

**Yusuf Olatunji, OYEDEKO**

Department of Banking and Finance, Faculty of Management Sciences,  
Federal University Oye Ekiti, Ekiti State, Nigeria.

**Muhammed ZUBAIRU**

<sup>3</sup>Department of Business Administration, Faculty of Administration,  
Ahmadu Bello University, Zaria –Nigeria.

**Aliyu Abdullahi DANGANA**

<sup>3</sup>Department of Business Administration, Faculty of Administration,  
Ahmadu Bello University, Zaria –Nigeria.

**Regina SAMSON**

Department of Banking and Finance, Faculty of Management Sciences,  
Federal University Oye Ekiti, Ekiti State, Nigeria.

### **ABSTRACT**

*The study examined the effect of earnings quality on financial behaviour of deposit money banks (DMBs) in Nigeria. The study used data extracted from the financial statements of listed DMBs in Nigeria for the period 2008 to 2017. The study also employed panel data multiple regression technique. The result found that earnings quality has a positive and significant effect on cash balance of deposit money banks. The study concluded that earnings quality have positive and significant effect on financial behaviour of deposit money banks. In line with the conclusion, the study recommended that the management of deposit money banks should deploy flexible approach in form of window service to enable them respond quickly to profit making opportunities. This will increase their profitability and discourage them from engaging in any form of opportunistic behaviour, manipulative accounting tendencies and tempering with the credibility of the financial statement.*

**Keywords:** Earnings Quality, Financial Behaviour, financial statement

## 1.0 INTRODUCTION

It is no more news that the public relies heavily on the financial statement for decision making and on this note the financial statement has to be reliable and free from both intended and unintended biases. According to Shehu (2014) reliability is when the quality of reported earnings is free of error, biases and unfaithfulness and which must represent actual intended representation. Therefore, for accounting information to be heavily relied upon by the public and to be regarded as high quality type; it must be neutral, timely, relevant, accurate, transparent, comparable, predictive, understandable, verifiable and unambiguous in its entirety. In view of this, financial reporting is one of the most important products of accounting system that tries to provide necessary information for users to make economic decisions on the evaluation of an economic enterprise's profitability and performance. Markets, business globalization, geographical expansion and the greater demand for information and integrity among investors, stakeholders and society in general find their assurance in the quality of their financial reporting. Reporting quality is the extent to which financial statements reflect the underlying economic performance of a company, and reporting credibility as the faith investors have in the accuracy of the financial statement presented to them (Nemit, 2015). This corroborates with the view of Bolo (2007) that measuring and providing information makes it possible to evaluate the past performance and effectiveness of possible future profitability and anticipated activities of an

organisation. Thus, financial reporting quality includes the accuracy of reported information to better describe a firm's operations.

The financial reporting quality is in accordance with a definition proposed by the Accounting Standards Board; this board asserts that one of the objectives of financial reporting is to inform potential creditors and investors to make reasonable decisions and evaluate the expected cash of the firm. The main indicators of financial information quality from the perspective of the developers of accounting standards are relevance and reliability which make information useful for decision makers (Hassas, 2006). The importance of financial information quality increases hundred fold in the event of some certain financial and non-financial events. Participants in these events require transparent and high-quality information on the financial performance and position of the firm so that information asymmetry is minimized thereof (Noravesh, 1998).

Financial reporting by a company has become an essential resource for any market participant, since it provides a reduced amount of information asymmetries between managers, investors, regulatory agencies, society and general stakeholders. Owing to this importance, the fundamental question that came to mind about the financial reporting quality is its effects on subsequent performance of a company. In response to this question, Ugbede et al (2013) documented that the financial information are independent and serves as means of communicating the

manager's performance in the company which explains their main attraction to influence earnings. Companies with better quality of financial information are associated with subsequent higher performance, due to the fact the market positively regards those companies which are committed to the issuance of good information for shareholders and other stakeholders, aiming to reduce information asymmetries between market participants (Garcia, Osma, & Penalva, 2010; Ahmed & Duellmand, 2011; Bushman & Smith, 2001; Bens, Nagar & Wong, 2002; Gunny 2005). Understanding the financial reporting practices of listed deposit money banks in Nigeria in relation to specific firm attributes will help regulators and other policy makers to make well informed decisions, regulations and policies to check unhealthy practices of earnings management.

Based on this importance, vast number of researches has been conducted on earnings quality but most of these studies focused on the relationship between earnings quality and firm characteristics such as; Karami and Akhger, (2014), Ahmed, (2014), Shehu and Farouk, (2014) among others but none of these studies considered financial behaviour of firm to the best of our knowledge. Thus, the present study will be significantly different from the previous studies by examining earnings quality as components of financial reporting quality instead of widely used disclosure levels in annual reports and its effect on financial behaviour of listed deposit money banks. Also, the study employs cash held balance as a measure of financial behaviour. The study of earnings

quality becomes necessary in order to unveil importance of the quality of financial statement and also to evaluate and understand its effect on financial behaviour. In line with this objective, the research question to be addressed is; what effect does earnings quality has on financial behaviour of deposit money banks in Nigeria. In consonance with this question; the research hypothesis is; earnings quality has no significant effect on financial behaviour of deposit money banks in Nigeria. The remaining parts of this study are structured as follow; section two presents the reviewed literature on earnings quality and financial behaviour, section three outlines the methodology adopted for the study. Data analysis and discussion is presented in section four while section five concludes the paper and proffer recommendations.

## 2.0 LITERATURE REVIEW

### 2.1 Overview of Earnings Quality and Financial Behaviour

Earnings quality is defined from different perspective; decision-usefulness perspective and economic-base perspective. From the decision-usefulness perspective earnings quality is regarded to be high if the reported earnings are useful for decision making (Khairul & won Adiba 2014). On the otherhand, the financial behaviour of firm is perceived as the financial activities that firms are involved which could either be measured by the investment activity, dividend pay-out ratio, amount of cash held and company value. Thus, the study adopt cash held by the deposit money banks

### 2.1.2 Earnings Quality and Financial behaviour

*Leslie and Okoegule (2013), conducted a study* evaluate of the implications of earnings management determinants in the Nigerian banking industry, They used the twenty three (23) banks listed at the Nigerian stock exchange as at 2010 as the population of the study. Out of which, eighteen (18) banks were selected as the sample of the study for the period of six years (2005-2010). The pearson product moment correlation as a technique for data analysis to identify the determinants of earnings management. The study found that audit committee size), audit fee, bank asset quality, bank size and board size were all negatively correlated with abnormal loan loss provisions (ABBL). Although the study was conducted in the Nigerian banking industry, the study used only correlation as means of data analysis which may not adequately explain the predictive relationship between firm characteristics and earnings quality.

*Okolie, Izedomi and Enofe (2013) examined the impact of audit quality and earnings management by companies through discretionary accruals manipulations in Nigeria. Data were extracted from annual reports of 57 quoted companies in Nigeria between 2006 and 2011. Audit Firm Size, Audit Fees, Auditor Tenure and Audit Client Importance served as audit quality proxies while firm size (measured as the log of total asset) and leverage were used as control variables. The amount of Discretionary Accruals (DAC) was used to measure earnings Management. The results showed that*

*audit quality was significant and negatively related to the amount of DAC of quoted companies in Nigeria and coefficient of firm size was found to be insignificant.*

Also, in study conducted by Ahmed (2014) on *the relationship between managerial characteristics and earnings quality of listed banks in Nigeria. The study used the Q test model to measure earnings quality of 17 listed banks in the Nigeria Stock Exchange between 2006 and 2010. The data for the study were obtained from secondary sources and analysed using logistic regression analysis. The managerial characteristics variables used includes: performance, managerial ability, managerial ownership and managerial cash holding liquidity risk. The results of the study revealed that managerial characteristics have significant positive effect on the level of earnings quality, while size (measured as total asset) and global financial crisis do not have significant effect on the level of earnings quality of listed banks in Nigeria. The study however, explained that the findings of this study could be attributed to the fact that all the banks used in the study are mega banks which met up with the N25billion minimum paid up capital fixed by the CBN. An indication of this is that all the banks in the sample can be categorised as the same in terms of size, hence, the insignificant effect of size.*

Povolotskaya (2014), conducted a study on empirical relations between accruals quality and future company performance. The study involved 6,461 observations

from which 497 European companies. The study period was between 2001 and 2013. Panel data regression technique was used for data analysis. The standard deviation of accrual residuals from modified Dechow and Dichev (2002) model was used as a proxy for the quality of accruals. One-year-ahead financial ratios (net working capital turnover rate, asset turnover, return on sales (profit margin), return on assets, earnings per share, and earnings-to-price ratio) are the proxies for future company performance. The study found evidence of significant negative effect of accruals quality on one-year-ahead return on assets, return on sales, earning-to-price ratio, and earnings per share ratio while significant positive relation was found between accruals quality and one-year-ahead asset turnover ratio.

Mohammadreza, Javad and Mahboubeh (2014) conducted a study on the relationship between conservatism and earnings quality in the Tehran stock exchange. The study sampled 135 firms out of accepted firms in Tehran Securities Bourse using criteria. The study adopted panel data regression model and equality test comparison, to establish a relationship between conservatism and earnings quality at 95% confidence level. The result of the study showed significant positive relation between conservatism and earnings quality. Hence the study argued that conservatism can increase earnings quality and reduce the conflict of interests between the investors and the management. Thus, the study recommended that managers should adopt conservative accounting to

improve the quality of their reported earnings.

Osemene, Muritala and Olawal (2014) conducted a study in order to empirically examine the impact of creative accounting on firm performance in Nigeria. The study used secondary source of data from seven financial institutions over the period of 2006-2011. The model adopted for this study is a modified Jones model (1995) as a measure of (dependent variable) creative accounting while return on asset (ROA) and return on equity (ROE) were used as the independent variable. The results from Levin, Chin Chun unit root test showed that the all the variables were non-stationary at level. The results from the study showed that proxy of creative accounting is positively related to return on equity.

Uweigbe et al (2015) conducted a study to assess the effects of firms' characteristics on earnings management of listed companies in Nigeria. The study used judgmental sampling technique to select a total of 20 listed firms in the Nigerian stock exchange market. The study period was between 2006 and 2010 and secondary data were extracted from the annual reports of the selected companies. The study adopted descriptive statistics and econometric analysis using the pooled ordinary least square regression for the listed sampled firms. Findings from the study revealed that firm size and firms' corporate strategy have a significant positive impact on earnings management (proxied by discretionary accruals) while the relationship between firms' financial

leverage and discretionary accruals of the sampled firms in Nigeria was not significant. Thus, the study concluded that large firms tend to have higher motivations and more prospects to engage in the manipulation earnings and exaggerate earnings due to the intricacy of their operations and the complexity for users to identify overstatement. It was observed that the study was conducted for the period of five years only and only three variables were used as the independent variable.

Issah, Hussein and Hussein (2015) conducted effect of earnings quality on liquidity risk on bank registration for Iraq stock exchange companies. Earnings quality was measured using the Jones model (1991), while liquidity risk was measure using current asset divided by current liability. Other control variable include asset (log of total asset), leverage (total debt to equity) and profitability (both ROE and ROA). The study found that earnings quality was significantly related to liquidity risk, ROE and ROA. However the study failed to state clearly its technique for data analysis and sample size.

Oluwokere, Tanko and andNyor (2016) conducted a study on firm structural characteristics and earnings quality deposit money banks in Nigeria. The study used secondary data from the published reports of thirteen (13) listed deposit money banks in Nigeria for over a period of ten (10) years between 2005 and 2014. The study used multiple regression as technique for data analysis, while residuals were generated through loan loss provisions.

The residuals know as abnormal loan loss provisions formed the dependent variable. The study did not find any evidence of significant relationship between firm leverage and financial reporting quality. They explained that unexpected result was as result of the fact that most of the other studies were not done in emerging economies and they concentrated on the manufacturing sectors.

It is very explicit that none of the literature reviewed above considered financial behaviour and this create an academic void which necessitate this study in order to examine the effect of earnings quality on financial behaviour. In conducting this research the study adopts that agency theory and signalling theory.

### 3.0 METHODOLOGY

Expos-facto research design is adopted in this study which is characterized with quantitative or numeric description of historical data. The population of the study comprises all the deposit money banks operating in Nigeria as at 31st December, 2018. The sample size was drawn through census sampling technique. Thus, the sample size of the study comprises of all 15 deposit money banks listed on the Nigerian Stock Exchange as at 31st December, 2018. The source of data for the study is secondary, and the data were extracted from the audited financial statements of the sampled banks. Vast number of proxies has been employed to measure earnings quality, but this study used Loan Loss Provision (LLP) as a measure of earnings quality of the listed deposit money banks in Nigeria. The method is widely used as

measure of banks' earnings quality because managers increase the provision for loan losses during periods when earnings are high, under the assumption of income smoothing (Wahlen, 1994). Also, the intuition underlying the choice of these variables is that in practice most bank managers decide the amount of loan loss provisions every month according to individual risk assessment on potential loans and loans write-offs (Chang, Shen, & Fang, 2008). This study adopts the method used by Chang et al. (2008) to estimate the discretionary component of loan loss provisions. In the model, loan loss provision (LLP) is a linear function of loan charge-offs (LCO) and the beginning balance of allowance for bad and doubtful debts (BBAL) for that year. It is expressed as follows:

$$LLP_t = F(LCO_{t-1}, BBAL_{t-1})$$

Hence

$$LLP_t = \alpha_0 + \alpha_1 LCO_{t-1} + \alpha_2 BBAL_{t-1}$$

Where

$$DLLP_t = LLP_t - (\alpha_0 + \alpha_1 LCO_{t-1} + \alpha_2 BBAL_{t-1})$$

The rationale behind the model is that discretionary accruals cannot be observed directly, it is estimated by regressing LLP on the independent variables (LCO &

BBAL). The discretionary loan loss provision (DLLP) is the error term, which is the difference between LLP, on the one hand and LCO for the year and the BBAL. Also, all the variables are scaled by the beginning balance of total assets ( $TA_{t-1}$ ) in order to avoid heteroskedasticity. Based on the above discussion, our overall model is stated as follows:

$$chb_{it} = c_0 + c_1 enq_{it} + c_2 bsz_{it} + c_3 leve_{it} + \varepsilon_{it0} \dots 3.1$$

$$chb_{it} = c_0 + c_1 enq_{it} + c_2 bsz_{it} + c_3 leve_{it} + \varepsilon_{it1} \dots 3.2$$

$$chb_{it} = c_0 + c_1 enq_{it} + c_2 bsz_{it} + c_3 leve_{it} + \varepsilon_{it2} \dots 3.3$$

Where *chb* is cash held balance, *enq* represents earnings quality, *bsz* represents bank size, *leve* represents leverage,  $\varepsilon$  represent the error term,  $\pi$  represents the constant,  $c_0$ - $c_3$  represents coefficients of independents and control variable, *t* represents time covered and *i* represents listed deposit money banks. The model is static in nature and it conforms to the panel model which is stated in pool, fixed effect and random effect. The table below shows the measurement of the variable. In the result estimation, each of the model will be examine and diagnostic test will be conducted to select the appropriate model for interpretation and discussion.

**Table 3.1: Measurement of Variable**

SN	Variables	Type	Measurements	Source
1	Cash held balance	Dependent variable	Logarithm of deposit and short-term fund	Mirkhalili and Mahmoudabadi (2018)
2	Earnings Quality	Independent variable	Residuals from Discretionary loan loss provision	Chang et al 2010, and Ahmed (2014)
5	Bank Size	Control Variable	Logarithm of total asset	Ahmed (2012)
4	Leverage	Control Variable	Ratio of debt to equity	Al-Taani, (2013)

The study conducted a robustness tests such as multicollinearity, correlation matrix and unit root test, in order to improve the validity of all statistical inferences of the study.

#### 4.0 RESULT AND DISCUSSION

This section presents the result and it discussion in line with previous studies. The result of the descriptive statistic is presented in the table 4.1 below:

**Table 4.1: Descriptive Statistics**

Variable	Mean	Std. Dev.	Min	Max
chb	5.885714	.5101236	4	7
enq	6.357514	1.16661	-2.843688	5.003525
bsz	5.743438	.4601798	4.2886	6.5429
leve	7.780821	16.36817	-6.2468	191.2567

*Note: chb, enq, bsz and leve represent cash held balance , earnings quality, bank size and leverage respectively.*

**Source: Author's computation, (2019)**

The mean values of chb, enq, bsz and leve are 5.885714, 6357.514, 5.743438 and 7.780821 respectively. The common feature of these variables is that they all have positive mean values. This means that each of the variables displays increasing tendency throughout the sampling period. The average or mean value of cash held balance is approximately 5.88 which implies that the deposit and short-term fund of the deposit money banks is very high. The average value of earnings quality is approximately 6.36. This purport that level of earnings quality is very high across the selected banks. The average value of bank size is approximately 5.7434 which indicate that the bank size of the deposit money banks is very low. The average value of leverage is 7.78 and this indicates that the deposit money banks make use of high proportion of debt in their capital structure. Another characteristic of cash held balance is that it ranges from 4-7 with associated standard deviation value of

.5101236. This shows that deposit and short-term fund is very high but with less riskiness. Earnings quality ranges between -2.843688 to 5.003525 with associated standard deviation value of 1.16661. This indicates a low variability around the mean and it implies that the earnings quality is not widely dispersed among the listed banks. Thus, it is an indication that earnings quality practice is not common to all Deposit money banks. The bank size has the standard deviation value of .4601798 and it ranges from 4.2886 to 6.5429. Also, the leverage has a standard deviation value of 16.36817 and it ranges from -6.2468 to 191.2567. it is the most volatile variables among the variable used for this study. After the description of the variable, the study conducts correlation analysis the existence of a perfect association between the independent variable and control variable. The result is presented in the table 4.2 below:



**Table 4.2: Correlational Matrix**

Variables	earnings	bsz	leve
earnings	1.0000		
bsz	0.3578	1.0000	
leve	-0.0527	-0.0659	1.0000

**Source: Author's computation, (2019)**

The table 4.2 shows the correlation coefficients in-between each pair of the variables- earnings quality, bank size and leverage, and bank size and leverage. The first pair has the correlation coefficient of 0.35 and the second has -0.05. This means earnings quality and bank size move in the same direction and earnings quality and leverage move in the opposite direction. The second column shows the correlation between bank size and leverage. The

coefficient of correlation is -0.06; which implies an inverse association between the bank size and leverage. Thus, there is evidence of weak correlation coefficients, which invariably suggests that each pair of the variables is not perfectly correlated, and as such, the assumption of multicollinearity or perfect collinearity is refuted. This result is confirmed by the multicollinearity test conducted and presented in the Table 4.3 below

**Table 4.3: Multicollinearity Test**

Variable	VIF	1/VIF
bsz	1.15	0.869766
earnings	1.15	0.871135
leve	1.01	0.694684
Mean VIF	1.10	

**Source: Author's Computation (2019)**

**Multicollinearity test was conducted** to check whether there is a high correlation among the independent variables which may mislead the result of the study. Variance Inflation Factors (VIF) and Tolerance Values (TV) were used to test whether multicollinearity exists among the variables. The result is presented in the table 4.3 above reveals that none of the variables are perfectly correlated. This means there is absence of multicollinearity problem in our model. This was confirmed

by Variance Inflation Factors (VIF) which is less 10 and Tolerance Values (TV) which is less than 1. Having estimated the descriptive statistics and pre-model estimation test, the study estimates the stationarity of the variable in order to avoid spurious result. Therefore, in carrying out the inferential analysis of the effect, the study first tests for stationarity using Harris-Tzavalis technique. The results of this test are reported in table 4.4 below:

**Table 4.4: Stationarity Test Using Harris -Tzavalis**

Variables	HT-Statistic	z	p-value
chb	0.5750	-2.0669	0.0194
Enq	0.4414	-3.8802	0.0001
bsz	0.6615	-1.5923	0.0081
leve	0.0458	-9.2500	0.0000

**Source: Author's computation, (2019)**

A quick view of the table reveals that all the HT statistics are larger than the critical z statistics. This is also confirmed by the p values which are respectively less than the alpha value at 5 percent. This suggests that the null hypothesis of panels unit root is rejected with 95 percent confidence. Thus,

the panels do not contain unit root. Having confirmed the stationarity of the variables, the next step is to conduct a diagnostic test in order to estimate and interpret the model that is suitable for our study. The result of the diagnostic is reported in table 4.5 below;

**Table 4.5: Diagnostic Test**

	Statistic	Value
Panel A: BP LM	Stat.	104.61
	Prob	0.0000
Panel B: Hausman Test	Stat.	3.71
	Prob.	0.1566
Panel C: Poolability Test	Stat.	0.83
	Prob.	0.0487

**Source: Author's computation, (2019)**

The test of the random effects model against the pooled regression model is conducted using Breusch and Pagan Lagrangian multiplier test. The test results are reported in table 4.5 shows that the test statistics is asymptotically large with 0 percent probability value. Therefore, at alpha value of 5 percent the null hypothesis that there are no panel effects is rejected. This suggests that random effects model appears to be more adequate or robust than the pooled regression model. Also, the study conducts a poolability test to test between the fixed effect model and pooled model. The result confirms that fixed effect

is appropriate since the p-value is less than 5 percent. To have a firm robust test, the researcher also tests the random effects against the fixed effects using hausman test. As indicated in the table 4.5 the test statistics are abysmally small and associated with large probability value of 0.1566. Thus, given the alpha value at 0.05, the null hypothesis that the individual effects do not correlate with the included variables cannot be rejected. This implies that the random effects model has appeared again to be more adequate than the fixed effects model. The study therefore proceeds to estimate the random effects

**Table 4.6 Regression Result (Dependent Variable: chb)**

Variables	Coef.	Std. Err.	z	P> z
earnings	6.42e-06	3.07e-06	2.09	0.036
leve	.000444	.0018134	0.24	0.807
bsz	.6496897	.0850566	7.64	0.000
cons	2.11	.4876128	4.33	0.000
R-sq:	0.4586			
Wald chi2(3)	100.19			
Prob > chi2	0.0000			

**Source: Author's computation, (2019)**

From the result, it is shown that earnings quality and bank size have positive and significant effect on cash held balance while leverage has a positive but insignificant effect on cash held balance of deposit money banks in Nigeria. Also, the coefficient of determination reveals that 45.86% changes in cash held balance of deposit money banks can be explained by the independent variables and Control variable (measured as earnings quality, bank size and leverage). The wald chi-square from the regression is 100.19 with the p-value of zero and this reveal that the null hypothesis that all of the coefficients are jointly zero should be rejected. Thus, it implies that the earnings quality coupled with bank size and leverage in the model were able to explain variations in the cash held balance.

#### 4.1 Discussion of Findings

From the regression results, it was found that earnings quality has positive and significant effect on cash held balance. This means that an increase in earnings quality increases the cash held balance of Deposit money Banks. This partially conforms to the findings of Sun, Yung and Rahman (2012). The explanation for this is

that earnings quality enhances information asymmetry among firms that have a high degree of information asymmetry and this may incur higher costs of external financing such as debt. Based on this, firms have to rely more heavily on internal sources of funds and must necessarily hold higher cash balances for their operational and investment needs. The study found that there is negative relationship between cash held balance and leverage. This implies that the higher the financial leverage of deposit money banks, the lower the cash held balance. This contradicts the signalling theory but conform to the assumption of Peking order theory. Also, the study found that bank size has positive and significant effect on cash held balance and this implies that an increase in the bank size increases cash held balance. The result of this study is in line with a priori expectation.

#### 5.0 CONCLUSION AND RECOMMENDATIONS

The study concluded that earnings quality has positive significant effect on financial behaviour of deposit money banks. In line with the conclusion, the study recommends that the management of

deposit money banks should deploy flexible approach in form of widow service to enable them respond quickly to profit making opportunities that will increase their profitability and discourage them from engaging in any form of opportunistic behaviour, manipulative accounting tendencies and tempering with the

credibility of the financial statement. However, the study only adopts cash balance as a measure of financial behaviour, thus other studies should consider other proxy of financial behaviour such as dividend yield, investment opportunity among others.

## REFERENCES

- Ahmed, A.S.&Duellman,S. (2011). Evidence on the role of accounting conservatism in monitoring managers' investment decisions. *Accounting and Finance*,51(3), 6090-633.
- Bens, D. Nagar, V. & Wong. M.F.H. (2002). Real investment implications of employee stock option exercises. *Journal of Accounting and Research*,40 (2),467-498.
- Bushman, R.M.& Smith, A. J. (2001), Financial accounting information and corporate governance. *Journal of Accounting and Economics*, 32; 237-333.
- Chen, F., O.K ., Li,Q. & Wang,X. (2011). Financial reporting quality and investment efficiency of private firms in emerging markets.*The Accounting Review*,86(4), 1255-288.
- Chang, R. D., Shen, W. H. A., & Fang, C. J. (2008). Discretionary Loan Loss Provisions and Earnings Management for the Banking Industry. *International Business & Economics Research Journal*, 7(3), 9-20.
- Garcia, L., J.,M., B., Garcia O., &Penalva, F. (2010), Conditional conservatism and firm investment efficiency. *Working paper* (Universidad Carlos III de Madrid,Madrid).
- Gunny, K. (2005). What are the consequences of real earnings management? *Working Paper*, University of Colorado.
- Lee, C.H., Li, L.,Y.& Yue, H. (2006). Performance growth and earnings management". *Review of Accounting Studies*,11(2-3)
- Lu , H., Richardson, G., & Salterio, S.(2011).Direct and indirect effects of internal control weakness on accrual quality: Evidence from a Unique Canadian Regulatory Setting. *Contemporary Accounting Research* 28(2)
- Leslie, D., E.&Okoeguale, B.P. (2013). An evaluation of the implications of earnings management determinants in the banking industry: the case of Nigeria. *African Journal of Social Science*, 3(3).
- Mahdi, N. &Mohamadreza, S. (2015). The impact of the internal control quality on cash flow and earnings quality: *Indian Journal of Natural science*, 6(31)
- Mohammadreza, V., Javad, M. B,&Mahboubeh, H. (2014). the relationship between conservatism and earnings quality in Tehran stocks exchange. *Indian Journal of Fundamental and Applied Life Sciences*
- Okolie, A. O., Izedonmi, F. O. I. &Enofe, A. (2013). Audit quality and accrual – based earnings management of quoted companies in Nigeria. *Journal of Economics and Finance* 2(3) 07-16.
- Payam,M.,(2013). The impact of intellectual capital on earning quality: evidence from Malaysian firms, *Australian Journal of basic and applied sciences*, 7(2): 535-540,
- Povolotskaya, Y. (2014). Master thesis does the quality of accruals affect future company performance? Master thesis submitted to the Erasmus University Rotterdam.
- Shehu, U., H. (2015). Adoption of international financial reporting standards (IFRS) and earnings quality in listed deposit money banks in Nigeria. *Procedia Economics and*

- Finance*, 28, 92–101
- Shehu, U. H. & Ahmad, B. (2013). Firm characteristics and financial reporting quality of listed manufacturing firms in Nigeria. *International Journal of Accounting, Banking and Management*, 1(6), 47-63
- Shehu, U., H. (2012), Firm attributes and financial reporting quality of quoted manufacturing firms in Nigeria. *Unpublished Phd Dissertation, Postgraduate School, Ahmadu Bello University, Zaria*
- Shehu, U, H. & Farouk M., F.(2014), Firm Attributes and Earnings Quality of listed Oil and Gas Companies in Nigeria. *Review of Contemporary Business Research*. 3(1), 99- 114.
- Shehu, U., H.(2013), Financial reporting quality, does monitoring characteristics matter? An empirical analysis of Nigerian manufacturing sector. *The business & Management Review*, 3 (2).
- Tarus, M.Muturi, J., & Kwasira J.(2015). Determinants of accurate financial statements reporting in listed banks in Kenya; A survey of commercial banks in Nakuru Town. *Journal of Business and Management*, 17(4).
- Uwuigbe, U., Ranti, U., O. & Bernard, O. (2015). Assessment of the effects of Firms' characteristics on earnings management of listed firms in Nigeria. *Asian economic and financial review*, 2, 112-121.
- Ugebede, O. Lizam & Kuseri A. (2013), Corporate governance and earning management empirical evidence from Malaysian and Nigerian Banks: *Journal of management science and education*, 2(2).
- Uwuigbe, U., Peter D. S. & Oyeniyi A. (2014), The effects of corporate governance mechanisms on earnings management of listed firms in Nigeria: *Accounting and Management Information Systems*, 13(1), 159–174