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International financial reporting standards adoption and the extent of disclosure on corruption in Africa

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Abstract
The paper investigates the adoption of IFRS and the extent of disclosure on corruption in 27 African countries with an unbalanced panel data for the period of 2003 to 2016. The study employed three panel methodologies. To analysis the data and make statistical and robust inference, linear regression, generalized linear model and Arellano-Bond dynamic panel data method was employed. The study found that the adoption of IFRS has negative effect on corruption in Africa and the extent of disclosure is positive from the analysis performed with linear regression and generalized linear model, but dynamic panel data method showed negative effect on corruption. The findings of the study are best regarded as suggestive rather than definitive hence more research is recommended into the area of IFRS adoption in developing countries.

Keywords: corruption; IFRS adoption; extent of disclosure; economic growth; political institutions; dynamic panel data estimations

1. Introduction

In developing countries, there is an epidemic of corruption which weakens rule of law or political institutions and reduces financial transparency (Shleifer & Vishny, 1993; La Porta et al., 1999; La Porta et al., 2000; Faccio, 2006; Fan et al., 2011; Olken & Pande, 2012) [27, 19, 32]. As at December, 2015, 131 countries or jurisdictions in the world have adopted the International Financial Reporting Standards (IFRS) in one way or the other (Deloitte, 2015) [12]. There have been focus on developing countries as many are uncertain as to whether the adoption of top-notch accounting standards such IFRS could limit the widespread corruption tag (Ball et al., 2003; Ball, 2006) [6, 7]. Developing countries that adopted IFRS had low quality or non-existence of local standards (Cai et al., 2014) [9]. Even though, there are enormous literatures on the causes and effects of corruption and ways to mitigate it, literatures linking the resolve to accounting is limited (Ades & Di Tella, 1996; Tanzi, 1998; Rock & Bonnett, 2004; Fisman & Svensson, 2007; Triesman, 2007) [1, 39, 36, 20, 40] hence the study is motivated to find out whether the adoption of IFRS and the extent of disclosure plays vital role in curbing perceived corruption. The inherent focus of accounting is efficiency, control and disclosure (Everett et al., 2007) [17].

The study contributes to the previous researches and literatures on IFRS and perceived corruption (eg. Muhammed & Reza, 2016a, 2016b; Asheq, 2016). The study employed the models of Muhammed and Reza (2016a) to apply it on African data thus developing countries to ascertain the impact of IFRS adoption and the extent of disclosure on perceived corruption.

The remainder of study comprises the following. Literature reviews on subject matter in Section 2. Section 3 explains the data, research model and methodology. Section 4 reports the findings and discussion of the findings. Section 5 concludes the study and proposes recommendation.

2. Literature Review

International Financial Reporting Standard (IFRS) adoption culminates into burgeon transparency of financial reports in a country or corporate body. In countries where there is no transparency in their financial reports there is the potential of increasing transparency by adopting IFRS. According to Ding et al. (2007), countries in developing economies have less strong domestic financial reporting regulations with less transparency in their financial reports.

2.1 Corruption and Corruption Perception Nexus

Corruption has been defined (Shleifer & Vishny, 1993; Blackburn et al., 2006, 2010; Everett et al., 2007) [28] as the use of public office for unacceptable private gain and also the abuse of discretionary power by public officials to perfect their own interest by engaging in unacceptable rent seeking activities. Melgar et al. (2010) posit that the notion of corruption and corruption perception are interrelated hence studies on them are not separated. The level of corruption in a country has been argued by Sandholtz and Koetzle (2000) to be in two forms; cultural orientation and political economic structure of incentives and opportunities. Another section of the argument postulates that higher involvement of women in government, higher developed long-established liberal democracies with free and widely accepted read press and openness to trade are considered as antidote of perceived corruption or curb to corruption. Moreover, they suggested that efficiency of the judiciary, level of education and economic emancipation have negative impact on corruption but foreign aid dependency and the size of government have positive impact on corruption (Muhammed & Reza, 2016; Ali and Isee, 2003; Paldam, 2002; Triesman, 2007; Lederman et al., 2005). There are other negative effects of corruption on economic growth such as real exchange rates, foreign direct

Investment and misallocation of resources; hence corruption and economic growth are negatively related since it retards growth and social productive investments (Shleifer & Vishny, 1993; Ehrlich & Lui, 1999; Kaufmann & Wei, 1999; Smarzynska & Wei, 2000; Wei, 2000; Bahmani-Oskooee & Nasir, 2002) [27].

2.2 Corruption and Accounting Environment Nexus

The antidote to corruption has been widely recommended as IFRS due to the reason that lack of accountability breeds corruption and that the culture of secrecy encourages corruption (Shleifer & Vishny, 1993) [28]. The studies of the linkage of corruption and accounting environment are limited and there are few studies such as: Kimbro (2002); Wu (2005a); Everett et al. (2007); Albrecht et al. (2010); Muhammed and Reza (2016 a,b) and Asheq (2016). It is assumed that accounting is likely to reduce corruption and perceived corruption. International Financial Reporting Standards helps in the mitigation of corruption and it helps countries with low quality or non-existence of accounting standards to improve their accounting environment through its adoption (Hope et al., 2006). Mandatory adoption of IFRS improves the accounting environment through four approaches. Firstly, products and services produced from developed countries are perceived to be of high quality due the high quality of accounting standards pursued by the developed countries (Agbonifoh & Eliminian, 1999). Secondly, the mandatory adoption of IFRS at the state level is a significant commitment which requires constant monitoring and enforcement of the practice of new accounting standards which goes beyond simply educating preparers and auditors (Preiato et al., 2015). Thirdly, the adoption of IFRS enables a country to integrate into the international trade and business environment. Seemingly, the integration into international trade or business environment are likely to cushion the local businesses' standard of business practice in mostly the developing countries (Marquez-Ramos, 2008; Yu, 2010; Cai & Wong, 2010; DeFond et al., 2011; Khurana & Michas, 2011; Gordon et al., 2012) [10]. The last approach is the requirement enshrined in the regulations of IMF and World Bank for financing assistance which propagates the mandatory adoption of IFRS (Alfredson et al., 2009; Horton et al., 2013).

In a nutshell, the study suggests that an improvement of accounting environment in country level mitigates the perception of corruption by ensuring disclosure thereby instituting accountability practice. The adoption of mandatory IFRS can be of immense help to developing countries and can significantly improve the accounting environment.

3. Data and Methodology

3.1 Data

The study employed panel data study of 27 African countries with adoption of IFRS for an unbalanced panel period of 2003 to 2016. The variables considered for the study can be found below with their description and source.

- Corruption control (corrupt): refers to perceptions of the extent to which the public perceived both the state and private entities to have used public funds for private gains as well as "capture" of the state by elites and private interests. **Estimate of governance ranges from approximately -2.5 (weak) to 2.5 (strong) governance performance. Source: Kaufman et al. (2012). The Worldwide Governance Indicators, 2018 update (Dependent variable).
- IFRS experience (ifrsexp): This measure reflects the number of years since a country adopted mandatory IFRS. Source: IFRS Adoption by country' survey conducted by Pricewaterhouse Coopers in September – October, 2015. (Independent variable).
- Extent of director liability disclosure (discedl): The extent of director liability disclosure index is used to measure investor protection therefore it is used as proxy measure. Director's liability refers to or describes a plaintiff's ability to hold directors of a firm liable for damages to the organisation. In other words, it is used to estimate the strength of minority shareholder's protection against director's misappropriation of corporate assets/investments for private gains. A survey of corporate lawyers were done to compute the index and are typically based on court rules of evidence, company laws and securities regulations. The range of the index can be traced as values above 5 as stronger and below 5 as weak. Moreover, it ranges from 0 – 10. Source: Doing Business Report. The World Bank (2002 – 2016). (Independent variable).
- Rule of Law (rlaw) as a measure of the extent to which independent institutions in the arm of government work without political interference in a country. Moreover, it reflects the confidence level that the citizens in a country have in the laws for protection in their entire sphere of life such property right, the courts, contract enforcements etc. Source: Kaufman et al. (2012). The Worldwide Governance Indicators, 2018 update (Control variable)
- GDP per capita growth (Annual %) (gdppc): Gross domestic product per capita thus GDP per capita measures the total production of goods and services in a given year in percentage growth rate based on constant local currency divided by the total population of a country. Source: World Development Indicators- World Bank (Control variable).
- Consumer price index (annual %) as a proxy measure of inflation (iflcpi). Consumer price index measures the year on year percentage change in the prices of goods and services by an average consumer by acquiring a basket of such goods and services. Source: World Development Indicators – World Bank
- Interest rate (inr): real interest rate is the lending interest rate of a country's financial market as measure by the GDP deflator for inflation. Source: World Development Indicators – World Bank
- Corporate tax rate (% profit) (discctr). Source: Doing Business Report, The World Bank (2002 – 2016).

3.2 Methodology

The study adopted panel data methodologies such panel correlation matrix, panel linear regression model, panel generalized linear model and dynamic panel data generalized method of moments two-step method. The objective of the study is to find the relationship between the extent of IFRS experience (ifrsexp) and the extent of disclosure (discedl) in Africa with its level of perceived corruption (corrupt) after controlling for the competent and strength of political institutions and the level of economic growth. Firstly, the study would find the relationship among perceived corruption, economic growth and the

competence or the strength of political institutions hence model 1. Subsequently, the independent variable is substituted into models 2 and 3 respectively. Model 4 is incorporated with the two independent variables (ifrsexp and discedl) to ascertain the impact they have on perceived corruption (corrupt) by controlling with economic growth (gdppc) and the strength of political institutions (rlaw). The econometric model for the linear regression can be written as:

$$Corrup_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \mu_{it} \quad (1)$$

$$Corrup_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (ifrsexp)_{it} + \mu_{it} \quad (2)$$

$$Corrup_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (discedl)_{it} + \mu_{it} \quad (3)$$

$$Corrup_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (ifrsexp)_{it} + \alpha_4 (discedl)_{it} + \mu_{it} \quad (4)$$

The term α_o represents the intercept and μ represents the error term and disturbances that could not be considered, *i* represents the cross-sections of countries for the study and *t* represents the time period.

To understand the dynamics in the variables, generalized linear model is adopted to estimate the coefficient or impact at which the variables considered in model 1 to 4 affect each other; each variable is considered as dependent variable. The following models are written;

$$Corrup_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (ifrsexp)_{it} + \mu_{it} \quad (5)$$

$$ifrsexp_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (corrup)_{it} + \mu_{it} \quad (6)$$

$$rlaw_{it} = \alpha_0 + \alpha_1 (gdppc)_{it} + \alpha_2 (corrup)_{it} + \alpha_4 (ifrsexp)_{it} + \mu_{it} \quad (7)$$

$$gdppc_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (ifrsexp)_{it} + \mu_{it} \quad (8)$$

$$Corrup_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (ifrsexp)_{it} + \mu_{it} \quad (9)$$

$$discedl_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (corrup)_{it} + \mu_{it} \quad (10)$$

$$rlaw_{it} = \alpha_0 + \alpha_1 (gdppc)_{it} + \alpha_2 (corrup)_{it} + \alpha_4 (discedl)_{it} + \mu_{it} \quad (11)$$

$$gdppc_{it} = \alpha_0 + \alpha_1 (rlaw)_{it} + \alpha_2 (gdppc)_{it} + \alpha_3 (discedl)_{it} + \mu_{it} \quad (12)$$

To robust check the two methodologies that study has considered, Arellano and Bond (2012) dynamic panel data generalized method of moments two-step approach is adopted in order to make statistical and robust inference. The model for the Arellano-Bond dynamic panel data method can be found below:

$$corrup_{it} = \sum_{j=1}^{p} a_j \, corrup_{i.t-j} + \beta_1 ifrsexp_{it} + \beta_2 discedl_{it} + \beta_3 rlaw_{it} + \beta_4 gdppc_{it} + \beta_5 discctr_{it} + \beta_6 iflcpi_{it} + \beta_7 inr_{it} + \beta_8 sec_{it} + v_i + \varepsilon_{it} \quad i = 1, \ldots\ldots, N \; t = 1, \ldots . T_i \quad (13)$$

4. Results and Findings Presentation

4.1 Descriptive Statistics

The descriptive statistics can be found in table 1; it reports that the mean and the median are closely related whiles the standard deviation is homogeneous in nature. The skewness test depicts that the values are positively skewed hence mass of the distribution in the right which also confirm that the mean values are higher than the median values. The Kurtosis test affirms that all the variables are positive which means that the distribution is leptokurtic thus too tall. Finally, the Jarque-Bera test affirms that the data is not in normal distribution except rlaw. In account of the performance of the study's variables in the sampled countries, economic growth grew at an annual rate of 2.469% for the sampled years whiles inflation and interest rates stood at average rate of 6.640% and 9.256% annually respectively. However, the experience of IFRS by country can be reported as 9.946 years approximately 10 years. Rule of law and corruption has not been well practiced over the sample years as the score for both variables depict -0.414 and -0.413 respectively which are fall below average score for strong practice. More evidence can be found in table 1 below.

Table 1: Descriptive Statistics

	CORRUP	DISCCTR	GDPPC	IFRSEXP	RLAW	SEC	INR	IFLCPI
Mean	-0.413	39.116	2.469	9.946	-0.414	2.031	9.256	6.640
Median	-0.495	31.400	2.376	10.000	-0.401	2.000	5.384	5.369
Max.	1.217	285.900	20.856	15.000	1.077	4.000	572.936	44.357
Minim.	-1.453	0.000	-22.331	4.000	-1.852	0.000	-42.310	-9.616
Std. Dev.	0.594	58.201	3.960	2.907	0.587	1.107	40.654	6.831
Skewnes	0.437	3.262	-0.332	0.016	0.134	-0.300	12.009	1.764
Kurtosis	2.574	13.607	11.175	2.322	2.896	2.271	156.230	7.718
Jarque-Bera	15.347	2513.320	1090.46	7.474	1.335	14.464	389912.600	562.515
Prob.	0.000	0.000	0.000	0.024	0.513	0.001	0.000	0.000
Obs.	389.000	389.000	389.000	389.000	389.000	389.000	389.000	389.000

4.2 Correlation Matrix

Table 2 depicts the result of correlation matrix and it can be evidenced that the highest coefficient of the variables is 0.873 thus rlaw and the second highest is 0.366 thus discedl. The study can confidently aver that the data is free from multicollinearity. The rule of thumb affirms that two of the independent variables should not be highly correlated with the dependent variable. From all indications, the study rejects the null hypothesis that there is multicollinearity in the variables.

Table 2: Correlation Matrix

	Corrup	Discedl	Ifrsexp	Gdppc	Rlaw	Discctr	Sec	INR	Iflcpi
CORRUP	1								
DISCEDL	0.366	1							
IFRSEXP	0.164	0.024	1						
GDPPC	0.112	0.133	-0.047	1					
RLAW	0.873	0.337	0.300	0.074	1				
DISCCTR	-0.251	-0.106	-0.123	-0.074	-0.202	1			
SEC	0.002	0.039	0.169	0.012	0.011	-0.131	1		
INR	-0.132	-0.050	-0.047	-0.152	-0.177	0.013	0.008	1	
IFLCPI	-0.036	0.069	0.108	0.090	0.020	0.038	0.107	-0.083	1

4.3 Results of Linear Regression Model

The objective of the study is to find the relationship between the extent of IFRS experience (ifrsexp) and the extent of disclosure (discedl) in Africa with its level of perceived corruption (corrupt) after controlling for the competent and strength of political institutions and the level of economic growth. Table 3 displays the results of the analysis performed. Model 1 showed an adjusted R^2 of 0.76 which confirms 76% of variation in the perceived corruption with an account of the competence of the political institutions and economic growth. Moreover, economic growth showed coefficient of 0.007 and the competence of political institutions showed coefficient of 0.880 respectively. In other words, the stronger the political institution the stronger the fight against perceived corruption and the higher the economic growth. The results from the other models thus model 2 to 4 report that ifrsexp has negative and statistical significant relationship with perceived corruption whiles discedl showed positive and significance with perceived corruption. Therefore, the disclosure of directors' liability to protect investors has strong impact on the fight against corruption or it directly and positively affects perceived corruption whiles ifrsexp inversely affects perceived corruption. Hence, the stronger ifrsexp, the weaker perceived corruption vice versa. In the models 3 and 4, economic growth showed insignificant impact on perceived corruption where the control of discedl and ifrsexp were in existence.

Table 3: Results of Linear Regression Analysis

Variables	Model 1	Model 2	Model 3	Model 4
	cofficient	cofficient	cofficient	cofficient
	(t-statistics)	(t-statistics)	(t-statistics)	(t-statistics)
Intercept	-0.066	0.162	-0.134	0.090
	(-3.23) ***	(2.76) **	(-4.36) ***	(1.40)
rlaw	0.880	0.912	0.854	0.887
	(35.12) ***	(35.39) ***	(32.50) ***	(32.67) ***
gdppcap	0.007	0.006	0.006	0.005
	(1.92) **	(1.66) *	(1.59)	(1.37)
ifrsexp		-0.021		-0.020
		(-4.11) ***		(-3.92) ***
discedl			0.015	0.014
			(2.93) **	(2.67) ***
R^2	0.764	0.773	0.768	0.776
f-statistics	627.15***	440.98***	429.17***	337.76***
P-value	0.000	0.000	0.000	0.000
observations	389	389	389	389

Note: *** indicates 1% significance, ** indicates 5% significance, * indicates 10% significance

4.4 Results of Generalized Linear Model: All variables are dependent variable (ifrsexp)

Taking into consideration ifrsexp, model 5, built around that independent variable; table 4 reports the results and in model 5 using perceived corruption as the dependent variable, ifrsexp has strong and negative impact on perceived corruption thereby strong and experience of IFRS weakens control of corruption whiles rlaw and gdppc have positive and strong impact on perceived corruption (corrupt). The stronger the political institutions the stronger the fight against corruption as well as the higher the economic growth (lngdppc). In model 6, it can be evidenced that the competence and strength of political institutions and experience or existence of IFRS have insignificant effect on economic growth. By using rlaw, the strength and competence of political institutions as dependent variable in Model 7, the results confirm that ifrsexp and corrup have positive and significant impact on the strength and competence of political institutions (rlaw) whiles economic growth (gdppc) has insignificant impact on rlaw. In the model 8, the independent variable ifrsexp was used as the dependent variable and the result showed that rlaw has positive impact on ifrsexp, gdppc has insignificant impact and corrupt has negative impact on ifrsexp. The results from the models confirms that the length of IFRS adoption weakens the control of corruption in Africa rather than supporting the fight against corruption. On the other hand, IFRS experience rather supports the political institutions to be stronger.

Table 4: Results of Generalized Linear Model: All variables are dependent variable (ifrsexp)

	CORRUP	GDPPC	RLAW	IFRSEXP
	Model 5	Model 6	Model 7	Model 8
	(z-statistics)	(z-statistics)	(z-statistics)	(z-statistics)
Intercept	0.162	3.546	-0.384	10.566
	(2.75) **	(4.38) ***	(-7.15) ***	(54.04) ***
rlaw	0.912	-0.420		3.243
	(35.39) ***	(-0.57)		(6.72) ***
gdppcap	0.006		-0.001	-0.037
	(1.66) *		(-0.57)	(-1.05)
ifrsexp	-0.021	-0.077	0.032	
	(-4.11) ***	(-1.05)	(6.72) ***	
corrup		1.172	0.839	-1.971
		(1.66) *	(35.39)***	(-4.11) ***

Note: *** indicates 1% significance, ** indicates 5% significance, * indicates 10% significance

4.5 Results of generalized linear model: All variables are dependent variable (discedl)

Table 5 exhibits the results of the analysis using discedl in the models 9 to 12 and considering all variables as dependent variables. From the table, it can be witnessed that in model 9 where corrupt is the dependent variable, rlaw and discedl showed positive and significant impact on perceived corruption hence the stronger the strength and competence of political institutions, the stronger the fight against corruption. In the same model, economic growth (gdppc) showed insignificant impact on perceived corruption. In model 10 with gdppc as dependent variable, rlaw and corrupt showed insignificant impact on economic growth but discedl showed positive and statistical significance with economic growth (gdppc). Furthermore, model 11 used rlaw as dependent variable and the results confirm that corrupt has positive and significant impact on rlaw but gdppc and discedl showed insignificant effect. By using discedl as the dependent variable in model 12, economic growth and corruption showed positive and significant impact on discedl whiles rlaw showed insignificance. Hence, the disclosure of directors' liabilities reduces corruption and increases economic growth.

Table 5: Results of Generalized Linear Model: All variables are dependent variable (discedl)

	CORRUP	GDPPC	RLAW	DISCEDL
	Model 9	Model 10	Model 11	Model 12
	(z-statistics)	(z-statistics)	(z-statistics)	(z-statistics)
Intercept	-0.134	2.055	-0.068	4.445
	(-4.36) ***	(4.93) ***	(-2.16) **	(22.57) ***
rlaw	0.854	-0.725		0.407
	(32.50) ***	(-1.04)		(0.84)
gdppcap	0.006		-0.004	0.070
	(1.59)		(-1.04)	(1.99) **
discedl	0.015	0.145	0.004	
	(2.93) **	(0.073) **	(0.84)	
corrup		1.110	0.858	1.407
		(1.59)	(32.50) ***	(2.93) **

Note: *** indicates 1% significance, ** indicates 5% significance, * indicates 10% significance

4.6 Robust check: Dynamic panel data GMM two-step method

To statistically infer on the results of the linear regression and generalized linear model, dynamic panel data GMM two-step method was used to robustly infer on the results. Table 6 depicts the results and it can be established that rlaw (strength of political institutions) and sec (secrecy) have positive impact on perceived corruption. Thus, to control corruption, political institutions should have stronger muscles to handle corrupt practices and also secrecy which is the measure of the sum of uncertainty avoidance and power distance scores less individualism score has positive impact on perceived corruption. The more people keep secret with their individual interest at high, the more perceived corruption. Collectivism has the tendency to mitigate corruption. However, gdppc, ifrsexp, discedl, discctr and iflcpi have negative impact on perceived corruption.

Table 6: Robust Check: Dynamic Panel Data GMM two-step method

Variables	coefficient	z-statistics	p-value	significance
corrup L1	0.208	2.88	0.004	**
rlaw	0.488	8.48	0.000	***
gdppcap	-0.006	-0.92	0.358	
ifrsexp	-0.017	-2.12	0.034	**
discedl	-0.020	-2.19	0.028	**
discctr	-0.008	-7.45	0.000	***
sec	0.085	2.86	0.004	**
iflcpi	-0.008	-1.75	0.079	*
inr	0.003	1.46	0.144	
wald chi2	4324.03		0.000	***
observations	335			
instruments	163			

Note: *** indicates 1% significance, ** indicates 5% significance, * indicates 10% significance

5. Conclusion and recommendation

The study examined the impact of adopting of IFRS and the extent of disclosure on perceived corruption in Africa for the period of 2003 to 2016 for an unbalanced panel of 27 countries. The study used panel data methodologies such as panel correlation matrix, panel linear regression, panel generalized linear model and Arellano-Bond dynamic panel data generalized method of moments two-step method to robustly infer on the outcome. The study was motivated by the research gap in the area of IFRS adoption despite the accounting field's fundamental focus on efficiency, control and disclosure.

The study found that IFRS adoption and experience in the samples of Africa has negative impact on perceived corruption and disclosure of directors' liability to protect investors' interest has positive impact on perceived corruption by controlling for the strength of public independent institutions and economic growth. Even though, the results of the dynamic panel data estimation showed negative, the two methods used confirmed positive relationship of disclosure of directors' liability on perceived corruption by controlling it with many other factors that could affect it such as secrecy, inflation, corporate tax rate, real interest rate, strength of political institutions and economic growth.

The findings of the study are best regarded as suggestive rather than definitive hence more researches are recommended into the area of IFRS adoption in the developing countries.

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