FIRM EXTERNAL CHARACTERISTICS AND ACCOUNTING CONSERVATISM OF SMALL OWNERSHIP CONCENTRATED COMPANIES IN NIGERIA

Isuku OHIOMEGWE[a], Nkechi A. EMEKA–NWOKEJI[b]
[a,b]Chukwuemeka Ogumegwu Ojukwu University, Igbariam Campus, Anambra State

Corresponding author: isukuabel@gmail.com

Abstract

The study examined the relationship between firm external characteristics and accounting conservatism of small ownership concentrated companies in in Nigeria. The aim of the study is to examine relationship between firm competition, debt governance, auditor's quality, environmental responsibility and accounting conservatism. Ex-post facto research design and the One sample test was carried out to sample thirty-four (44) listed small ownership concentrated companies covering 2014 to 2023 and analysed using descriptive, and least square regressions. The regression result showed that debt governance had a negative and significant relationship with accounting conservatism while firm competition, auditor quality and environmental responsibility had no significant relationship with accounting conservatism. Based on this, it was recommended that management of small ownership concentrated companies in Nigeria should ensure that the effect of debt governance on accounting conservatism is carefully addressed.

Keywords: Accounting Conservatism, Auditor quality, Debt Governance, Environmental Responsibility, Firm Competition

INTRODUCTION

Accounting conservatism (AC) is a principle of accounting that had been debated by contemporary academicians, scholars and accounting standard setters that the accountants should apply the principle of prudence in the preparation of financial statement through the recognition of transactions caused by economic uncertainty. EL-Fattah, et al. (2023) argued that accounting conservatism serves as medium to minimize the information asymmetry between investors and management in relation to investors' aim to assess firm performance. Musa and Temitope (2023) affirmed that accounting conservatism undermines financial reporting quality which is the core aim of management to improve firm performance through more efficient economic or returns.

David and Boniface (2019) believed that the distorted financial reporting was a consequence of conservative accounting. This could be based on the premise that accounting conservatism (AC) is among the fundamental concepts of conceptual framework for financial reporting that requires companies to prepare their financial statements with caution and to exercise high degree of verification in recognition of transactions due to uncertainties surrounding many events and circumstances (Nguyen, & Phan, 2024). However, the idea of recognising revenues too late and expenses too early has been interpreted by critics as a way of reducing the usefulness of accounting information. Zou, and Othman (2024), argued that conservative approach can render companies more prudent in financial decision-making, thereby constraining investment in innovation.

Firm external characteristics are vital corporate governance mechanism that is external to the corporate organisation. The external firm characteristics of debt governance, auditor quality and environmental responsibility have potential of influencing AC. However, prior research on AC has been carried out using various variables with mixed conclusions. Hence, it was deduced from prior studies in developed and developing countries that, firm competition, auditors quality and debt governance were the most vital parameters of firm external characteristics that strongly impacted on AC (Phuong-Hong & Try-My, 2024; Muhtaseb, Paz, Tickell & Chaudhry, 2023; Zhang, 2023; Daryatno, & Santioso, 2020). Therefore, Ihenyen and Ayogoi (2023) discovered that debt holders and institutional shareholders are the basic external features that impact on AC. Alves (2023) established that auditor quality is an external factor that potentially influence AC. Identifying the gap in this study, firm completion as a factor of firm external characteristics that could have a substantial and favorable impact on implementing accounting conservatism practices had not been given much attention in Nigeria context. Hence, the rationale behind the study was to determine the external firm characteristics (firm competition, debt governance, auditor quality and environmental responsibility) that might affect AC of small ownership concentrated company in Nigeria. Therefore, the aim of the study is to examine the relationship between firm external characteristics and accounting conservatism of small ownership concentrated company in Nigeria.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Accounting Conservatism

Conservatism as a principle of accounting has received much attention worldwide. Accounting literature has conceptualized accounting conservatism as a principle of accounting information or financial statements. Accounting conservatism (AC) is a fundamental principle of accounting that deals with the prudent attitude of the accountants in adapting strategies against the risks of operating environment and the uncertainties of a firm (Li & Chao (2020). AC is defined as the effect of a decreasing bias in net book value of assets instead of economic value as a result of inadequate economic identification in reporting profit (Kootanaee, Seyyedi, Morteza & Kootanaee, 2013). Okafor and Ezeagba (2018) affirmed that AC as the utilization of accounting expertise to manipulate corporate reporting figures, while guiding against accounting principles and procedures, so that instead of showing the actual performance or position of the company, they show what the management wants the stakeholders perceive about their company. Muttakin, Khan and Tanewski (2019) added that the principle of conservatism has the likelihood of reducing earnings management by management and result to recognition of good news in the financial statements. Conservatism is a doctrine of transparency in the disclosure of earnings with low level of risk. As noted by Ha, et al. (2018), for financial report to be considered to be of high quality, it has to be useful to its intended users; and for it to be useful, “it must be relevant, reliable, accurate, comparable and timely” (Sanyaolu, Lawal & Job-Olatunji, 2017).

Firm External Characteristics

Firm external characteristics are vital corporate governance mechanism that is external to the corporate organisation. Firm external characteristics are enormous in empirical research, the study will make use of the following firm external characteristics such as firm competition, debt governance, auditor quality and environmental responsibility.

Firm Competition and Accounting Conservatism

Firm competition (FC) is the power of monopoly it enjoys in exercising control over the profit provided without external intervention (Ali, et al., 2018). The conceptualization of FC intensity is a dimension of firm external that is related to sustainability which generally refers to value and brand created for the company within the operating market environment. Dyllick and Muff (2016) affirmed that sustainable firm with the tactics of FC has to pay more attention on the society and its sustainability challenges rather than the business itself so as to minimize the level of uncertainty. Therefore, a highly competitive business environment is a push factor for improving earnings quality of the firm. Firm level competition strongly impact on the performance of the company and it also determines its policies in terms of conservatism of accounting information (Dhaliwal, Huang, Khurana, & Trulaske, 2011). Empirically, Nurmansyah (2023) established in Indonesia that firm competition strongly influence AC. Given the study of Wu, Tsao, S., and Che-Hung Lin (2024) on the relationship between conservative financial reporting and firm competition in US revealed that firm competition adversely influence the presence of conservative financial reporting through the process of corporate diversification. The findings of Tavakoli and Gah (2024) on the influence of market competition on conditional and unconditional accounting conservatism in Iran revealed that high level of firm market competition would strongly improve accounting conservatism. *The hypothesis is proposed as: Firm competition has a significant relationship with accounting conservatism in small ownership concentrated company in Nigeria.*

Debt Governance and Accounting Conservatism

Debt governance is the existence of the size of the debt component of a company. The capital structure that is skewed to debt financing is a bond of debt governance. It is usually comprised of long-term and short-term debt of corporate firms. Debt covenant is a leverage that can be described as a corporate policy of utilizing loan to enhance corporate investment and performance (Ofulue, Ezeagba, Amahalu, & Obi, 2022). Debt covenant is a leverage policy which is seen as the quantity of debts corporate organisations employs to acquire assets, increase corporate performance, establish, or purchase a new company (Igbal & Usman, 2018). Debt covenant is also a short-term debt policy of corporate organisation. Short-term debts are debt obligations that mature within one accounting year (Orlu, et al., 2022). Empirically, EL-Fattah, et al. (2023) discovered from their study that high debt governance (firm leverage) significantly enhance AC. Zhang (2023) discovered from China that accounting conservatism and debt financing is positively related. However, it implies that debt covenant contributes positively to conservatism of accounting information. Wiiayanti, Yusticia, and Abduurrahman (2020) examined the effect of managerial ownership structure, growth opportunities, leverage, and financial distress on accounting conservatism in Indonesia. They sampled 21 companies among industrial goods sector and consumer goods sector in the Indonesia Stock Exchange for the period 2015-2017 through purposive sampling and panel data estimation for the analysis. The result showed that a leverage and financial distress has a significant positive effect on accounting conservatism, while managerial ownership structure and growth opportunities have no significant effect on accounting conservatism. Cerqueira and Pereira (2020) discovered in Europe that debt covenants have a significant negatively influence AC. *The hypothesis is proposed as: Debt governance has a significant relationship with accounting conservatism in small ownership concentrated company in Nigeria.*

Auditor Quality and Accounting Conservatism

Auditor quality (AQ) is one of the fundamental external characteristics of a corporate firm. Imade (2021) sees AQ as the systematic process of examining the quality system of internal control by an internal or external auditor of an organisation. In spite of this, the high profile corporate scandals that resulted in the collapse of highly rated companies both at home and abroad has decreased the extent to which stakeholders placed their trust on the quality of reported earnings by corporate managers (Awuye & Aubert, 2022). The essence of financial statements is to provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions (Ahmed, et al., 2018). Uthman and Salami (2021) argued that AQ disclosed among listed firms in Nigeria is mainly skewed to the services of the Big 4 auditing or accounting firms such as Deloitte, Klynveld Peat Marwick Goerdeler (KPMG), Ernst & Young and

Pricewaterhouse coopers (PWC)]. However, AQ is a basic instrument needed by users of accounting information for decision making process with high level of credibility. Empirically, Gabrielle and Sutrisno (2024) studied the relationship between accounting conservatism, investment opportunity, auditor size, and leverage and earnings quality in Indonesia. The study sampled 133 consumer cyclical and non-cyclical companies listed on the Indonesia Stock Exchange during the period of 2020 to 2022 while panel data regression model for the analysis of data. The study of Krismiaji (2021) on the effect of audit quality on accounting conservatism in Indonesia was based on agency theory that auditor quality strongly enhances the level of accounting conservatism. *This proposes the hypothesis that: Auditor quality has a significant relationship with accounting conservatism in small ownership concentrated company in Nigeria.*

Environmental Responsibility and Accounting Conservatism

Environmental responsibility is the disclosure of environmental information disclosure with the aid of social reports environmental reports beyond the annual report (Jastrzębska, 2016). Barbosa, Monteiro and Pereira (2021) stressed that companies are increasingly disclosing environmental information in their audited reports and accounts as a result of the growing concerns of sustainability reporting. Pereira, Monteiro, Barbosa and Coutinho (2021) observed from their study on the relationship between conditional conservatism and environmental information disclosure that consistent disclosure of environmental information enhances more conservative accounting practice. Empirically, Zarinpour, Mansourfar, Gh and Zarei (2024) investigated the effect of CSR on the relationship between AC and investment efficiency in Iran, and documented that environmental, social responsibility and governance responsibility exert a significant and positive effect on relationship between AC and investment efficiency at p-value <0.05. Ntim, Lindop, and Osei-Tutu (2023) studied the relationship between CSR, AC and investment efficiency in United Kingdom found that environmental responsibility has a positive correlation between investment efficiency and AC. In China, Wang and Chen (2022) studied the effect of CSR on the relationship between investment efficiency and AC, and established that environmental responsibility has a significant positive relationship with AC. *The hypothesis of this study is proposed as follows: Environmental responsibility has a significant relationship with accounting conservatism in small ownership concentrated company in Nigeria.*

2.4 Theoretical Review

The theoretical foundation of this study is based on agency theory. The agency theory was developed by Jensen and Meckley in the year 1976. The principle of conservatism is witnessed in the agency theory, based on the fact that the management has no intention of personal incentives being conserved in the audited financial statement because they do not command huge investments in the company that would make them practice earning management in the reporting of abnormal profits as agents of the shareholders (Li, et al., 2017). The practice of AC by corporate managers to reduce the level of existing information asymmetry problem between agent (managers) and principal (stakeholders) with the improvement of accounting reliability and financial reporting quality. The underlying principle of this theory in the field of AC is the reduction of agency conflicts and financial manipulations, discouraging opportunistic conduct in connection with corporate governance practice and integration of conservative accounting standards (Hajawiyah, et al., 2020). The theory of agency is in alignment with corporate governance framework for the purpose of minimising risks and building stakeholder’s confidence and guaranteeing of financial transparency and accountability (Pasko, et al., 2021). However, the practice of AC creates the path of unity between management and shareholders in order to experience a reliable financial reporting with investor’s confidence and stakeholders’ trust. Moreover, AC principle applied by firms is used to cushion the effect of information asymmetry between the agent and principal through the minimization of earnings manipulations by management.

3. METHODOLOGY

Expo-facto research design was adopted in this study. The study population is made up 113 listed companies in Nigeria Exchange Group (NGX) for the period of 2014 to 2023. The sample size of 88was based was computed using Burley’s formula that was propounded and popularized by Yamane (1967). Due to the non-availability of audited financial statement of some companies, the filtering method was applied to remove 13 companies whose financial audited reports were unavailable. The remaining 75 companies were further put to test using One Sample Test. The analysis was used to classified the data into small ownership concentrated companies with a sample of thirty-four (34) companies was presented in Table 3.1 below.

Table 3.1: One-Sample Test

	Test Value = 0					
					95% Confidence Interval of the Difference	
	T	Df	Sig. (2-tailed)	Mean Difference	Lower	Upper
OWNC	78.972	727	.000	59.71841	58.2338	61.2030

Source: SPSS output (2025)

It was observed from the table above that the mean difference value was 59.71, lower mean value was 58.23 and upper mean value was 61.20. This implies that only thirty-four (34) companies among the computed sample size of seventy-five (75) met the benchmark of small ownership concentrated companies.

Model Specification and Measurement of Variables

The study adapted the model of Asiriuwa, et. al. (2019), presented below:

ACit = α0 + α1ForeiOit + α2InstOit + α3ManOit+ α4sizit + α5profit+ εit

Where; AC = Accounting conservatism

ForeiO = Foreign ownership

InstO = Institutional ownership

ManO = Managerial ownership

Siz = Firm size

Prof = Profitability

ε = error term i= Corporations

t= Financial year.

The study modified the model as follows to suit the research work.

$ACS_t = \beta 0 + \beta 1FCMP_t + \beta 2DGO_t + \beta 3AUDQ_t + \beta 4EVR_t + e_t$

Where;

ACS =Accounting Conservatism was measured by accrual method: Income + depreciation – net operating cash flow/total asset.

FCMP= Firm competition. It was measured by the difference between total interest and non-operating income (TR) and total interest and non-operating cost (TC) divided by TR.

DGO = Debt governance. It was measured by the ratio of total debt to total asset.

AUDQ = Auditor quality. It was measured by logarithms of audit fees.

FS = Firm size. It was measured by logarithms of total assets.

EVR= Environmental responsibility. This was measured by a dummy variable: "1" if the environmental information item is disclosed in the annual reports otherwise "0".

4.0 FINDINGS AND DISCUSSION OF RESULTS

The descriptive statistics was presented in Table 4.1 below.

Table 4.1: Descriptive Statistics

Parameter	ACS	FCMP	DGO	AUDQ	EVR
Mean	-0.028062	-0.520955	75.36526	4.027606	0.651515
Median	-0.013900	-0.025200	64.09000	4.020000	1.000000
Maximum	1.746000	0.880400	395.4504	5.660000	1.000000
Minimum	-1.256700	-56.55720	0.090000	2.680000	0.000000
Std. Dev.	0.195524	3.882330	52.09074	0.593319	0.477214
Skewness	0.854310	-11.38805	3.032049	0.359934	-0.635963
Kurtosis	30.13113	147.5851	14.68609	3.276764	1.404449
Jarque-Bera	10161.49	294574.3	2383.398	8.178606	57.24921
Probability	0.000000	0.000000	0.000000	0.016751	0.000000
Sum	-9.260341	-171.9151	24870.54	1329.110	215.0000
Sum Sq. Dev.	12.57761	4958.847	892723.5	115.8172	74.92424
Observations	330	330	330	330	330

Source: EViews 9.0 Output (2025)

From the Table 4.1 above, it was observed that accounting conservatism (ACS) on the average was -0.0280 with a corresponding standard deviation value of 0.1955. Firm competition (FCMP) on the average was -0.5209 with a corresponding standard deviation value of 3.8823. Debt governance (DGO) on the average was 75.3652 with a corresponding standard deviation value of 52.0907. Audit quality (AUDQ) on the average was 4.0276 with a corresponding standard deviation value of 0.5933. Environmental responsibility (EVR) on the average was 0.6515 with a corresponding standard deviation value of 0.4772. Lastly, the Jarque-Bera (JB) statistics showed that all the variables were not normally distributed.

Regression Results

The regression result was presented in Table 4.2 below.

Table 4.2: Regression result

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.077290	0.046861	1.649367	0.0991
FCMP	0.000719	0.001678	0.428492	0.6683
DGO	-0.001183	0.000124	-9.555319	0.0000
AUDQ	-0.006072	0.011735	-0.517407	0.6049
EVR	0.020393	0.014640	1.392992	0.1636
R-squared	0.056394	Adjusted R-squared		0.044781
Scale	0.093058	Deviance		0.008660
Rn-squared statistic	93.86604	Prob(Rn-squared stat.)		0.000000
Mean dependent var	-0.028062	S.D. dependent var		0.195524
S.E. of regression	0.197621	Sum squared resid		12.69261

Source: EViews 9.0 Output (2025)

It was observed from the Table above that R2 value of 0.056394 indicates that about 6% of the variation in accounting conservatism was jointly explained by explanatory variables. However, the Rn2-statistics value of 93.86 and its associated p-value 0.0000 showed that the model overall was statistically significant at p-value < 0.05. Specifically, firm competition (FCMP) had a z-statistics value of 0.4284 and a probability value of 0.6683 which is statistically not significant. This implies that high level of competitive firm would lead to high level of accounting conservatism but it was statistically not significant at p-value > 0.05. Debt governance (DGO) had a z-statistics value of -9.5553 and a probability value of 0.0000 which is statistically significant. This implies that increase in debt governance would significantly lead to low level of accounting conservatism but it was statistically significant at p-value < 0.05. Auditor quality (AUDQ) had a z-statistics value of -0.5174 and a probability value of 0.6049 which is statistically not significant. This implies that high level of auditor quality would lead to low level of accounting conservatism but it is statistically not significant at p-value > 0.05. Environmental responsibility (EVR) had a z-statistics value of 1.3929 and a probability value of 0.1636 which was statistically not significant at p-value > 0.05.

To test for the misspecification of model adopted in this study, a Ramsey RESET test was conducted and indicated that the insignificant value of t-statistic, F-statistic and likelihood ratio (0.3960, 0.3960 and 0.3915) revealed that model for the study was well specified. This was reported in the Table 4.3 below;

Table 4.3: Ramsey RESET Test

	Value	Df	Probability
t-statistic	0.849729	392	0.3960
F-statistic	0.722039	(1, 392)	0.3960
Likelihood ratio	0.734256	1	0.3915

Source: EViews 9.0 Output (2025)

To check for the presence of heteroskedaticity in the regression result, the Breusch-Pagan-Godfrey test was conducted. However, the results revealed that the high probability value of the F-statistic and Obs*R-squared (0.6646 and 0.6609) indicates that there is unlikely the existence of heteroskedaticity problem but it is irrelevant to this study due to the nature of data employed. This was represented in Table 4.4 below:

Table 4.4: Breusch-Pagan-Godfrey Test

F-statistic	0.646213	Prob. F(5,393)	0.6646
Obs*R-squared	3.253644	Prob. Chi-Square(5)	0.6609
Scaled explained SS	305.9694	Prob. Chi-Square(5)	0.0000

Source: EViews 9.0 Output (2025)

DISCUSSION OF FINDINGS

Firm competition has no significant relationship with AC of small ownership concentrated companies in Nigeria at p-value > 0.05. The result was inconsistent with findings of Wu, et al. (2024), Nurmansyah (2023) and Tavakoli and Gah (2024) that firm competition has a significant relationship with AC. Debt governance has a significant relationship with AC of small ownership concentrated companies in Nigeria at p-value < 0.05. The result was consistent with findings of Zhang (2023), EL-Fattah, et al. (2023) and Cerqueira and Pereira (2020) that debt governance has significantly relationship with accounting conservatism. Auditor quality has no significant relationship with AC of small ownership concentrated companies in Nigeria at p-value > 0.05.

The result was consistent with findings of Gabrielle and Sutrisno (2024) that there is no significant relationship between earnings quality and AC and inconsistent with the findings of Awuye and Aubert (2022) and Krismiaji (2021) auditor quality promotes the conservatism of accounting information. Environmental responsibility has no significant relationship with accounting conservatism of small ownership concentrated companies in Nigeria at p-value > 0.05. The result was inconsistent with the findings of Zarinpour, et al. (2024), Ntim, et al. (2023) and Wang and Chen (2022) that environmental responsibility exerts a significant effect on AC.

5.0 CONCLUSION AND RECOMMENDATIONS

The study examined the relationship between firm external characteristics and accounting conservatism of small ownership concentrated companies. The conservatism principle of accounting is a practice explored by accountants to minimize the falsification of financial figures that create a wider gap in asymmetry of financial statements information for proper dissemination of accounting information. The empirical discovery showed that firm competition had a positive and not significant relationship with accounting conservatism of small ownership concentrated companies, debt governance had a negative and significant relationship with accounting conservatism of small ownership concentrated companies, auditor quality had a negative and no significant relationship with accounting conservatism of small ownership concentrated companies and environmental responsibility had a positive and not significant relationship with accounting conservatism of small ownership concentrated companies.

The study recommended that stakeholders and management of small ownership concentrated companies in Nigeria should pay attention to firm competition as a driver of firm external characteristics that would contribute to conservatism of accounting information over time. The stakeholders of small ownership concentrated companies in Nigeria should consider the presence of auditor quality because it would strongly enhance accounting conservatism in the long- run.

It was also recommended that management of small ownership concentrated companies in Nigeria should consider the effect of debt governance as it would adversely the influence level of accounting conservatism significantly, and investors of small ownership concentrated companies in Nigeria should ensure that management comply environmental regulations in order to increase the level of accounting conservatism in the long-run.

References

Ahmed, A.S., & Duellman, S (2017). Account conservatism and board of director characteristics: An empirical analysis. *Journal of Accounting and Economics, 43*(2), 411-437.

Ahmed H.A., Maysam, A., & Naim, S.A (2018). The impact of the quality of financial reporting on nonfinancial business performance and the role of organizations demographic' attributes (type, size and experience). *Academy of Accounting and Financial Studies Journal*, *22* (1), 1–18.

Ali, M.M., Bakar, R.A., & Ghani, E.K (2018). The effect of firm internal and external characteristics on risk reporting practices among Malaysian listed firms. *Indonesian Journal of Sustainability Accounting and Management, 2*(2), 121–135.

Ali, U., Noor, M.A., Khurshid, M.K., & Mahmood, A. (2015). Impact of firm size on earnings management: A Study of Textile Sector of Pakistan. *European Journal of Business and Management, 7 (28),* 47-56.

Alves, S (2023). Do female directors affect accounting conservatism in European Union? *Cogent Business & Management*, *10*(2), 2219088.

Awuye, I.S., & Aubert, F (2022). The impact of leverage on earnings management and the trade-off between discretionary accruals and real earnings management. *Journal of Accounting and Taxation*, *14*(1), 89-101.

Barbosa, F., Monteiro, A.P., & Pereira, C (2021). Determinants of environmental responsibility disclosure on mandatory and voluntary reporting of Portuguese listed firms. *Journal of Environmental Accounting and Management, 9*(3), 219-233.

Benjamin, K.G., Love, O.A., & Kabiru, D (2014). The impact of ownership structure on listed insurance firms' financial performance in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences, 4,* 409- 416.

Cerqueira A., & Pereira, C. (2020). The effect of economic conditions on accounting conservatism under IFRS in Europe. *Review of Economic Perspectives, 20*(2), 137-169.

Dakhlallh, M.M., Rashid, N., Abdullah, W.A.W., & Dakhlallh, A.M (2021). Ownership structure and firm performance: Evidence from Jordan. *Journal of Contemporary Issues in Business and Government, 27(2),* 81-90.

Daryatno, A.B., & Santioso, L (2020). The influence of accounting conservatism, leverage, growth opportunities, cash and liquidity on corporate investment among manufacturing companies listed on Indonesia Stock Exchange.

David, O.U., & Boniface, U. U. (2019). Accounting conservatism and performance of Nigeria consumer goods firms. An examination of the role of accruals. *International Journal of Financial Research. 10*(1), 1-8.

Dhaliwal, D., Huang, SX, Khurana, IK, & Trulaske, RP (2011). Product market competition and conditional accounting conservatism. Https://Medium.Com/. https://medium.com/@arifwicaksanaa/pengertian-use-case-a7e576e1b6bf.

Dyllick, T.L., & Muff, K (2016). Clarifying the meaning of sustainable business: Introducing a typology from business-as-usual to true business sustainability. *Organization and Environment*, 29 (2), 156-178.

EL-Fattah, M.A., Yousef, A., Sakr, A., & Elfaham, K (2023). The effect of accounting conservatism on firm characteristics: an applied study on the Egyptian listed companies after Arabic spring revolution. *Academy of Accounting and Financial Studies Journal*, *27*(3), 1-21.

Gabrielle, F., & Sutrisno, P (2024). Accounting conservatism, auditor size, leverage, and related party transactions on earnings quality. *International Journal of Economics, Business and Management Research*, *8*(11), 72-87.

García Lara, J.M., García Osma, B., & Penalva, F (2014). Information consequences of accounting conservatism. *European Accounting Review*,1-39.

Ha, H.T.V., Hung, D. N., & Phuong, N.T.T (2018). The study of factors affecting the timeliness of financial reports: The experiments on listed companies in Vietnam. *Asian Economic and Financial Review, 8(2),* 294-307.

Hajawiyah, A., Wahyudin, A., Kiswanto, Sakinah, & Pahala, I (2020). The effect of good corporate governance mechanisms on accounting conservatism with leverage as a moderating variable. *Cogent Business & Management*, *7*(1), 1779479.

Hasanuddin, R., Darman, D., Taufan, M. Y., Salim, A., Muslim, M. & Putra, A. H. P. K (2021). The effect of firm size, debt, current ratio, and investment opportunity set on earnings quality: An empirical study in Indonesia. *Journal of Asian Finance, Economics and Business*, *8*(6), 0179 – 0188.

IASB (2020). Speech: IASB Chair's keynote at the IFRS foundation Virtual Conference. International Accounting Standards Board London, UK.

Igbal, U. & Usman, M (2018). Impact of financial leverage on firm performance. *SEISENSE Journal of Management*, *1*(2), 70 – 78.

Imade, T.P (2021). Audit quality and concept of going concern in quoted non-financial firms in Nigeria. Being a thesis presented to department of accounting Mallam Sanusi Lamido Sanusi College of Business and Management Studies, in Partial fulfuliment of requirement for the award of Doctor of Philosophy (Ph.D.) degree in Accounting Igbinedion University, Okada, Edo State, Nigeria.

Jastrzębska, E (2016). Reporting of non-financial information as a stakeholder engagement method. *Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu,* (423), 61-78.

Jensen, M.C., & Meckling, W (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics, 3(4)*, 305–360.

Kootanaee, A.J., Seyyedi, J., Morteza, N., & Kootanaee, M.J (2013). Accounting conservatism and corporate governance's mechanisms: Evidence from Tehran stock exchange. *International Journal of Economics, Business and Finance, 1(10)*, 301-319.

Krismiaji, A (2021). Audit quality characteristics and accounting conservatism: Empirical study in Indonesian company. *Atestasi Jurnal Ilmiah Akuntansi, 4* (2), 132-141.

Li, C.W., & Chao, Y.Y (2020). The effect of auditing assurance levels on accounting conservatism: Evidence from Taiwan. *International Journal of System Assurance Engineering and Management, 11*(1), 64-76.

Li, W., He, T., Tang, G., & Marshall, A (2017). Revisiting conditional accounting conservatism in state-controlled firms. *Asian Review of Accounting, 25(4)*, 486-501.

Muhtaseb, H., Paz, V., Tickell, G., & Chaudhry, M (2023). Capital structure, audit firm size, and earnings management: evidence from palestinian listed companies. *Academy of Accounting and Financial Studies Journal, 27*(3), 1-18.

Musa, A.A., & Temitope, A.A. (2023). Corporate governance and accounting conservatism in Nigeria: An Empirical Investigation. *South Asian Research Journal of Business Management*, *5*(3), 73-87.

Muttakin, M. B., Khan, A., & Tanewski, G (2019). CFO tenure, CFO board membership and accounting conservatism. *Journal of Contemporary Accounting & Economics, 15(3),* 100-165.

Nguyen, T.P.H., & Phan, T.T.M. (2024). Effects of financial characteristics on accounting conservatism of listed companies in Vietnam stock exchange.*Cogent Business & Management, 11*(1), 2289199.

Ntim, C.G., Lindop, S., & Osei-Tutu, E (2023). Corporate social responsibility and investment efficiency: Evidence from the United Kingdom. *Journal of Business Research*, *152*, 711-719.

Nurmansyah, A (2023). The influence of the level of competition on accounting conservatism through corporate governance. *Journal of Economics, Finance and Management Studies, 6*(9), 4553-4559.

Nwoye, C.M., Anichebe, A.S., & Osegbue, I.F (2020). Effect of audit quality on earnings management in insurance companies in Nigeria. *Athens Journal of Business & Economics, 6*(1), 1 – 29.

Octavia, D. M (2022). The effect leverage, profitability, firm size and financial distress against accounting conservatism (Empirical study on Bank Sub-Sector Service companies Listed on the Indonesia Stock Exchange in 2017-2020). *Global Accounting Jural Akuntansi*, *1*(2), 71–84.

Ofulue, I., Ezeagba, C.E., Amahalu, N.N., & Obi, J.C (2022). Financial leverage and financial performance of quoted industrial goods firms in Nigeria. *International Journal of Management Studies and Social Science Research*, *4*(1), 172 –181.

Okafor, T.C., & Ezeagba, C.E (2018). Effect of earnings management on performance of corporate organization in Nigeria. *International Journal of Business Management and Economic Review*, *1*(3), 74 – 87.

Olojede, P., Iyoha, F., & Egbide, B (2020). Corporate governance and creative accounting practices in the listed companies in Nigeria. *Academy of Accounting and Financial Studies Journal*, *24*(4), 1 – 20.

Orlu, L., Amin, M.C., & Amadi, C.R (2022). Debt capital and financial performance of commercial banks in Nigeria. *International Journal of Economics and Financial Management*, *7*(1), 43 – 64.

Özcan, A (2021). Accounting conservatism and corporate governance: Firm-level evidence from Turkey**.** *Comparative Research on Earnings Management, Corporate Governance, and Economic Value*, 12. DOI: 10.4018/978-1-7998-7596-3.ch01

Pasko, O., Chen, F., Birchenko, N., & Ryzhikova, N (2021). Corporate governance attributes and accounting conservatism: Evidence from China. *Studies in Business and Economics, 16*(3), 173-189.

Pereira, C., Monteiro, A.P., Barbosa, F., & Coutinho, C (2021). Environmental sustainability disclosure and accounting conservatism. *International Journal of Advanced and Applied Sciences, 8*(9), 63-74.

Phuong-Hong, N.T., & Try-My, P.T (2024). Effects of financial characteristics on accounting conservatism of listed companies in Vietnam stock exchange. *Cogent Business & Management, 11*(1), 1-24.

Sanyaolu, W.A., Lawal, A.A., & Job-Olatunji, K.A (2017). IFRS adoption and quality of financial statement: Perspective of auditors, chartered accountants and graduates of accounting. *International Journal of Innovative Finance and Economics Research, 5(2),* 1-10.

Tavakoli, M., & Gah, A.D (2024). The effect of product market competition on conditional and unconditional conservative accounting procedures. *Iranian Journal of Accounting, Auditing and Finance*, *8*(1), 131-150.

Uthman, A.B., & Salami, A.A (2021). IFRS adoption and audit quality in Nigeria: The conditional effect of auditor industry specialization. *Global Journal of Accounting*, *7*(2), 80-98.

Wang, D., & Chen, S (2022). Corporate social responsibility and investment efficiency: Evidence from Chinese private listed companies. *Journal of Business Ethics, 183*(1), 153-168.

Wiiayanti, I., Yusticia, N.S.K., & Abduurrahman, F. (2020). Determinants analysis in accounting conservatism. *Russian Journal of Agricultural and Social Economic Sciences, 108*(12),19-26.

Wu, C.Y., Tsao, S., & Che-Hung Lin, C. (2024). Accounting conservatism, corporate diversification and firm value. *Review of Quantitative Finance and Accounting*, 1-57.

Zarinpour, M., Mansourfar, Gh., & Zarei, . (2024). Corporate social responsibility in the relationship between accounting conservatism and investment efficiency. *Interdisciplinary Journal of Management Studies* (*IJMS*), *17*(2), 507-520.

Zhang, W.H (2023). Accounting conservatism and private enterprise debt financing research. *Open Journal of Accounting*, *12*, 15-25.

Zou, W., & Othman, A. (2024). The impact of accounting conservatism on enterprise innovation investment. *Heliyon 10*(16), https://doi.org/10.1016/j.heliyon.2024.e36106.