tax of the pre and post of IFRS in Nigeria quoted companies.
4. Determine the impact of equity on profit after tax of the pre and post of IFRS in Nigeria quoted companies.

Theoretical Framework

Pure Impression Management Model Theory

PIMM theory of accounting propounded by Keppler in 1995, as coined by Richard, Udie, Udama, Effiong & Agim (2018). The theory states that accountability serves as a linkage construct by continually reminding people of the need to:

1. Act in accordance with the prevailing form and content of financial reporting.
2. Advance compelling, justification/excuses for conduct that deviate from the form and content of financial reporting. In the real sense, financial reporting cannot be accepted by general public or would be investors if certain guidelines/standards that are generally expected are not followed and observed. This theory on the other hand, recognizes that uniformity and observance of relevant standards are meant for the smooth functioning of the public companies.

Appling the PIMM Theory

This theory is relevant to this study in that it focuses on behavioural aspect of accounting on the basis of entrepreneurship entry and entrepreneurship exit. Accountability is the missing link in the seemingly perpetual level of analysis controversy, the connection between individual decision makers and the collectives within which they live and work. The concept accountability serves as a linkage construct by continually reminding people of the need to:

a. Act in accordance with the prevailing norms.

b. Advance compelling justifications or excuses for conducts that deviates from those norms.

The PIMM recognizes that a large measure of trust and self-accountability is necessary for the smooth functioning of institutions. Therefore, if PIMM of accountability is properly utilized by the management of companies or institutions in Nigeria, it will fetch a good result on public accountability (Saunders & Lewis, 2012).

Conceptual Framework

IFRS is an International Financial Reporting Standard issued by the International Accounting Standards Board

(IASB), an independent organization registered in the United States of America (USA) but based in London, United Kingdom. IASB pronounces financial reporting standards that ideally would apply equally to financial reporting by public interest entities worldwide. Between 1973 and 2000, international standards were issued by the IASB's predecessor organization, the International Accounting Standards Committee (IASC), a body established in 1973 by the professional accountancy bodies in Australia, Canada, France, Germany, Japan, Mexico, Netherlands, United Kingdom and Ireland, and the U.S. During that period, the IASC's pronouncements were described as International Accounting Standards (IAS). Since April 2001, this rulemaking function has been taken over by a newly constituted IASB. The IASB describes its pronouncements under the label "International Financial Reporting Standards", though it continues to recognize the IAS issued by the defunct IASC (Deloitte, 2012).The adoption of IFRS in over 120 countries is an issue of global relevance among various countries of the world due to quest for uniformity, reliability and comparability of financial statements of companies. The benefit of adopting a standardized set of financials is to benchmark company performance against their peers, to allow global investors to compare firms globally (IASB, 2015).

Nigeria has joined the League of Nations reporting IFRS. With the adoption of IFRS in Nigeria, a lot stands to be gained from the seemingly distressed global economy (Michael, 2013). With successful implementation of IFRS, Nigeria will benefit economically by receiving a boost on foreign direct investments (FDIs) and increasing investors' confidence when investors are uncertain about the information available to them (Nneka & Rotimi, 2012). By providing reliable and internationally comparable financial information, IFRSs are a very important fundamental of global market economy. The Federal Government of Nigeria formally announced its adoption and launched the roadmap for its implementation on 2nd September 2010 (Oyetayo, Arogundade, Adebisi & Oluwakayode, 2011). The approval was seen as a milestone for Nigeria as it becomes a member state among those countries that have adopted IFRS (Olugbenga, Oluwafemi & Akanfe, 2016). The roadmap for implementation mandates listed and significant public interest entities to prepare their financial statements using applicable IFRSs by December 31, 2012. At a seminar organized by Financial Reporting Council (FRC) formerly known as the 'Nigerian Accounting Standards Board', the former Minister of Trade and Commerce Martins-Kuye noted that the decision by government to adopt the global standards was due to its immense benefits, adding that apart from assurance of useful and meaningful decision on investment portfolio in the country, there would also be attraction of Foreign Investments (Mironiue, Crap & Chersan, 2015). He noted that convergence would also create easier access to external capital; reduction in the cost of doing business across borders by eliminating the need for supplementary information from Nigerian companies; easier regulation of financial information in the country, and also enhance knowledge of global financial reporting standards by tertiary institutions, amongst others (Financial Reporting Council, 2012).

The proponents of IFRS are of the view that its benefits exceed the cost of compliance and that international accounting standards are superior to domestic standards (IFRS, 2023; IASB, 2015). This entails that with better accounting standards and greater transparency, investors would be more confident of the financial information available (Liu, Yao, Hu & Liu, 2011) and would have greater confidence in investing in equity markets. Higher quality of financial reporting will lead more investors and thus reduce the firm's cost of capital (Emeni, 2014; Deloitte, 2012; Madawaki, 2012).

There are significant differences between the Nigeria GAAP and IFRS, this involves a huge cost of transition and will change many accounting practices in the areas of revenue recognition, inventory valuations, current and non-current classification of assets, fixed assets accounting, business combination, etc (Okpala, 2012). With the adoption and implementation of IFRS in Nigeria, the following principles will have to be followed; recognize and derecognize all assets and liabilities as required by IFRS; classify all assets and liabilities in accordance with IFRS; and measure all assets and liabilities in accordance with IFRS (Sloan, 2001). All these requirements would involve a huge cost, and unless the benefits exceed the cost, IFRS adoption will not be meaningful (Okafor & Ogiedu, 2011).

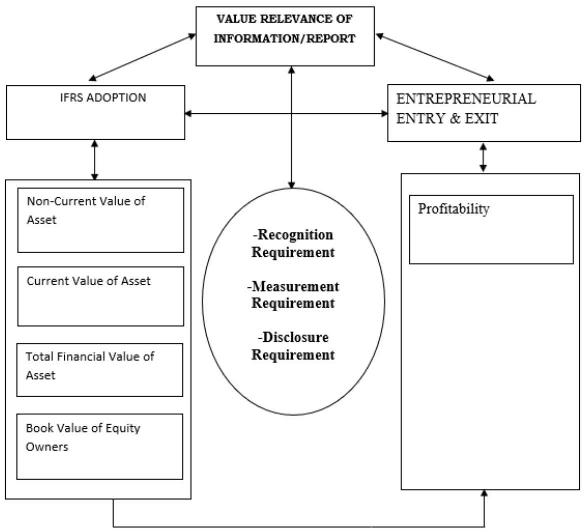

Figure 1: The Conceptual Framework on the IFRS Adoption on Entrepreneurship Entry and Entrepreneurship Exit
Source: Researcher Conceptualization, 2023

Challenges that Necessitate IFRS Adoption in Nigeria

Thus, GAAPs are significantly wearing out and becoming obsolete therefore making financial reports difficult to be compared with financial statements of other jurisdiction. Nigeria in adopting IFRS. The reasons for this include:

* Difficulties in comparing financial statements globally (Pius, Jane & Raymond, 2014).
* Difficulties in consolidating financial statement of a group companies.
* High cost of preparing and presenting group financial statements.
* High cost of accessing capital in the foreign capital market
* Inability of the users of financial statements to comprehend very well, the information in
* Multinational company's financial reports.
* Unattractive and Uncompetitive capital market because of lack of quality financial
* Information due to poor local standards in reporting financial statement (Emeni, 2014).
* Impact of IFRS Adoption on Accountability of Nigerian Organisations (Scott, 2000, Okpala, 2012).

Benefits of Adopting IFRS

According to the Report of the Committee on Road Map to the Adoption of IFRS in Nigeria 2011, the benefits of IFRS adoption are numerous. In general, it offers organisations opportunity for a fresh look at their processes and policies. It also gives room for one basis of accounting (simplify local statutory reporting, cross-border transactions, strengthening of controls and efficiencies in future reporting). Furthermore, it may lead to standardization of practices across countries (that is, consistency of global accounting policies and procedures, shared service center deployment and streamlined merger and acquisition activities) (Stainbank & Peebles, 2006). Finally, it can lead to improved comparability across borders and within global industries, with worldwide peers and competitors (Soderstrom & Sun, 2007).
A more specific consideration may reveal individual benefits as hereunder:

International Investors

Ability to make useful and meaningful comparisons of investments portfolios in different countries.

Multi-national Companies

Easy consolidation of financial statements; Better management control; as harmonisation would aid internal communication of financial information; and Easier to comply with the reporting requirements of overseas stock exchanges.
Promotion of trade within the region through common accounting practices; and Ability to compile meaningful data on the performance of various enterprises within the region. Governments and National standard setting bodies: Assist governments in attracting international investors as adoption of IFRS enables international investors easy monitoring of overseas investments.

Challenges to IFRS Implementation

The implementation of IFRS provokes a plethora of development issues and challenges. The leading candidates can be compactly summarized under three categories, namely: bounded rationality challenges, process challenges, and technical challenges (Tanko, 2012). Bounded rationality Challenges: These are mainly deposited in the firm s staff and involve their capacity to take on idiosyncratic skills and competencies required by IFRS. Technical capacity is a basic requirement for effective implementation of IFRS. Countries that implement IFRS face a variety of capacity-related issues, depending on the approach they take. One major challenge encountered in the implementation process is the shortage of skilled accountants and auditors who are technically competent in implementing IFRS and ISAs (Okpala, 2012; Scott, 2000).
Where the firm's human resources are limited in knowledge, skill, foresight and time, these will have implications for the achievement of human purpose and for economic organization of IFRS. In this regard, inadequate internal staff, poor resource deployment, change management issues, inadequate training, inadequate top management and board support, and poor incentive structure, are bounded rationality challenges inherent in human behavior (Juxtapose these with uncertainty and complexity of business, bounds on rationality become further stretched (Ovharhe, Woko & Ezeocha, 2021).
Process challenges: are usually resident in the nature of enterprise and business performance Chibuike and Ovharhe, 2022; Chibuike, Ovharhe & Abada, 2022). IFRS implementation in an environment of poor business performance is bound to be prolonged or fail totally.
Technical challenges: are related to both bounded rationality and process management. Transactional disabilities are implicit in the presence of scarce resources, poor skills functionality and poor application management. Process and technical impediments also resonate with the intricacies of IFRS technical accounting standards, the overlap of local and international regulatory considerations, the required conversion across business units and countries (Ovharhe, Ahunanya, Woko, 2022), and the level of information technology (IT) infrastructure required in the organization and the dearth of IT professionals with IFRS technical knowledge Impact of IFRS Adoption on Accountability of Nigerian Organisations who can interpret and translate IFRS into IT changes. An organization that lacks men of resource will invariably lack the ability to deal resourcefully with unusual problems (Ahunanya, Ovharhe., Emenike, & Otto, 2022b). A proper implementation plan should begin with an evaluation of the firm internal organizational strengths, skills and weaknesses in terms of availability and capacity of human resources (Ovharhe, Woko & Ogolo, 2021; Doanh, 2022).
IFRS implementation introduces complexity into the accounting environment and the firm may be required to progressively improve its internal controls as a first step. A seamless transition to IFRS platform must overcome these challenges. Both government and many Nigerian

companies underestimate the level of technical expertise required to transit to IFRS (Oleh, Mykola, Fuli & Yulia, 2021). IFRS requires idiosyncratic skills, and these are in short supply.

Because it demands basic understanding of accounting, a successful implementation requires a lot of training and re-orientation for all professional accountants in Nigeria. IFRS is complex and requires huge resources in both finance and time respects for intensive skills training and acquisition, and to recalibrate organizational systems and processes (Ahunanya, Ovharhe, Emenike & Otto, 2022a). Given the country's acute infrastructure deficits, the transition challenge is certainly beyond what many enterprise bargained for, which explains why most of them are finding implementation very daunting and arduous (Ovharhe, 2022b).

METHODOLOGY

The study adopted descriptive study and correlation design. The descriptive study is based on quantitative analysis in order to achieve the desired research objectives. The researcher utilizes secondary data from the published annual reports and accounts of Nigeria Banks, Insurance and Oil and Gas listed companies in the Nigeria`stock enhance. This method is consistent with other research in the literature. The use of secondary data is justified by the fact that written or printed document are more accurate and reliable in ascertaining compliance to principles in research work than primary data gathered through personal interview or questionnaire administration.

Thus, this study will be base on time horizon with longitudinal design because it is structure on the stochastic models and pool empirical data from the balance sheet and value added statement of companies.

The sample frame of this study entails the selected period of the pool data in form of staked and empirical data. This period is slated from 2006-2017 with data generated from the six selected firms annual balance sheet and value added statement. The companies covered in this study have financial statements using IFRS for the periods between 2006 and 2017. However, for comparisons, the periods between 2006 and 2017 in which the companies' annual reports were prepared using Nigeria GAAP would be used to test for the significance level of PAT, Non-current asset, Current Asset/total asset, equity using financial statement prepared with Nigeria GAAP and IFRS.

The population of this study comprises of all the listed companies in the Oil and Gas sector, deposit money banks and insurance companies of Nigeria that are quoted firms with the Nigeria Stock Exchange. The study targeted population is generated from corporate quoted companies listed and included in the Nigeria Stock Exchange as per December 31st 2017. Non-probability sampling method in form of availability sampling technique was used in selecting the listed quoted companies as only companies that meet the criteria of being listed on the Nigeria Stock Exchange since or before the year 2000 up to the period covering this study and having information on the variables captured in this research were included. A reasonable size of the population of firms' space was randomly selected for the study using purposive sampling techniques. This includes; Mobil Plc and Forte Oil Plc. Also, two deposit money banks were selected such as First Bank and UBA.

Additionally, two insurance companies were chosen such as IIACO and Corner Stone Insurance. Two periods- pre and post IFRS adoption was studied. IFRS in Nigeria was adopted in 2012 financial year by the listed companies in preparing their accounts. However, before the adoption, Nigeria GAAP (SAS) was in used. This study covers 12years financial statements using Nigeria GAAP from 2006–2011, and 6years financial statements using IFRS from 2012 – 2017. The six years each represents a sufficient time period to factor in seasonality and full reporting cycles.

Model Specification

The Multiple Regression Model is appropriate for our analysis because all the variables in this study are measured in ordinal scale.

Where; Profit after tax (PAT), Equity (EQT), Current asset (CRT), Total asset (TTA) and Non-current asset (NCA)

Thus, $PAT_t = f(EQT_t, CRT_t, TTA_t, NCA_t)$…………(1)

-Linear Equation

$PAT_t = a_o + a_1(EQT_t) + a_2(CRT_t) + a_3(TTA_t) + a_4(NCA_t) + U_t$…..equ(2)

-Log Linear Equation

$\log PAT_t = \log a_o + a_1\log(EQT_t) + a_2\log(CRT_t) + a_3(TTA_t) + a_4\log(NCA_t) + U_t$…equ(3)

The dimension of the predictor variable being used in the study is equity, current asset, total asset and Non-current asset, whereas the determinant of the criterion variable is based on the profit after tax.

The subscript t represents the time period whereas Logn indicates natural log - the parameters to be estimated and ut is an error term. The variables are transformed into logarithmic form to minimize the scale effect of numbers.

RESULTS AND DISCUSSIONS

This chapter proceeds to the presentation of data, analysis, as well as interpretation of results in light of the statistical method which has been adopted for the investigation so as to evaluate the interrelationship between Profit after tax (PAT), Current asset (CRT), Total asset (TTA), Non-current asset (NCA) and Equity (EQT) in Nigeria Over the period of 2006 to 2017.

The test of relevant research hypotheses is also carried out trying to give answers to the research questions. Using tools such as the descriptive statistics utilizing charts and graphs, the ordinary least square regression estimate, the co-integration estimation, the error correction model and the granger causality test.

Presentation of Data

Table 1: Profit After Tax (PAT), Current Asset (CRT), Total Asset (TTA), Current Asset (CRT) and Equity (EQT) in Nigeria Over the Period of 2006 to 2017.

Pre IFRS Stacked Data from 2006-2011					
	PAT	**NCA**	**CRT**	**TTA**	**EQT**
AIICO – 06	483.000	2266	6438	8704	5870
AIICO – 07	304.000	8446	4523	12969	6311
AIICO – 08	400.000	9376	10937	20313	11705
AIICO – 09	231.000	14399	7681	22080	11088
AIICO – 10	269.000	9187	16182	25369	11193
AIICO – 11	116.000	8442	20113	28555	9945
CORNER – 06	432.0¬00	92	5593	5685	3720
CORNER – 07	324.000	121	8699	8820	6733
CORNER – 08	419.000	91	8333	8424	5894
CORNER – 09	443.000	204	9020	9224	5876
CORNER – 10	399.000	405	9809	10214	6094
CORNER – 11	167.000	2146	8537	10683	5586
FIRST – 06	17383.000	17	6746	6763	59
FIRST – 07	36679.000	29	1136	1165	77
FIRST – 08	12560.000	38	1629	1667	340
FIRST – 09	3622.000	46	1726	1772	317
FIRST – 10	29177.000	53	1909	1962	340
FIRST – 11	44814.000	55	2409	2464	270
UBA – 06	11468.000	33	851	884	48
UBA – 07	19831.000	48	1054	1102	164
UBA – 08	40002.000	56	1464	1520	188
UBA – 09	12889.000	63	1338	1401	188
UBA – 10	2167.000	56	1377	1433	179
UBA – 11	7966.000	44	1611	1655	170
FORTE – 06	2161.000	8760	1972	10732	394
FORTE – 07	2161.000	9346	224	9570	394
FORTE – 08	5005.000	10291	172	10463	394
FORTE – 09	9484.000	10702	59	10761	489
FORTE – 10	2743.000	7948	447	8395	489
FORTE – 11	2654.000	9436	1386	10822	489
MOBIL – 06	1.716	7135	-2211	4924	120
MOBIL – 07	1.130	8698	-1330	7368	120
MOBIL – 08	2393.000	10092	-2568	7524	150
MOBIL – 09	1968.000	11669	-2157	9512	150
MOBIL – 10	2662.000	13875	-2245	11630	150
MOBIL – 11	2377.000	15655	2830	18485	150
Post IFRS Stacked Data from 2012-2017					
	PAT	**NCA**	**CRT**	**TTA**	**EQT**
AIICO – 12	1247	21900	12595	34868	11590
AIICO – 13	930	30982	10832	41719	10642
AIICO – 14	2131	11273	46584	57857	11635
AIICO – 15	966	7878	71507	79385	9445
AIICO – 16	9682	8148	65765	73913	7933
AIICO - 17	1471	10322	66279	87023	10322

CORNER - 12	433	2932	8876	11808	6020
CORNER - 13	932	3715	10247	13962	6966
CORNER - 14	1282	3426	11469	14895	8157
CORNER - 15	535	3688	14231	17919	10142
CORNER - 16	1889	2557	15811	18368	8309
CORNER - 17	2577	3562	17242	20804	6196
FIRST - 12	819	75000	3151	3226	402
FIRST - 13	70631	81000	3788	3869	308
FIRST - 14	5683	89000	4255	4344	278
FIRST - 15	2180	88000	4078	4166	277
FIRST - 16	7507	88000	4649	4737	260
FIRST - 17	9275	88000	3545	3633	269
UBA - 12	51477	63000	1870	1933	220
UBA - 13	46601	68000	2149	2217	260
UBA - 14	47907	81000	2258	2339	282
UBA - 15	59654	80000	2136	2216	338
UBA - 16	72264	80000	2460	2540	291
UBA - 17	58106	85000	1863	1953	402
FORTE - 12	654	17029	20435	37464	539
FORTE - 13	4583	22113	43203	65316	539
FORTE - 14	4456	23300	70378	93678	546
FORTE - 15	4866	22847	42893	65740	546
FORTE - 16	3637	22171	51288	73459	655
FORTE - 17	539	21481	44480	65941	555
MOBIL - 12	2878	6924	14307	21231	180
MOBIL - 13	3480	7112	19236	26348	180
MOBIL - 14	6392	7287	25598	32885	180
MOBIL - 15	4872	7613	32169	39782	180
MOBIL - 16	8154	7937	34943	42880	180
MOBIL - 17	7518	8780	39920	48700	180

Source: Annual Financial Reports and Nigeria Stock Exchange statistical Bulletin (2017)

Descriptive Statistics (Diagnostic Results)

To access underlying trend amongst employed data, the study employs the Descriptive statistics as a form of Univariate Analysis.

Mean: The total asset had the highest mean value of pre IFRS (8750.389) and non-current asset (34749.36) post

Table 2: Results of Descriptive Statistics

Pre IFRS Residual Diagnostic Result from 2006-2011					
	PAT	**NCA**	**CRT**	**TTA**	**EQT**
Mean	7670.996	4981.111	3769.278	8750.389	2662.333
Median	2272.000	2206.000	1677.500	8564.000	367.0000
Maximum	44814.00	15655.00	20113.00	28555.00	11705.00
Minimum	1.130000	17.00000	-2568.000	884.0000	48.00000
Std. Dev.	12049.34	5285.932	5158.845	7025.229	3786.854
Skewness	1.910466	0.400275	1.283203	1.093650	1.218709
Kurtosis	5.576011	1.648086	4.517305	3.854894	3.095301
Jarque-Bera	31.85304	3.702831	13.33299	8.272688	8.925135
Probability	0.000000	0.157015	0.001273	0.015981	0.011533
Sum	276155.8	179320.0	135694.0	315014.0	95844.00

Sum Sq. Dev.	5.08E+09	9.78E+08	9.31E+08	1.73E+09	5.02E+08
Observations	36	36	36	36	36
Post IFRS Residual Diagnostic Result from 2012-2017					
	PAT	**NCA**	**CRT**	**TTA**	**EQT**
Mean	14116.89	34749.36	22958.06	31197.72	3205.667
Median	4046.500	21690.50	14269.00	21017.50	470.5000
Maximum	72264.00	89000.00	71507.00	93678.00	11635.00
Minimum	433.0000	2557.000	1863.000	1933.000	180.0000
Std. Dev.	22470.05	33832.52	22202.68	28739.22	4264.466
Skewness	1.635127	0.641705	0.908879	0.663388	0.906724
Kurtosis	3.982643	1.620350	2.558227	2.138932	2.063225
Jarque-Bera	17.49023	5.325861	5.249111	3.752660	6.249211
Probability	0.000159	0.069744	0.072472	0.153151	0.043954
Sum	508208.0	1250977.	826490.0	1123118.	115404.0
Sum Sq. Dev.	1.77E+10	4.01E+10	1.73E+10	2.89E+10	6.36E+08
Observations	36	36	36	36	36

Source: E-view 9 Output (Authors Computation)

IFRS in long term while the value of current asset was highest with a value of 2068664.
Median: The median value for pre IFRS on toal asset was 8564.000, non current asset was 21690.50being the highest among the five variables under consideration. Standard Deviation: Standard deviation which is a measure of risk (error) showed that the current asset has more estimation error with an SD of post IFRS was 33832.52 with NCA, while profit after tax has the highest for pre IFRS error of 12049.34.

Normality Test (Residual Diagnostics)
Since normal data is an underlying assumption in parametric test such as the one carried out in this study utilizing the Jarque-Bera normality test.

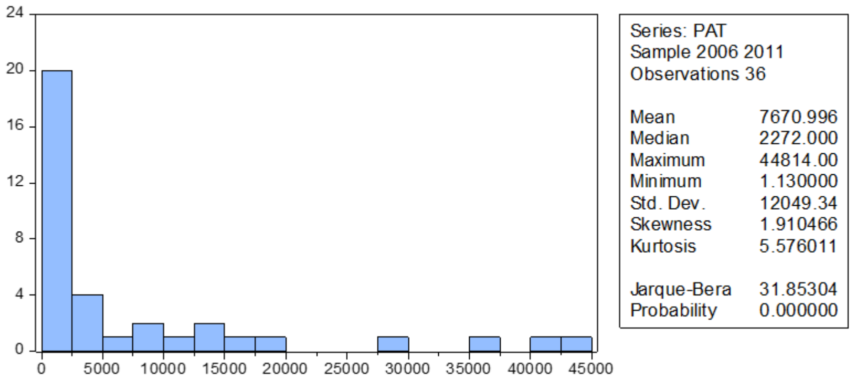

Figure 2: Pre IFRS Normality Test Output (Jarque-Bera)

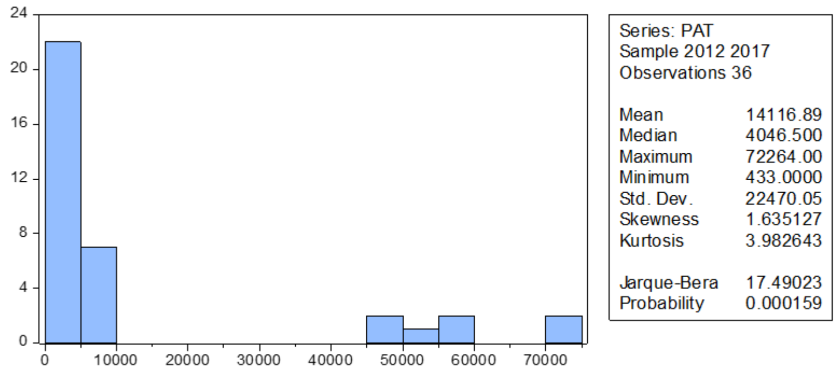

Figure 3: Post IFRS Normality Test
Source: E-view 9 Output (Authors Computation)

Post IFRS Normality Test

The Jarque-Bera (JB) test statistic was used to determine whether or macro-economic variables follow the normal probability distribution.

The JB test of normality is a large-sample or asymptotic test that computes kurtosis and the skewness measures and uses the following test statistic: Where n = sample size, S = skewness coefficient, and K = kurtosis coefficient. For a normally distributed variable, S = 0 and K = 3. Therefore, the JB test of normality is a test of the joint hypothesis that S and K are 0 and 3 respectively. All the variables are normally distributed since the p-value is pre IFRS is 0.0000, while Post IFRS is 0.000159 whose skewness coefficient is close to zero (1.635127/1.910446) and kurtosis coefficient of 3.982643/5.576011.

This indicates that the pre-IFRS are well distributed that the post IFRS, thus both are normally distributed.

Correlogram Test

In the analysis of data, a correlogram is an image of correlation statistics. For example, in time series analysis, a correlogram, also known as an autocorrelation plot, is a plot of the sample autocorrelations versus (the time lags). The correlogram is a commonly used tool for checking randomness in a data set. This randomness is ascertained by computing autocorrelations for data values at varying time lags. If random, such autocorrelations should be near zero for any and all time-lag separations. If non-random, then one or more of the autocorrelations will be significantly non-zero. In addition, correlograms are used in the model identification stage for Box–Jenkins autoregressive moving average time series models. Autocorrelations should be near-zero for randomness; if the analyst does not check for randomness, then the validity of many of the statistical conclusions becomes suspect. The correlogram is an excellent way of checking for such randomness.

The correlogram shows that there exist non-randomness in Post IFRS data set, but little Pre IFRS white noise of randomness in the data set. This randomness ascertained non presence of autocorrelations for data values at varying time lags since p-value less than 0.05 alpha level of significance.

Table 3: Correlogram Test

Pre IFRS Correlogram Result from 2006-2011						
Date: 21/02/23 Time: 22:55 Sample: 2006 2011 Included observations: 36						
Autocorrelation	**Partial Correlation**		**AC**	**PAC**	**Q-Stat**	**Prob**
. |**** |	. |**** |	1	0.486	0.486	9.2441	0.002
. |*. |	.*| . |	2	0.093	-0.188	9.5940	0.008
. |** |	. |*** |	3	0.235	0.369	11.876	0.008
. |** |	. | . |	4	0.319	0.039	16.218	0.003
. |*. |	.*| . |	5	0.106	-0.088	16.714	0.005
Post IFRS Correlogram Result from 2012-2017						
Date: 21/02/23 Time: 23:53 Sample: 2012 2017 Included observations: 36						
Autocorrelation	**Partial Correlation**		**AC**	**PAC**	**Q-Stat**	**Prob**
. |**** |	. |**** |	1	0.588	0.588	13.503	0.000
. |*** |	. |*. |	2	0.465	0.182	22.195	0.000
. |*** |	. | . |	3	0.359	0.046	27.549	0.000
. |** |	. | . |	4	0.247	-0.038	30.159	0.000
. |*. |	.*| . |	5	0.129	-0.087	30.897	0.000

Graphical Representation

The study employs the use of two forms of graphical representation, as it fist present the employed data in their natural form to see the real visual underlying trend amongst variables and were further presented in their logged form to evaluate their linear(line) movement closely.

Graph of Non-Logged values

The below figure shows lagged noise, however the data will be logged to take care of the outliers and extremas identified in the study.

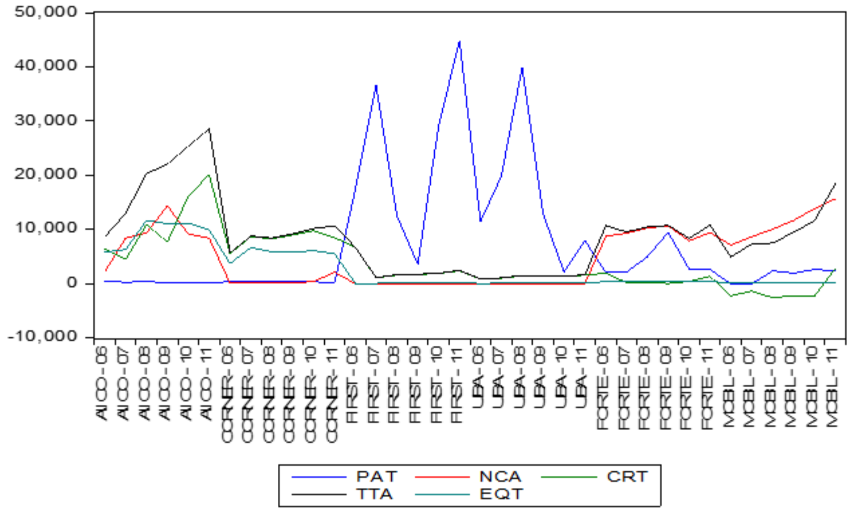

Figure 4: Pre IFRS Line Graph Output from 2006-2011

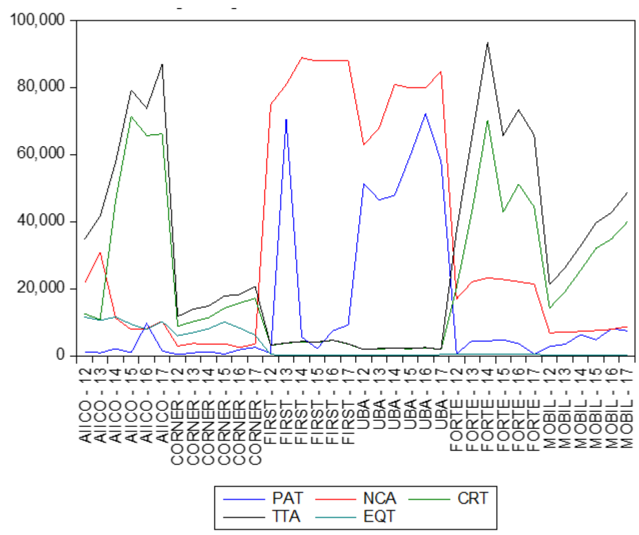

Figure 5: Post IFRS Line Graph Output from 2012-2017

Source: E-view 9 Output (Authors Computation)

Graph of Logged-Linear value

To correct the abnormality in the graphical representation, the data were logged. Hence the above shows their originality and status quo. The above figure shows PAT

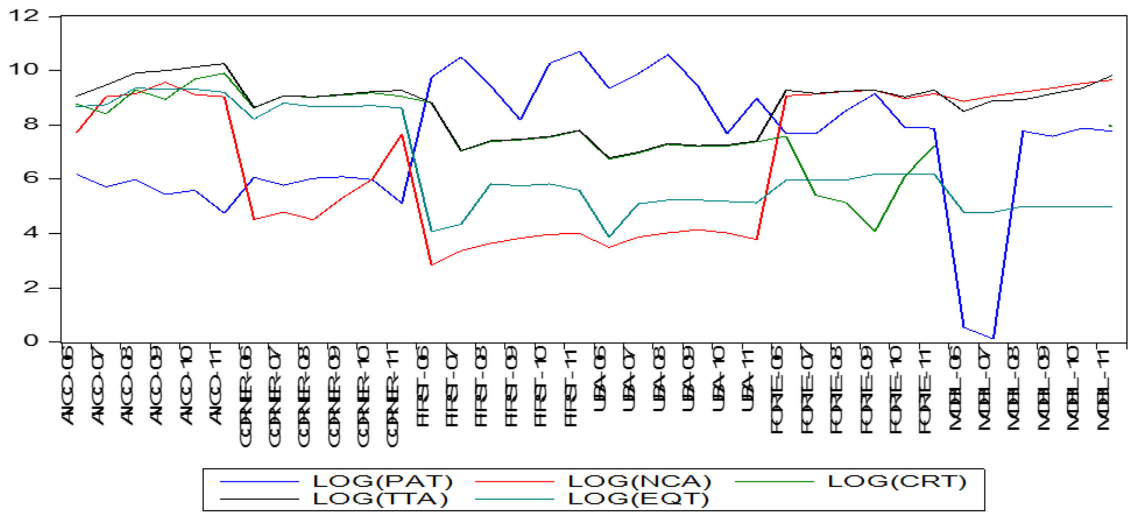

Figure 6: Pre IFRS

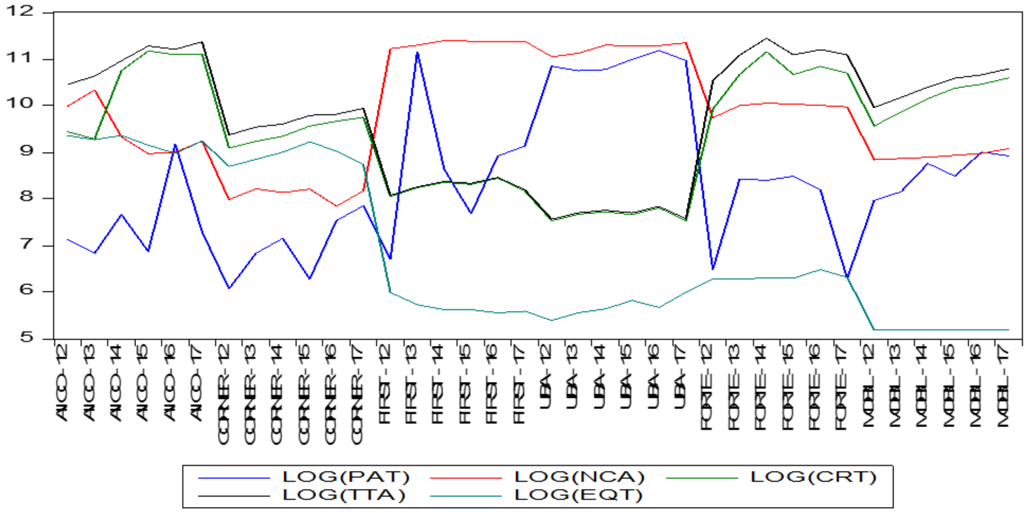

Figure 7: Post IFRS

Source: E-view 9 Output (Authors Computation)

seen to have had a massive normally distributed growth rate with tremendous growth. However, the Post IFRS performed better than the Pre-IFRS.

CONCLUSION

This study examined the relationship between pre and post IFRS adoption and value relevance of accounting information in Nigeria for the period 2006–2017 in respect entrepreneurship entry and entrepreneurship exit.

The study investigated the long run and short run relationship between the variables by using descriptive statistics approach. The empirical result shows that pre and post IFRS adoption proxies are all important determinants of value relevance of accounting information in Nigeria both in the short run and the long run as these variables have effect and thus portray relationship in the value relevance of accounting information.

Thus, the study concludes that the independent variable have negative impact on value relevance of accounting information in the short-run as these variables are found to be statistically significant in predicting optimism in entrepreneurship entry on sustainability, survival and success, whereas the model portrays the elimination of entrepreneurial exist is realistic.

Implication of the Study

This research finds that there is credible outcome of the "Post" rather the "Pre" in the non-current asset, current asset, total asset and equity between Nigerian GAAP and IFRS of listed Oil and Gas companies in Nigeria. This research finding means that IFRS reporting does have higher accounting quality and reporting impact for entrepreneurship entry and eliminate entrepreneurship exit in the short and long term lenders of fund. The finding is consistent with that of (IFRS Standards, 2023). The findings suggest that Nigerian GAAP is more attractive and promising to shareholders than IFRS. In the same vein, IFRS is more attractive and promising to long term lenders than Nigerian GAAP. The finding to the research questions of this study shows that there is no significant financial reporting difference and quality, as well as increased comparability and investors/shareholders return on investment, in adopting IFRS compare to the Nigeria GAP. This study has a number of limitations, which could be used to further research into the area. The study focuses on limited variables and sample as well as limited accounting period. Further research could be done into other balance sheet positions regarding inventories and net working capital and for a longer times span.

RECOMMENDATIONS

1. The head of enterprise should put in place a system that would allow the enterprise prepare its detailed annual financial statements to boost sustainability in the entrepreneurship entry. This will make every entrepreneur appreciate the practicality of the application of IFRS to financial statements preparation and presentation. This will enables the reduction of enterprise winding up and closure by practicing IFRS adoptions in macro and micro enterprise.
2. The entrepreneurs (shareholders) in conjunction with CBN and other regulatory agencies should sustain the enforcement of compliance with the IFRS requirements to guarantee an enduring curtailment of creative accounting practices this is sacrosanct that where enforcement is weak, creative accounting is encouraged.

Contribution to Knowledge

The study contributes to key IFRS indicators which determine the growth of the Nigeria economy. These included that trade stability, inflation, pre and post IFRS adoption, balance of payment, profit after tax and current asset. IFRS was used as a substitute for the macro-economic proxies.

Results show that pre and post IFRS adoption was found to contribute significantly to the value relevance accounting information which is beneficial to entrepreneurs in boosting their business in the long-run and short-run.

Even though the rest of the indicators with the exception of pre and post IFRS adoption and financial intermediary development influence the growth of the stock market, however they were not found to be significantly related.

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