# Effectiveness of Earnings Management Under Inflationary Pressures: Evidence from the Nigerian Stock Exchange

**Eniwo Efezino**

**Assistant Director of Finance and Treasury, Warri South Local Government Area of Delta State, Nigeria**

**DOI: https://dx.doi.org/10.51244/IJRSI.2025.1210000156**

**Received: 06 October 2025; Accepted: 14 October 2025; Published: 12 November 2025**

## ABSTRACT

The study examined the effectiveness of earnings management (EM) as a financial strategy under the context of rising inflation in Nigeria's capital market. Under the consistent macroeconomic uncertainty, listed Nigerian firms are often faced with pressure to present stable and positive financial reports. This has triggered growing concern about the extent to which firms utilize earnings management to survive inflationary volatility. The study adopted a conceptual approach, critically reviewing theoretical frameworks and available empirical research to explore the impact of inflationary pressures on motives, methods, and perceived efficacy of earnings manipulation. Particular attention is given to the Nigerian Stock Exchange as an example of the broader corporate environment of emerging markets

Drawing on agency theory and signaling theory, the research concluded that managers are able to enhance income-smoothing behavior in reaction to inflationary stress to meet market expectations, preserve investor confidence, and cope with unfavorable valuation outcomes. However, these manipulations ranging from accrual-based manipulation to real activity management may not be adequate to achieve desired economic impacts as investors turn more cynical and financial oversight improves. The research also discovers a paradox: EM might temporarily insulate firms from the immediate shock of inflation, but it tended to undermine long-term financial transparency and credibility.

In the inflationary economy of Nigeria, where accounting frameworks evolve continuously and regulatory monitoring is sporadic, the strategic use of EM carries threats as well as high risks. The study called for stronger governance frameworks and more investor awareness to detect and measure earnings signals effectively. The study contributes to the existing literature on the resilience of financial reporting in inflationary economies, especially in frontier markets.

**Keywords**: Earnings Management, Inflation, Financial Reporting, Nigerian Stock Exchange, Accruals, Corporate Governance, Market Signaling

## INTRODUCTION

Earnings management has emerged as a strategic tool utilized by corporate managers to influence financial reporting outcomes within the boundaries of acceptable accounting principles. It is the exercise of accounting discretion to direct the reported earnings towards achieving specific internal or external objectives (Healy & Wahlen, 1999). While such practices are typically explained as tools for even smoothing out revenue streams and reducing volatility of earnings, they may also be used to cheat investors, delay recognition of losses, or make performance measures look more favorable for opportunistic reasons (Dechow, Ge, & Schrand, 2010). The fine line between true flexibility and deliberate manipulation remains vague, especially where macroeconomic uncertainty prevails, such as during periods of inflation.

Inflation directly and repeatedly distorts the financial statements. It erodes the purchasing power of money, increases the operating cost, and inflates nominal values of revenues and expenses. As a result, the comparability and credibility of historical cost accounting—still the standard model of most emerging economies—are undermined by sustained inflation. Managers, under pressures of meeting earnings targets, would take advantage of such distortions to manage earnings either accrual-based or real activity-based (Roychowdhury, 2006). Earnings management in this setting is not necessarily a defensive measure but an economic reaction to financial stress, particularly where the accounting standards fail to reflect the reality of inflation within economics.

In Nigeria, inflation is a recurring macroeconomic problem, typically triggered by structural factors such as exchange rate instability, over-reliance on imports, deregulation of fuel subsidy, and unpredictable monetary policy. For example, the inflation rate in Nigeria increased to 24.08% in July 2023 from 22.79% in June 2023, according to the National Bureau of Statistics (NBS, 2023). This persistent inflation poses grave threats to transparent financial reporting because quoted companies on the Nigerian Stock Exchange (NSE) are confronted with the difficulties of balancing the need to maintain investor confidence and the need to maintain financial reporting standards.

Besides, the Nigerian accounting and regulatory context lacks clear inflation-adjustment requirements. Even though Nigeria adopts International Financial Reporting Standards (IFRS), IAS 29—Financial Reporting in Hyperinflationary Economies—remains unadopted officially, despite the country having consistently recorded inflation rates above the 10% threshold typically used as a cut-off point for inflationary accounting (IFRS Foundation, 2021). The shortfall in the regulatory context allows room for discretionary usages of the accounting rules, hence increasing the scope of earnings management.

This paper therefore attempts to theoretically analyze the effectiveness of earnings management during inflationary pressures in Nigeria. It touches on how such practices manifest in the NSE market, whether they enhance or detract from transparency in finances, and how current laws and institutional framework either prevent or facilitate such manipulation. Rather than empirical modeling, the study adopts a doctrinal and theoretical method, reviewing financial reporting laws, regulatory norms, and confirmed accounting theories such as agency theory, signaling theory, and positive accounting theory. In doing so, it presents a multifaceted view of how Nigerian corporations can utilize earnings management to adapt to inflation while questioning the effects for corporate governance, investor trust, and capital market stability.

## LITERATURE REVIEW

Earnings management has been at the center of a great deal of debate in financial reporting, corporate governance, and accounting theory literature. One of the most frequently quoted definitions is given by Healy and Wahlen (1999), who describe earnings management as intentional interference with the external financial reporting process for the private benefit purpose. It is management's option in financial reporting to achieve intended effects, like satisfying analysts' expectations, maintaining share prices stable, or satisfying regulatory or contractual obligations. Even if possible within the constraints of Generally Accepted Accounting Principles (GAAP), it is ethical and transparency concerns when it is deceptive and does not reflect the true financial health of a company.

Earnings management practices are commonly categorized as three categories: accrual-based manipulation, real activities manipulation, and classification shifting. Accrual-based manipulation refers to altering accounting estimates or making use of discretion over accruals, i.e., depreciation, provisions for bad debts, or revenue timing recognition (Dechow & Skinner, 2000). Real activities manipulation entails changing real operating practices, such as manufacturing excess of needed inventory to lower the cost of goods sold or eliminating discretionary expenses like research and development (Roychowdhury, 2006). Classification shifting occurs when firms move items on the income statement to inflate artificially core earnings, such as moving recurring expenses below the line or into non-operating categories (McVay, 2006). These are used to represent financial reports in a manner more aligned with management objectives, often without technically violating accounting rules.

In inflationary economies, the same earnings management becomes more troublesome and potentially more detrimental. Inflation introduces variability and unpredictability in financial reporting by decreasing the purchasing power of money and warping the true value of revenues and expenses. In cost accounting at historical cost, still used in Nigeria, the effect of inflation is left out of asset valuation and income measurement, thus diminishing the usefulness and accuracy of financial reports. The problem is resolved under International Financial Reporting Standards (IFRS) by IAS 29: Financial Reporting in Hyperinflationary Economies that necessitates restatement of accounts in constant purchasing power units. However, despite the fact that Nigeria has witnessed double-digit inflation recurring over the last few years, IAS 29 has not been officially implemented by Nigerian regulators (IFRS Foundation, 2021).

Some studies conducted in Nigeria have investigated how inflation and economic duress influence earnings management practice. Okolie (2014) finds that Nigerian firms employ discretionary accruals to meet financial performance expectations, particularly during economic stress or debt obligations. Ezeagba and Ohakwe (2017) argue that financial reports during inflationary periods lose credibility since managers use both accrual earnings management techniques and real-based techniques to smooth net income. In their research, they highlight the challenge faced by auditors and investors in distinguishing genuine adjustment from manipulative attempts as inflation distorts conventional financial metrics.

But the Nigerian literature is largely empirical, with limited research offering a conceptual or theoretical relationship between inflation and earnings management as a strategic financial reporting option. The majority of the works available quantify the magnitude or establish the presence of earnings management but do not critically discuss the institutional, legal, and ethical dimensions of such practices. There is little, too, of the way in which inflationary conditions specifically give rise to circumstances likely to make earnings management a rational managerial response rather than opportunistic distortion.

This study meets the gap by adopting a doctrinal and theoretical framework to examine whether earnings management during times of inflation has a stabilizing role to play for firms or contributes to overall deterioration of financial disclosure and market confidence. It challenges the dominant legal frameworks under the Companies and Allied Matters Act (CAMA) 2020, evaluates partial IFRS adoption, and locates managerial behavior in agency, signaling, and positive accounting theory. Based on this scholarship, the study not only contributes to existing scholarly literature on earnings management in Nigeria but also presents policy-relevant findings for regulators and stakeholders who are concerned with financial reporting credibility in inflation-economies.

## THEORETICAL FRAMEWORK

To comprehend the earnings management practice in a period of inflation, three basic theories yield conceptual understanding: Agency Theory, Positive Accounting Theory (PAT), and Signaling Theory. These theories indicate why and how corporate managers manipulate earnings during inflation since it interluces business processes, financial outcomes, and investor moods.

**Agency Theory**

Agency Theory, in its formulation by Jensen and Meckling (1976), studies conflicts of interest that exist between agents (managers) and principals (shareholders). Managers are tasked with maximizing shareholder interests, but their self-interests—e.g., receiving bonuses, securing employment security, or protecting reputational capital—can result in shareholder-objective-different decisions. Inflation fuels such agency conflicts.

During periods of inflation, real corporate profits may decline due to exaggerated input costs, depreciating currency value, and tightening credit availability. Managers at such times may be inclined to sustain financial results on paper regardless of deteriorating operating results. They may do so by delaying costs, accelerating revenues, or enhancing asset values, effectively manipulating earnings in the context of the generally accepted accounting principles.

This directly results in having increased agency costs as shareholders are less able to observe the behavior of managers due to greater opaqueness. It is not possible for the interest of principals and agents to be always aligned due to incomplete contracts and imperfect information systems, according to Watts and Zimmerman (1986). Inflation also distorts crucial financial ratios and renders monitoring even weaker, hence promoting opportunistic earnings management.

**Positive Accounting Theory (PAT)**

Positive Accounting Theory, as also stated by Watts and Zimmerman (1978), presumes that firms choose accounting policies for other than disclosure or comparability reasons but for reasons associated with their economic interests. PAT develops three general hypotheses to explain managerial accounting choice: the bonus plan hypothesis, the debt covenant hypothesis, and the political cost hypothesis. When there is inflation, the political cost hypothesis is particularly relevant.

Inflation creates a spotlight on the profit of large firms, which could lead to their exposure to state scrutiny, union demands, or higher taxation. Managers can preempt such costs by implementing accounting choices in order to lower the profit figures. For example, they can alter the depreciation policies, adjust inventory values under First-In-First-Out (FIFO) or Last-In-First-Out (LIFO), or adjust provisions and reserves to smooth income (Fields, Lys, & Vincent, 2001). These decisions are made not out of the desire for faithful representation but to protect the firm from political and economic fallout. In Nigeria's inflationary economy, PAT explains the use of earnings management as a prudential response to regulatory gaps, weak enforcement of accounting rules, and volatile macroeconomic conditions. Rather than being a devious tactic, earnings management is an adjustment strategy that is symptomatic of institutional weakness and survivalist managers.

**Signaling Theory**

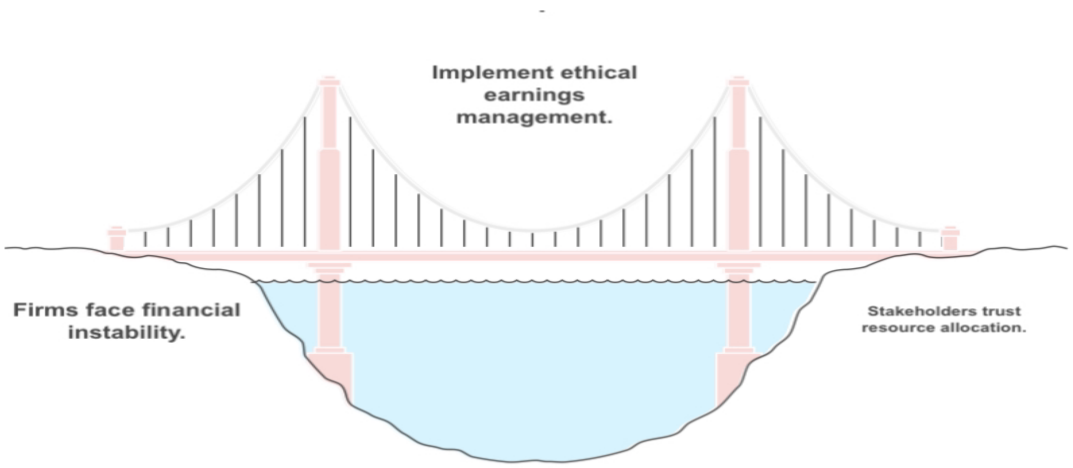
Spence (1973) formulated Signaling Theory, whose focus is on how firms signal private information to external stakeholders in an environment of asymmetric information. Accounting reports are signals that convey signals about a firm's condition, strength, and survival in the long term. In inflation, the signals get muddled because real performance may deteriorate even when nominal numbers increase.

To counteract negative investor sentiment, firms can turn to earnings management to communicate stability, profitability, or efficiency. For example, firms can overstate earnings or delay loss recognition in order to maintain high analyst ratings or retain investor focus (Healy & Wahlen, 1999). These communications are particularly important in emerging markets like Nigeria, where formal credit ratings are scarce and investors rely significantly on financial reports in making their investment decisions.

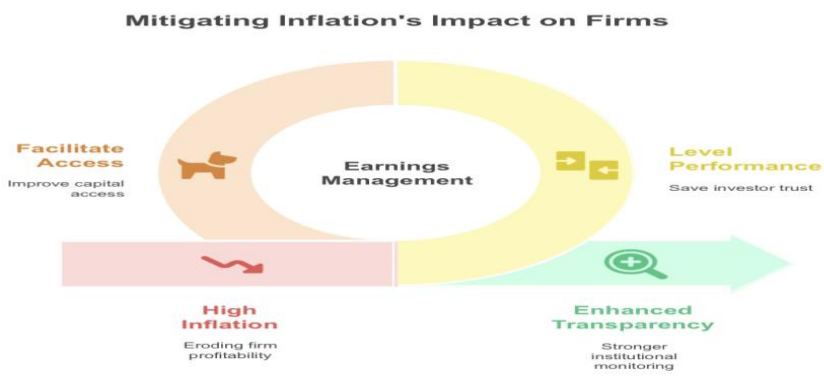
However, the quality of such signals relies on the purity of corporate governance and the effectiveness of external audits. If stakeholders believe that earnings are regularly manipulated into reported figures, the informational content of financial statements is undermined. This leads to adverse selection, reduced investor confidence, and potential mispricing of assets.

## Evaluating the Effectiveness of Earnings Management under Inflationary Pressures in Nigeria

The effectiveness of earnings management in the context of inflationary pressures can be measured from two symbiotic lenses: one, as a tool for minimizing financial instability and firm value cushioning; and two, as the potential vehicle for manipulating market signals, misleading stakeholders, and crippling efficient resource allocation. In Nigeria, persistent inflationary pressures have incited several listed companies on the Nigerian Stock Exchange (NSE) to engage in creative accounting practices. These strategies, although generally carried out within the boundaries of accounting rules, can reduce the gap between moral judgment and opportunistic manipulation.




Nigeria's inflationary climate—characterized by high consumer-level prices, volatile exchange rates, and reforming fuel subsidy—has played profound impacts on the profitability of firms. Inflation was recorded above 28.9% in December 2023, according to the National Bureau of Statistics (NBS, 2023), which reflects the level of macroeconomic uncertainty facing firms. Under these conditions, earnings management can be used by managers to level out reported performance, save investor trust, and facilitate access to capital. But the extent to which all these activities enhance or erode financial transparency depends significantly on the institutional monitoring mechanisms and the regulatory environment that prevail.

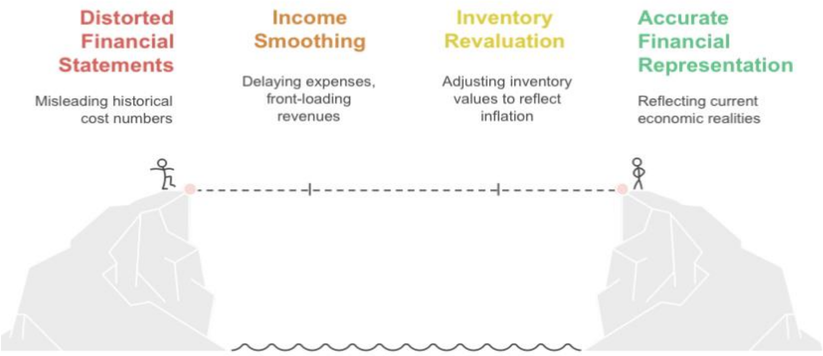



## Strategic Use of Earnings Management Under Inflation

Inflation warps balance sheets as well as income statements. Rising input costs and currency devaluation can

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue X October 2025

lead to a divergence between the historical cost numbers and current economic realities. Firms in such a scenario find themselves having to pursue income-smoothing practices in an effort to maintain investor confidence and prevent valuation impairment. For instance, earnings management practices such as delay in expensing, front loading of revenues, and revaluation of inventories are commonly used to compensate for the apparent effects of inflation on nominal profits (Roychowdhury, 2006).




In this context, earnings management may be regarded as an effective short-term strategic move. It allows firms to maintain perceived profitability stability, which in turn solidifies stock prices and bargaining power among lenders and investors. This applies particularly in emerging economies like Nigeria, where investor confidence is easily eroded by economic shocks (Fan, Wei, & Xu, 2011). By presenting a better earnings story, corporations can avert punitive actions such as credit rating downgrades or stock price implosions.

Moreover, it cannot be overlooked that the function of earnings management as a signaling device. As noted by Graham, Harvey, and Rajgopal (2005), managers generally rate highly appearances of smooth earnings since the stakeholders will interpret stable earnings growth as a signal of quality operation and management. In times of inflation, where real performance can be highly unstable due to external shocks, earnings management could assist in conveying reassuring signals to the market.

But the benefits of this kind of approach are usually short-lived. Chronic manipulation over time can erode the credibility of financial statements and raise questions among investors and regulators. What began as a possible strategic response to inflation might become systemic distortion, especially if not restrained through strong supervision and enforcement of the law.

**Regulatory and Legal Constraints**

The ability of earnings management to succeed in an inflationary context is largely influenced by the regulatory environment that prevails. In Nigeria, reporting by companies is governed by the Companies and Allied Matters Act (CAMA) 2020, which requires companies to maintain true and fair books of accounts in relation to performance. Additionally, the Financial Reporting Council of Nigeria (FRCN) also requires compliance with International Financial Reporting Standards (IFRS), which aim to provide greater transparency and comparability of financial reports.

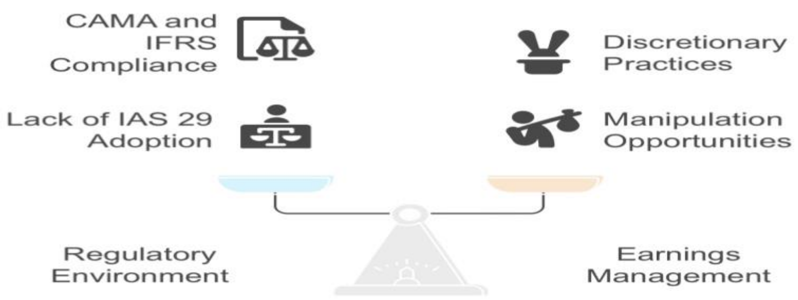
However, the sole big regulatory gap is the non-adoption of IAS 29 (Financial Reporting in Hyperinflationary Economies). Despite continued inflation rates above the IFRS hyperinflation threshold (traditionally 26% cumulative over three years), Nigeria has never officially embraced inflation-adjusted reporting practices. This lack denies firms clear policy on how to restatement financial information under inflation conditions, increasing the possibilities of discretionary earnings management (IFRS Foundation, 2021).

The absence of inflation-adjusted accounting rules generates uncertainty in student accounting rules regarding

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue X October 2025

the practice legitimacy of earnings management. Although managers are required to follow the "fair presentation" principle, the lack of well-defined definition of acceptable inflationary adjustments allows earnings to be manipulated technically without any breach of accounting standards. As a result, regulatory authorities quite frequently cannot detect, establish, or prosecute this manipulation, which is eroding the entire enforcement regime (Okolie, 2014).

In addition, accountants who are tasked with reviewing financial statements may be unable to challenge management estimates where there are no clear guidelines on inflation accounting. This regulatory uncertainty invites firms to push the limits of reasonable discretion to extremes at the expense of massive financial deception in sectors. In a setting where investor sophistication is fairly low, the likelihood that earnings manipulation goes unchecked is particularly high (Ezeagba & Ohakwe, 2017).




Thus, while earnings management, on the surface, can manage well the volatility caused by inflation, its success is over the long term undermined by the absence of good enforcement, poor regulatory tools, and the absence of clear-cut inflation-adjusted reporting guidelines. Without a good legal and institutional framework, earnings management under inflation becomes a cosmetic remedy rather than an actual solution, ultimately damaging the credibility of the Nigerian capital market more than it does good.

**Challenges to Effectiveness**

Though earnings management may be a feasible choice in compensating for the adverse effect of inflation on performed earnings, it has several problems that in the end render it less effective in the long term. Nigeria's inflationary environment aggravates the potential for earnings manipulation when there are not robust accounting platforms and overseeing regulatory authorities. Such problems cast ambiguity as to whether earnings management genuinely enhances financial stability or simply masks economic frailty.

Among the chief concerns is that financial statements, without inflation accounting, are bound to be misleading. Inflation diminishes the purchasing power of money, disturbing the historical cost basis on which a majority of Nigerian companies prepare their financial statements. Without adopting inflation accounting practices such as IAS 29, profits, assets, and liabilities reported in the books are bound to be behind times and detached from economic reality (Ezeagba & Ohakwe, 2017). This misrepresentation disfigures the comparability and reliability of financial accounts, and people find it difficult to make an equitable assessment of the performance of a firm. Practically, firms can appear to be profitable when in fact they are making genuine economic losses in situations where inflation is not properly reflected.

Another main problem is the risk of defrauding investors. Earnings figures, neatly manipulated through accruals or real activity adjustments, could give a misleading view of a firm's financial situation. This illusion of profitability can prompt investors to settle for second-best decisions, such as overvaluing firm stocks or increasing exposure of capital to underperforming companies (Dechow, Ge, & Schrand, 2010). In inflationary economies like Nigeria's where financial literacy is low among retail investors, the opportunity for misinterpretation is even higher. Therefore, earnings management here is not only limited to affecting internal reporting but also has broader implications for the efficiency of the stock market and protection of investors.

Inflationary earnings management also presents special challenges for auditors. It is usually difficult to identify legitimate adjustments made to accommodate inflationary pressures and manipulation techniques used to artificially inflate earnings. Auditors do not possess technical resources or professional judgment required to determine if revenue recognition, expense deferral, or asset revaluations are justified by inflation trends or merely used to influence earnings (Okolie, 2014). Further, without guidelines for inflation-adjusted reporting, auditors may give too much benefit of the doubt to management and water down the assurance aspect of the audit process.

Corporate governance structures are also watered down by inflation. In companies with weak board independence or weak audit committees, inflation is a convenient excuse for earnings manipulation. Macro-volatility can serve as a convenient pretext for deviations from performance measures, enabling managers to exercise discretionary decisions that will be condemned during periods of stability (Fan, Wei, & Xu, 2011). This governance shortfall facilitates opportunistic behavior, as managers can prioritize personal or short-term interests over long-term shareholder value.

These problems signal that while earnings management can bring relief in the short run in periods of inflation, its long-run consequences are adverse. It undermines transparency, erodes investor confidence, and weakens the credibility of the capital market. Unless there are strong regulatory regimes, inflation-adjusted accounting standards, and good corporate governance, the effectiveness of earnings management in Nigeria is self-limiting.

## CONCLUSION

This article tested the effectiveness of earnings management in addressing inflationary pressures within the Nigerian capital market within the context of a doctrinal and theoretical lens. It demonstrated that while earnings management can yield some temporary strategic advantages—e.g., stabilizing earnings, improved credit access, and investor confidence—these are superficial and likely to be deceptive. In an inflationary environment, these actions tend to mislead the true economic performance of firms, undermine the authenticity of financial reports, and kill investor confidence.

Nigeria's endemic inflation, driven by structural causes such as exchange rate volatility, adjustments in subsidies, and monetary policy misalignments, has exacerbated the problems of stable financial reporting. Lacking clear inflation-adjusted accounting guidelines, i.e., the non-application of IAS 29, listed entities have large room for maneuver in transcribing the impact of inflation on financial performance. This adaptability has made it easier for accrual-based and real earnings management techniques to proliferate that may not break strict rules but compromise financial transparency.

Theoretically, Agency Theory, Positive Accounting Theory, and Signaling Theory collectively explain why managers engage in such practices when facing inflationary pressure. However, the paper concludes that earnings management in this respect is not a successful financial strategy but a defensive measure brought about by institutional defects and loopholes in governance. To enhance long-run market efficiency and protect the stakeholders, Nigeria must give top priority to regulatory reforms, introduce inflation-sensitive accounting standards, and enhance investor education. These are needed to make financial reporting credible and for earnings management to serve transparency rather than secrecy.

## RECOMMENDATIONS

On the basis of findings elaborated in this study, certain specific recommendations are presented for enhancing transparency and reliability in financial reporting in Nigeria in inflationary periods. Most importantly, policymakers and regulators such as the Financial Reporting Council of Nigeria (FRCN), the Central Bank of Nigeria (CBN), and the Securities and Exchange Commission (SEC) must strengthen their oversight mechanism and reporting requirements, most importantly during inflationary periods. Inflation has the tendency to prompt companies to manipulate earnings for the purpose of concealing diminishing purchasing power or dwindling profit margins. Thus, better supervision, timely regulatory action, and more effective application of reporting requirements are essential to deter opportunism and uphold market integrity.

Second, Nigerian Stock Exchange listed companies must make a priority investment in internal governance structures, including effective audit committees, capable finance functions, and compliance offices. By establishing strong internal controls and making IFRS compliance mandatory, companies can improve the quality and credibility of financial reporting. Transparent accounting practices not only generate investor confidence but also serve as an insurance against market volatility and reputational damage because of financial misstatement.

In addition, the procedures and methods of external auditors must be modified to respond to the unusual risk posed by inflation. This means more emphasis on inflation-adjusted financial analysis, stress-testing of posted profits, and heightened skepticism regarding income-smoothing techniques. Auditors also have the duty to identify warning signs and to see to it that financial statements reflect the underlying economic realities of the firm.

Finally, investors and analysts will need to be more skeptical and analytical when evaluating earnings figures during periods of inflation. Rather than relying on simply reported earnings, stakeholders will have to examine qualitative disclosures, footnotes, inflationary adjustments, and non-monetary indicators that provide more accurate pictures of a company's longer-term performance. By focusing on underlying value and sustainable income, the market players are able to make better-informed decisions and limit the impact of fraudulent earnings management tactics. Collectively, these recommendations are aimed at increasing the sustainability and integrity of financial reporting during inflationary periods and fostering a healthier and more transparent Nigerian capital market.

## REFERENCES

1. Dechow, P. M., Ge, W., & Schrand, C. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. Journal of Accounting and Economics, 50(2–3), 344–401. https://doi.org/10.1016/j.jacceco.2010.09.001
2. Dechow, P. M., & Skinner, D. J. (2000). Earnings management: Reconciling the views of accounting academics, practitioners, and regulators. Accounting Horizons, 14(2), 235–250. https://doi.org/10.2308/acch.2000.14.2.235
3. Ezeagba, C. E., & Ohakwe, J. (2017). Inflation accounting and financial reporting in Nigeria: Empirical evidence. International Journal of Economics and Financial Issues, 7(6), 48–54.
4. Fan, J. P. H., Wei, K. C. J., & Xu, X. (2011). Corporate finance and governance in emerging markets: A selective review and an agenda for future research. Journal of Corporate Finance, 17(2), 207–214. https://doi.org/10.1016/j.jcorpfin.2010.12.001
5. Fields, T. D., Lys, T. Z., & Vincent, L. (2001). Empirical research on accounting choice. Journal of

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue X October 2025


Accounting and Economics, 31(1–3), 255–307. https://doi.org/10.1016/S0165-4101(01)00028-3

6. Graham, J. R., Harvey, C. R., & Rajgopal, S. (2005). The economic implications of corporate financial reporting. Journal of Accounting and Economics, 40(1–3), 3–73. https://doi.org/10.1016/j.jacceco.2005.01.002
7. Healy, P. M., & Wahlen, J. M. (1999). A review of the earnings management literature and its implications for standard setting. Accounting Horizons, 13(4), 365–383. https://doi.org/10.2308/acch.1999.13.4.365
8. IFRS Foundation. (2021). IAS 29 — Financial reporting in hyperinflationary economies. https://www.ifrs.org/issued-standards/list-of-standards/ias-29-financial-reporting-in-hyperinflationary-economies/
9. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X
10. McVay, S. E. (2006). Earnings management using classification shifting: An examination of core earnings and special items. The Accounting Review, 81(3), 501–531. https://doi.org/10.2308/accr.2006.81.3.501
11. National Bureau of Statistics (NBS). (2023). Consumer Price Index July 2023. https://www.nigerianstat.gov.ng/elibrary
12. Okolie, A. O. (2014). Accrual-based and real earnings management of quoted companies: Evidence from Nigeria. International Journal of Management Science, 2(6), 105–117.
13. Roychowdhury, S. (2006). Earnings management through real activities manipulation. Journal of Accounting and Economics, 42(3), 335–370. https://doi.org/10.1016/j.jacceco.2006.01.002
14. Spence, M. (1973). Job market signaling. Quarterly Journal of Economics, 87(3), 355–374. https://doi.org/10.2307/1882010
15. Watts, R. L., & Zimmerman, J. L. (1978). Towards a positive theory of the determination of accounting standards. The Accounting Review, 53(1), 112–134.
16. Watts, R. L., & Zimmerman, J. L. (1986). Positive accounting theory. Prentice Hall.