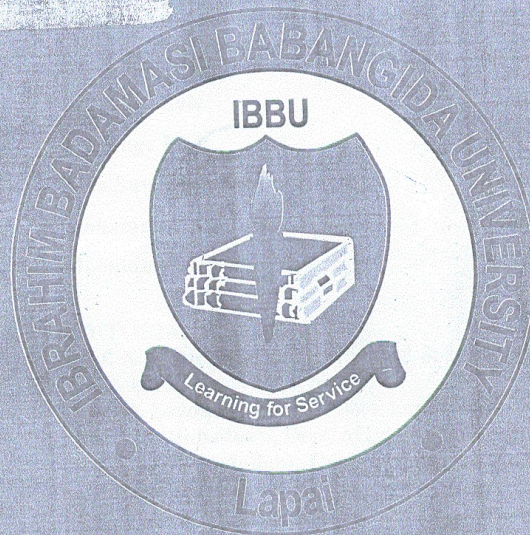


# LIJOMASS

LAPAI INTERNATIONAL JOURNAL OF MANAGEMENT  
AND SOCIAL SCIENCES

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A Journal of the Faculty of Management and Social Sciences,  
Ibrahim Badamasi Babangida University, Lapai, Niger State.

Volume 4 (2) December, 2011.

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**IMPACT OF COMPLIANCE WITH SUSTAINABLE DEVELOPMENT  
RELATED ACCOUNTING STANDARDS ON FINANCIAL POSITION  
AND MARKET VALUE OF NIGERIAN QUOTED COMPANIES**

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**ABSTRACT**

*The study is a follow-up to the presentation at the 16<sup>th</sup> AISDRC in Hong Kong, which among other critiques suggested that other performance indicators, besides profitability, are studied in relation to sustainability. The study and still is against the background that sustainable development practices may involve financial outflows and hence, may be an unattractive investment to managers. This present study evaluated the impact of corporate compliance to accounting standards that are deemed to enforce sustainable development practices and can, therefore, imply sustainable development practices by companies, on financial position and market value of quoted companies in Nigeria. Forty-four companies that have existed since financial reporting standardization began in Nigeria were studied over five years, using Regression statistical technique. The coefficient of determination ( $R^2$ ) results showed that sustainable development practices of companies relates a in a very insignificant extent with better asset worth and*

*improved market values.*

**Keywords:** *Sustainable Development, Financial Position, Market Value, Standardization*

## INTRODUCTION

All environmental stakeholders are faced with both internal and global sustainable development challenges. Internal sustainability refers to the going concern sustainability of the firm, which can also be referred to as the internal economic sustainable development. This is concerned with ensuring that current activities of an organization are conducted in a manner that will not hinder its future economic activities. Global sustainability is divergent in scope. It can be communal, national or universally focused. The essence of global sustainability is to ensure that current developments take place in such a manner that the future needs of the society are not compromised.

Managers are expected to strike a balance between going concern and global sustainability. They are required to ensure that the business is managed continuously profitably and at the same time to ensure that the environment of operation is adequately protected and preserved. The most likely happening is that management, as a service to their employers, will focus more on internal sustainability against the communal sustainable development needs.

Standardization, among others, ensures that good corporate governance that takes care of the interests of all stakeholders of an organization including the environment and the society is put in place. Standardization is the mechanism by which procedures of activities are being regulated, so that common interests, rather than self-interests are promoted. Standardization is adopted in many aspects of life globally, which include provisions of control for business activities.

The aim of this study is to investigate the impact of compliance with Nigerian accounting standards that have sustainable development provisions, on financial position and market value of quoted companies in Nigeria.

## LITERATURE REVIEW

### **Sustainable Development in the Business Sector**

According to Brundtland Report of 1987 of the United Nations, sustainable development is the 'development which meets the needs of the present without compromising the ability of future generation to meet their own needs'. The 2005 World Summit of the United Nation refers to economic development,

social development and environmental protection as the interdependent and mutually reinforcing pillars of sustainable development. Davis (2009) explained that sustainable development is pursuant of economic development through the consumptive use of world's natural resources in ways that are sustainable. This view expressed by Davis emphasizes that resources are finite and that part of our job as human beings is to preserve the human future on this planet into limitless future. Middleton (1995) argues that there could only be theoretical justification for the removal of resources from environment if there is comparative benefits for the removal, coupled with the ability to ensure that the environment is, generally, not worse-off.

On the other hand, Newton-King (2009) asserts that economic sustainability is desirable to evaluate whether a company has positioned itself for long-term growth rather than only short-term performance. According to her, a company 'must be able to adapt to macro-economic trends and act in such a way that the long-term viability of the business is assured'. These are the two sustainable development issues for business. Corporate governance already incorporated these as it is said to be 'concerned with holding the balance between economic and social goals and between individual and communal goals, with the aim of aligning as nearly as possible, the interest of individuals, corporations and society (Dixon, 2009). Interests of the corporations are so pivotal to growth and development that 'many governments are pinning their hopes of economic growth and technological innovation on strong private sector growth' (Fourie, 2009).

### **Business Procedure Standardization**

According to Russell (2007), standardization involves inspection, assurance and certification services aimed at regulating businesses, enforcing contracts and assurance of acceptable social and environmental behavior expectations. Standardization that affects business exists as far back as the eighteen century, for weight and measure by French scientists. Several standards exists, today that have impacts on businesses worldwide. The most familiar and well - established set of standards are those on financial reporting. The standards usually prescribe what information to make available to stakeholders and the form in which the information should be prepared and presented. Accounting standards were developed as a guiding tool which defined how companies should display transactions and events in their financial statements, ensure the needed uniformity of practices, enlighten users of financial reports, provide a framework for

preparation, presents and interprets financial statements (Kantudu, 2005; Oghuma & Iyoha, 2005; Blair, Williams & Lin, 2008; Kasum, 2009).

Business accounting standardization, therefore, could be said to be centralised on financial reporting standardization, in a manner that stakeholders in business are adequately provided for. The standards made some provisions that facilitate the two sustainable development concerns of business. Dixon (2009) therefore opined that the move towards sustainable reporting is a welcome one in that it encourages a more positive response to sustainable development issues.

#### **Prior Empirical Studies on Sustainable Development and Accounting Standards**

Kasum and Osemene (2010) was similar to this study. The study investigated the impact of compliance with sustainable development related standards on profitability and found out that compliance has noting significant to do with profitability. Bellas, Toudas and Papadatos (2006) in a study of impact of compliance with IAS found out that tangible assets, fixed assets and total liabilities recorded significant higher prices. Petreski (2006) in a similar study, found out that some IASs have caused equity to decrease and net debt to increase, thereby increasing gearing ratio. For income statement sales and operating income increased, consequently net income. Adeyemi (2005) studied the impact of accounting standards on financial reporting. The study was on the extent of compliance and the impact that compliance have on financial reporting. From a study of 96 companies, the study showed that is a significant positive impact of the extent of equity participation of multinational companies on the extent of compliance with accounting standard' and that 'there is no significant relationship between audit firms' size and compliance with accounting standards in Nigeria'.

Kasum (2010) was on the impact of compliance with accounting standard on shareholders' wealth in the Nigerian capital market. The study found out that compliance with accounting standards has not influenced positively, the wealth status of owners of the companies. Hung and Subramanyam (2007) studied 80 German firms for the financial statement effects of adopting International Accounting Standards in Germany. They investigated the effect of adopting the international accounting standards on financial statements and their value relevance, for a sample of German firms, between 1998 and 2002. They first compared relative value relevance of book value and net income alternatively measured under German Domestic Accounting Standard (DAS) and under IAS. They also examine incremental value relevance of adjustments made by IAS to

German DAS book values and net incomes. Their study compared accounting numbers reported under German accounting rules, with those of IAS for the same set of firms. They found out that German rules are stakeholder-oriented while IASs' are shareholder friendly. IAS adjustments to book value are generally value relevant, while their adjustments to income are not.

### **Sustainable Development Related Issues in Nigeria Accounting Standards**

The Nigerian Accounting Standard Board (NASB) has issued thirty accounting standards to date covering various business issues, five of which are considered favorable to sustainable development. The standards that are relevant to this study are:

- Statement of Accounting Standard on Accounting for Property Plant and Equipment (SAS 3, 1984),
- Statement of Accounting Standard on Accounting for Employee's Retirement Benefits (SAS 8, 1990),
- Statement of Accounting Standard on Accounting for Depreciation (SAS 9, 1989),
- Statement of Accounting Standard on Accounting for Investments (SAS 13, 1992) and
- Statement of Accounting Standard on Accounting for Taxes (SAS 19, 2000).

## **RESEARCH METHODOLOGY**

### **Research Design**

This study is an exploratory one, which is seeking an understanding of a phenomenon. Samples for this study were drawn from The Nigerian Stock Exchange. Forty-four companies that have filed report with The Nigerian Stock Exchange from the commencement of standardization in Nigeria to date, out of the current 218 listed, are the samples for the study. The study period covered five years range using three years data. Consequently, net-asset and market value figures of the selected companies for 2002, 2004 and 2006 were collected from the Nigerian Stock Exchange. The financial statements of the 44 companies for 2002 were also collected from Stock Exchange Library in Lagos, Nigeria. For compliance statistics, the standards were subjected to content analysis, with the aim of, on a point-by-point basis, determining what the provisions therein are and consequently the requirement of the standards from companies. By this, each point of compliance was identified and scores were assigned to each of the points.

The financial statements are then examined for the extent to which they comply with the provisions on points, as set up in the above. The degree of compliance index was, thereafter, computed as:

$$\text{Compliance score} = \frac{\text{point scored}}{\text{Maximum possible score}} * 100 \dots\dots\dots(1)$$

Summation of score per standard divided by number of standards applicable to the companies produced the aggregate compliance score for individual companies. The compliance score (independent variable) was regressed separately against both total and per share values of net asset and market value (dependent variables) using regression statistical method to investigate if compliance associates with financial position and share market values. The hypotheses of the study were formulated in null form only. The decision rule is to accept an hypothesis if the coefficient of determination ( $R^2$ ) is less than 50%, while  $R^2$  of 50% and above would cause the null hypothesis to be rejected.

### Statement of Hypotheses

#### Hypothesis 1

Compliance with Standards that promote sustainable development does not have significant positive impact on net asset of quoted firms in Nigeria.

#### Hypothesis 2

Compliance with Standards that promote sustainable development does not have significant favourable effects on share value of Nigerian quoted firms.

### RESULTS

First, both the total and per share values of the relevant data to this study are presented here. The data which are for the forty-four companies under study are presented in Naira(N)- the reporting currency for Nigeria. The compliance score earned from each identified compliance item as stipulated in the 5 statements of accounting standard considered relevant to sustainable development by the companies are in Table 1:

Table 1: Compliance Indices

Company Names	Index					Average
	SAS 3	SAS 8	SAS 9	SAS 13	SAS 19	
A.G Leventis	1.00	0.67	1.00	0.75	0.67	0.82
Afprint	0.80	0.33	0.85	0.50	0.50	0.60
African Petroleum	1.00	0.80	1.00	1.00	0.69	0.90
Berger Paints	1.00	0.50	1.00	0.50	0.69	0.74
Cadbury	1.00	0.83	1.00	1.00	0.92	0.95
CAP Plc	0.90	0.83	0.85	0.50	0.77	0.77
Cappa & D'alberto	0.90	0.67	0.92	1.00	0.85	0.87
CFAO	1.00	0.83	1.00	0.50	0.77	0.82
Chellarams	0.80	0.83	0.85	0.83	0.75	0.81
Costain(West Africa)	1.00	0.67	1.00	0.80	0.62	0.82
DN Meyer	1.00	0.67	1.00		0.92	0.90
				NA		
Dunlop	1.00	0.71	1.00	0.50	0.77	0.80
First Bank	1.00	0.67	1.00	0.50	0.85	0.80
Glaxo Smithkline	1.00	0.83	1.00	1.00	0.77	0.92
Guinness	1.00	0.83	1.00		0.92	0.94
				NA		
Incar Nigeria Plc	1.00	0.83	1.00	0.40	0.85	0.82
John Holt	0.90	0.83	0.85	1.00	0.77	0.87
Lever Brothers	0.90	0.78	0.92		0.62	0.81
				NA		
Livestock Feeds	1.00	0.83	1.00		0.77	0.90
				NA		
Mobil Oil	1.00	0.67	1.00	1.00	0.93	0.92
Morison Industries	1.00	1.00	1.00		0.77	0.94
				NA		
Nigerian Bottling Company	1.00	0.83		1.00	0.92	0.94
			NA			
Nigerian Breweries	1.00	0.88	1.00	0.67	0.92	0.89
Nigerian Enamelware	0.60	0.83	0.69		0.92	0.76
				NA		

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Nigeria

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U.A.C

U.B.A

U.T.C

Unio

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Table 2: Net Asset Data

COMPANIES Company Names	2002 (N)		2004 (N)		2006 (N)	
	Total	Per Share	Total	Per Share	Total	Per Share
A.G Leventis	2,357,769,000	2.49	3,438,429,000.00	1.67	4,046,651,000	1.83
Afprint	2,756,216,000	4.91	1,939,956,000	3.46	832,370,000	1.48
African Petroleum	-20159700000000	93.33	-7568785	-0.02	2,455,230,000	3.11
Berger Paints	439,323,000	2.02	496,385,000	2.28	965,293,000	4.44
Cadbury	6,859,572,000	9.14	10,848,768,000	10.84	2,181,121,000	2.18
CAP Plc	481,009,000	2.86	594,747,000	2.83	857,065,000	4.08
Cappa & D'alberto	651,848,000	6.62	840,132,000	8.53	1,057,169,000	5.37
CFAO	2,463,541,000	5.92	1,653,913,000	3.98	328,187,000	0.79
Chellarams Costain(West Africa)	1,009,330,000 70,815,000	8.38 0.44	1,435,520,000 110,490,000	7.94 0.69	2,015,407,000 (1,349,945,000)	5.58 -8.44
DN Meyer	288,364,000	1.98	313,148,000	1.61	163,357,000	0.56
Dunlop	1,526,235,000	2.52	587,948,000	0.78	6,900,327,000	9.13
First Bank	19,406,000,000	7.64	41,605,000,000	11.88	64,277,000,000	12.27
Glaxo Smithkline	1,396,347,000	1.75	2,517,722,000	3.16	4,193,075,000	4.38
Guinness	14,157,810,000	20	16,908,244,000	14.33	20,947,782,000	17.75
INCAR Nigeria Plc	102,380,000	1.22	56,721,000	0.68	323,879,000	1.04
John Holt	1,942,000,000	4.98	2,603,000,000	6.67	2,311,000,000	5.93
Lever Brothers	4,167,664,000	1.38	6,072,800,000	2.01	3,953,348,000	1.31

Livestock Fe

Mobil Oil  
Morison  
Industries  
Nigerian Bott  
Company  
Nigerian  
BreweriesNigerian  
EnamelwareNigerian Ro  
Nigerian Win  
Industries  
Northern  
Nigerian Flo  
Mills

P.S Mandrie

P.Z Industrie

Pharma Dek

Poly Product  
R.T Briscoe  
Nigerian Plc  
Roads Niger  
Plc  
S.C.O.A Nige  
PlcStudio Press  
Nigerian Plc

Total Nigeria

U.A.C

2006 (N)								
al	Per Share							
		Livestock Feeds	250,812,000	10.13	(830,728,000)	33.55	(343,406,000)	-0.29
		Mobil Oil	686,083,000	3.57	882,551,000	3.67	2,833,678,000	11.79
351,000	1.83	Morison Industries	106,967,000	1.17	110,177,000	1.21	119,955,000	1.31
170,000	1.48	Nigerian Bottling Company	14,915,193,000	15.31	18,699,659,000	14.39	20,047,083,000	15.32
130,000	3.11	Nigerian Breweries	26,425,983,000	6.99	31,278,969,000	4.14	36,249,393,000	4.79
93,000	4.44	Nigerian Enamelware	94,112,000	3.27	102,835,000	3.57	118,088,000	4.1
21,000	2.18	Nigerian Ropes	36,467,000	1.1	249,278,000	0.95	286,269,000	1.09
35,000	4.08	Nigerian Wire Industries	563,460,224	37.56	247,901,000	16.53	223,175,000	14.88
19,000	5.37	Northern Nigerian Flour Mills	505,147,000	6.8	725,565,000	6.51	846,220,000	5.7
17,000	0.79	P.S Mandries	156,350,000	3.91	202,034,000	5.05	219,224,000	5.48
7,000	5.58	P.Z Industries	14,349,551,000	9.88	18,701,185,000	10.73	27,055,099,000	10.65
,000)	-8.44	Pharma Deko Plc	68,877,000	1.72	144,988,000	1.71	423,288,000	4.46
7,000	0.56	Poly Products	222,357,000	0.93	245,732,000	1.02	240,169,000	1
,000	9.13	R.T Briscoe	547,443,000	4.56	1,785,118,000	4.92	2,207,970,000	6.08
,000	12.27	Nigerian Plc	45,349,000	2.27	26,647,000	1.33	42,280,000	2.11
,000	4.38	Roads Nigeria Plc	947,000,000	1.92	929,000,000	1.43	787,000,000	1.6
,000	17.75	S.C.O.A Nigeria Plc	236,079,000	2.95	294,901,000	3.69	944,447,000	11.81
,000	1.04	Studio Press Nigerian Plc	4,008,510,000	13.49	3,742,235,000	11.02	5,765,754,000	16.98
,000	5.93	Total Nigeria Plc	6,428,600,000	7.08	11,150,000,000	9.76	16,099,200,000	6.27
,000	1.31	U.A.C						

U.B.A	10,627,000,000	6.25	19,533,000,000	7.66	48,535,000,000	6.87
U.T.C	430,543,000	0.38	119,276,000	0.11	688,828,000	0.61
Union Bank	32,240,000,000	12.81	39,732,000,000	15.79	100,500,000,000	11.14
United Nigerian Textiles	10,003,955,000	11.86	9,717,363,000	11.52	9,016,410,000	5.26
Vitafoam	585,905,000	1.34	772,069,000	1.18	962,274,000	1.47
VONO	206,659,000	4.27	-21530000.00	-0.45	268,209,000	0.89
West African Portland Cement	9,213,000,000	5.37	2,637,000,000	1.54	25,015,000,000	8.33

Source: Nigerian Stock Exchange Fact Book 2003, 2005 and 2007

The result of statistical analyses presented here are both total and per share analyses of the extent of compliance with those standards that are sustainable development related to financial position (net assets) and market value.

Table 3: Market Value Data

COMPANIES	2002 (N)		2004 (N)		2006 (N)	
	Total	Per Share	Total	Per Share	Total	Per Share
A.G Leventis	711,189,000	0.75	2,917,430,571.00	1.42	3,242,930,250	1.47
Afprint	420,899,549	0.75	420,899,549	0.75	364,779,609	0.65
African Petroleum	3,166,560,000	14.66	27,514,080,000	63.69	33,263,189,960	42.17
Berger Paints	556,462,080	2.56	891,208,800	4.1	734,703,840	3.38
Cadbury	23,554,769,400	31.38	77,985,452,800	77.92	51,273,033,200	51.23
CAP PLC	549,360,000	3.27	1,428,000,000	6.8	4,139,100,000	19.71
Cappa & D'alberto	767,816,400	7.8	713,675,500	7.25	2,067,198,000	10.5
CFAO	1,426,880,000	3.43	2,945,280,000	7.08	1,522,560,000	3.66
Chellarams	250,615,040	2.08	354,234,720	1.96	437,371,440	1.22
Costain (West Africa)	100,749,600	0.63	255,872,000	1.6	289,455,200	1.81

. 2, 2011

100	6.87
100	0.61
100	11.14
100	5.26
100	1.47
100	0.89
100	8.33

per share  
ustainable

Per Share
1.47
0.65
42.17
3.38
51.23
19.71
10.5
3.66
1.22
1.81

DN Meyer	1,114,948,638	7.65	1,220,367,280	6.28	1,046,449,100	3.59
Dunlop	1,639,008,000	2.71	2,600,640,000	3.44	2,305,800,000	3.05
First Bank	59,817,000,000	23.55	92,748,335,480	26.48	266,543,498,461	50.88
Glaxo Smithkline	2,040,960,000	2.56	7,653,600,000	9.6	12,858,063,994	13.44
Guinness	29,557,507,438	41.75	155,162,110,000	131.5	152,802,230,000	129.5
INCAR Nigeria PLC	142,375,000	1.7	129,812,500	1.55	1,209,587,720	8.89
John Holt	631,800,000	1.62	522,600,000	1.34	468,000,000	1.2
Lever Brothers	82,748,282,920	27.34	56,749,462,500	18.75	52,270,038,260	17.27
Livestock Feeds	85,422,000	3.43	70,070,800	2.83	2,267,998,900	1.89
Mobil Oil	12,525,671,340	65.13	39,377,192,400	163.8	41,588,854,000	173
Morison Industries	235,572,705	2.58	127,830,150	1.4	81,263,453	0.89
Nigerian Bottling Company	26,066,754,416	26.75	95,367,005,200	73.4	64,625,284,920	49.38
Nigerian Breweries	159,113,064,320	42.08	639,792,914,400	84.6	299,931,288,240	39.66
Nigerian Enamelware	96,192,000	3.34	82,366,000	2.86	14,336,000	3.97
Nigerian Ropes	66,684,082	2.01	485,149,120	1.84	4,796,240	2.18
Nigerian Wire Industries	36,600,000	2.44	33,600,000	2.24	33,600,000	2.24
Northern Nigerian Flour Mills	617,760,000	8.32	2,300,986,840	20.66	3,636,765,000	24.49
P.S Mandries	206,400,000	5.16	322,400,000	8.06	312,000,000	7.8
P.Z Industries	14,520,601,770	10	25,387,817,040	14.57	57,352,762,420	22.57
Pharma Deko PLC	103,200,000	2.58	401,860,800	4.73	347,553,600	3.66
Poly Products	100,800,000	0.42	148,800,000	0.62	240,000,000	1
R.T Briscoe Plc	308,400,000	2.57	4,023,436,080	11.08	3,489,640,860	9.61
Roads Nigeria Plc	20,600,000	1.03	21,600,000	1.08	20,200,000	1.01

S.C.O.A Nigeria Plc	1,180,800,000	2.4	1,280,500,000	1.97	359,890,000	0.73
Studio Press Nigerian Plc	126,400,000	1.58	132,800,000	1.66	126,400,000	1.58
Total Nigeria Plc	19,031,072,920	64.06	72,827,469,000	214.5	65,860,477,560	194
U.A.C	3,588,857,145	3.95	15,730,199,998	13.77	6,117,379,488	23.81
U.B.A	15,164,000,000	8.92	29,325,000,000	11.5	141,623,600,000	20.06
U.T.C	897,000,000	0.8	2,130,375,000	1.9	1,110,037,500	0.99
Union Bank	52,752,128,000	20.96	78,146,640,000	31.05	246,052,400,881	27.27
United Nigerian Textiles	2,698,508,502	3.2	3,027,389,226	3.59	1,370,336,349	0.8
Vitafoam	1,987,440,000	4.55	2,660,112,000	4.06	2,692,872,000	4.11
VONO	90,909,280	1.88	89,458,600	1.85	480,000,000	1.6
West African Portland Cement	39,672,576,000	23.13	29,209,856,000	17.03	124,596,416,166	41.51

Source: Nigerian Stock Exchange Fact Book 2003, 2005 and 2007

## TESTING OF HYPOTHESES

### Hypothesis 1

Compliance with Standards that promote sustainable development does not have significant positive impact on net asset of quoted firms in Nigeria.

Table 4: Regression results on net assets

Year	Intercept	NA <sub>it</sub>	R <sup>2</sup> (%)
2002- Total	-3E+012	4E+012	1.2
- Per share	11.104	8.84	0.2
2004 - Total	1E+008	7E+009	0.3
- Per share	5.477	-1.406	0.0
2006 - Total	2E+010	-9E+009	0.1
Per share	0.752	5.370	0.7

Source: Authors' Computations, 2010.

Table 4 above depicts the result of regression analysis of compliance score and total and per share net assets of selected companies. The R<sup>2</sup> for total net assets was decreasing from 1.2%, 0.3% to 0.1% for years 2002, 2004 and 2006

respectively. However, the  $R^2$  for per share value of net asset exhibits an zigzag pattern with the values of 0.2%, 0% and 0.7% during years 2002, 2004 and 2006 respectively. From these results, it is apparent that a very low interdependence exists between compliance with accounting standards that promotes sustainable development and change in the net asset value of Nigerian quoted firms. Thus, the first hypothesis of the study that compliance with Standards that promote sustainable development does not have significant positive impact on net asset of quoted firms in Nigeria is accepted. This result implies that compliance with standards that are sustainable development related has a very weak relationship with the change in the net assets of Nigerian quoted firms.

### Hypothesis 2

Compliance with Standards that promote sustainable development does not have significant favourable effects on share value of Nigerian quoted firms.

**Table 5: Regression results on Market Value**

Year	Intercept	NA <sub>it</sub>	R <sup>2</sup> (%)
2002- Total	-2E+010	4E+010	1.0
- Per share	-31.60	50.59	6.2
2004 - Total	-1E+011	2E+011	2.6
- Per share	-91.39	137.07	5.6
2006 - Total	-3E+010	. 8E+010	0.7
Per share	-69.42	109.83	4.2

Source: Authors' Computations, 2010.

Table 5 shows the regression result of relationship between compliance score and total and per share market values of selected companies. The coefficient of determination ( $R^2$ ) for total market value was 1%, in 2002. A higher  $R^2$  of 2.6% was reported in 2004. However the 2006  $R^2$  shows a decreasing  $R^2$  of 0.7%. This was 0.3% to 0.1% for years 2002, 2004 and 2006 respectively. However, the  $R^2$  for per share value of market value depict a decreasing  $R^2$  values of 6.2%, 5.6% and 4.2% during years 2002, 2004 and 2006 respectively. Based on these value of  $R^2$  a low level of dependence exists between compliance with accounting standards that promotes sustainable development and improvement in the market

values of Nigerian quoted firms. Thus, the second hypothesis of the study that compliance C with Standards that promote sustainable development does not have significant favourable effects on market share value of Nigerian quoted firms is accepted. The import of this result is that compliance with standards that are sustainable development related has an insignificant influence on the improvement in the market value of share of Nigerian quoted firms.

The results of this study is similar to Kasum and Osemene (2010) which found that an insignificant relationship exist between compliance with accounting standards and profitability of firms. Thus, it could be inferred that compliance to standards that promotes sustainable development by Nigerian companies has nothing significantly to do with their net assets and the market values of shares.

### CONCLUSION

Based on the findings of this study, we conclude that compliance to those accounting standards that this study adjudged to promote sustainable development, by the companies listed on Nigerian Stock Exchange, does not affect their financial position and the share market value. However, these results are informative in so many senses. If truly the standards promote sustainable development that fulfills the basics of sustainable development, long-term sustainable profitability will be more an appropriate measure than short-term results.

In line with the same thinking, rather than building immediate profits, economic sustainability should actually target building business assets that would be positioned to produce long-term sustainable future profits for the concerns. All these relate to internal sustainability, which also aids global sustainability. Sustainable development from the point of view of the society, of course, may involve investment in the society and meeting obligations. These will usually involve resources outflow from the otherwise retainable incomes of businesses. The goodwill of these kinds of activity will in turn bring patronage to the businesses.

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