EFFECT OF FIRM CHARACTERISTICS ON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARD 7 BY LISTED MANUFACTURING FIRMS IN NIGERIA

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A DISSERTATIONSUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES, AHMADU BELLO UNIVERSITY, ZARIA IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE (M.Sc.) DEGREE IN ACCOUNTING AND FINANCE

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MARCH, 2019

`Declaration

I hereby declare that the work in this dissertation entitled **"Effect of Firm Characteristics on Compliance with International Financial Reporting Standard 7 by Listed Manufacturing Firms in Nigeria"** has been carried out by me in the department of Accounting. The information derived from the literature has been duly acknowledged in the text and a list of references provided, no part of this dissertation was previously presented for another degree or diploma at this or any other Institution.

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_____ Signature

_____ Date

Certification

This Dissertation titled **"Effect of Firm Characteristics on Compliance on compliance with International Financial Reporting Standard 7by Listed Manufacturing Firms in Nigeri**a" by **Umar ALIYU** meets the requirements governing the award of Master of Science (M.Sc.) Degree in Accounting and Finance of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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Dedication

This dissertation is dedicated to Almighty Allah, the merciful and the fountain of all Knowledge.

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I wish to express my profound gratitude to Almighty Allah, the master of the universe, who has given me the favour and the wisdom in the entire process of writing this dissertation, and may His peace and blessing be upon prophet Muhammad (S.A.W.), his progeny and his companions, amin.

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Abstract

The study examined the effect of firm characteristics on compliance with International Financial Reporting Standard 7 by listed manufacturing firms in Nigeria. The main problem addressed by the study is variable inclusion gap, where Liquidity is introduced as an explanatory variable in explaining compliance with financial instruments disclosure requirements of IFRS 7 by listed manufacturing firms. Data were collected and analyzed from 28 sampled listed manufacturing firms, and multiple regression technique of analysis was used. The study found a positive and significant relationship between firm size and financial instruments disclosures. Similarly, the study found a positive and significant relationship between Auditor type and financial instruments disclosures. There is a negative but significant relationship between liquidity and financial instruments disclosures. It is therefore concluded that, Firm size, Auditor type and liquidity played a vital role in effecting compliance level. The study therefore, recommends that manufacturing firms in Nigeria shall expand their size by using either internal growth (using its retained earnings) or through the use of external source (using either Debt or Equity), to enhance more compliance. Also management of listed manufacturing firms in Nigeria shall emphasize on the appointment of an international auditing firm (Big4) in respect of audit exercise, so as to promote information disclosure practice. They shall also make a tradeoff between investing in the short term and maintaining a moderate liquidity level, so as to avoid having an excessive cash which will eventually lead to higher liquidity.

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CHAPTER ONE
INTRODUCTION

1.1 Background to the Study

The dynamic nature of the world financial market has facilitated the use of different financial instruments that include: cash, share, loan debentures,accounts receivable or accounts payable, financial derivatives and commodity derivatives, which include forward contracts, futures, swaps and options (which give the buyer an option to choose whether or not to exercise his rights under the contract). Accounting for financial instruments has recently attracted attention, because of enormous growth in its market and equally the exchange of traded derivatives which enjoyed a high volume of sales, especially for options contract and financial futures. Large financial institutions that engage in the financial instruments transactions have led to a rapid growth of the market and making it to be at the fore front in the global financial dealings (Kirk, 2005).

As the result of harmonization of financial reporting and in deed with the aid of globalization, cross-border transactions and trade become easy. But financial instruments expose firms to financial, economic, and operational risks. Changes in Market conditions or the financial position of the parties to the financial instruments or transactions expose firms to financial and economic risks. These risks are credit risk, interest rate risk, foreign exchange risk, market risk and liquidity risk (Hassan, Sale & Rahman, 2007)

Before the adoption of International Financial Reporting Standard (IFRS) in Nigeria, the financial reporting and accounting practices were guided by the Statement of Accounting Standard (SAS) issued by erstwhile Nigerian Accounting Standard Board (NASB) (Bagudo, Abdul Manaf & Ishak, 2016).SAS 2 was about information to be disclosed in financial

statements, and it described the basis for presentation of a general purpose financial statements, in order to ensure comparability both with the company's financial statements of previous period and with the financial statements of other companies. But there is no specific Standard in respect of disclosure requirements of financial instruments under NASB, companies were therefore free to disclose as little or as much as they want, and in practice, they used a wide range of disclosure methods and strategies. Moreover, most companies recorded derivatives at historical cost, which often does not convey a true and fair picture of the risks and rewards faced, due to the complex nature of financial instruments and the role they played.The financial statements of a company will therefore be rendered meaningless by the non-disclosure of a financial instruments that could have a material impact on the Statement of Financial Position or Statement of Comprehensive Income, in some cases turning profits into losses and net asset positions into net liability positions.

Regulatory bodies throughout the world, and the International Accounting Standards Board (IASB) in particular have sought to introduce accounting standard to deal with Financial Instruments disclosure in an attempt to mandate the provision of a minimum level of Financial Instruments related information in companies' financial statements. Because investigations had shown that companies were tempted not to publish information about the extent of usage of Financial Instruments on a voluntary disclosure basis (Yasean, Theresa, Suzanne & David, 2016).

To ensure that, financial instruments disclosure provides to the users of financial information with the relevant and reliable information they need to make a sound decision, IFRS 7 was originally issued in August 2005 and applies to accounting period on or before 1 January, 2007 by the International Accounting Standard Board (IASB). The fundamental objectives of

IFRS 7 requirements are to enhance users understanding of the significance of financial instruments in an entity's financial position and performance, and equally to enhance understanding the extent of the risk arising from such financial instruments to which the entity is exposed to, during the period and at the reporting date. Therefore, accounting framework has been shaped by IFRS to provide relevant and faithful recognition, measurement, presentation and disclosure requirement relating to transactions and events that are being reflected in the financial statements (Ailmen & Akande, 2012).

The demand for more information on risks has assumed monumental dimensions with the promulgation and subsequent enhancement of the standard. IFRS 7 is applicable to financial and non-financial entities, either an investment funds, private equity funds, real estate funds or investment managers. The extent of disclosure required depends on the extent of the fund use under financial instruments and its exposure to risk. The disclosure requirements are both quantitative and qualitative. The quantitative disclosures are about the figures in the Statement of Financial Position and Income Statement. Qualitative Disclosure on the other hand deals with risk disclosures, this is what takes the disclosures to a new level. The risk disclosures arising from financial instruments under IFRS 7 are given through the eyes of management (management judgment) and should reflect the way management perceives, measures and manages the risks involve.

Nigeria has not been left out in this historic revolution and harmonization of financial reporting. In September, 2010 the IFRS implementation roadmap was officially announced and the process of adopting IFRS was scheduled in three phases: publicly listed and significant public interest entities that comprises: Banking &Insurance sub-sector, petroleum sub-sector, telecommunications andmanufacturing firms as pioneer implementers (Ayuba,

2012; Bala, 2013; Edogbanya & Kamardin, 2014). They were mandated to prepare their financial statements based on IFRS on or before 1st January 2012, that is full IFRS compliant financial statements are required for accounting period to 31 December 2012, while other public interest entities are required to adopt IFRS for statutory purposes on or before 1st January 2013. The third phase requires Small and Medium Sized Entities (SMEs) to adopt IFRS on or before 1st January 2014 (Ailmen & Akande, 2012). Though, this was the initial time line, there was a subsequent deviation from the road map, but the global convergence of IFRS and its adoption in Nigeria has witnessed a remarkable development in the annals of financial reporting and accounting profession at large. (Andrew, 2015).

Nigeria's adoption of IFRS for all listed companies generated a lot of issues because the adoption was sudden and without consultation with the relevant key stakeholders such as the practitioners, the regulatory agencies and the academics (Edogbanya & Kamardin, 2014). More so, because of the complexity of the standard and its disclosure requirements, compliance with the standard after adoption were found to be low by some studies. Zango, kamardin & Ishaq (2015) reported a compliance level of 55% and 55.5% in 2012 and 2013 respectively on financial instruments disclosure by listed deposit money banks in Nigeria. Looking at the nature of financial instruments disclosure of IFRS 7 and by reason of the fact that, similar standard has not been issued previously in the Nigerian SAS, it is imperative to conduct a research to examine the level of compliance by listed manufacturing firms in Nigeria with that disclosure requirements.

The relationship between firm characteristics and compliance with IFRS disclosure were reviewed by previous researches (Watson, Shrives, & Marston, 2002; Eng & Mark, 2003; Ali, Ahmed, & Henry, 2004; Fakete, Matis & Lukacs, 2008; Andrew, 2015 among others). It

has shown that levels of corporate disclosures can be explained by many factors. The influential factors/characteristics used to proxy determinants of compliance in the studies are: size, industry type, listing status, gearing/leverage, profitability, ownership ispersion/concentration, auditor type, influence of audit committee and so on and so forth. Though the results and findings of those studies are mixed, they have not reached a consensus on the determinants that influence corporate compliance with IFRS disclosure requirements, but at least they provided an enabling environment where other similar researches can come up.

Profitability for instance, was found to be positively related with IFRS disclosure requirements (Andrew, 2015), but some studies fail to find any statistical relationship with IFRS disclosure requirements (Atanasovski, 2015). In the same vein, some studies have found liquidity to have an adverse relationship with IFRS disclosure, and some studies found a statistical positive relationship between liquidity and IFRS compliance disclosure (Daske, Hail, Leuz, & Verdi, 2013; Andrew, 2015)

Company size, is seen as one of the predominant variable which most of the studies on factors affecting IFRS compliance and corporate disclosure have used, but still the findings are mixed. Some studies found it to be statistically and positively related (Alsaeed, 2006; Al-Shammari, Brown, & Tarca, 2007; Fakete, Matis & Lukacs, 2008; Andrew, 2015 among others), while others have found size not to have any relationship with IFRS compliance (Street & Gray, 2002; Glaum & Street, 2003; Atanasovski, 2015).

Manufacturing activities in Nigeria have significant impact on the nation's economy. The sector accounts for about 10% of total GDP annually (NBS report, 2012). It could literally

assumed to have a vast potential for a spot for economic development due to abundant labour force coupled with the agrarian nature of the economy (Ojo & Ololade, 2014). Nevertheless, the sector faces ongoing challenges, including inadequate electricity supply, poor infrastructure and plant maintenance, and heavy dependency on agricultural inputs, which themselves are vulnerable to shocks. This challenges has exposed the sector to engage in the financial instruments transactions, which involve both financial Asset, financial liability and equity instruments. The nature of their transactions and exposure to various types of risks like market risk, currency risk and liquidity risk will inevitably influence their compliance level to disclosure requirements with IFRS 7 financial instruments disclosure.

Two factors motivated the study. First, it is often alleged that listed companies in emerging economies like Nigeria are under pressure to improve their compliance level on corporate financial reporting, as they have not fully complied with the disclosure requirements stipulated by the regulatory agencies (Akhtaruddin, 2005). Second, the regulatory bodies and the accountancy profession of emerging nations do often take a lenient attitude towards default of accounting regulations, as such compliance might be low (Ali, Ahmed & Henry, 2004).

1.2 Statement of the Problem

Information disclosure can be seen as a strategic tool that facilitate company's ability to raise capital either through issue of shares or debt, on long term or short term basis, at the lowest cost possible (Healy & Palepu, 1993). IFRS 7 requires the disclosure of information about significance of financial instruments to an entity's financial position and performance and extent of risks arising from those financial instruments, both in quality and quantity. The

standard has added certain new disclosures about financial instruments to those already required by International Accounting Standard 32 (IAS 32), it also replaces the disclosures previously required by IAS 30, and then put all those financial instruments disclosures altogether into a new standard, that is IFRS 7. In Nigerian context however, with the announcement of the federal government intention to adopt IFRS with effect from 1st January, 2012, listed entities were mandated to comply with the disclosure requirements of the standard.

Evidence from empirical studies on the relationship between firm characteristics and compliance with IFRS 7 financial instruments disclosure requirements is quite mixed, and the findings have varied, and makes it inconclusive. Results/findings from empirical studies in the relationship between profitability and financial instruments disclosure varies,some studies reported a positive relationship (Andrew, 2015), and some studies reported a negative relationship (Atanasovski, 2015). Tsegba, Semberfan and Tyokoso, (2017) evaluate firm characteristics and IFRS compliance, The study used profitability in determining IFRS compliance by listed financial service companies, because of the peculiar nature of the sector, the study cannot be generalized on other subsectors. A research in that respect is important.

Financial instruments disclosure and liquidity on the other hand have shown a mixed findings, some studies have found liquidity to be negatively related to IFRS disclosure, and other studies on the other hand found a statistical positive relationship between liquidity and IFRS compliance disclosure (Daske, Hail, Leuz, & Verdi, 2013; Andrew, 2015). But in the Nigerian context, and to the author's best knowledge, no empirical studies that included Liquidity in assessing its relationship with the financial instruments disclosure of IFRS 7.

Therefore, considering how liquidity is important in determining the extent of a firm's ability to settle obligations as at when due, a study that will include such variable is imperative in Nigeria.

Company size and leverage are two known variables that were used by most of the studies on factors affecting IFRS compliance, but still the findings are mixed. Some studied found them to be statistically and positively related (Al-shammari et al 2007; Fakete, Matis & Lukacs, 2008; Bamber, 2011; Andrew, 2015 among others), while others have found no any empirical relationship with IFRS compliance (Street & Gray, 2002; Glaum & Street, 2003; Atanasovski, 2015). But most of the studies are Asian and European based studies, and some are overtaken by events.

With regards to financial instruments and auditor type, the IASB and other researchers were of the view that the non-compliance with the standard as the result of an external auditors' inability to detect the non-compliance (detection risk), most of the companies' disclosure were not absolute (Glaum & Strret, 2003; Street and Gray, 2001; IASB, 2005). The derivatives losses has also been cited by Daske, Hail, Leuz & Verdi, (2008), who categorize IFRS compliant companies as serious adopters and label adopters, as this is a clear case of non-compliance.

Furthermore, there is also a contextual gap in the area of research on the factors that influence compliance with IFRS 7 disclosure in Nigeria. Most of the Nigerian studies are examining the compliance level with IFRS 7 with few of them evaluating those factors that influence compliance with IFRS in general, there is need for those studies that will assess different standards, like what this research have evaluated.

From the foregoing, we can deduce that, the results from the various studies into the relationship between determinants of compliance with IFRS 7 disclosure requirements are inconclusive and a further study is imperative. Therefore this study will examine the effect of firm characteristics on compliance with financial instruments disclosure requirements of IFRS 7 by listed manufacturing firms in Nigeria.

The researcher is therefore motivated by the above gaps in financial instruments disclosure research, and make an attempt to provide an empirical support between firm characteristics and compliance with IFRS 7 financial instruments disclosure requirements by listed manufacturing firms in Nigeria.

1.3 Research Questions

In an attempt to provide research questions for the study, the researcher seek to provide answers to the following questions:

i. Does profitability affects compliance with IFRS 7 financial instruments disclosure requirements by listed manufacturing firms in Nigeria?
ii. To what extent does liquidity affects compliance with IFRS 7 financial instruments disclosure requirements by listed manufacturing firms in Nigeria?
iii. What is the effect of auditor type in compliance with IFRS 7 financial instruments disclosure requirements by listed manufacturing firms in Nigeria?
iv. What is the effect of leverage in compliance with IFRS 7 financial instruments disclosure requirements by listed manufacturing firms in Nigeria?
v. To what extent does firm size affects compliance with IFRS 7 financial instruments disclosure requirements by listed manufacturing firms in Nigeria?

1.4 Objectives of the Study

The main objective of the study is to examine the effects of firm characteristics on compliance with financial instruments disclosures (IFRS 7) by listed manufacturing firms in Nigeria. Other specific objectives include:

i.) To evaluate the effect of profitability on financial instruments disclosure of listed manufacturing firms in Nigeria as required by IFRS 7

ii.) To assess the effect of liquidity on financial instruments disclosures of listed manufacturing firms in Nigeria as required by IFRS 7

iii.) To examine the effect of auditor type on financial instruments disclosures of listed manufacturing firms in Nigeria as required by IFRS 7

iv.) To evaluate the effect of leverage on financial instruments disclosures of listed manufacturing firms in Nigeria as required by IFRS 7

v.) To assess the effect of firm size on financial instruments disclosures of listed manufacturing firms in Nigeria as required by IFRS 7

1.5 Statement of Hypotheses

In line with the objectives of the study, the following hypotheses are formulated:

H_{01}: Profitability has no significant effect on financial instruments disclosure of listed manufacturing firms in Nigeria as required by IFRS 7

H_{02}: Liquidity has no significant effect on financial instrumentsdisclosures of listed manufacturing firms in Nigeria as required by IFRS 7

H_{03}: Auditor type has no significant effect on financial instruments disclosure of listed manufacturing firms in Nigeria as required by IFRS 7

H_{04}: Leverage has no significant effect on financial instruments disclosure of listed manufacturing firms in Nigeria as required by IFRS 7

H_{05}: Firm size has no significant effect on financial instruments disclosure of listed manufacturing firms in Nigeria as required by IFRS 7

1.6 Scope of the Study

This research work is centered on the effect of firm characteristics on compliance with Financial Instruments Disclosure Requirements of IFRS 7. It is also specifically on the Listed Manufacturing firms in the Nigerian Stock Exchange as at 31st December, 2016, for a period of five years (2012 – 2016). The dependent variable is Financial instruments Disclosures (IFRS 7) which is proxied by mandatory disclosure index. The independent variables on the other hand are those firm characteristics that determines compliance, and they have been proxied by five factors: level of company profitability, liquidity, auditor type, and leverage and company size. The choice of the aforementioned variables is in line with variables used by previous studies such as Alsaeed, 2006; Fekete, Matis & Lukacs, (2008); Amoako & Asante (2012); Atanasovski (2015); Andrew (2015) among others.

The justification for selecting listed manufacturing firms is because of the role the sector is playing in the nation's economy and employment it provides to the teaming youth.The sector was among the first set of companies in the Nigerian stock exchange mandated to comply in

2012 asa significant public interest companies. The sector faces operational challenges, among which include inadequate electricity supply and poor infrastructure which themselves are vulnerable to shocks. This challenges has exposed the sector to engage in the financial instruments transactions. The nature of their transactions and exposure to various types of risks will inevitably influence their compliance level to disclosure requirements with IFRS 7 financial instruments disclosure.

1.7 Significance of the Study

The two main objectives of issuing IFRS 7 by the IASB are for the users to assess the significance of financial instruments on an entity's financial positionand performance, and also help in understanding the extent of risk arising from financial instruments to which the entity is exposed to.The study will be of immense benefit and it will serve as a guide for investors and creditors in a situation where significant volume of company's sales are made oversees, the investors can assess the level of the company's exposure to risk of exchange rate movement. On the same vein, a creditor can evaluate a loan requiring a repayment next year which will ordinarily be reported as current liability, whether there is a risk of the company being unable to repay the loan in due course.

The study would also be useful to regulatory authorities and other policy makers in deciding on the appropriate regulation and policiesto address financial instruments disclosure related issues among the bigger and smaller firms and the assumption that larger firms are tempted of using accounting options to reduce reported profit to avoid payment of higher tax.

The findings of the study will also add to the existing knowledge on IFRS compliance in Nigeria,and IFRS 7 financial instruments disclosures in particular, and how empirically the

explanatory variables of the study explains the variations of the dependent variable, given that, the area has not seen much research. It will thus serve as a basis to determine areas for further studies into IFRS compliance in Nigeria by subsequent researches.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The chapter presents a critical review of conceptual issues that are relevant in understanding the study. It has also reviewedand evaluated some of the previous literature to examine the relationship between firm characteristics and compliance with financial instruments disclosure requirements as provided by IFRS 7. The chapterexplains the theoretical underpinnings of the study.

2.2 Concept of Financial Instruments

Financial Instruments are defined as contracts that give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity (ACCA, 2010).The definition is wide and will encompass the instruments used in the working capital managements of an entity, which include borrowing, lending of money and investments. However, it also cover things as receivables and payables and financial guarantees. At the other extreme are a number of complex arrangements: derivatives (swaps, forwards, options, etc.) and embedded derivatives (derivatives hosted within a wider contract). Embedded derivatives that might be encountered by local companies, and which might need to be accounted for separately, where an element of the unitary payment varies in accordance with an underlying measure and fuel contracts which include a multiplier based on an underlying price index. The derivative elements might need to be accounted for separately because the increase is not based on a relevant index, but a multiplier of a relevant index. Where the increase is based on a relevant index, the derivative is likely to be closely related to the host contract and will not need to be accounted for separately.

According to the International Accounting Standard Board (IASB, 2005) A Financial Instruments can be define as a contract that gives rise to both a financial asset in one entity, and a financial liability or equity instrument in another entity. A financial assetis any asset that is cash, an equity instrument of another entity or contractual right: to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity. A financial liabilityis any liability that is a contractual obligation to deliver cash or another financial asset to another entity; orto exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity (ICAN, 2014).

Classification of financial instruments and identification of their nature is one of the most important phases for compilation and presentation of monetary statistics. Like other classifications used in monetary statistics, it is also advisable here to follow international standards that would help to make statistics comparable across countries and ensure its unity. In carrying out classification, there will be a need to consider features of a country's financial system paying a due regard to their development prospects. Financial instrumentsare financial contracts of different nature made between institutional units. These comprise the full range of financial claims and liabilities between institutional units, including contingent liabilities like guarantees, commitments, etc.

Financial instrumentscan exist only between two institutional units. Where financial instruments are compounded, i.e. represent a set of several instruments, for compilation of statistics there will be a need to distinguish them into separate instruments so that each of them includes only a single pair of institutional units. Financial assetsare contracts that do not contain contingency, i.e., irrespective of any conditions, generate financial claims having

demonstrable value over which ownership rights are enforced, individually or collectively, and from which economic benefits can be derived by using or holding them. The concept of financial instrumentis wideras defined in the System of National Accounts, 1993. Thus, Classification of financial instrumentsare based on their two principal characteristics, liquidity and legal characteristics.

The rise and the demise ofInternational Accounting Standard Committee (IASC) was between 1973 and 2001, within which the committee was able to produce a total of 41 International Accounting standards (IASs). But with the emergence of cross-border corporations (Multinationals), which need to prepare a number of different sets of financial statements for different jurisdictions, it has now become difficult to make a cross country comparison- for example, when Daimler Benz was first quoted in New York, the same set of financial statements disclosed a profit of 630DM (Dutch mark) in Germany but a loss of 1300 DM using US rules. The International Organization for Securities and Exchange Commission (IOSCO), formerly a federation of all the major stock exchanges in the world, therefore offered a challenge to the IASC to carry out a review of existing standards to ensure that many of the options be curtailed and the standards strengthened, if satisfactorily achieved, then IASs would become acceptable for cross-border listings. That challenge was taken up by the then Secretary-General of the IASC, Sir Bryan Carsberg, and he largely achieved his objectives by the end of 2000 (Kwabena, 2010).

Furthermore, a group of standard setters called the G4+1 (basically the UK/Ireland, USA, Canada, New Zealand and Australia, and the IASC as an observer to the group) agreed to put their hands together towards the development of a new board to further improve existing international standards and to develop new standards. A new structure called IFRS

Foundation was finally set up in April, 2001. The coordinating body under the new structure is the International Accounting Standards Board (IASB), which has sole responsibility for establishing International Financial Reporting Standards (IFRSs).

Other components of the structure are the Trustees of the IFRS Foundation, the International Financial Reporting Standard Interpretations Committee (IFRSIC) and the International Financial Reporting Standards Advisory Council (IFRSAC). The IASB held its first official meeting in London in April, 2001, at that meeting, it was resolved that all standards by the IASC should continue to be applicable unless and until they are amended or withdrawn. It was agreed that, new IASB standards would be called International Financial Reporting Standards (IFRSs). When the term 'IFRSs' is used, it includes standards and interpretations approved by the IASB, and IAS and interpretations issued by the IASC (ICAN, 2014).

2.2.1 Concept of Corporate Financial Disclosure

Corporate financial disclosure has been defined by different writers (Chow & Wong-Boren 1995; Botosan, 1997; Owusu-Ansah 1998; Andrew, 2015) as the release of organization information concerning the economic performance, position or prospects of the organization particularly as measured in monetary terms. It includes measurement, adjustment, qualification and application of accounting rules and any other shaping of data prior to its release and also any subsequent interpretation. Disclosure can either be mandatory or voluntary. Mandatory disclosure is the minimum standard of disclosure in corporate annual reports expected by the regulatory forces. Corporate mandatory disclosure implies the presentation of a minimum amount of information in corporate reports, sufficient to permit a reasonable evaluation of the relative risks facing an organization (Owosu-Ansah, 1998). Voluntary disclosure on the other hand is a type of disclosure that exceed the minimum

requirements by the regulators, with the aim of gaining competitive advantage or satisfying the stakeholders of the company. The widespread international adaptation of the IFRSs offer advantages such as accurate, timely and comprehensive financial statement information reduces cost of information processing; enhance international comparison of financial statements and removes barriers to cross border acquisition and divestitures (Ball, 2006).

2.2.2 Compliance with Financial Instruments Disclosures (IFRS 7)

The International Accounting Standards Board (IASB) had commence move for the development of International Financial Reporting Standard (IFRS) on presentation and disclosure in the financial statements of financial institutions and similar entities, with the intention of replacing the International Accounting Standard (IAS) 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions.However, in late 2002, the IASB made a fundamental change in the direction of this project. On 22 July 2004, the IASB issued the Exposure Draft ED 7 Financial Instruments: Disclosures.Then on 18 August 2005 the IASB issued IFRS 7, Financial Instruments: Disclosures (Muthupandian, 2008).

The final Standard applies to all entities, financial and non-financial. IFRS 7 replaces and updates the disclosure requirements of IAS 32 Financial Instruments Presentation,and supersedes IAS 30. IFRS 7 also extends the scope of many of the disclosure requirements within IAS 30 from banks to all financial institutions. Concurrent with the introduction of IFRS 7, the IASB also amended IAS 1, Presentation of Financial Statements, to require disclosures about an entity's capital.

The scope of IFRS 7 applies to all IFRS-compliant financial statements that include financial instruments not specifically excluded from the scope of the standard, IFRS 7 applies to all

risks arising from all financial instruments, including those instruments that are not recognized on-balance sheet, for all companies in all industries, except those covered by another more specific standard such as: Interests in subsidiaries, associates and joint venture, post-employment benefits, share-based payment and insurance contracts. For example, loan commitments not within the scope of IAS 39 Financial Instruments: Recognition and Measurementare within the scope of IFRS 7(IFRS 7.3a-e).

Contracts to buy or sell a non-financial item that are within the scope of IAS 39 (as derivative financial instruments) are also within the scope of IFRS 7. The Application Guidance of IFRS 7 indicates that such financial instruments should be considered a separate class for the purpose of preparing the required disclosures (IFRS 7.5).

The IFRS applies to all entities, including entities that have few financial instruments and those that have many financial instruments (e.g., a financial institution most of whose assets and liabilities are financial instruments (IFRS 7.3).

An entity must group its financial instruments into classes of similar instruments and, when disclosures are required, make disclosures by a proper classification. IFRS 7 requires entities to disclose the significance of financial instruments for an entity's financial position and performance and qualitative and quantitative information about the nature and extent of risks arising from financial instruments (IFRS 7.6).

IFRS 7 disclosures must be based on the accounting policies used for the financial statements prepared in accordance with IFRS, including consolidation adjustments. It is possible that the internal information made available to management for risk management purposes is not

prepared using such accounting policies, in which case it will need to be adjusted (IFRS 7.21).

IFRS 7 repeatedly requires disclosure by class of financial instrument, a group that is appropriate to the nature of the information disclosed and the characteristics of the instruments. A class of financial instrument is a lower level of aggregation than a category, such as available-for-sale or loans and receivables. For example, government debt securities, equity securities, or asset-backed securities could all be considered classes of financial instruments (IFRS 7.8).

The IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks. The extent of disclosure required depends on the extent of the entity's use of financial instruments and of its exposure to risk (IFRS 7.31)

IFRS 7 disclosures of accounting policies include requirements related to fair value that were previously included in IAS 32. The required disclosures is Whether the fair value is based on quoted prices or valuation techniques, whether the fair value is based on a valuation technique that includes assumptions not supported by market prices or rates, and, if so, the amount of the change in fair value recognized in profit or loss that arises from the use of the valuation technique, or The effect of reasonably possible alternative assumptions used in a valuation technique. (IFRS 7.27)

2.2.3 Nature and Extent of Risks Arising from Financial Instruments

The IFRS 7 disclosure requirements include both qualitative narration and specific quantitative data about an entity's exposure to risks arising from the use of financial

instruments. Companies must provide information about the extent to which they are exposed to financial risks, based on information provided internally to the entity's key management personnel – in other words, through the eyes of management. For each type of risk, disclosure of summary quantitative data, based on information provided internally to key management personnel, as well as any concentrations of financial risk disclosures that include credit risk, liquidity risk and market risk (IFRS 7.31-35)

Liquidity risk is defined as the risk that arises when an entity encounter difficulty in meeting obligations associated with financial liabilities. The minimum disclosure include: Maturity analysis for financial liabilities showing remaining contractual maturities and a description of the approach to managing liquidity risk (IFRS 7.39).

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Other price risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The minimum disclosure could either be, a sensitivity analysis for each type of market risk (currency, interest rate, and other price risk) to which the entity is exposed at reporting date. The analysis should demonstrate how profit

or loss and equity would have been affected by changes in the relevant variable, for example a 100 basis point change in interest rates, or Methods and assumptions used in preparing the sensitivity analysis and any changes in these from the previous reporting period (IFRS 7.40-41).

2.3. Firm Characteristics and Financial Instruments Disclosures

Firm characteristics are those specific attributes that are normally common in a business entity. They can be divided into three groups. Structure- related variables that include: firm size, debt, ownership dispersion and firm age. The second group is performance-related variables that include: profit margin, return on equity and liquidity. Lastly, market-related variables that include industry type, etc. (Alsaeed, 2006). Prior research examines the usefulness of financial information by investigating the extent of firms' disclosures of accounting information in annual reports. Studies that relates to the level of disclosure and firm characteristics include in Firth (1979), Cooke (1989, 1992), Wallace & Naser (1995) and Heflin, Shaw & Wild (2001). These studies provide evidence of the association between disclosure level and firm characteristics such as firm size, listing status, firm auditor, scope of business, risk of trading and industry type. Most studies in this area use a disclosure index to measure the level of compliance with the disclosure requirements. Based on the discussion of the prior studies, firm characteristics that have been considered as proxies for the purpose of this study are: Profitability, Liquidity, Auditor type, Leverage and firm size.

2.3.1 Concept of Profitability

According to Harward & Upton, "profitability is the 'the ability of agiven investment to earn a return from its use". The higher the profit of a firm the better its performance and vice versa. Profit and profitability are two different terms. Profitmeans as an absolute measure of

earning capacity, whileprofitability is relative measure of earning capacity. Profitis defined as “excess of return over outlay”(Nimalathasan, 2009) while profitability is defined as “theability of given investment to earn a return from its use’.The words profitability is composed of two words profitand ability. The word profit has already been defined butthe meaning of profit differs according to the use andpurpose of the enterprise to earn the profits. Thus theword profitability may be defined as the ability of giveninvestment to earn a return from its use of resources.Profitability has been considered as an explanatory variable to disclosure compliance.

There is a general proposition that a company’s willingness to disclose information is positively related to its profitability. This motive can be derived from agency theory which suggests that managers of profitable companies disclose extensive information in order to show and explain to shareholders that they are acting in their best interest and justify their compensation package. The owners of a profitable company wish to disclose more information to the public to promote positive impression of its performance. It can be argued that non-profitable firms may disclose less information in order to cover up losses and declining profit (Akhtaruddin, 2005; Andrew, 2015). On the same vein, larger companies, whose their profit are also large enough, will be tempted to disclose detailed information (Aljifiri, 2014). Smaller companies on the other hand will be discouraged from releasing the required information.

Political cost theory on the other hand, explain the relationship between profitability and financial instruments disclosure, it is expected that the most profitable firms are interested in improving the compliance level with the disclosure requirements of risks to reduce the political costs they may face, (Hassan, 2014)

The definition adapted for the study is that profitability means ability to make profit from all the business activities of anorganization, company, firm, or an enterprise. It shows how efficiently themanagement can make profit by using all the resources available in themarket

2.3.2. Concept of Liquidity

Charles (2008) said the word liquidity has so many facets that is often counter-productive to use itwithout further and closer definition. Liquidity though not a new phenomenon in finance literature, has no universally accepted definition. The lack of agreed-upon definition emanates from the fact that the concept of liquidity arises from different economic perspectives (Adler, 2012). The term liquiditycan be seen from the perspective of the ability of an organization to realize value in money, the cash liquid among all assets. It implies conversion of assets into cash during the normal course of business and to have regular uninterrupted flow of cash to need outside current liabilities as and when due and payable and also ensure availability of money for day-to-day business operations. The concept of liquidity in case of companies has to dimensions viz; the quantitative and qualitative. The quantitative aspect includes the quantum, structure and utilization of liquid assets. The qualitative aspect emphasizes upon the ability of a firm to need all present and potential demand on cash in a manner that minimize cost and maximize the value of the business.

The liquidity is a vital factor in business operations. For the very survival of business, the firm should have requisite degree of liquidity. It should be neither excessive nor inadequate. Excessive liquidity means accumulation of ideal funds. Which may lead to lower profitability, increase speculation, and unjustified extension, extension of liberal credit terms, liberal dividend policy etc; whereas inadequate liquidity result in interruptions of business operations. A proper balance between these two extreme situations therefore should be

maintained for efficient operation of business through skill full liquidity management. The need of efficient liquidity management corporate sector has become greater in recent years

Within the context of this study, Liquidity can be defined in two ways, within the context of how easy a security can be traded, or in the context of how easy one can obtain funding to trade a security, the former being called market liquidity and the latter being funding liquidity. Mixed results has been noted by previous researchers on the relationship between company's liquidity and level of IFRS disclosure,

Due to the importance of financial instruments on current assets and current liabilities, not only because of their nature but also because of their size, and the pressure on companies to manage their working capital positions as effectively and efficiently as possible, it is expected that those firms with greater pressure on their liquidity position will disclose more, and the disclosure will be of a higher level to reduce information costs, as explain by the proprietary cost theory which consider the cost of disclosing the information. Within the context of this study, Liquidity is defined as what measures the firm's ability to settle its short term obligations as at when due, to determine the level of relationship and how it statistically influence financial instruments disclosure.

2.3.3 Concept Auditor Type

Although the management is responsible for preparation of financial statements, the audit firm may have a significant impact on the content of the annual report (Barako, Honcock &lzan 2006). Auditors are divided into either larger audit firms that have international reputation and branches spread across the globe, like the big four companies (PricewaterhouseCoopers, Deloitte, Ernst & Young and KPMG), and the smaller audit firms

or rather local firms that operates domestically. The shareholder of some companies may prepare their financial statement to be audited by those international audit firms, so as to mitigate their agency problem, because of the assumptions that, Companies audited by the "Big Four" are probable to reduce their agency costs (Jensen & Meckling, 1976). The reason for that, is by the fact that large firms have more concern for their reputation and, therefore, are more willing to associate with firms that disclose more information in their published financial reports. On the other hand, small audit firms do not possess the power to influence the disclosure practice of their clients. Rather, they may be tempted to meet the needs of their clients in order to retain them (Alsaeed, 2006)

2.3.4 Concept of Leverage

The firm leverage indicates the level of indebtedness of the business, which refers to the degree of financial risk that is faced by the business, (Hassan, 2014). Leverage describes a company's financial structure, and measures the long term risk implied by that structure (Watson et al., 2002). Previous studies have largely used agency theory to explain the relationship between leverage and corporate disclosure (Inchausti, 1997; Watson et al., 2002; Alsaeed, 2006; Abdullah & Ismail, 2008). Firms which have higher debt in their capital structure are prone to higher agency cost (Alsaeed, 2006). Information disclosure may be used to avoid agency costs and to reduce information asymmetries (Inchausti, 1997). Hence, it is argued that leveraged firms have to disclose more information to satisfy information needs of the creditors (Uyar, Kılıc & Bayyurt, 2013).

2.3.5 Concept of Firm Size

The firm size is the determinant that the accounting literature gave the highest support in its relationship with the behavior of accounting disclosure. The variable firm size may be an

indication of some of the characteristics of the business such as competitive advantages, and its ability to incur the costs of production and distribution of financial information. Larger firms are able to incur more costs for information production and distribution. Hence, larger firms are likely to be more informative and pay more attention to improving the compliance level of the disclosure requirements compared to smaller firms because of their financial resources that enable them to expand the disclosure (Ahmed & Courtis, 1999; Abraham & Cox, 2007).

Larger firms may have the ability to afford those costs resulting from competitive harms that can result from the expansion of the disclosure compared to smaller firms (Nasir & Abdullah, 2004). This could lead to the reluctance of smaller firms for the expansion of disclosure and improve the of disclosure level compared to their larger counterparts working in the same industry in order to avoid what may result in competitive harms. On the other hand, because larger firms attract more attention of many different classes of stake holders such as stockholders, it may make them susceptible to higher political focus by the authorities supervising them (price controls, social responsibility, etc.) compared to the smaller firms (Oorschot, 2009).

According to political costs theory, the expansion of disclosure is a means of reducing political focus (Horing& Gundl, 2011). Larger firms may also be more susceptible to the increased problems relating to information asymmetry and agency costs compared to smaller ones. This may justify its moving towards providing more information about the quality of risk in an attempt to alleviate these problems. (Oorschot, 2009).

2.4 Review of Empirical Studies on IFRS Disclosure

About two and a half decades ago, many researchers have examined the mandatory disclosures in the financial statements prepared in accordance with international standards (IAS/IFRS). Some of these studies have looked into the factors that determines the disclosure quality, in terms of overall compliance or compliance in accordance with specific IFRS (Bischof, 2009; Dumontier & Raffournier, 1998; Glaum & Street, 2003; Lopes & Rodrigues, 2007; Street & Gray, 2002). While some studies on the other hand have looked into the extent and level of compliance with either IAS/IFRS generally or a specific standard. However, Most of the two groups of the studies on compliance use self-constructed disclosure indices to quantify the degree of compliance with accounting standard(s) requirements.

Zango, Kamardin & Ishaq (2015) evaluate the extent of mandatory compliance with international financial reporting standards 7 (IFRS 7) among Nigerian listed deposit money banks. The study used content analysis of the annual reports and accounts of fourteen selected banks listed on the floor of the Nigerian stock exchange, Using a disclosure checklist of 132 mandatory disclosure requirements, the study covers a two year period of 2012 and 2013. Findings from the study reveal non-compliance with disclosure requirements. However, compliance is above average for the two years they studied and the scores for the study were 55.5% and 58.7% for 2012 and 2013 respectively. The study examined only the compliance level with respect to the standard, but it failed to look at those factors or attributes that influence the compliance, as this can be counted as the main lapse of the study. A study that will consider these determinants is imperative.

Bagudo, Abdul Manaf & Ishak (2016) examinedthe extent of how proactive monitoring by regulatory bodies affects compliance with IFRS in Nigeria. Their study used a sample of 154 listed companies, and 10 different IFRS standards were examined using multiple cross sectional regression. The result of the regression showndifferences in the level of compliance with IFRS across the three categories of the regulatory bodies with insurance companies group having a significant positive relationship with IFRS compliance. The overall compliance level is 61%. The result also shown a significant and positive relationship between IFRS compliance and Audit quality. Though the study is current, but the period of the study is a single year period, and renders it to be narrow. So, further study need to be conducted to extend the period to a number of years.

2.4.1 Profitability and Financial Instrument Disclosure

Corporate managers are usually reluctant to give detailed information about a non-profitable outlet or product, hence they might decide to disclose only a lump profit attributable to the whole company (Inchausti, 1997). Employing agency theory, which explain that due to better performance of companies, management is more likely to disclose detailed information to the public than management with poor performance in order to avoid undervaluation of company's' shares. It can also be argued on the other side that, unprofitable companies will be inclined to release more information in defense of poor performance. The results of previous studies concerning the association between profitability and financial instruments disclosure requirements of IFRS 7 are rather mixed (Andrew, 2015).

Andrew (2015) studied the effect of corporate attributes on IFRS Disclosure level. The study have used a sample of 30 firms to represent the population of the study. The findings of the study have shown that profitability is significantly and positively related to IFRS disclosure

compliance. The findings of a research conducted in a country like Kenya may not be applicable in Nigeria. A similar research in the Nigerian context is essential.

On the same vein, Tsegba, Semberfan & Tyokoso (2017) assess the level of compliance with International Financial Reporting Standards (IFRS) by listed financial services companies in Nigeria, and the effect of firm characteristics on the level of compliance. The study found that profitability is positive and significantly associated with IFRS at 10% level. The findings may not be unconnected with the period covered under the study, because the study covered only year 2014, how can a research findings be of any effect with a single year assessment. A research that will use a panel data with a good number of years, like the research under review will be more suitable.

Bamber (2011)examined and assess mandatory financial instruments disclosure. The main focus of the study is to evaluate the determinants that influence compliance with IFRS 7 disclosure requirements and also the value relevance of the standard, before and after its issue in 2007. The study has found no any significant relationship between probability and mandatory disclosure of IFRS 7. However, looking at the nature of the study, the number of observations is too small, compared to the 18 number of explanatory variables used, as this will weakened the result and it will not be realistic. Similar to this study, Fakete, matis & Lukacs (2008) examine the factors that influence the extent of corporate compliance with IFRS. The dependent variable of the study is IFRS disclosure requirements which has been measured by the disclosure checklist. The study has found profitability to be negatively related to the disclosure requirement. The researchers have used 18 firms as a sample that constitute 43% of the total firms listed on floors of the Hungarian stock market, but the sample is biased by reason of the fact that it represent only ‘A’ tier category of the market,

leaving the other ‘B’ tier category not fairly represented. As such the finding cannot be generalized on the whole firms. However, the findings of a research conducted in Hungary cannot fit when applied on the Nigerian context. Therefore, a similar research need to be conducted.

2.4.2 Liquidity and Financial Instrument Disclosure

IFRS 7 has the potential to facilitate cross-border comparability, increase reporting transparency, decrease information costs, reduce information asymmetry and thereby increase the liquidity, competition and efficiency of markets. Moreover, the prospect of a comparative advantage from higher liquidity and lower cost of capital may influence national policy setters to adopt internationally recognized accounting standards (Shimaa & Yang, 2012). Similarly, Daske et al,(2013) found that on average, adoption of IFRS leads to an increase in market liquidity or a decline in the cost of capital. The study also argued that, if firms attempt to improve their financial reporting transparency policy; they should benefit more from the liquidity compared to firms that do not attempt to improve their financial reporting transparency. Previous studies that have looked into the association between liquidity and financial instruments disclosure requirements of IFRS 7 are mixed. Andrew (2015) concluded that Liquidity has a positive and significant effect on disclosure level. This is also in supports of Owunu-Ansah & Yeoh, (2005) who found a significant relationship between liquidity and IFRS disclosure.

On the other hand, Bamber (2011) found no any significant relationship between liquidity and mandatory disclosure of IFRS 7.Most of the researches on liquidity and IFRS disclosure are either foreign base studies, or they have been overtaken by events. A research work that

will incorporate liquidity as an independent variable that will explain IFRS 7 disclosure requirements in the Nigerian context is overdue.

2.4.3 Auditor Type and Financial Instrument Disclosure

Atanasovski (2015) studied factors that influence compliance with IFRS 7 disclosure requirements. The researcher has measured the requirements of the standard using disclosure checklist. The result of the regression has shown that audit firm is positively related to IFRS 7 disclosure requirements. . The study has used data from a single year of 2013 as against related studied that are longitudinal (that cover a number of years). The study also is generalized to the Macedonian stock exchange, not specific to a particular industry or subsector, like the proposed research that will look into listed manufacturing firms in Nigeria as its domain. Prior to Atanasovski (2015), Tsalavoutas (2009) evaluated financial statements effects, factors that influence disclosure compliance and value relevance of IFRS in Scotland. The study adopted both univariate and multivariate technique of analysis. The study found that auditor type is positively associated with IFRS disclosure.This contradict the findings of (Street & Gray, 2002; Glaums & Street, 2003; Alsaeed, 2006 and Lopes &Rodriguies, 2007).

Contrary to the above findings, Fakete, matis & Lukacs (2008) the study had found auditor type, to be negatively related to the disclosure requirement. As cited above, such findingsof Hungarian study cannot be generalized on a country like Nigeria. Therefore, a similar research need to be conducted. Similarly, Tsegba, Semberfan and Tyokoso (2017) as cited above, assess the level of compliance with International Financial Reporting Standards (IFRS), it concluded that auditor type is positive but insignificantly associated with IFRS compliance. Though, the study is a Nigerian, but manufacturing sector is highly important to

be considered as a domain in a research work like this, because of its importance to the Nigerian economy.

2.4.4 Leverage and Financial Instrument Disclosure

The external finance creates an opportunity for shareholders to transfer wealth to the prejudice of creditors that increases agency costs between shareholders and creditors and the riskiness of the firm. It has been argued that with high debt firms tend to disclose more information to assure creditors that shareholders and management are less likely to bypass their convenient claims (Ali et al., 2004). And also companies with higher leverage have, by definition, less equity and probably, in turn relatively fewer shareholders. Consequently they are more likely subjected to higher equity risk than companies with lower level of leverage and therefore are subjected to greater shareholders demand for information to assess both the probability that the company will meet its debt obligations and degree of risk of future cash flows arising from their investments (Al Shammari et al., (2007).

According to Iatridis (2008) firms that provide extensive accounting disclosure tends to use more debt that equity to finance their operations. It appeals therefore that firms are inclined to disclose information about sensitive accounting issues such as gearing in order to reassure investors and lenders that they abide with the disclose practices as enumerated by the accounting regulation.Provisions of accounting disclosures reduces overall level of risk and allows for fund raising in the debt market. Prior studies provide conflicting findings on the association between leverage and the level of disclosure.

Hassan, Sale & Rahman (2007) evaluated the determinants of financial instruments disclosure quality among listed firms in Malaysia. The sample used for the study is 484 firms

listed on the main board of Bursa, Malaysia. The study examines disclosure based on the Index developed according to the information required by Malaysia Accounting Standard Board (MASB). It equally applied regression technique of analysis. The findings of the study indicated that leverage is significantly related with disclosure quality. The study is taking all the companies listed on the floors of Bursa exchange market, not specific to a particular industry like banking sub-sector. This is similar to the findings of AlShammari et al, (2007), that identified leverage as a factor positively associated with level of disclosure

This is in contrast to the findings of (Aliet al., 2004; Tsegba, Semberfan and Tyokoso 2017; Fakete, matis & Lukacs, 2008; and Hassan, Giorgioni Romilly, 2006) who provided no evidence of such an association, it rather found a negative relationship. A possible explanation for these findings might be that debt holders are in a position to demand additional information other than that contained in the annual report and therefore not reliant on the disclosures made in the annual report. As these previous studies have considered different countries and utilized differing methods.

2.4.5 Firm Size and Financial Instrument Disclosure

Intuition and empirical studies, suggest that size positively influences mandatory disclose practices while Wallace, Naser & Mora,(1994) admit that although there is overwhelming support for a positive relationship between firm size and level of disclosure, there is no theoretical linkage to support the assertion. The study urged that since large company usually operate over wide geographical areas and deal with multiple products that enable them to track all financial and non –financial information for operational , tactical and strategic purposes, with this type of well-structured internal reporting system, the incremental costs of

supplying information to external user's will be minimal. This will make them disclose more information than their smaller counterparts (Andrew, 2015).

Aljifiri (2014) examines the association between firm characteristics and corporate mandatory financial disclosure. A total of 113 corporate annual reports were collected representing approximately 75% of the population. Multiple regression technique of analysis were used to test the relationship between the attributes and extent of compliance level of the United Arab Emirates firms. The findings of the study has shown that size was found to be significantly related to the level of disclosure. The period of the study is a single year period. So, further study needs to be conducted to extend the period to a good number of years, like five years.

On the contrary, Glaum & Street (2003)studied the level of compliance and determinants of such compliance with the disclosure requirements of both IAS and U.S GAAP for companies listed on the German's new market. The findings of the study has shown that size was found to be not significantly related to the disclosure compliance. The research was conducted for over a decade, a lot of events has taken place, like issuance of new IFRSs notably, IFRS 7 Financial Instruments: disclosure requirements. Therefore, the study has been overtaken by events. A new research need to be conducted to look into new issues on disclosure requirements as enshrined in the new standards.

2.5 Theoretical Framework

This section of the study presentsthe theoretical frameworks that underpins financial reporting disclosure are discussed. Specifically, the section deals with theories underpinning disclosure of financial instruments, and why such disclosure differs from one entity to

another. For the purpose of this study, the most relevant ones are: political cost theory, proprietary theory, and Agency cost theory.

2.5.1 Political Cost Theory

Political costs is the costs for continuing operations andbusiness units , according to legal requirements and common life and economic environment is necessary . In the firms , these costs make from law or political pressures . These costs include tax , insurance, the cost ofgood's pricing , grants to individuals and organizations and government agencies and etc.According to the size of firm theory there is a probability managers of growing companies causing to go forward to select the accounting rules in order to relegate the reports of income of presentperiod to the coming period. The economic, social, and cultural environment in different countries is notsame so, the management motives may be different too (Emadzadeh, Shahrestani, Safanoor & Shahraki, 2012)

Political groups have to bear the political costs in order to be effective in political process. They expresstheir wanted through Campaign and support the politicians and in this regard, the costs are very high. Alsounderstanding about effect of process and political discussion on companies cash flows have specialnecessity which is one of the essential and important sources of a unit .Increasing the product price and companies services is one of the factors that decrease the firm's

Competition power. Recognizing and controlling these costs can be useful in increasing the corporation'scompetition power in internal markets and even international markets

(Emadzadeh et al, 2012)

Positive accounting theory have supported the existence of political costs as an explanation for more disclosure. Companies that are politically visible and subject to high political costs are expected to disclose more information. Watts and Zimmerman (1978) argue that the extent of political costs is highly dependent on firm size. The related variablesthat closely explains this theoryare profitability and size, and is assumed to be proxy variables for political attention. This hypothesis predicts that large firms rather than small firms are probable to use accounting options that reduce reported profits, in order to avoid payment of higher tax (Watts and Zimmerman, 1990). Empirical tests of the relationship between political costs and disclosure can be found on Cooke (1989); Bamber, (2011); and Bagudo, Abdul Manaf & Ishak (2016).

However, the disclosures would be rarely & deliberately withheld because of the high lawsuit costs related to non-compliance – but this does not mean that, the requirements are always provided, or always provided in full. But in some cases, there are occasions when the disclosure is provided in excess of the requirements (voluntary disclosure).

There is an opposing view of this theory among the accounting researchers. There are those who have appealed to fellow researchers in academia to assist with a better explanation and more clarification of the theory (Reiter, 1998), and there are those who believe that there is something consciously believable about the theory, despite having found mixed evidence of it in practice (Milne, 2002). However, a review of prior studies indicated that, it might not be the theory that was at fault (Watts and Zimmerman 1978) but rather, application of the theory. Conclusively, the researcher feels that, to incorporate this particular theory as an explanation of financial instruments disclosures practice.

2.5.2 Proprietary Cost Theory

Proprietary information has been defined by Dye (1985) as "any information whose disclosure potentially alter firm's future earnings gross of senior management's compensation", including information that may decrease customers' desire for a company's products. Accordingly, managers favor not to disclose information that may adversely affect the company's market share, even if this would increase the associated cost of capital. The related variable to this theory is Liquidity which is assumed to be a proxy variable to proprietary cost, because of the assumptions that, those firms with greater pressure on their liquidity position will disclose more, and the disclosure will be of a higher level to reduce information costs, as explain by the proprietary cost theory which consider the cost of disclosing the information. In other word, proprietary costs represent the competitive disadvantage (Campbell et al., 2001). Managers can be expected to disclose aggregate performance information when their company has different performance across its segments (Hayes & Lundholm, 1996; Healy & Palepu, 2001). On the other hand, firms with similar diminishing profitability across its segments will disclose more segment information (Piotroski, 1999).

The proprietary costs theory considers the costs of disclosures as well as its benefits. Managers take into account the costs of disclosing information and do not disclose when costs outweigh the benefits. These costs include not only those of preparing and disseminating the information, but also costs of appropriation of the information by competitors. Investors know this and do not apply adverse selection (Lopes & Rodrigues, 2007). However, it is assumed that companies will provide full and complete mandatory annual report disclosure to meet the demands placed upon them by stakeholders and

ultimately the accounting standards setters. Thus, it is not unreasonable to expect that there should be zero breaches in mandatory disclosure requirements given the standard setting due process, and the potential consequences when a company is found to be non-compliant (Bamber, 2011). Empirical tests of the relationship between proprietary costs and IFRS 7 disclosure can be found in Bamber, (2011).

2.5.3 Agency cost Theory

Agency relationship can be defined as a contract under which one or more persons (the principals) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent (Jensen & Meckling, 1976). Agency from the business perspective where the managers and shareholders have entered into a contractual business relationship. Agency costs arises as the result of agency problem, that is where there is a conflict between principals' and agent's interest. The summation of monitoring cost, bonding cost and residual cost is what makes the agency cost. Shareholders normally incur monitoring costs, to limit the agents' abnormal activities. Bonding costs are paid by the managers, to guarantee that no harm of the shareholders' interests will result from their actions. Residual loss arises when managers' actions has deviated from decisions that would best maximize shareholders' fund (Jensen & Meckling, 1976).

Agency relationship leads to information asymmetry problem because managers can access information more than shareholders (Jensen & Meckling, 1976) Mandatory disclosure standards and other regulations are among the means of reducing the agency problem as they require managers to fully disclose private information. Though, full disclosure cannot be

guaranteed even with the presence of such regulations ((Healy & Palepu, 2001; Al-Razeen & Karbhari, 2004). The absence of full disclosure is explained by the conflict that exists between the interests of managers and shareholders, and In addition, corporate reporting regulations are intended to provide relevance of the information supplied that helps investor in decision-making process (Al-Razeen & Karbhari 2004; Shehata, 2014).

Lopes & Rodrigues (2007) have argued that, Auditor type can explain Agency cost theory, the study create a link between the variable and the theory, because major international auditing companies have better Knowledge about IFRS, and so the costs of implementing and auditing them in their clients is lower than for smaller auditing companies. Auditing is argued to be a way of reducing agency costs (Jensen & Meckling, 1976), and so companies that have high agency costs tend to contract high reputable auditing firms. More so, leverage can be used to explain Agency theory, because firms which a positive relationship exixst between leverage and Agency cost.The higher the debt in the company's capital structure the higherthe agency cost (Alsaeed, 2006). Financial instruments disclosure can be used avoid agency costs and to reduce information asymmetries (Inchausti, 1997). Because, it is argued that leveraged firms have to disclose more information to satisfy information needs of the creditors Uyar, Kilic & Bayyurt, 2013)

Managerial conflict does not necessarily restricted to perquisites, but also it encompass adopting policies that are more self preservatory, bonus-driven nature etc. Risk aversion strategy for example, is a strategy normally employed by management of an entity by way of adopting a pro-active hedging policy of financial instruments -derivatives- to achieve comparative advantage. A significant problem associated with this policy is that, its risk cost will prevent a company from always pursuing a maximization of shareholders wealth

strategy and the costs could knock on, directly to management performance, especially where they are reliant on performance related remuneration packages, and finally have a negative consequence on profits and also on investors' perceptions of value maximization (Jin & Jorion, 2006; bamber, 2011).

There are different ways in which this agency cost can be mitigated. One of These methods include: the alignment of managers' remuneration packages to firm value (Eun & Resnick, 2009).Those firms who are using performance as a measure will find that management attitudes have a potentially huge impact on the hedging strategy that a firm adopts (Smith & Stulz, 1985). However, when they examined management attitudes to hedging under various conditions, they arrived at some interesting conclusions. They found that: "if the manager's end-of-period wealth is a concave function of the end of period firm value, the optimal strategy is to hedge the firm completely", thereby most likely over hedging. Secondly, "if the manager's end-of-period wealth is a convex function of the end of period value of the firm, but the manager's expected utility is still a concave function of the end-of-period value of the firm, the optimal strategy generally will be to eliminate some, but not all, uncertainty through hedging" Smith & Stulz (1985).

This could lead to deliberate over or under hedging, dependent on the payoff between risk aversion of the manager and the potential variability of returns. Thirdly, "if the manager's end-of-period utility is a convex function of the end-of-period firm value, Jensen's Inequality implies that the manager's end-of-period utility has a higher expected value if the firm is not hedged at all" (Smith & Stulz, 1985)

Potentially leaving the firm significantly under hedged with the same strategy a risk-seeker might adopt. If this argument holds then one is forced to conclude that if a hedging related cost reduction strategy is adopted by a firm, then it will be subject to management influence and agency conflicts. An effective strategy will at best be tolerated by management, but more often than not will be impeded and thus deliberately made imperfect. At worst, management will deliberately obstruct an otherwise effective policy as part of a self-serving philosophy. Thus, when it comes to disclosing the policies, processes and management of the risks, then these will also be subject to managerial manipulation (Bamber, 2011)

The theories mentioned above underpins the study as a whole. Profitability and size are the related variables to political cost theory. Liquidity is related to proprietary cost theory, and auditor type and leverage are the related variables to agency cost theory.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology adopted in carrying out the entire study. It show the road map that described how data relating to the study were collected and subsequently analyzed. Specifically, the chapter explains the research design, population and sample of the study, source of data collection, techniques of data analysis, variable measurement and model specification.

3.2 Research Design

The study adopt correlational research design. The design is selected because it enables an assessment of the extent of relationship between two or more variables (Aljifiri, 2014). Therefore the design will provide the basis for understanding the relationship and the level of influence that the firm characteristics under review will have on Financial Instruments Disclosure of Listed Manufacturing firms in Nigeria as required by IFRS 7. Furthermore, philosophers in the field of research have strongly stated that the researcher's ontological and epistemological stand will guide the study as a whole (Creswell, 2003), therefore, the

research is informed by the research paradigm which is positivism. Positivism paradigm is a scientific, experimental, deductive and quantitative based approach, where the researcher will seek a specific and quantifiable observations. It normally starts with a review of previous literature and theory, followed by a period of data collection, formulation and testing of hypotheses and finally the findings lead to the testing and confirmation of the theories (Creswell, 2003). The correlational research design pave way for the researcher, to test the adopted theories against the observations. Therefore, correlational research design is appropriate for the study.

3.3 Population and Sample of the Study

The population of the study constitute all the seventy (70) listed manufacturing firms on the floor of the Nigerian Stock Exchange (NSE) as at 31st December, 2016(see Appendix B). Manufacturing activities can be identified as the process of transforming raw materials into finished product, usually on a large scale. Based on this definition and also on the NSE classification, six categories of sub-sectors matched our definition and they are: Agriculture; Conglomerates; Consumer goods; Health care; Industrial goods; and Natural resources.

The population of the study was divided into sub-sectors (as above), and thereafter, the researcher used the following filters for a firm to be included in the sample size, which was used togeneralize the entire population:

i. A firm must be listed on the floor of the Nigerian Stock Exchange throughout the period of the study which is 2012-2016.
ii. Availability of a firm's complete annual reports and accounts from 2012-2016.

On the basis of these, the number of sample taken from each category after the two filters can be depicted below:

Table 3.1 Computation of the number of firms taken from each sub-sector

S/N	Sub-sectors	Total Number of Firms	Number of firms selected
1	Agriculture	5	2
2	Conglomerates	6	2
3	Consumer Goods	25	11
4	Industrial Goods	18	7
5	Healthcare	10	4
6	Natural Resources	6	2
Total		**70**	**28**

Source: Author's compilation, 2018

Sample size of 28 firms was finally selected. The firms that represent the sample of the study and those that were filtered out was attached in appendix B, C, D & E.

3.4 Sources and Method of Data Collection

The study useddisclosure index for the dependent variable and secondary data for explanatory variables. The data was extracted from the annual reports and accounts of the firms under the study. Specifically, the firms' published annual reports and audited financial statements for a period of 2012-2016 were the main source of data collection for the study. Secondary data will best suit the study, looking at the nature of the variables.Their measurement can all be found in the published annual reports.

3.5 Techniques of Data Analysis

Multiple regression model was used as techniques of data analysis to assess the relationship among the variables of the study. The model was used because of its suitability and effectiveness in estimating the statistical effect of one variable on another. However by

reason of the fact that the data is both cross sectional and time series (panel data), the research have been subjected to generalized least square model (GLS model) in estimating the weight of the observations, so that specific features of the observations by estimating both fixed and random effect can be accounted for. The Hausman result tested were used to determine the most fitted model for the study. Since the resultfavors random effect model, the lagrangian multiplier test for panel effect was also conducted to determine the choice between random effect and ordinary least square (OLS) regression estimates

However, other robustness tests were conducted in the study. These include; test of multicollinearity (variance inflation factor and Tolerance Value) and heteroskedasticity test, to test the fitness of the model and the reliability of the findings.

3.6 Variables measurement

The variables of the study consist of the dependent and independent variables. The selection of variables and their measurement was based on the theoretical literature and empirical evidence from previous studies, like the works of: Cerf(1961); Fekete, Matis & Lukacs, (2008); kwabena, (2010); veen, (2011); Bamber, (2011); Amoako & Asante (2012); Hossain & sultana, (2014); Atanasovski (2015); Zango, Kamardin, &Ishak , (2015); Andrew (2015); Alsaeed (2006); and Yasean, Theresa, Suzanne & David (2016).

3.6.1 Dependent Variable

The dependent variable of this study is financial instruments disclosure requirements of IFRS 7 which was proxied by Mandatory Disclosure Index (MDI). The first researcher that carried out an empirical study using a quantifiable measure of disclosure and relating it to certain financial and non-financial corporate variables was A.R. Cerf. In 1961. Several previous

studies have attempted to measure the level of corporate compliance with the mandatory disclosure requirements. The most common approach is the Cooke's method (Hodgdon, Tondkar, Adhikari & Harless, 2009). This method refers as the 'dummy' approach of the disclosure index, according to Cooke (1989; 1992). This method gives equal weight to items required to be disclosed by the standard. This index is considered as unweighted because all items are treated in the same way. This method has been used by several previous studies to measure compliance with IFRS disclosure (Lopes & Rodridgues; 2007 Kwabena, 2010; Bamber, 2011; Aljifiri, 2014; and Atanasovski, 2015; Bagudo, Abdul Manaf, & Ishak, 2016).

If the information is disclosed, it is scored as 1 and if it is not, it is scored as 0. It is also known as the dichotomous method. However, it is not strictly dichotomous because some items are not applicable to all companies, and as a result, they are noted as 'not applicable' (NA). From these items, a compliance score will be calculatedacross the firms and years under review. Our disclosure index for each company has a relative measure, defined as the ratio of mandatory information actually provided by the company in year t to the total information expected to be disclosed.

The maximum result of disclosure of each firm is determined by the formula:

$$MDI = \frac{\text{Actual items disclosured by the firms}}{\text{Expected items to be disclosed as per IFRS 7}}$$

The list of the items is attached in Appendix A

3.6.2. Independent Variables

The table below clearly show the summary of variables and their measurement:

Table 3.2 variables measurement

Variable	Nature	Measurement	Source
Financial Instruments Disclosure (MDI)	Dependent Variable	Ratio of the mandatory items disclosed	Street and Gray, 2001; Hassan, Sale & Rahman, 2007; Kwabena, 2010; Bamber, 2011;
Profitability	Independent Variable	Profit Before Interest and Tax/ Total Assets	Hassan, Sale & Rahman, 2007; Hassan,2014
Liquidity	Independent Variable	Current assets/current liabilities	Alsaeed, 2006; Aljifiri, 2014.
Auditor Type	Independent Variable	Dichotomous, if a firm is audited by one of the big 4, '1' will be allocated, and if not then '0' will be allocated	Fakete, Matis & Lukacs, 2008; Atanasovski, 2015
Leverage	Independent Variable	Total debt/total assets	Uyar, Klic & Bayyurt, 2013; Nazir & Saita, 2013
Firm size	Independent Variable	natural log of total assets	Bamber, 2011, Hassan,2014

Source: Author's Compilation, 2018

3.7. Model specification

Based on the explanations presented above regarding the dependent and independent variables, the parsimonious model for the study that has been found in most of the literature and adapted here is represented by the following regression equation:

$$MDI_{it} = \beta_0 + \beta_1 PROF_{it} + \beta_2 LIQ_{it} + \beta_3 ADTY_{it} + \beta_4 LEV_{it} + \beta_5 FSIZE_{it} + \varepsilon_{it} \ldots\ldots\ldots\ldots\ldots$$

Where:

MDI_{it} = Ratio of the items disclosed of the firms i at year t.

β_0 = The Intercept.

$PROF_{it}$ = profit before interest and tax/total assets of firm i at year t.

LIQ_{it} = current assets/current liabilities of firm i at year t.

$ADTY_{it}$ = dichotomous of either, '1' if yes and '0' if otherwise of firm i at year t.

LEV_{it} = Total debt/total Assets of firm i at year t.

$FSIZE_{it}$ = natural log of total assets of firm i at year t.

$\beta_1 - \beta_5$ = Beta co-efficients

ε_{it} = the error term

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents analysis and interpretation of the data collected for the study, and also testing the parsimonious model of the study. The Chapter presents the descriptive statistics used in explaining the nature of the data, while the correlations matrix table shows the relationship between the dependent and independent variables and also the relationship between the independent variables themselves. The chapter also present the summary of regression result. It also presents the major findings from the analysis as well as policy implications of the findings.

4.2 Descriptive Statistics

The descriptive statistics for each of the variables were determined to show the Mean, Standard deviation, Minimum, Maximum, Skewness and Kurtosis values. Descriptive analysis of these variables is presented and discussed below.

Table 4.1 Descriptive Statistics

VARIABLES	Mean	SD	Minimum	Maximum	Skewness	Kurtosis	N
MDI	0.6910	0.1805	0.3335	0.9334	-0.2200	1.7577	140
PROF	0.1514	0.2214	0.0124	0.7412	7.0405	65.8005	140
LIQ	1.3325	0.7987	0.0740	4.6023	1.4570	6.4006	140
ADTY	0.6714	0.4714	0	1	-0.7300	1.5328	140
LEV	0.5305	0.2033	0.0579	1.5043	1.3048	9.1042	140
FSIZE	16.7327	1.5412	13.8868	19.759	0.1658	2.0423	140

Source: STATA Output, 2018

From Table 4.1, the mean value of MDI is 0.6910 (representing 69%)which indicated the average level of compliance with financial instrument disclosure requirements of IFRS 7 among listed manufacturing firms in Nigeria. The compliance level is lower than the one reported by Tsegba, Semberfan & Tyokoso (2017) which assess the effect of firm

characteristics on the level of compliance with International Financial Reporting Standards (IFRS) by listed financial services companies in Nigeria, and suggests 85.9% compliance with IFRS by the sample of listedfinancial services companies in Nigeria. The table further indicates that MDI has a minimum compliance of 0.3335 and a maximum compliance of 0.9334, with a standard deviation of 0.1805 which signifies the data of the variable are not widely dispersed in the level of compliance among the sampled firms over the study period. In addition MDI variable has shown a coefficient of skewness of -0.2200which signifies the data are negatively skewed, while the kurtosis value of 1.7577 shows the variable is not normally distributed.

Table 4.1 also indicates that PROF has a mean value of 0.1514, meaning that on the average, the sampled firms' profitability is 15% during the period of the study. The values of the PROF variable ranges from a minimum of 0.0124 to the maximum of 0.7412, with a standard deviation of0.2214 which signifies not widely dispersed from the mean. The coefficient of skewness of 7.0405 indicating the variable is highly skewed to the right, while the coefficient of Kurtosis of 65.8005indicate that the variable is at substantial peak value.

Table 4.1also shows that LIQ has a mean value of 1.3325which signifies that average total current assets is about 1.3: 1 more than the average total current liabilities of the listed manufacturing firms among the sampled companies, with a minimum value of 0.0740 and a maximum value of 4.6023. The standard deviation of0.7987 which indicates there is no wider dispersion of the mean average. The coefficient of skewness of 1.4570 also signifies the variable ispositively skewed. While Kurtosis value of 6.4006indicates that the variable is not normally distributed.

Table 4.1 furthershows that ADTY has a mean average of 0.6714which is 67%, and which indicates that more than half of listed manufacturing firms among the sampled firms are being audited by one of the Big 4 auditing companies, with a minimum of 0 and a maximum 1. While the standard deviation.0.4714Which is not widely dispersed from the mean value. The coefficient of the skewness have shown the value of -0.7300 which implies the data is negatively skewed, the coefficient of Kurtosis of 1.5328is showing the variable is not normally distributed.

From the same table, LEV variable has a mean average value of 0.5305, meaning that on the average, the sampled firms financed about 53% of their total assets with debt during the period under review. The values of LEV range from a minimum of 0.0579 to the maximum of 1.5043, with a standard deviation of 0.2033 from the mean value which signifies the value is not widely dispersed. LEV variable is having skewness coefficient of 1.3048 which indicate the data are positively skewed, and a Kurtosis of 9.1042which implies the normal distribution assumptions are not met

Finally, Table 4.1 shows a mean value of FSIZE as 16.7327, with a minimum of 13.8868 and a maximum of 19.759. The standard deviation of 1.5412 is a clear indication that the data of the variable are widely dispersed. Also the skewness coefficient of 0.1658 indicate the data is positively skewed. The Kurtosis coefficient of 2.0423of the FSIZE variable also implies the data is not normally distributed.

4.2 Correlation Matrix

The correlation matrix depicts the relationships between all explanatory variables individually with the dependent variable and also the relationship among the explanatory

variables within themselves. The summary of the correlation coefficients of the variables of the study are shown in Table 4.2

Table 4.2 Correlation Matrix Result.

VARIABLES	MDI	PROF	LIQ	ADTY	LEV	FSIZE
MDI	1.0000					
PROF	-0.0436(0.6090)	1.0000				
LIQ	-0.1370 (0.1065)	0.0246 (0.7727)	1.0000			
ADTY	0.4945***(0.0000)	0.1415 (0.0953)	-0.0411 (0.6298)	1.0000		
LEV	-0.0887 (0.2976)	0.1192 (0.1607)	-0.508***(0.0000)	0.0745 (0.3815)	1.0000	
FSIZE	0.9295 ***(0.0000)	-0.0808 (0.3428)	-0.0998 (0.2406)	0.4641***(0.0000)	-0.1013 (0.2338)	1.0000

Source: STATA Output, 2018

***indicates the correlation coefficients are significant at 1%.

Table 4.2 presents the correlation results between firm specific characteristics and financial instruments disclosure requirements of IFRS 7 of listed manufacturing firms in Nigeria. The table showed that there is a positive and significant relationship between Auditor type and financial instruments disclosures with a correlation coefficient of 0.4945 which is significant at 1% level of significant (p-value of 0.0000). Similarly, Firm size is having positive and significant relationship with financial instruments disclosures with a correlation coefficient of 0.9295 at also 1% level of significance (p-value of 0.0000).

On the contrary, Profitability, liquidity and Leverage are having negative but insignificant relationship with the financial instruments disclosure requirements with a correlation coefficients of -0.0436, -0.1370 and-0.0887, respectively and insignificant p-values of 0.6090, 0.1065and 0.2976 respectively.

Furthermore, it is obvious to note that, there is no high correlations among the explanatory variables themselves which could signal the existence of multicollinearity. All the explanatory variables are having correlation coefficients of less than 0.80 (rule of thumb), with liquidity and leverage having the highest correlation coefficient of 0.51. So, the relationship is considered okay and can be included in the same regression model (Gujarati, 2004).

4.3 Normality Test of the residuals

From the presentation and interpretation of the descriptive statistics above, it appears to a large extent that, the data are not normally distributed. Therefore, it is subjected to test for normality of the residuals. The result of the test is presented in Table 4.3 as follows

Table 4.3 Test for Normality

Variables	Pr(Skewness)	Pr(Kurtosis)	Adj chi2 (2)	Prob>2	N
Residuals	0.5524	0.0002	12.32	0.0021	140

Source: STATA Output, 2018

Table 4.3 above indicates that the residualsare not normally distributed. On the basis of significance probability of 0.0021, which signifies 1% level of significance.

Most of the parametric tools of analysis including regression are better carried out with a data that are normally distributed, but the data that deviate from a normal distribution have a tendency of a bias coefficients by extending the non-normality of the residuals (Robert,

2008). However, Robert (2008) maintained that taking the log of the data reduces the data outlier and makes the data to appear to be normal. In addition, the use of robust regression helps in correcting the non-normality of the data.

4.4 Robustness Test

In order to have valid and better statistical inferences, relevant model diagnostics test were carried out to check the fitness of the model estimated in the study, among which are: heteroskedasticity test, test for multicollinearity, fixed and random effect models as well as hausman specification test.

4.4.1 Heteroskedasticity Test

To test for the existence of heteroskedasticity, the study used Breusch-Pagan/Cook-Weisberg test. The result revealed a chi2 value of 1.78 with a p-value0.1818 which signifies that, there is no problem of heteroskedasticity and this signifies that, the t-values of each variable are not in any way affected. Similarly, significant F-statistics in both models will signifies fitness and the overall model explain significant variations in dependent variable, indicating that result obtained will be reliable. The STATA output for the test is attached as appendix F.

4.4.2 Test for multicollinearity

In multiple regression models, the existence of high correlation between the independent variables can cause statistical and computational difficulties. However, the correlation coefficients presented in table 4.3 above suggest the absence of multicollinearity among the variables and that the regression model performs properly. In addition, the study conducted Variance Inflation Factor (VIF) and Tolerance Value (TV)tests to further check the excessive correlation among the variables. The results are presented in Table 4.4 below:

Table 4.4 Variance Inflation Factor and Tolerance Value

VARIABLES	VIF	TOLERANCE
PROF	1.06	0.9405
LIQ	1.41	0.7091
ADTY	1.36	0.7374
LEV	1.45	0.6904
FSIZE	1.38	0.7223
Mean VIF	1.33	

Source: STATA Output, 2018

From the above table, it is apparent that tolerance value of the variables are all above 0.1, it impliedly means that, there is absence of multicollinearity. Furthermore, the VIF values are generally low as none of the values have reach 2.0 which reaffirm the absence of multicollinearity among the explanatory variables, so, the values are statistically considered acceptable.

4.4.3 Hausman Specification and Lagrangian Multiplier Test

Given the nature of the data (longitudinal panel) used in this study, the OLS regression may not provide the efficient estimates. The study deemed it appropriate and tested for the unobservable firm characteristics which may be fixed in entity (fixed in panel) and time period (fixed effect) and also tested for whether some of these effects may be constant over time but vary among panels, while others may be fixed among panels but vary over time (random effect).As a result, the study conducted both fixed and random effects regressions and further performed Hausman specification test in order to determine the most appropriate result to interpret. The Hausman test showed an insignificant result (chi2 value of 0.34 and

prob>chi2 of 0.9967), suggesting that difference in coefficients is not systematic and hence, the random effect will be more appropriate than fixed effect model.

Furthermore, the study conducted the Lagrangian Multiplier test in order to decide between the random result and OLS regression result. The result shows an insignificant result (chi2 value of 1.93and Prob> chi2 of 0.1645), in favour of OLS regression Model. The study therefore, adopt robust OLS regression model. The results of all the tests conducted are attached as appendix F.

4.5 Analysis of Regression Results

Table 4.5 below shows the results of the regression analysis estimated by the OLS using STATA. The table encompasses coefficient, t-statistics as well as the probability values of the independent variable.

Table 4.5: Summary of the Robust OLS regression Result

Variables	Coefficients	Std. Error	T-Statistics.	Probability
Constant	-1.0209	0.0621	-16.44	0.000***
PROF	0.0185	0.0138	1.35	0.181
LIQ	-0.0153	0.0074	-2.06	0.041**
ADTY	0.0315	0.0154	2.05	0.043**
LEV	-0.0378	0.0302	-1.25	0.212
FSIZE	0.1033	0.0036	28.57	0.000***
R^2	0.8727			
F-Statistics	229.49			
Prob>F	0.0000			

Source: STATA Output, 2018

***, ** indicate that the values are significant at 1% and 5% level respectively.

From the above regression model result, regression equation can be extracted as follows:

MDI = -1.0209 + 0.0185PROF-0.0153LIQ +0.0315ADTY - 0.0378LEV + 0.1033FSIZE

The result in Table 4.5 shows that the co-efficient of determination (R^2) overall has a value of0.8727. This means that, Profitability, Liquidity, Auditor type, Leverage and Firm size, all put together account for 87% of the factors that determine compliance with financial instruments disclosure requirements among sampled firms of the listed manufacturing firms in Nigeria. Other factors accounts for the remaining 13%. Also from the Table, it can be seen that the overall model is well fitted as indicated by the F-Statistics of 229.49 at 1% level of significance. The value of F-statistics which is statistically significant at 1% level of significance implies that, there is a 99.9 percent probability that the relationship among the variables is not due to mere chance.

From the Table, it can be observed that Profitability (PROF)has coefficient value of 0.0185 with an insignificant p-value of 0.181. Which implies that Profitability is positively related to compliance with financial instruments disclosure, and that compliance level does not depend on the variable. This finding is in line with those of Chavent, Ding, Fu, Stolowy & Wang(2006);Almutawaa and Hewaidy (2010); Juhmani (2012); and Demir & Bahadir (2014)who reported insignificant association between Corporate profitability and compliance with IFRS, it is however inconsistent with Ali et al. (2004), and Palmer (2013) which report a significant positive association between profitability and compliance with IFRS.

The regression result reveals that liquidity (LIQ) has a coefficient value of -0.0153 with a significant p-value of0.041. This signifies that liquidity is significant and negatively related

to compliance with financial instruments disclosure requirements, and that an increase in liquidity will lead to a proportionate decrease in the compliance level and vice versa.

In the same vein, Auditor type (ADTY) has a coefficient value of 0.0315 and a significant p-value of 0.043(5% level of significance). This signifies that, Auditor type is positively and significantly related to financial instruments disclosures. In essence, the more international auditors are appointed to conduct the annual mandatory audit exercise on the financial statements among the sampled firms, the higher the compliance level with the financial instruments disclosures of the listed manufacturing firms in Nigeria. The finding is inconsistent with prior studies by Ali et al. (2004); Almutawaa & Hewaidy (2010); Tsegba, Semberfan & Tyokoso,(2017).

Furthermore, the result shows that, Leverage has a coefficient value of -0.0378 and an insignificant p-value of 0.212. Which implies that leverage is negatively and insignificantly related to financial instruments disclosures, and it means the disclosure does not defend onleverage anyway.The result is consistent with the works of Ibrahim (2006); Ali et al. (2004); Almutawaa & Hewaidy (2010); Juhmani (2012); and Tsegba,semberfan& Tyokoso (2017), that found an insignificant relationship between leverage and firm compliance with IFRS. The finding is contrary to that of Chavent et al. (2006) and Palmer (2013) who found leverage to be positive and significant with disclosure compliance of firms.

Firm size which is having a coefficient value of 0.1033 and a significant p-value of 0.0000 which implies that Firm size is strongly significant and positively related to compliance with financial instruments disclosure, and that an increase to firm size, like purchashase of additional assets will proportionately lead to an increase in compliance level with the

financial instruments disclosures of the listed manufacturing firms in Nigeria.The result is consistent with the results of Ali, Ahmed and Henry (2004); Chavent et al. (2006); Ibrahim (2006); Fekete et al. (2008); Almutawaa &Hewaidy (2010); Alshammari (2011); Juhmani (2012); and Palmer (2013). And contradict the findings of Glaum and Street (2003); Demir & Bahadir (2014) and Tsegba, Semberfam & Toyokoso, (2017), who found an insignificant association with IFRS disclosure compliance.

4.6. Hypotheses Testing

In this section of the study, the study tested the hypotheses earlier formulated for the study. Table 4.5 above contained the coefficients and p-values of the variables from which the hypotheses were tested and discussed:

4.6.1 Profitability and financial Instruments Disclosures

The hypothesis evaluate the effect and volume of profit on financial instruments disclosures. The hypothesis stated in null form reads:

H_{01}: Profitability has no significant effect on Financial Instruments Disclosure of Listed manufacturing firms in Nigeria as required by IFRS 7

Table 4.5 contains the summary of the results and shows the coefficient of PROF as 0.0185 with a p-value of 0.181. This implied that profitability has a positive relationship with financial instruments disclosures of listed manufacturing firms in Nigeria. Furthermore, it is not statistically significant even at 10%, indicating financial instruments disclosures does not depend on the volume of profitability during the period of the study, the study failed to reject the hypothesis that: Profitability has no significance effect on financial instruments disclosures of listed manufacturing firms in Nigeria.

4.6.2 Liquidity and financial instruments disclosures

The resultpresented in Table 4.5 is used to test hypothesis two. This hypothesis is formulated to assess the effect of liquidity on financial instruments disclosures. The hypothesis in null form is stated as follows:

H_{02}: Liquidity has no significant effect on Financial Instruments Disclosures of Listed Manufacturing firms in Nigeria as required by IFRS 7

The result in table 4.5 above show that Liquidity has a coefficient of -0.0153 and a p-value of 0.041. This implies that, liquidity is significant but negatively associated with financial instruments disclosures at 5% level of significance. What it means in essence is that an increase in liquidity leads to a decrease in financial instruments disclosures of listed manufacturing firms in Nigeria. Therefore, it is substantially enough to reject the null hypothesis that liquidity has no any significant effect on the financial instruments disclosures of listed manufacturing firms in Nigeria.

4.6.3 Auditor Type and Financial Instruments Disclosures

The hypothesis examine the effect of international Auditors on financial instruments disclosures. The hypothesis stated in null form reads:

H_{03}: Auditor Type has no significant effect on Financial Instruments Disclosures of Listed Manufacturing firms in Nigeria as required by IFRS 7

From the table 4.5, it can be seen that Auditor Type has a coefficient value of 0.0315 and a p-value of 0.043. This means that the relationship between Auditor Type and financial instruments disclosure is positive and significant at 5% level of significance. What it means in essence is that audit exercise by the international Auditors (Big 4) leads to an increase in financial instruments disclosures of listed manufacturing firms in Nigeria. Therefore, it is substantially enough to reject the null hypothesis that Auditor type has no any significant effect on the financial instruments disclosures of listed manufacturing firms in Nigeria.

4.6.4 Leverage and financial Instruments Disclosures

The summary result of table 4.5 is used to test hypothesis four. This hypothesis is formulated to evaluate the effectof Leverage on financial instruments disclosures. The hypothesis in null form is stated as follows:

H_{04}: Leverage has no significant effect on Financial Instruments Disclosures of Listed Manufacturing firms in Nigeria as required by IFRS 7

The result in table 4.5 above show that Leverage has a coefficient of -0.0378 and a p-value of 0.212. This implies that, leverage is negatively related with financial instruments disclosures of listed manufacturing firms in Nigeria. Though, it is statistically insignificant and it means financial instruments disclosures does not depend on leverage during the study period. The study therefore, failed to reject the hypothesis that: Leverage has no significance effect on financial instruments disclosures of listed manufacturing firms in Nigeria.

4.6.5 Firm Size and Financial Instruments Disclosures

The summary of the result in table 4.5 is used to test hypothesis five. The hypothesis assess the effect of the firm size on financial instruments disclosures. The hypothesis stated in null form reads:

H_{05}: Firm size has no significant effect on Financial Instruments Disclosure of Listed Manufacturing firms in Nigeria as required by IFRS 7

Table 4.5 contains the summary of the results and shows the coefficient of FSIZE as 0.1033 with a p-value of 0.000. This implied that firm size has a positive relationship with financial instruments disclosures of listed manufacturing firms in Nigeria. Furthermore, it is also statistically significant at 1% level, indicating thatfirm size is playing a vital role in effecting financial instruments disclosures, the study reject the hypothesis that: firm size has no significance effect on financial instruments disclosures of listed manufacturing firms in Nigeria.

4.7 Discussion of Major Findings

Based on the test conducted using the data and analysis of the results, this study found a significant relationship between firm specific characteristics and compliance with financial instruments disclosures of IFRS 7 of listed manufacturing firms in Nigeria. In other word, firm characteristics explain about 87% of the total variations in compliance with financial instruments disclosures of listed manufacturing firms in Nigeria during the period under review. Specifically, the findings are discussed below.

4.7.1 Profitability and financial instruments Disclosures

An examination of table 4.5 revealed that profitability (PROF) has an insignificant but positive relationship with Financial Instruments Disclosures. This finding is inconsistent with Haniffa & Cooke, (2002), and Cheng & Courtenay (2006) who found positive significant association, but confirms the findings of Ho and Wong (2001), Alsaeed (2006), Hossain and Hammami (2009), Wallace et al. (1994), Inchausti (1997) and Chau & Gray (2010) who found no significant association. Failure to reject the hypothesis might be explained by the proprietary cost hypothesis, according to which firms 'decisions to disclose information is affected by concern that such disclosures can damage their competitive position in product markets (Healy & Palepu, 2001).

4.7.2 Liquidity and financial Instrument disclosures

An examination of table 4.5 revealed that Liquidity has a significant and negative relationship with Financial Instruments Disclosures The result agrees with the findings of Inchausti (1997), Patton & Zelenka (1997) and Uyar (2011), it disagrees with the results of Wallace et al. (1994), Alsaeed (2006), Huafang and Jianguo (2007) and Chau and Gray (2010). This finding, which is notin line with expectations (hypothesis), and it contradict the agency theory and proprietary theory that, the higher the liquidity the more management will be tempted to disclose more information to praise shareholder and at the same time attract more investors

4.7.3 Auditor type and financial Instrument disclosures

An examination of table 4.5 revealed that Auditor type has a significant and positive relationship with Financial Instruments Disclosures The result agrees with the findings of Inchausti (1997), Patton and Zelenka (1997) and Uyar (2011), it disagrees with the results of

Wallace et al. (1994), Alsaeed (2006), Huafang and Jianguo (2007) and Chau and Gray (2010). This finding, which is in line with expectations, might signal that large auditing firms do not only audit financial statements of their clients, but also guide them towards better corporate reporting and higher corporate transparency.

4.7.4 Leverage and financial Instrument disclosures

An examination of table 4.5 revealed that Leverage has an insignificant and negative relationship with Financial Instruments Disclosures The result contradicts agency theory which suggests that agency costs are higher for companies with more debt and so expected to disclose more information with increase in leverage.

4.7.5 Firm Size and financial Instrument disclosures

An examination of table 4.5 revealed that Firm Size reveals a significant and positive relationship with Financial Instruments Disclosures The results has supportedtheagency theory which predict a significant positive relationship between company size and compliance with international financial reporting standards. The possible explanation for this consistency could be that compliance with IFRS by listed manufacturing companies in Nigeria is practically induced by firm size.

4.8 Policy Implication of the findings

Potential policy implications exist regarding the findings of this study. First the effect of firm characteristics on compliance with financial instruments disclosures of IFRS 7 by sampled listed manufacturing firms in Nigeria has been clearly established. The results of this research has provide an insight into the explanatory variables that have an influence in

explaining the variations of financial instruments disclosures. From the perspective of the management, these findings shall assist in establishing IFRS compliance unit to monitor compliance with the standard.

The result of the study indicates that Profitability is having insignificant but positive relationship with compliance with IFRS 7. Therefore, management shall not depend on the variable in assessing compliance. Though, it may again be used by management or to prevent information asymmetry between the management and shareholders of the company. Regulatory authority should play an important role in proving the transparency and disclosure practice of corporate firms.

The result also indicate significant but negative relationship between liquidity and compliance with IFRS 7. The implication of this is that as management pursue other measures to have a higher liquidity so as to be able to settle short term obligations as at when due, it will inversely affect disclosure with IFRS 7. Thus, management shall strike a balance between having an acceptable liquidity level and ensuring compliance with the standard which is also mandatory.

The results of the study have shown significant and positive relationship between Auditor type and compliance with IFRS 7. The implication of this is that management shall appreciate the appointment of an international Auditor in improving transparency and enhancing disclosure culture which will lead to increase in their mandatory compliance level. This is because of their vast experience and international reputation in auditing practice.

Furthermore, the result have shown an insignificant and negative relationship between leverage and compliance with IFRS 7 financial instruments requirements. The implication of

this result is that management will be exposed to financial risk with higher leverage ratio which will consequently affects the company as a whole, and eventually lead to a conflict between the shareholders and other stakeholders. Also investors may demand higher disclosure from the management.

The result of the study indicates that Firm size is having significant and positive relationship with compliance with IFRS 7. Therefore, management shall critically consider the variable in assessing compliance. Though, it can also be used by management to hide information to the shareholders of the company. Regulatory authorities should reissue guidelines to enforcemore compliance and disclosure practice of corporate firms.

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

This study investigates the effect of firm characteristics on compliance with financial instruments disclosure requirements of IFRS 7 by listed manufacturing firms in Nigeria, using a sample of twenty eight firms out of the seventy listed manufacturing firm in the Nigerian stock exchange, for period of five years (2012-2016). The study has carried out a conceptual and theoretical framework, as well as empirical review of the previous studies. It also adopted correlational research design and multiple regression analysis to examine the relationship between the firm characteristics and compliance with financial instruments disclosures IFRS 7.

The resultsof the study have shown a relationship exist between firm specific characteristics and financial instruments disclosure requirements of IFRS 7 of listed manufacturing firms in Nigeria.Firm size is having positive and significant relationship with financial instruments disclosures at 1% level of significance (p-value of 0.0000). Similarly, there is a positive and significant relationship between Auditor type and financial instruments disclosures which is significant at 5% level of significant (p-value of 0.043).

On the contrary, Profitability and Leverage are having insignificant relationship with the financial instruments disclosure requirements with an insignificant p-values of 0.181and 0.212respectively. Liquidity is having a unique relationship as per the result of the study, because it is having a significant but negative relationship with financial instruments disclosures, at 5% level of significant (p-value of 0.041).

Based on the tests conducted and the analysis of the result, this study provide a sufficient evidence that firm characteristics largely affects compliance with financial instruments disclosure requirements of IFRS 7, because of the overall R^2 of 87%. The findings of this study are relevant to investors and regulators.

5.2 Conclusions

Based on the findings of this research, the following conclusions are drawn:

i. The study document that a positive, but insignificant relationship exist between profitability and compliance with IFRS 7 disclosure requirements of listed manufacturing firms in Nigeria. It is therefore concluded that, the disclosuredid not depend on attainment of either higher or lower profit level by the companies under review.

ii. The work also revealed that liquidity has a significant but negative relationship with financial instruments disclosure requirements of IFRS 7. Thus, it can be concluded that an increase in liquidity will lead to a proportionate decrease in compliance level with financial instruments disclosure requirements of IFRS 7 listed manufacturing firms in Nigeria.

iii. The findings of the study further revealed that, there is a significant and positive relationship between Auditor type and financial instruments disclosure requirements of IFRS 7. Thus, it can be said that, Auditor type as a variable affects compliance with the standard.

iv. The findings also indicate that there exist insignificant and negative relationship between Leverage and financial instruments disclosure requirements of IFRS 7. It is therefore concluded that, leverage does not have any influence in determining compliance with the standard.

v. The findings of the study revealed that, astrongly significant and positive relationship exist betweenFirm size and financial instruments disclosure requirements of IFRS 7. Thus, it can be conclude that, size of a company affectsthe level of compliance with the standard.

vi. The study concludes that, none of the sampled companies among the listed manufacturing firms in Nigeria, have attained full compliance level (100%) with IFRS 7 during the period under review.

5.3 Recommendations

In line with the findings of the study, the following recommendations are presented:

i. That management of listed manufacturing firms in Nigeria shall adhere strictly to compliance with financial instruments disclosures of international financial reporting standards, by establishing IFRS compliance unit to monitor compliance with the standard.

ii. That management of listed manufacturing firms in Nigeria shall make a tradeoff between investing in short term investment and also maintaining a moderate liquidity level, because of the negative relationship, so as to attain minimum compliance level with financial instruments disclosure requirements of IFRS 7.

iii. It also recommended thatregulatory authorities in Nigeria shall emphasize on the appointment of an international auditor (Big 4) in respect of audit exercise, because of their reputations and vast experience globally, so as to promote information disclosure practice.

iv. It is also recommended that the management of listed manufacturing firm in Nigeria shall keep anacceptable leverage ratio, to satisfy creditors and also to

attain minimum compliance level with financial instruments disclosure requirements of IFRS 7.

v. Manufacturing firms in Nigeria can expand their size by using either internal growth (using their retained earnings) or through the use of external source (using either Debt or Equity), to enhance more compliance.

vi. Regulatory authorities such as Financial Reporting Council of Nigeria (FRCN), Securities and Exchange Commission (SEC) and Nigerian Stock Exchange (NSE), shall ensure strict monitoring and enforcement of compliance with IFRS 7 of all listed firms in Nigeria.

5.4 Limitations of the Study

The following are the limitations of the study:

First, the study is limited to the listed manufacturing companies on the floor of the Nigerian stock Exchange as at 31st December, 2016. Thus, the findings, conclusion and recommendations may not be applicable to other sectors of the economy. Even from the manufacturing sector, the study has not included other unlisted manufacturing companies Therefore, this shall be strongly noted in using the work as a basis for generalization.

The study is also restricted to certain firm specific characteristics (profitability, liquidity, Auditor type, leverage and firm size). Other variables have not been used that include international listing, market capitalization, audit committee among others.

The study relied only on secondary source of data, which were collected directly from the annual reports and accounts of the sampled companies.

5.5 Areas for Further Study

i. The study concentrated only on the listed manufacturing firms in Nigeria. It is therefore suggested that future researches should expand to explore variations between listed and unlisted manufacturing firms in the Nigerian economy.

ii. Future research can also replicate the current study on Small and Medium Enterprises (SMEs), because they also engaged on International Financial Reporting Standard (IFRS) activities. In fact on every standard issued by IASB, there is normally a similar one issuedto SMEs but with modifications.

iii. Future research can also increase the sample of the study, or even using the population in order to arrive at a better findings.

5.6 Contributions to knowledge

i. The study has contributed to the existing literature by introducing an explanatory variable of liquidity in explaining compliance with financial instruments disclosure requirements of IFRS 7 by listed manufacturing firms in Nigeria.

ii. The study also provided empirical evidence to support the implementation of adequate mechanisms such as appointing international auditors to enhance and improve its compliance level.

iii. The study was able to expand the existing contemporary literature in the area, and facilitate accounting research and practice.

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Appendix A

IFRS 7 DISCLOSURE CHECKLIST

This checklist addresses IFRS 7, which prescribes the disclosures in an entity's financial statements that enable users of those financial statements to evaluate: The significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed. The researcher used it to check the level of compliance with IFRS 7 by listed manufacturing firms in Nigeria.

DISCLOSURE ITEMS
Classes of financial instruments IFRS 7 requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the balance sheet. IFRS 7.6 …… 1 **Significance of financial instruments** An entity shall disclose information that enables users of its financial statements to evaluate the significance of Financial instruments for its financial position and performance. IFRS 7.7……..1 **Carrying amount** Disclose either in the statement of financial position or in the notes, The carrying amounts of each of the following categories, as defined in I.AS 39; IFRS 7.8 (a) financial assets at fair value through profit or loss, showing separately: i. those designated as such upon initial recognition; ii. those classified as held for trading in accordance with IAS 39 ……1 (b) held-to-maturity investments;……1 (c) loans and receivables……1 (d) available-for-sale asset……..1 (e) financial liabilities at fair value through profit or loss, showing separately: i. those designated as such upon initial recognition; and……1 ii. those classified as held for trading in accordance with IAS 39……..1 (f) Financial liabilities measured at amortized cost……1 **fair value through profit or loss** If a company has designated a loan or receivables (or a group of loans and receivables)as at fair value through profit or loss, then it shall disclosed: (IFRS 7.9) (a) The maximum exposure to credit risk of the loan or receivable at the reporting date;……..1 (b) the amount by which any related credit derivatives or similar instruments mitigates that maximum exposure to credit risk……1 (c) the amount of change, during the period and cumulatively, in the fair value of the loan or receivable that is attributable to changes in the credit risk of the financial asset determined either: (i) As the amount of change in its fair value that is not attributable to changes in market condition that give rise to market risk……1 (ii) Under an alternative method, that the entity believes more faithful……1 (d) The amount of the change in the FV of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the loan or receivable was designated……1 If the entity has designated a financial liability as at FV through Profit or loss in accordance with para 9 of IAS 39, it shall disclose: IFRS 7.10 (a) the amount of change, during the period and cumulatively, in the FV of the financial liability is attributable to changes in the credit risk of that liability determined either: i.. As the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk……1 ii. Using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the liability. ……..1

(b) The difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation……1

An entity shall also discloses:
(a) The methods used to determine the amount of change that is attributable to changes in the credit risk in compliance with the requirements in paragraphs 9(c) and 10(a) of IFRS 7…….. 1
(b) if the entity believes that the disclosure it has given to comply with the requirements in para 9(c) or 10(a) of IFRS 7 does not faithfully represent the change in the FV of the financial asset or liability attributable to changes in credit risk, the reasons for reaching this conclusion and the factors it believes are relevant…….1

Reclassification of financial assets
Disclose the amount reclassified into and out of each category should be disclosed if the entity has reclassified a financial asset as one measured: 7.12.a
(a) at cost or amortized cost, rather than at fair value……1
(b) at FV rather that at cost or amortized cost……1

If the entity have reclassified a financial asset out of their fair value through profit or loss category in accordance with IAS39.50E; then disclose
(a) the amount reclassified into and out of each category……1
(b) For each reporting period until derecognition, the carrying amount and fair value of all financial assets that have been reclassified in the current and previous reporting period…… 1
(c) If a financial asset was reclassified due to rare circumstances in accordance with IAS50.B, the rare situation and **facts** and circumstances indicating that situation is rare……..1
(d) for the reporting period when the financial assets was reclassified, the fair value gain or loss on the financial asset recognized in profit or loss or OCI in that reporting period and in the previous reporting period,,,,,,1
(e) for each reporting period following the reclassification until derecognition of the financial asset, the fair value gain or loss that would have been recognized in profit of loss or OCI if the financial asset has not been reclassified and the gain, loss, income and expenses recognized in profit or loss;…….1
(f) the effective interest rate and estimated amount of cash flows, the entity expect to cover, as at the date of reclassification of the financial asset ……. 1

Offsetting financial assets and financial liabilities
Supplement to the other disclosures required by IFRS 7, with the following recognition for recognized financial instrument that are: (7B40-7B41)
(a) set off in accordance with IAS 32.42 …….1
(b)subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS32.42 …….1

Effect or potential effect of netting arrangement on the entity's financial position. IFRS 7.B53 …..1

Quantitative information for recognized financial assets and financial liabilities
(a)The gross amount of those financial assets and liabilities……..1
(b) The amounts that are set off in accordance with the criteria in IAS 32.42. When determining the amount that will be presented in the statement of financial position. IFRS 7.B44……1
(c)the net amount presented in the statement of financial position…….1

(d)the amount subject to an enforceable master netting arrangement or similar arrangement that are not otherwise included according to IFRS 7.13C(b)
i. Amount related to recognized financial statement that do not meet the offsetting criteria …… 1
ii.Amount related to financial collateral……..1

(e)the net amount after deducting the amount in (d)……1

Financial instruments disclosed in accordance with IFRS 7.13C may be subjected to different measurements requirements (a payable related to a repurchased agreement may be measured at amortized cost) include instruments at their recognized amount and described any resulting measurement differences in the related disclosure…… 1

IFRS 7.13C (b) requires that entities disclosed the amount set off in accordance with IAS.32.42. When determining the net amount presented in the statement of financial position……1

The amount required to be disclosed by the IFRS 7.13C(c) need to be reconcile to the individual line item amount as presented in the statement of financial position……..1

The quantitative disclosures required by IFRS 7.13C (a-e) may be group by type of financial instruments or transactions (e.g. derivatives, repurchase and reverse repurchase agreement)……1

Alternatively, an entity may group the quantitative disclosures required by IFRS 7.13C (a-c) by types of financial instruments and the quantitative disclosures required by IFRS 7.13C (a-e), by counterparty…….1

The total amount disclosed for an instruments is limited to the amount in IFRS 713.C(c) for that instruments….42
Describe the right of set off associated with the recognized financial assets and recognized financial liabilities subject to enforceable master netting arrangement similar arrangement that are disclosed in accordance with IFRS 7.13C(d)including the nature of those rights. …… 1

An entity describe the type of rights of set off and similar arrangements disclosed in accordance with IFRS 7.13C(d), including the nature of those rights,…….1

If information required by IFRS 7.13B-13E is disclosed in more than on note to the financial statement, then cross-refer between those notes……...1

Collateral
According to IFRS 7.14 an entity shall disclose:

(a) The carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in the balance sheet separately from other assets as the transferee has the right to sell or repledge the collateral……..1
(b) The terms and conditions relating to the pledge……..1

If the entity has the permission to sell the collateral in the event of default, then it shall disclose:
(a) The FV of the collateral held……1
(b) FV of any such collateral sold or repledged, and whether the entity has an obligation to return it …1
(c) The terms and conditions associated with its use of the collateral…… 1

Allowance account for credit losses
When financial assets are impaired by credit losses and the entity records the impairment in a separate account, it shall disclose a reconciliation of changes in that account during the period for each class of financial assets….1

Compound financial instruments with multiple embedded derivatives
If an entity has issued an instrument that contains both a liability and an equity component and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features…….1

Defaults and breaches
For loans payable recognized at the reporting date, an entity shall disclose:
(a) details of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable;…….1
(b) the carrying amount of the loans payable in default at the reporting date;….1
(c) Whether the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorized for issue……1

If, during the period, there were breaches of loan agreement terms other than those described in para 18 of IFRS 7 (see above) an entity shall disclose the same information as required by para 18 if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the reporting date)……..1

Items of income, expense, gains or losses
(a) net gains or net losses on:
i. financial assets or financial liabilities at fair value through profit or loss, showing separately those on financial assets or financial liabilities designated as such upon initial recognition, and those on financial assets or financial liabilities that are classified as held for trading……1
ii. Available-for-sale financial assets, showing separately the amount of gain or loss recognized directly in equity during the period and the amount removed from equity and recognized in profit or loss for the period;……..1

iii. Held-to-maturity investments;………………………………………………………………………………1
iv. Loans and receivables;…………………………………………………………………………………………1
v. financial liabilities measured at amortized cost; ……………………………………………………………..1
(b) total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not at fair value through profit or loss;…………………………………..1
(c)fee income and expense (other than amounts included in determining the effective interest rate) arising from:
i. financial assets or financial liabilities that are not at fair value through profit or loss;…………………………1
ii. Trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, and retirement benefit plans, and other institutions……………………………………………………………….1
(d) accrued interest income on impaired financial assets;…………………………………………………………1
(e) The amount of any impairment loss for each class of financial asset………………………………………….1

Accounting policies
(a) for financial assets or financial liabilities designated as at FV through profit or loss:
i. the nature of the financial assets or financial liabilities the entity has designated as at FV through profit or loss;1
ii. The criteria for so designating such financial assets or financial liabilities on initial recognition;…………… 1
iii. How the entity has satisfied the conditions for such designation including where appropriate a narrative description of the circumstances underlying the measurement or recognition inconsistency that would otherwise arise, or how designation at FV through profit or loss is consistent with the entity's documented risk management or investment strategy…………………………………………………………………………….1
(b) The criteria for designating financial assets as available for sale……………………………….1
(C) Whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date……………………………………………………………………………………………..1
(d)when an allowance account is used to reduce the carrying amount of financial assets impaired by credit losses:
i. the criteria for determining when the carrying amount of impaired financial assets is reduced directly (or, in the case of a reversal of a write-down, increased directly) and when the allowance account is used;…1
ii. The criteria for writing off amounts charged to the allowance account against the carrying amount of impaired financial assets………………………………………………………………………………………1
(e) How net gains or net losses on each category of financial instrument are determined, for example, whether the net gains or net losses, on items at FV through profit or loss include interest or dividend income...1
(f) The criteria the entity uses to determine that there is objective evidence that an impairment loss has occurred..1
(g) When the terms of financial assets that would otherwise be past due or impaired have been renegotiated, the accounting policy for financial assets that are the subject of renegotiated terms…………………………………..1

Hedge Accounting

Fair value hedge

An entity shall disclose the following separately for each designated fair value hedge: IFRS 7.22
(a) a description of each type of hedge;……………………………………………………………..1
(b) a description of the financial instruments designated as hedging instruments and their FV at the reporting date;…………………………………………………1
(c) The nature of the risks being hedged……………1

Disclose separately gain or loss:
(i) On the hedging instruments………………………1
(ii) On the hedge item attributable to the hedge risk...1

cash flow hedge

For cash flowhedges, an entity shall disclose:
a) a description of each type of hedge;………………1
(b) a description of the financial instruments designated as hedging instruments and their FV at the reporting date; ……………………………………………………..1
(c) The nature of the risks being hedged…………..1
(d) a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur;…………………………..1
(e) a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur;…………………………..1
(f) The amount that was recognized OCI during the period……………………………..1
(g) The amount that was reclassified from the equity to profit or loss for the period, showing the amount included in each line item in the statement of profit or loss and OCI…………………………… 1
(h)the amount that was removed from the equity during the period and included in the initial cost or other carrying amount of non-financial asset and non-financial liability whose acquisition or incurrences was a hedge highly probable forecast transaction; and,,,1
(i) The ineffectiveness recognized in profit or loss that arises from cash flow hedges….1

Hedges of net investments in foreign operations.
An entity shall disclose the following separately for each designated hedge for net investments in foreign operations:
a) a description of each type of hedge;……1
(b) a description of the financial instruments designated as hedging instruments and their FV at the reporting date; ……1
(c) The nature of the risks being hedged……1
(d) The ineffectiveness recognized in profit or loss that arises from net investments in foreign operations……1

Fair Value Disclosures
Except as set out in para 29 of IFRS 7 (see below), for each class of financial assets and financial liabilities, an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount……..1

In disclosing the fair value, group the financial assets and financial liabilities into classes, but offset them only to the extent of their carrying amount are offset in the statement of financial position…….1

When there are no basis for fair value measurement or no valuation technique that uses data from the observable market, then disclose by class of financial asset or financial liabilities:
(a) its accounting policy for recognizing that difference in profit or loss to reflect a change in factors (including time) that market participants would consider in setting a price; ……1
(b) The aggregate difference yet to be recognized in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference……1
(c) When the entity conclude that the transaction price was not the best evidence of fair value, including its description that support the fair value……1

Disclosures of fair value are not required when:
(a) when the carrying amount is a reasonable approximation of FV, for example, for financial instruments such as short-term trade receivables and payables;……1
(b)for an investment in equity instrument that do not have a quoted price in an active market for an identical instruments that is measured at cost in accordance with IAS 39 because either its fair value cannot be measured reliably or ; ……1
(c) For a contract containing a discretionary participation feature (as described in IFRS 4, Insurance Contracts) if the FV of that feature cannot be measured reliably……...1

Disclosures when fair value cannot be reliably measured
(a) the fact that FV information has not been disclosed for these instruments because their FV cannot be measured reliably;…… . 1
b) a description of the FIs, their carrying amount, and an explanation of why FV cannot be measured reliably; .104
(c) information about the market for the instruments;……..1
d) information about whether and how the entity intends to dispose of the FIs;……..1
(e) If FIs who's FV previously could not be reliably measured are derecognized, that fact, their carrying amount at the time of derecognition, and the amount of gain or loss recognized……..1

NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Qualitative disclosure provided in the context of the quantitative disclosure to enable users to link related disclosures and form an overall picture of the nature and extent of risk arising from financial instruments…. ..1

This disclosure shall also be either made in the financial statements or cross-reference from the financial statement to some other statements such as management commentary, etc…….1

Credit risk
For each type of risk arising from FIs, an entity shall disclose:
a) The exposures to risk and how the risks arise……..1
b) its objectives, policies and processes for managing he risk and the methods used to measure the risk; and….. 1
c) Any changes in 33 (a) or (b) from the previous period…….1
(d) Summary of quantitative data about an entity's exposure to credit risk at the reporting date. Based on the information provided internally to the key management personnel of the entity.....1
(e) Concentration of risk if not apparent from disclosures required by IFRS 7.34……1

Disclosure of concentration of risk need to include:
1. a description of how management determines concentrations;……..1
2.a description of the shared characteristic that identifies each concentration (e.g. counterparty, geographical area, currency or market); and…… 1
3. The amount of the risk exposure associated with all FIs sharing that characteristics……1

If the quantitative data disclosed as at the reporting date are unrepresentative of an entity's exposure to risk during the period, an entity shall provide further information that is representative……. 1

Disclose the information required by IFRS 7.36-38 to the extent not provided in accordance by IFRS 7.34a…..1

Disclosure of the following by the class of financial instrument. IFRS 7.36
a) the amount that best represents its maximum exposure to credit risk at the reporting date without taking account of any collateral held or other credit enhancements (e.g. netting agreements that do not qualify for offset in accordance with IAS 32)7.36a……. 1
(b) in respect of the amount disclosed in 36(a) a description of collateral held as security and other credit enhancements; ……..1
c) Information about the credit quality of financial assets that are neither past due nor impaired; 7.36c. …..1

Disclosure by class of financial assets: IFRS 7.37
(a) an analysis of the age of financial assets that are past due as at the reporting date but not impaired…….1
b) an analysis of financial assets that are individually determined to be impaired as at the reporting date, including the factors the entity considered in determining that they are impaired;……..1

Collateral and other credit enhancements obtained
When an entity obtains financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (e.g. guarantees), and such assets meet the recognition criteria in other Standards, an entity shall disclose:
a) The nature and carrying amount of the assets obtained. ……..1
b) When the assets are not readily convertible into cash, its policies for disposing of such assets or for using them in its operations…….1

Liquidity risk
(a)The exposure to the liquidity risk and how they arise……..1
(b) The entity's objectives, policies and processes for managing the risk and the method used to measure the risk. ……...1
(c) Any change in items from the previous period……1
d) Summary of quantitative data about an entity's exposure to credit risk at the reporting date. Based on the information provided internally to the key management personnel of the entity……..1
(e) Concentration of risk if not apparent from disclosures required by IFRS 7.39……1

Disclosure of concentration on risk need to include:
1. a description of how management determines concentrations;……..1
2.a description of the shared characteristic that identifies each concentration (e.g. counterparty, geographical area, currency or market); and ……1
3. The amount of the risk exposure associated with all FIs sharing that characteristic……..1

Explain how the liquidity risk related data that is disclosed in accordance with IFRS 7.34c are determined. If the outflow of fund include in those data include:
(a)Occur significantly earlier than indicated in the data;……1
(b) Be for significantly different amount from those indicated in the date, state that fact and provide quantitative information that enable users of the financial statement to evaluate the extent of this risk……1

State that fact and provide quantitative information that enable the users of the financial information to evaluate how extent to this risk, unless the information is included in the contractual maturity analysis as provided in the IFRS 7.39.a-b……..1

If quantitative data disclosed as at the reporting date are unrepresentative of the entity's exposure to liquidity risk during the period, then disclose further information that could be representative……..1

Disclose the information provided by IFRS 7.39 to the extent not provided in accordance with IFRS 7.34…. 1

Other disclosures (IFRS 7.B11-B11F):
(a) A maturity analysis for non-derivatives financial liabilities that shows the remaining contractual maturities. ……...1
(b) A maturity analysis for derivatives financial. The maturity analysis remain include the remaining contractual maturities for those derivatives financial liabilities, for which contractual maturities are essential for an understanding of the timing of the cash flow……1
(c) A description of how the entity manages the liquidity risk inherent……...1

Market risk
(a)The exposure to the liquidity risk and how they arise……...1
(b) The entity's objectives, policies and processes for managing the risk and the method used to measure the risk. ……1
(c) Any change in items from the previous period……1
d) Summary of quantitative data about an entity's exposure to credit risk at the reporting date. Based on the information provided internally to the key management personnel of the entity……...1
(e)concentration of risk if not apparent from disclosures required by IFRS 7.34……..1

A disclosure on concentration of risk need to include:
1. a description of how management determines concentrations;…… 1
2.a description of the shared characteristic that identifies each concentration (e.g. counterparty, geographical area, currency or market); and……1
3. The amount of the risk exposure associated with all FIs sharing that characteristic……..1

If quantitative data disclosed as at the reporting date are unrepresentative of the entity's exposure to market risk during the period, then disclose further information that could be representative……1

Disclose the information provided by IFRS 7.40-42 to the extent not provided in accordance with IFRS 7.34a. ……1

Unless the entity has complied with the IFRS 7.41, it shall disclose the following market risk exposure:
(a) a sensitivity analysis for each type of market risk in which the entity is exposed at the reporting date showing how profit or loss or change in equity would have been affected by changes in the relevant risk variables as at that date(see IFRS 7.B17-B21, B27-B28)……1
(b) the methods and assumptions used in preparing the sensitivity analysis;……1
(c) Changes from the previous period in the methods and assumptions used, and the reasons for such changes. ……1

If an entity prepares a sensitivity analysis, such as value at risk, etc., then it may use that sensitivity in place of that analysis as provided by the IDRS 7.40. the entity disclosed:
(a) an explanation of the method in preparing such a sensitivity analysis, and of the main parameters and assumptions underlying the data provided; and ……....1
(b) An explanation of the objective of the method used and of limitations that may result in the information not fully reflecting the FV of the assets and liabilities involved……...1

A sensitivity analysis is for each currency to which an entity has significant exposure. IFRS 7.B23 ……...1

When the sensitivity analyses disclosed in accordance with para 40 and 41 of IFRS 7 (above) are unrepresentative of a risk inherent (for example because the y/e exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason it believes the sensitivity analyses are unrepresentative……1

Transfer of financial assets
For the purpose of applying the disclosure requirements of paragraph 7.42B-42H an entity transfers all or part of a financial asset, if and only it either:
(a) Transfer the contractual right to receive the cash flow of that financial asset……1
(b) Retain the contractual right to receive the cash flow of that financial asset, but assumes a contractual obligation to pay the cash flow to one or more recipient in an arrangement……1

Disclose information that enable users of the financial statement :
(a) Understand the relationship between transferred financial asset that are not recognized im their entirety, and the associated liability……1
(b) To evaluate the nature of, and the associated risk of the company's involvement in the continuing

derecognizing the financial assets…….1

Disclose any additional information that is considered to be necessary to meet the disclosure objectives of IFRS 7.42B ……1

Transfer of financial assets that are not derecognized in their entirety
(a)the nature of the transferred asset……..1
(b) The nature of the risk and the reward of ownership to which the entity is exposed……1
(c) Description of the nature of the relationship between the transferred asset and the associated liabilities..…1
(d)when the counterparty to the associated liabilities have a recourse only to the transferred assets, a schedule that set out the following:
(i)the fair value of the transferred assets…….1
(ii)the fair value of the associated liabilities……1
(iii)the net position – the difference between the fair value of the transferred asset and the fair value of the associated liabilities…….1

(e)when the entity continue to recognized all the transferred assets, the carrying amount of the asset and the associated liabilities…….1
When the entity continue to recognized the assets to the extent of its continuing involvement. IAS 39.20ciii.
(i) The total of the carrying amount of the original asset before the transfer……..1
(ii)the carrying amount of the asset that the company continue to recognized……1
(iii) The carrying amount of the associated liability……... 1

The above disclosure will be provided at each reporting date, regardless of when the disclosure occurs……..1

Transfer of financial assets that are derecognized in their entirety
when transfer of financial asset are derecognized in their entirety and the entity has a continuing involvement, disclose as minimum for each type of continuing involvement in an entity's reporting date. IFRS 7.B33
(a) The carrying amount of the asset and liabilities that are recognized in the statement of financial position and represent the entity's continuing involvement in the derecognized financial asset and the line items in which the carrying amount of those assets and liabilities are recognized……1
(b)the fair value of assets and liabilities that represent the entities continuing involvement in the derecognized financial assets…….1
(c)the amount that best represent the entity's maximum exposure to loss from its continuing involvement in the derecognition of the financial asset and information showing how the maximum exposure to the loss is determined. …….1
(d) The undiscounted cash outflow that would or may be required to repurchase derecognized financial asset or other amount payable to the transferee in respect of the transferred asset. If the cash flow is variable, then, the amount disclosed is based on the condition that exist at each reporting date…….1
(e) The maturity analysis of the undiscounted cash outflow that would or may be required to repurchase derecognized financial asset or other amount payable to the transferee in respect of the transferred asset. The analysis should distinguish:
(i)cash flows that are required to be paid(e.g. forward contract) ……..1
(ii) cash flow that the entity may be required to pay. (e.g. written put option)……...1
(iii)cash flow that the entity may choose to pay (purchase call option)……..1
(f)qualitative information that explain and support the quantitative disclosures required in (a) to (e) which include:
(i) The derecognized financial asset, and the nature and purpose of the continuing involvement retained after transferring those asset…….1
(ii) the risk to which the entity is exposed include:

- Description of how the entity manage the risk…….1
- Whether the entity is required to bear the loss before other parties…….1
- A description of any triggers associated with obligation to provide financial support or to repurchased financial assets……..1

If there is more than one type of continuing involvement in a particular derecognized financial asset, the above information can be aggregated as provided by IFRS 7.B33…….1

Disclosed for each for each type of continuing involvement and for each period for which a statement of profit or loss and OCI. IFRS 7.42G. (See IFRS 7.B33)
(a)a gain or loss recognized recognized at the date of transfer of the asset, including:
(i) Whether that gain or loss on derecognizing arose because of the fair value of the components of the previously recognized asset (i.e. Interest in the asset derecognized and the interest retained by the entity), were different from

the fair value of the previously recognized asset as a whole. …….1
(ii) In case of (i) whether the fair value measurement include a significant inputs that were not based on observable market data……...1
(b) Income and expenses recognizes, both in the reporting period and cumulatively from the entity's continuing involvement in the derecognized financial asset – e.g. fair value changes in derivatives instruments……1
(c)if the total amount of proceeds from the transfer activity (that qualifies for derecognition) in the reporting period is not evenly distributed, throughout the reporting period, then disclose:
(i) When the greatest transfer activity took place within that reporting period…….1
(ii) Amount recognized from that transfer activity in that part of the reporting period…….1
(iii) The total amount of proceed from that transfer activity in that part of the reporting period……..1

Appendix B: List of population of the Study

	Category
1. Presco Nig. PLC	Agriculture
2. Okomo Oil Palm PLC	"
3. Livestock Feeds PLC	"
4. FTN Cocoa Processors PLC	"
5. Ellah Lakes PLC	"
6. UACN PLC	Conglomerates
7. Transnational Corporation PLC	"
8. SCOA Nig. PLC	"
9. John holt PLC	"
10. Chellarams PLC	"
11. AG Leventis PLC	"
12. VONO Product PLC	Consumer Goods
13. Vitaform Nig. PLC	"
14. UTC Nig. PLC	"
15. Unilever PLC	"
16. Rokana Industries PLC	"
17. PS Mandrides & Co. PLC	"
18. PZ Cussons Nig. PLC	"
19. Flour Mills Of Nig. PLC	"
20. Northern Nigeria Flour Mills PLC	"
21. Nigerian Enameiware PLC	"
22. Nigerian Breweries PLC	"
23. Nestle Nig. PLC	"
24. National Salt Company Of Nigeria (NASCON) PLC	"
25. Multi-Trex Integreted Food PLC	"
26. Mcnichols Consolidated PLC	"
27. International Breweries PLC	"

28. Honeywell Flour Mills PLC	“
29. Guinness Nig. PLC	“
30. Glaxosmithkline Consumer Nig. PLC	“
31. Dunlop Tyre And Rubber PLC	“
32. Dangote Sugar PLC	“
33. Dangote Flour Mills PLC	“
34. Champion Breweries PLC	“
35. Cadbury Nig. PLC	“
36. 7-up Bottling Co. PLC	“
37. West African Glass Industry PLC	Industrial Goods
38. Premier Paints PLC	“
39. Portland Paint & Productions Nig. PLC	“
40. Paints And Coating Manufacturing PLC	“
41. Nigerian Ropes PLC	“
42. Lafarge Africa PLC	“
43. IPWA PLC	Industrial Goods
44. Greif Nigeria PLC	“
45. DN Meyer PLC	“
46. Dangote Cement PLC	“
47. Cutix PLC	“
48. Cement Company Of Northern Nigeria PLC	“
49. Chemicals Allied Products PLC	“
50. Beta Glass CO. PLC	“
51. Berger Paints PLC	“
52. Avon Crowncaps & Containers Nigeria PLC	“
53. Austin Laz & Co. PLC	“
54. African Paints Nigria PLC	“
55. Union Diagnostics & Clinical Services PLC	Healthcare
56. Pharma Deko PLC	“
57. Nigerian-German Chemicals PLC	“
58. Neimeth International Pharma PLC	“

59. Morison Industries PLC		“
60. May & Baker Nigeria PLC		“
61. Fridson Healthcare PLC		“
62. Evans Medical PLC		“
63. Ekocorp PLC		“
64. Afrik Pharma PLC		“
65. Thomas Wyatt Nigeria PLC		Natural Resources
66. Multiverse Mining And Exploration PLC		
67. First Alluminium Nigeria PLC		
68. Ashaka Cement PLC	“	
69. B.O.C. gases PLC		“
70. Alluminium Extrusion Ind. PLC		

Source: Author’s Compilation, 2018

“

Appendix C: List of the population after filter 1

1. Presco Plc
2. Okumo Oil Palm Company Plc
3. U.A.C. Nigeria Plc
4. A.G. Leventis
5. CadburyNigeria Plc
6. Nestle Nigeria Plc
7. Dangote Sugar Plc
8. SCOA Plc
9. Nigerian Breweries plc
10. Guinness Nigeria Plc
11. Honeywell Flour Mill Plc
12. Dangote Flour Mill Plc
13. Champion Breweries Plc
14. Glaxosmithkline Consumer Nigeria Plc
15. Vitafoam Nigeria Plc.
16. DN Meyer Plc
17. Ashaka Cement Plc
18. Berger Paints Nigeria Plc
19. Cutix Plc
20. First Aluminium Nigeria Plc
21. Lafarge Wapco Cement Nigeria Plc
22. Paint & Coatting PLC
23. May and Baker Nigeria Plc
24. Neimeth Int. Pharmaceuticals Plc
25. Pharma- Deko Plc
26. Fidson Healthcare Plc
27. National Salt Company of Nigeria Plc
28. Chemical and Allied Products Plc
29. Livestock Feeds PLC
30. FTN Cocoa Processors PLC

31. Ellah Lakes PLC
32. Transnational Corporation PLC
33. John Holt PLC
34. Chellarams PLC
35. VONO Product PLC
36. UTC Nig. PLC
37. Unilever PLC
38. Rokana Industries PLC
39. PS Mandrides & Co. PLC
40. PZ Cussons Nig. PLC
41. Flour Mills Of Nig. PLC

Source: Author's Compilation, 2018

Appendix D: List of Sample of the Study after the Filters 1&2

1. Presco Plc
2. Okumo Oil Palm Company Plc
3. U.A.C. Nigeria Plc
4. A.G. Leventis
5. CadburyNigeria Plc
6. Nestle Nigeria Plc
7. Dangote Sugar Plc
8. SCOA Plc
9. Nigerian Breweries plc
10. Guinness Nigeria Plc
11. Honeywell Flour Mill Plc
12. Dangote Flour Mill Plc
13. Champion Breweries Plc
14. Glaxosmithkline Consumer Nigeria Plc
15. Vitafoam Nigeria Plc.
16. DN Meyer Plc
17. Ashaka Cement Plc
18. Berger Paints Nigeria Plc
19. Cutix Plc
20. First Aluminium Nigeria Plc
21. Lafarge Wapco Cement Nigeria Plc
22. Paint & Coatting PLC
23. May and Baker Nigeria Plc
24. Neimeth Int. Pharmaceuticals Plc
25. Pharma- Deko Plc
26. Fidson Healthcare Plc
27. National Salt Company of Nigeria Plc
28. Chemical and Allied Products Plc

Source: Author's Compilation, 2018

Appendix E: List of the companies filtered out

1. Livestock Feeds PLC
2. FTN Cocoa Processors PLC
3. Ellah Lakes PLC
4. Transnational Corporation PLC
5. John Holt PLC
6. Chellarams PLC
7. VONO Product PLC
8. UTC Nig. PLC
9. Unilever PLC
10. Rokana Industries PLC
11. PS Mandrides & Co. PLC
12. PZ Cussons Nig. PLC
13. Flour Mills Of Nig. PLC
14. Northern Nigeria Flour Mills PLC
15. Nigerian Enameiware PLC
16. Multi-Trex Integreted Food PLC
17. Mcnichols Consolidated PLC
18. International Breweries PLC
19. Dunlop Tyre And Rubber PLC
20. 7-up Bottling Co. PLC
21. West African Glass Industry PLC
22. Premier Paints PLC
23. Portland Paint & Productions Nig. PLC
24. Nigerian Ropes PLC
25. IPWA PLC
26. Greif Nigeria PLC
27. Dangote Cement PLC
28. Cement Company Of Northern Nigeria PLC
29. Beta Glass CO. PLC

30. Avon Crowncaps & Containers Nigeria PLC

31. Austin Laz & Co. PLC

32. African Paints Nigria PLC

33. Union Diagnostics & Clinical Services PLC

34. Nigerian-German Chemicals PLC

35. Morison Industries PLC

36. Evans Medical PLC

37. Ekocorp PLC

38. Afrik Pharma PLC

39. Thomas Wyatt Nigeria PLC

40. Multiverse Mining And Exploration PLC

41. B.O.C. gases PLC

42. Alluminium Extrusion Ind. PLC

Source: Author's Compilation, 2018

Appendix F: Regression Results

```
  ___  ____  ____  ____  ____ (R)
 /__    /   ____/   /   ____/
___/   /   /___/   /   /___/   11.0   Copyright 1984-2009
  Statistics/Data Analysis            StataCorp
                                      4905 Lakeway Drive
     Special Edition                  College Station, Texas 77845 USA
                                      800-STATA-PC        http://www.stata.com
                                      979-696-4600        stata@stata.com
                                      979-696-4601 (fax)

Single-user Stata license expires 31 Dec 9999:
      Serial number:  71606281563
       Licensed to:  STATAForAll
                     STATA
Notes:
    1.  (/m# option or -set memory-) 50.00 MB allocated to data
    2.  (/v# option or -set maxvar-) 5000 maximum variables

. summarize mdi prof liq adty lev fsize, detail

                            MDI
-------------------------------------------------------------------
      Percentiles      Smallest
 1%     .333465       .325487
 5%     .399069       .333465
10%    .4077065       .382251      Obs                 140
25%    .5356605       .394389      Sum of Wgt.         140

50%     .723167                    Mean           .6910138
                      Largest      Std. Dev.      .1804665
75%    .8631025       .931546
90%     .922855       .932391      Variance       .0325682
95%     .930323       .933423      Skewness      -.2200475
99%     .933423       .942354      Kurtosis       1.757665

                           PROF
-------------------------------------------------------------------
      Percentiles      Smallest
 1%     .012359       .0026595
 5%    .0269607       .012359
10%    .0362239       .0158522     Obs                 140
25%    .0639817        .020018     Sum of Wgt.         140

50%    .0965225                    Mean           .1514019
                      Largest      Std. Dev.      .2213535
75%    .1741185       .6294713
90%    .2662656       .6866996     Variance       .0489974
95%    .4164402       .7412153     Skewness       7.040453
99%    .7412153       2.303961     Kurtosis       65.80053

                           LIQ
-------------------------------------------------------------------
      Percentiles      Smallest
 1%    .0739892       .0714385
 5%     .40088        .0739892
10%    .5302972       .0807341     Obs                 140
```

25%	.7811961	.0815593	Sum of Wgt. 140
50%	1.159993	Mean	1.332508
	Largest	Std. Dev.	.7986701
75%	1.799068	3.317747	
90%	2.261163	4.071787	Variance .637874
95%	2.685535	4.602269	Skewness 1.457027
99%	4.602269	4.623785	Kurtosis 6.400628

ADTY

Percentiles	Smallest		
1%	0	0	
5%	0	0	
10%	0	0	Obs 140
25%	0	0	Sum of Wgt. 140
50%	1	Mean	.6714286
	Largest	Std. Dev.	.4713803
75%	1	1	
90%	1	1	Variance .2221994
95%	1	1	Skewness -.7299589
99%	1	1	Kurtosis 1.53284

LEV

Percentiles	Smallest		
1%	.0579162	.0520176	
5%	.2488293	.0579162	
10%	.3029519	.1062967	Obs 140
25%	.3984209	.131088	Sum of Wgt. 140
50%	.5387156	Mean	.5305375
	Largest	Std. Dev.	.2032753
75%	.6428625	.8246739	
90%	.706647	1.014071	Variance .0413208
95%	.795181	1.504326	Skewness 1.304821
99%	1.504326	1.504471	Kurtosis 9.104296

FSIZE

Percentiles	Smallest		
1%	13.88678	13.75535	
5%	14.59916	13.88678	
10%	14.71941	14.37208	Obs 140
25%	15.55372	14.453	Sum of Wgt. 140
50%	16.6265	Mean	16.73265
	Largest	Std. Dev.	1.541173
75%	18.05177	19.68398	
90%	18.69331	19.72261	Variance 2.375213
95%	19.50324	19.75903	Skewness .1658222
99%	19.75903	20.10262	Kurtosis 2.04231

. pwcorr mdi prof liq adty lev fsize, star (0.05) sig

	mdi	prof	liq	adty	lev	fsize

```
mdi |   1.0000
    |
prof |  -0.0436   1.0000
     |   0.6090
     |
liq |  -0.1370   0.0246   1.0000
     |   0.1065   0.7727
     |
adty |   0.4945*  0.1415  -0.0411   1.0000
     |   0.0000   0.0953   0.6298
     |
lev |  -0.0887   0.1192  -0.5078*  0.0745   1.0000
     |   0.2976   0.1607   0.0000   0.3815
     |
fsize |   0.9295* -0.0808  -0.0998   0.4641* -0.1013   1.0000
     |   0.0000   0.3428   0.2406   0.0000   0.2338
```

```
. regress mdi prof liq adty lev fsize

      Source |       SS       df       MS              Number of obs =     140
-------------+------------------------------           F(  5,   134) =  183.74
       Model |  3.95071592     5  .790143184           Prob > F      =  0.0000
    Residual |  .576257203   134  .004300427           R-squared     =  0.8727
-------------+------------------------------           Adj R-squared =  0.8680
       Total |  4.52697312   139  .032568152           Root MSE      =  .06558

------------------------------------------------------------------------------
         mdi |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
        prof |   .0185292   .0259114     0.72   0.476    -.032719    .0697774
         liq |  -.0153077   .0082702    -1.85   0.066    -.0316648    .0010494
        adty |   .0315364    .013741     2.30   0.023     .0043591    .0587137
         lev |  -.0377978   .0329311    -1.15   0.253    -.1029297    .0273341
       fsize |    .103287   .0042467    24.32   0.000     .0948878    .1116863
       _cons |   -1.02078   .0772445   -13.21   0.000    -1.173556   -.8680039
------------------------------------------------------------------------------
. predict residuals
(option xb assumed; fitted values)
. sktest residuals
                Skewness/Kurtosis tests for Normality
                                          ------- joint ------
    Variable |   Obs   Pr(Skewness)   Pr(Kurtosis)  adj chi2(2)    Prob>chi2
-------------+-------------------------------------------------------------
   residuals |   140     0.5524       0.0002       12.32        0.0021

. hettest

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
      Ho: Constant variance
      Variables: fitted values of mdi

chi2(1)     =    1.78
      Prob >chi2  =   0.1818

. vif
```

```
  Variable |      VIF      1/VIF
-------------+----------------------
lev |     1.45    0.690425
liq |     1.41    0.709132
fsize |     1.38    0.722253
adty |     1.36    0.737424
prof |     1.06    0.940466
-------------+----------------------
  Mean VIF |      1.33

. regress mdi prof liq adty lev fsize, robust

Linear regression                               Number of obs =     140
F(  5,   134) =  229.49
                                                Prob > F      =  0.0000
                                                R-squared     =  0.8727
                                                Root MSE      =  .06558
------------------------------------------------------------------------------
             |               Robust
         mdi |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
        prof |   .0185292   .0137662     1.35   0.181    -.0086979    .0457563
         liq |  -.0153077   .0074233    -2.06   0.041    -.0299897   -.0006257
        adty |   .0315364   .0153988     2.05   0.043     .0010802    .0619926
         lev |  -.0377978   .0301567    -1.25   0.212    -.0974426    .0218469
       fsize |    .103287   .0036152    28.57   0.000     .0961367    .1104373
       _cons |   -1.02078   .0620897   -16.44   0.000    -1.143583   -.8979774
------------------------------------------------------------------------------
. xtset year id
panel variable:  year (strongly balanced)
time variable:  id, 1 to 28
delta:  1 unit

. xtreg mdi prof liq adty lev fsize, fe

Fixed-effects (within) regression               Number of obs      =       140
Group variable: year                            Number of groups   =         5

R-sq:  within  = 0.8732                         Obs per group: min =        28
       between = 0.9100                                        avg =      28.0
       overall = 0.8727                                        max =        28
F(5,130)          =    179.08
corr(u_i, Xb)  = -0.0537                        Prob > F          =    0.0000
------------------------------------------------------------------------------
         mdi |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
        prof |   .0185988   .0263732     0.71   0.482    -.0335774    .0707749
         liq |  -.0162093   .0084797    -1.91   0.058    -.0329855    .0005668
        adty |   .0313851   .0139529     2.25   0.026     .003781    .0589892
         lev |   -.041896   .0338114    -1.24   0.218    -.1087878    .0249958
       fsize |   .1033518   .0043134    23.96   0.000     .0948183    .1118854
       _cons |  -1.018398   .0786133   -12.95   0.000    -1.173925   -.8628706
-------------+----------------------------------------------------------------
     sigma_u |  .00516677
     sigma_e |  .06641112
         rho |  .00601639   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:     F(4, 130) =     0.16                 Prob > F = 0.9561
```

```
. est store fixed
. xtreg mdi prof liq adty lev fsize, re
Random-effects GLS regression              Number of obs     =       140
Group variable: year                       Number of groups  =         5

R-sq:  within  = 0.8732                    Obs per group: min =        28
between = 0.9153                                  avg =      28.0
overall = 0.8727                                  max =        28
Random effects u_i ~ Gaussian              Wald chi2(5)      =    918.68
corr(u_i, X)   = 0 (assumed)               Prob > chi2       =    0.0000
------------------------------------------------------------------------------
mdi |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
prof |   .0185292   .0259114     0.72   0.475    -.0322562    .0693146
liq |  -.0153077   .0082702    -1.85   0.064    -.031517     .0009016
adty |   .0315364    .013741     2.30   0.022     .0046046    .0584683
lev |  -.0377978   .0329311    -1.15   0.251    -.1023415    .0267459
fsize |    .103287   .0042467    24.32   0.000     .0949636    .1116104
      _cons |   -1.02078   .0772445   -13.21   0.000    -1.172176   -.8693836
-------------+----------------------------------------------------------------
    sigma_u |         0
    sigma_e |  .06641112
rho |         0   (fraction of variance due to u_i)
------------------------------------------------------------------------------
. est store random
. hausman fixed random
              ---- Coefficients ----
          |      (b)        (B)          (b-B)     sqrt(diag(V_b-V_B))
          |     fixed       random       Difference          S.E.
-------------+----------------------------------------------------------------
prof |    .0185988     .0185292       .0000696       .0049137
liq |   -.0162093    -.0153077      -.0009016       .0018733
adty |    .0313851     .0315364      -.0001514       .0024223
lev |    -.041896    -.0377978      -.0040982       .0076653
fsize |    .1033518      .103287       .0000648       .0007556
------------------------------------------------------------------------------
                  b = consistent under Ho and Ha; obtained from xtreg
         B = inconsistent under Ha, efficient under Ho; obtained from xtreg
   Test:  Ho:  difference in coefficients not systematic
chi2(5) = (b-B)'[(V_b-V_B)^(-1)](b-B)
                    =       0.34
           Prob>chi2 =      0.9967
. xttest0
Breusch and Pagan Lagrangian multiplier test for random effects
mdi[year,t] = Xb + u[year] + e[year,t]

      Estimated results:
                  |      Var     sd = sqrt(Var)
          ---------+-----------------------------
mdi |   .0325682      .1804665
e |   .0044104      .0664111
u |         0            0

      Test:   Var(u) = 0
chi2(1) =     1.93
                  Prob > chi2 =     0.1645

. exit, clear
```

APPENDIX 'D' IX G: DATA

COMPANY	Year	ID	MDI	PROF	LIQ	ADTY	LEV	FSIZE
PRESCO PLC	2016	1	0.880732	0.084556	2.782727	1	0.373282	18.2363
PRESCO PLC	2015	1	0.842768	0.069583	0.935734	1	0.452117	17.8315
PRESCO PLC	2014	1	0.835468	0.04999	0.96921	0	0.416703	17.7239
PRESCO PLC	2013	1	0.793645	0.083409	0.947731	0	0.467841	17.30176
PRESCO PLC	2012	1	0.778672	0.149518	0.88304	0	0.389853	17.14795
OKOMU OIL	2016	2	0.868755	0.283648	1.958301	0	0.305848	17.0145
OKOMU OIL	2015	2	0.842187	0.163474	1.115599	0	0.39842	16.8139
OKOMU OIL	2014	2	0.828798	0.10921	0.545822	0	0.462609	16.69876
OKOMU OIL	2013	2	0.813267	0.172641	1.490329	0	0.394473	16.52589
OKOMU OIL	2012	2	0.805698	0.296136	2.849266	0	0.266937	16.46308
UACN	2016	3	0.931546	0.021806	1.987162	1	0.052018	18.74443
UACN	2015	3	0.920698	0.059131	1.211133	1	0.423716	18.67265
UACN	2014	3	0.920747	0.095073	1.264165	1	0.424077	18.68582
UACN	2013	3	0.920536	0.122125	1.161591	1	0.427239	18.64394
UACN	2012	3	0.920431	0.093726	1.224409	1	0.507209	18.6275
AGLEVENTIS	2016	4	0.732352	0.154488	0.919325	1	0.60172	16.72068
AGLEVENTIS	2015	4	0.755678	0.051285	0.999835	1	0.595991	16.92911
AGLEVENTIS	2014	4	0.756237	0.04843	0.926121	1	0.593396	16.95463
AGLEVENTIS	2013	4	0.747698	0.059891	1.057002	1	0.524224	16.83562
AGLEVENTIS	2012	4	0.755367	0.045521	1.086422	1	0.551059	16.9416
CADBURY NIGERIA	2016	5	0.772256	0.025811	1.077049	1	0.610582	17.16165
CADBURY NIGERIA	2015	5	0.773389	0.049992	1.093837	1	0.567678	17.1625
CADBURY NIGERIA	2014	5	0.776547	0.071322	0.878515	1	0.557484	17.17628
CADBURY NIGERIA	2013	5	0.812251	0.132507	1.823303	1	0.44421	17.58072
CADBURY NIGERIA	2012	5	0.805432	0.111317	1.693904	1	0.453074	17.49966
DANGOTE SUGAR	2016	6	0.923456	0.115216	1.48271	1	0.576069	18.98563
DANGOTE SUGAR	2015	6	0.900356	0.176212	2.03881	1	0.377658	18.48526
DANGOTE SUGAR	2014	6	0.890881	0.180065	1.843438	1	0.398422	18.39318
DANGOTE SUGAR	2013	6	0.884311	0.230731	2.076989	1	0.381688	18.28271
DANGOTE SUGAR	2012	6	0.883748	0.196879	1.979451	1	0.44227	18.23378
SCOA MOTORS	2016	7	0.605578	0.132053	0.973437	0	0.700314	16.4092
SCOA MOTORS	2015	7	0.665453	0.167694	0.962452	1	0.821023	16.02429
SCOA MOTORS	2014	7	0.666673	0.057405	1.20237	1	0.699799	16.09733
SCOA MOTORS	2013	7	0.643683	0.084948	1.332258	1	0.640741	15.89199
SCOA MOTORS	2012	7	0.625687	0.076543	1.621557	1	0.578457	15.69944
GUINESS NIGERIA	2016	8	0.931449	0.049367	0.713308	1	0.695891	18.73544
GUINESS NIGERIA	2015	8	0.927893	0.128162	0.726925	1	0.604559	18.62155
GUINESS NIGERIA	2014	8	0.930259	0.121844	0.922971	1	0.65947	18.7008
GUINESS NIGERIA	2013	8	0.926547	0.170281	0.628738	1	0.619702	18.6118
GUINESS NIGERIA	2012	8	0.900598	0.206545	0.636692	1	0.635774	18.47904

HONEYWELL FLOUR	2016	9	0.770346	0.026951	0.503416	0	0.784835	18.14686
HONEYWELL FLOUR	2015	9	0.771015	0.032152	0.584559	0	0.700989	18.03419
HONEYWELL FLOUR	2014	9	0.770345	0.085164	0.988357	0	0.677188	17.97174
HONEYWELL FLOUR	2013	9	0.742454	0.06711	0.74364	0	0.665333	17.83077
HONEYWELL FLOUR	2012	9	0.725678	0.072872	0.867886	0	0.644984	17.68526
CHAMPION BREWER	2016	10	0.674568	0.062004	0.981017	1	0.229929	16.11421
CHAMPION BREWERIES	2015	10	0.676678	0.020018	0.756544	1	0.368619	16.15048
CHAMPION BREWER	2014	10	0.662349	0.00266	0.430009	1	0.39437	16.07648
CHAMPION BREWERIES	2013	10	0.661678	0.059523	0.073989	1	1.504326	16.02792
CHAMPION BREWER	2012	10	0.636512	0.179729	0.080734	1	1.504471	15.73232
VITAFOAM PLC.	2016	11	0.696754	0.09382	1.199639	1	0.665981	16.38803
VITAFOAM PLC.	2015	11	0.695589	0.123911	1.243984	1	0.657645	16.30703
VITAFOAM PLC.	2014	11	0.681245	0.148439	1.158394	1	0.660355	16.21632
VITAFOAM PLC.	2013	11	0.661345	0.138578	1.802582	1	0.650214	16.05571
VITAFOAM PLC.	2012	11	0.674536	0.133577	1.627167	1	0.691835	16.12965
NIGERIAN BREWERI	2016	12	0.931124	0.143914	0.514773	1	0.549321	19.72261
NIGERIAN BREWERI	2015	12	0.930387	0.176048	0.408658	1	0.521544	19.68398
NIGERIAN BREWERI	2014	12	0.930074	0.186535	4.623785	1	0.509104	19.67124
NIGERIAN BREWERIE	2013	12	0.930151	0.191874	4.602269	1	0.401515	19.67252
NIGERIAN BREWERI	2012	12	0.927364	0.252064	0.665881	1	0.631563	19.3514
NESTLE NIGERIA	2016	13	0.720656	2.303961	0.807514	1	0.817921	16.62407
NESTLE NIGERIA	2015	13	0.910368	0.283079	0.081559	1	0.681189	18.59644
NESTLE NIGERIA	2014	13	0.900368	0.275313	0.083748	1	0.661145	18.47954
NESTLE NIGERIA	2013	13	0.900445	0.257219	1.256453	1	0.624843	18.49956
NESTLE NIGERIA	2012	13	0.892591	0.292127	1.046724	1	0.615734	18.30373
DANGOTE FLOUR	2016	14	0.828765	0.012359	1.026277	1	1.014071	17.6925
DANGOTE FLOUR	2015	14	0.738051	0.110357	0.629605	1	0.712305	16.74557
DANGOTE FLOUR	2014	14	0.848234	0.117373	0.60837	1	0.824674	17.81923
DANGOTE FLOUR	2013	14	0.866732	0.091036	0.071438	1	0.725149	18.00331
DANGOTE FLOUR	2012	14	0.876531	0.030243	0.822374	1	0.684483	18.17717
GLAXO SMITH	2016	15	0.772768	0.042386	2.266449	1	0.397679	17.14704
GLAXO SMITH	2015	15	0.785666	0.037064	1.070321	1	0.057916	17.26008
GLAXO SMITH	2014	15	0.773645	0.098501	1.097527	1	0.537445	17.14746
GLAXO SMITH	2013	15	0.766754	0.158503	1.196104	1	0.529035	17.08179
GLAXO SMITH	2012	15	0.746618	0.182429	1.362448	1	0.510705	16.89709
ASHAKA CEMENT	2016	16	0.873487	0.015852	2.631987	1	0.26713	18.12805
ASHAKA CEMENT	2015	16	0.862477	0.045601	2.702319	1	0.246687	18.06936
ASHAKA CEMENT	2014	16	0.863728	0.073412	2.668752	1	0.283323	18.08558
ASHAKA CEMENT	2013	16	0.861448	0.042194	2.409786	1	0.300511	18.0265
ASHAKA CEMENT	2012	16	0.861598	0.081303	1.973678	1	0.264551	18.02505
FIRST ALUMINUM	2016	17	0.562458	0.0921	0.991098	0	0.46341	16.03968

FIRST ALUMINUM	2015	17	0.554567	0.055233	1.195398	0	0.415725	15.91388
FIRST ALUMINUM	2014	17	0.555251	0.051886	0.984614	0	0.445503	15.94254
FIRST ALUMINUM	2013	17	0.556352	0.050195	1.001825	0	0.455209	15.95354
FIRST ALUMINUM	2012	17	0.558671	0.074314	0.925089	0	0.484411	15.98696
LAFARGE AFRICA	2016	18	0.942354	0.035383	0.775222	1	0.367382	20.10262
LAFARGE AFRICA	2015	18	0.933423	0.087081	0.65983	1	0.131088	19.75903
LAFARGE AFRICA	2014	18	0.932391	0.102313	0.692628	1	0.106297	19.65507
LAFARGE AFRICA	2013	18	0.922254	0.195737	0.4753	1	0.420508	18.88985
LAFARGE AFRICA	2012	18	0.922112	0.175596	0.767639	1	0.549807	18.83712
CUTIX PLC	2016	19	0.394389	0.219432	1.416413	0	0.539986	14.453
CUTIX PLC	2015	19	0.396547	0.159395	1.16174	0	0.622254	14.49294
CUTIX PLC	2014	19	0.382251	0.181554	1.393399	0	0.598947	14.37208
CUTIX PLC	2013	19	0.333465	0.252878	1.7928	0	0.443549	13.88677
CUTIX PLC	2012	19	0.325487	0.165226	1.6953	0	0.459276	13.75535
PAINT & COATING	2016	20	0.404356	0.208538	3.317747	0	0.275102	14.70776
PAINT & COATING	2015	20	0.402881	0.062546	4.071787	0	0.228344	14.65527
PAINT & COATING	2014	20	0.424311	0.065988	1.85349	0	0.501685	15.01972
PAINT & COATING	2013	20	0.403578	0.122056	2.249873	0	0.349009	14.66447
PAINT & COATING	2012	20	0.395267	0.135347	2.238073	0	0.33396	14.5062
BERGER PAINTS	2016	21	0.546453	0.067845	1.1947	1	0.365185	15.22705
BERGER PAINTS	2015	21	0.536732	0.120825	1.895831	1	0.335879	15.17543
BERGER PAINTS	2014	21	0.533683	0.073134	2.542096	1	0.324249	15.10753
BERGER PAINTS	2013	21	0.526149	0.109947	2.255878	1	0.311295	15.07869
BERGER PAINTS	2012	21	0.507752	0.097972	1.795555	1	0.389628	14.88249
DN. MEYER	2016	22	0.397893	0.082012	0.393575	0	0.805528	14.59424
DN. MEYER	2015	22	0.402259	0.074353	0.644653	0	0.7227	14.64891
DN. MEYER	2014	22	0.502359	0.031206	0.655815	1	0.766449	14.6987
DN. MEYER	2013	22	0.502646	0.190754	0.770183	1	0.760394	14.77007
DN. MEYER	2012	22	0.502583	0.191872	0.770848	1	0.746675	14.7624
MAY & BAKER	2016	23	0.497015	0.093753	1.395097	0	0.64647	15.97063
MAY & BAKER	2015	23	0.496456	0.07732	1.048389	0	0.618397	15.92885
MAY & BAKER	2014	23	0.496369	0.09386	1.134133	0	0.612192	15.91097
MAY & BAKER	2013	23	0.496268	0.078523	1.086656	0	0.624919	15.91434
MAY & BAKER	2012	23	0.496245	0.029415	1.120846	0	0.611303	15.90389
FIDSON HEALTH	2016	24	0.546678	0.065418	0.595929	1	0.60441	16.62894
FIDSON HEALTH	2015	24	0.546778	0.090959	0.693861	1	0.620654	16.62914
FIDSON HEALTH	2014	24	0.534367	0.09077	0.787171	1	0.634472	16.57378
FIDSON HEALTH	2013	24	0.516754	0.053686	1.462161	1	0.571568	16.32047
FIDSON HEALTH	2012	24	0.499457	0.07955	1.854389	1	0.51503	16.19329
NEIMETH PHARMA.	2016	25	0.407589	0.068789	1.912412	0	0.545355	14.80458
NEIMETH PHARMA.	2015	25	0.400245	0.101641	2.078412	0	0.474002	14.60408
NEIMETH PHARMA.	2014	25	0.407345	0.040875	1.984851	0	0.463427	14.83886
NEIMETH PHARMA.	2013	25	0.407824	0.08224	2.604543	0	0.384241	14.87714

NEIMETH PHARMA.	2012	25	0.407935	0.02697	2.194282	0	0.453921	14.87938
PHARMA DEKO PLC	2016	26	0.600386	0.089723	1.199794	0	0.250971	14.65882
PHARMA DEKO PLC	2015	26	0.604043	0.111358	1.757591	0	0.305393	14.75945
PHARMA DEKO PLC	2014	26	0.607651	0.083865	0.46801	0	0.672022	14.85904
PHARMA DEKO PLC	2013	26	0.604656	0.122281	0.304698	0	0.667674	14.73106
PHARMA DEKO PLC	2012	26	0.607176	0.03399	0.408185	0	0.660979	14.83897
CAP PLC.	2016	27	0.570338	0.430341	1.704198	1	0.535498	15.40801
CAP PLC.	2015	27	0.560678	0.6867	1.588955	1	0.554122	15.04202
CAP PLC.	2014	27	0.508168	0.741215	1.410802	1	0.616807	14.94073
CAP PLC.	2013	27	0.508065	0.629471	1.49865	1	0.58216	14.92573
CAP PLC.	2012	27	0.507325	0.577641	1.440919	1	0.61104	14.87184
NASCON SALT	2016	28	0.768061	0.157459	1.203554	1	0.672961	17.01839
NASCON SALT	2015	28	0.540234	0.186417	1.180333	1	0.565001	16.60636
NASCON SALT	2014	28	0.546754	0.352123	1.873427	1	0.336834	15.91414
NASCON SALT	2013	28	0.534589	0.538859	2.398172	1	0.443587	15.83172
NASCON SALT	2012	28	0.556754	0.402539	1.887961	1	0.436191	16.12278