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Corporate Governance and Value Relevance of Accounting Information:Evidence from Nigeria

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Abstract

Purpose-This study evaluates the connection between Corporate Governance and Value relevance of accounting information for firms listed on the Nigerian Stock Exchange. It sought to ascertain the effectiveness of corporate governance by demonstrating a link between corporate governance and firm valuation.

Design/Methodological/Approach-The paper employed the Ohlson valuation model and variants of the model, using adjusted R^2 as measures of value relevance. The paper used board, audit committee and external audit variables as indicators of corporate governance. The sample consisted of forty-five(45) listed firms over the period 2008 to 2015.

Findings- results shows that accounting information is value relevant on the Nigerian market, however presently corporate governance practices does not lead to perceptible increase in the value relevance of accounting information.

Research limitation/implication-this paper provides evidence that corporate governance has not improved the quality of accounting information in Nigeria, a result which contradicts the evidence from other countries. The Nigerian context implies that indicators of corporate governance quality from empirical literature do not address the problem of corporate governance in Nigeria.

Originality/value-the paper determines the effect of corporate governance on value relevance of accounting information, using the relationship of accounting information with share price as indicator of quality of accounting information. The implication therefore is that efficient capital allocation will improve if the quality of corporate governance is improved

Keywords: Value Relevance, Corporate Governance, Accounting information, Nigeria

Introduction

The primary objective of financial statements is to provide information for investment decision making. The quality of decision is driven by the quality of information at the disposal of the decision maker, consequently by the quality of information contained within the financial statements. The frame work of presentation and preparation of financial statement issued by the IFRS (2003) states that the objective of financial statements is to provide information as to the financial position, financial performance and changes in the financial performance of the entity. Also to enable management render stewardship for their management of entity's resources.

For accounting information to be useful it must possess certain qualitative characteristics. These are attributes of accounting information which make them useful to a broad range of users. The Framework of the IFRS states that information must possess such features as faith representation , relevance, comparability and understandability. In order to empirically operationalise relevance, accounting scholarship resort to value relevance. It is the extent to which accounting information summarise information that is summarised in share values. The higher the proportion of such information summarised by accounting information the stronger the value relevance of accounting information, hence the more useful it is to the user from the perspective of relevance.

Financial statement represents the medium of communications between the reporting entity and the investing public and a range of users of accounting information. The essential separation of ownership from management creates an agency problem, that is an asymmetry of interest between management and shareholders. This referred to as agency conflict. One device for mitigating agency conflict is to reduce the level of information asymmetry between shareholders and owners. This is attained by the provision of accounting information of high quality to shareholders. That is accounting information that captures the underlying value generating capacity of the reporting entity. That information must be one that faithfully represents the fundamentals of the entity as a value generating business. In order words information that posses the qualitative characteristics as outlined in the framework of the IFRS.

From the dimension of practice, issues and doubts have been raised as to the quality of information contained in the financial statements of reporting entities in Nigeria, especially Nigerian listed companies. A review of corporate history in Nigeria shows a catalogue of corporate scandals and collapse. Most prominent and consequential for the Nigerian economy is the developments in the banking industry. Several commentators have adduced this to poor corporate governance (Sanusi, 2008

Koh, Laplante and Tong(2007) state that good corporate governance structures create value by provision of value-relevant information in the market place. In the light of the foregoing examining how corporate governance influence value relevance of accounting information in Nigeria, assumes an empirical imperative.

The separation of ownership and control in the modern company, the platform for economic activities has consequences for the way the firm is organised. Jensen and Meckling (1976) states that this separation results in conflict of interest amongst the various stakeholders of the modern firm. The nature of conflict varies between the different stakeholders in the firm. In this nexus the conflict between shareholders and management, differs from that between bondholders and equity. It also differs between controlling shareholding and non-controlling shareholding. The complexion of the conflict derives from the capital contribution and the return each stakeholders receives from the firm. Agency theory in the light of the nature of these conflicts categorise this into four broad classes: managerialism, conflict between shareholders and management; asymmetric information, between large, insider shareholding and minority outsiders, outside shareholders; debt agency, between debt holders and shareholders and other agency conflict between managers and other parties interacting with the firm. All stakeholders are driven by self-interest, whose unfettered behaviour detract from the efficient running of the firm and undermining value creation by the firm.

Corporate governance exist as a device to address the consequence arising from separation of ownership from control (Shleifer&Vishny, 1997). Governance mechanisms can be broadly divided into internal and external mechanisms, though interacting in abating the agency problems (Jensen &Meckling, 1976). The internal mechanisms include board composition and structure, financial policies, allocation of ownership. External mechanisms include takeovers and mergers, managerial labour market and product market (Jensen, 1993). Gillian (2006) notes that external mechanisms carry some cost and are limited in effectively dealing with agency problems.

The Nigerian corporate reporting system offers a distinctive environment for evaluating the impact of corporate governance mechanisms on value relevance of accounting information. In Nigeria external governance mechanisms are relatively weak compared to the US and the UK. Here the market for corporate control is not as active as those in advanced markets, and its effectiveness in propelling enhanced board monitoring and taking remedial actions in cases of firm failure are not comparable. In this nexus the case for strong internal governance mechanisms is enhanced. This study is uniquely placed to address how such internal governance mechanism as board structure, audit committee structures influence the quality of accounting information indicated by value relevance of such information.

Extant literature on corporate governance is both expansive and diversed. (Cohen, et al, 2004). However empirical literature focusing on corporate governance impact on value relevance of accounting information is largely uncharted. There are no definitive studies that have addressed the way and manner corporate governance contribute to value relevance of accounting information, especially for relatively poor corporate governance environment like Nigeria.

Information asymmetries that arise from the separation of ownership from control, can be exploited by managers to engage in value destroying opportunistic behaviour (Jensen and Meckling, 1976). Where the monitoring of management is weak, due to shareholder atomism or lack of expertise, managers could mislead outsiders by the provision of financial information which do not capture the fundamental value generating capacity of the firm. Agency theory posit that effective corporate governance can lead to improved financial reporting. Functional corporate governance mechanism constrain the opportunistic behaviour of management, eliminating the incentive to engage in same. This position is anchored on the fact that effective corporate governance enhances the discharge of stewardship by management and financial reports represents the communication of that effective stewardship.

In the light of the foregoing the basic problem which this study seeks to provide answers to is the degree to which corporate governance influences the association of firm value with accounting information, that is the value relevance of accounting information.

This study is divided into five sections. Section one is the introduction, section two is review of relevant literature; section three focuses on the methodology; section four is data presentation and analysis and section five draws the conclusion.

2. Review of Literature

Issues of corporate governance (CG) have received more attention than it would ordinarily have as a result of a series of corporate failures. Corporate collapses like Enron Corporation (US), Barings Empire (UK) and in Malaysia cases such as Perwaja and Pan Electric Inc., the bank collapse in Nigeria are all rooted in the lack of a proper governance system. Corporate governance has received increasing emphasis both in practice and in academic research (e.g., Blue Ribbon Committee Report 1999; Ramsay Report 2001; Sarbanes-Oxley 2002; Bebchuk and Cohen 2004).

Corporate Governance is the interaction between various participants (shareholders, board of directors, and company's management) in shaping corporation's performance and the way it is preceding towards. Its emphasis is on the relationship between the owners and the managers in an organization. Corporate Governance deals with the manner the providers of finance guarantee themselves of getting a fair return on their investment. An important theme of corporate governance is the nature and extent of accountability of managers of the business.. It ensures transparency which ensures strong and balanced economic development. This also ensures that the interests of all shareholders (majority as well as minority shareholders) are safeguarded. It ensures that all shareholders fully exercise their rights and that the organization fully recognizes their rights.

An even broader definition is that corporate governance is the complex set of constraints that shape the ex-post bargaining over the quasi rent generated by the firm. This definition emphasizes on the appropriation claims; it can be expanded to include the complex set of constraints that determine the quasi-rents generated by the firm in course of relationship and to shape the ex post bargaining over them. This definition implies the determination of the value added by the firm and allocation of this surplus value among stakeholders that have a relationship with the firm.

In consonance with this broad definition, the objective of a good corporate governance framework would be to maximize the contribution of the firm to the overall economy, including all stakeholders. Under this definition, corporate governance would include the relationship between shareholders, creditors, and corporations: between financial markets, institutions, and corporations; and between employees and the corporations. Corporate governance would also encompass corporate social responsibility, including all aspects of the firm's dealing with respect to culture and the environment.

2.1 Corporate Governance and the Value Relevance of Accounting Information linkage

All public firms issue financial reports, but the quality of the reports differs across firms. In order to enhance the integrity of financial reporting, it is required of a company to put in place a structure of review and authorization designed to ensure the truthful and factual presentation of a company's financial position (corporate governance).The corporate governance structure should include a process to ensure the independence and competence of the company's external auditors and an audit committee that will review and consider the financial statements.

Corporate governance and financial accounting information are distinct concepts. However, both interrelate in the global marketplace. An important aspect of corporate governance lies in the fact that a company seeks to safeguard the interests of its financiers, such as lenders, suppliers and shareholders. One way of preserving business partners' interests is the publication of accurate and complete financial documentation on a regular basis.. Financial reporting is an important element of the system of corporate governance, and some failures of corporate governance may therefore be due to inadequate financial reports. On the other hand, some problems of the financial reporting process (such as possible lack of auditor independence) may have their origins in deficiencies of the system of corporate governance.

Good quality of corporate governance structures creates value by providing value-relevant accounting information in the marketplace (Koh et al., 2007). Better structured governance mechanisms should result in better quality financial reporting in the marketplace.

Shareholders demand financial reporting from managers in order to evaluate the performance of managers. However, in the absence of strong monitoring mechanisms on managerial behaviour, managers could mislead outsiders by providing financial information which does not portray the true underlying performance of the business. In such cases, accounting information is of little use in valuing companies, and no association between market price and accounting information would be expected. Corporate governance mechanisms are assumed to constrain management opportunistic earnings behaviour and, consequently, to make accounting information more credible and relevant to outsiders.

Corporate governance ensures that financial information presented to outsiders reflects the underlying business operations and is not opportunistically biased. A firm's corporate governance mosaic composed of the board of directors, AC members, and institutional ownership, these are mechanism for providing high quality accounting information by constraining managerial-earnings management activities.

The conceptual framework of the International Financial Reporting Standard states that two fundamental characteristic of useful accounting information are relevance and faithful representation. Accounting information is considered relevant if it has the capacity to make a difference in the decision of the financial statement user. The empirical operationalization of the attribute of relevance is referred to as value relevance.

The theoretical framework for empirical determination of the relevance of accounting information was laid by Ohlson (1995). The model specifies a conceptual linkage between firm value and accounting information of earnings and book value. There are three fundamental assumptions of the model. **Present Value relations** – states value of equity is the PV of future dividends discounted at Risk free rate. This is based on the dividend discount model (DDM). **Clean Surplus Relations** – which assumes that any change in book value of equity must be reported either as accounting earnings or dividends. **Linear info dynamics** – which imposes a time-series structure on abnormal earnings (relation btw current and next period earnings) as linear and stationary.

The fundamental assumptions of the Ohlson model does not take into account the factor of managerial incentive to maximize their personal wealth, their opportunistic behavior that could result to preparation of biased financial statements. Agency theory posit that the separation of ownership from control give rise to agency conflict between managers and owners. The effect of the conflict is the creation of information asymmetry between managers and outside shareholders (Jensen &Meckling, 1976). Extant studies have documented resource mis-allocation where users fail to detect poor quality financial reports. Beneish(1997) shows that trading strategies based on opportunistic GAAP lead to significant abnormal returns. The mitigation of sub-optimal managerial decision making or managerial opportunism can be attained by product market competition, where pure market forces are at work, which in practice hardly exist. The implication therefore is that governance structures may prove to be veritable mechanism to address managerial opportunism. Corporate governance structures as the board of directors, ownership structures, Audit Committee and audit quality may to some extent help. Effective corporate governance from literature can be hypothesized as a driving force for quality accounting information.

There are two ways this is attained. The provision of high quality accounting information help check the opportunistic management behavior. Accounting earnings are less useful where managers engage on earnings management for opportunistic objectives. The existence of effective corporate governance structure may to some reduce the misalignment of interest of managements and shareholders. Consequently mangers are less prone to acting sub-optimally providing accounting information which captured the value generating capacity of the firm. Extant studies Klien (2002) show that discretionary accruals are negative variants of corporate governances structures such as board independence and Audit committee. Davidson et al (2005) also show that the likelihood of earnings management is negatively related to fraction of non-executive directors and audit committee. Brown and Caylor (2006) find that value creation is positive related to two important governance categories of board of directors and board remuneration.

Another channel by which corporate governance drive high quality accounting information is the interaction of corporate governance and corporate disclosure, the extent of disclosure can impact positively on value relevance of accounting information. Increased disclosure reduce the level of information asymmetry, curbing opportunities for managerial opportunism. Studies show that CEO duality in firms lead to less voluntary disclosure relative to firms where the CEO is separate from Chairman of the board.

3.Research design and methodology

The population of this study consist of 45 listed firms in the Nigerian Stock Exchange from the 2009 through to 2016, resulting in 360 firm-years observation. The choice of listed firms is predicated on the identification of share price as an objective measure of value for quoted firms. As enunciated in finance literature, the primary objective of the firm is to maximise the wealth of shareholders. For quoted firms wealth accretion of management of the firms is reflected in the share prices of such firms. It is also imperative to note that listed firms are bound to subscribe to corporate governance code of the Stock Exchange. The agency problem manifest in listed firms, because of the clear separation of ownership from control. In the listed firms the various complexion of the agency problems can be seen. Firms are included in the sample when they meet the criteria listed below.

- Firms listed in the exchange between 2009 and/or no longer listed as of 31st December, 2016 to ensure the availability of the data for the period under consideration
- Firms not providing consolidated financial statement, to ensure the homogeneity of financial statements
- Not closing the financial statement on 31 December, to ensure homogeneity of the date of closure and relevant consistency with Nigerian Stock Exchange capitalisation
- That did not provide all necessary information for the analysis
- Banks and insurance companies as their financials are somewhat different from other sectors.

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3.1 Model Specification

In consonance with extant value relevance literature this study employs the Ohlson (1995) model in determining the value relevance of accounting information. The Ohlson (1995) model which conceptually links accounting information to firmvalue

The regression model takes the following form:

$$P_{it} = {}_0 + {}_1EPS_{it} + {}_2BV_{it} + \varepsilon_{it} \qquad (1)$$

where P_{it} is share price of firm *i* at 3months after end of accounting year *t*. EPS_{it} is net earnings after tax per share of firm i at the end of year t. BV_{it} is book value per share of firm *i* at the end of year *t*. The use of share price 3 months after year end is to allow for the resolution of documented inefficiencies of the market (Osamwonyi&Anikamdu, 2002; Osaze, 2007).

Governance Variables.

Corporate governance mechanisms are broadly categorised into two. They are external corporate governance mechanisms and internal corporate governance mechanisms. Since all firms are confronted with the same external environment, what determines the degree of impact of corporate governance on value relevance of accounting information, are the peculiar nature of internal corporate governance mechanisms. To this end we focus on board and audit committee characteristics. Our concentration on these is anchored on existing studies. Cohen, Krishnanmoorthy, and Wright (2004) state that the preponderance of studies on the connection between value relevance of accounting information and corporate governance focus on board and audit committee characteristics. We also note that the intensity and potency of external corporate governance mechanisms in Nigeria is weak. The market for corporate control is insubstantial. The implication of this is that the kind of anti-takeover measures put in place in advanced markets like the US are largely unobtainable in Nigeria.

Corporate Governance variables employed in this study are defined below:

- Board independence – measured as the ratio of number of independent directors of the board to total board size
- Board size – measured by actual number of persons on the board
- Board political connection- indicated as 1 if a board member has national award otherwise 0
- Foreign participation in the board – is coded 1 if a foreigner is on the board otherwise 0
- Board ownership – the proportion of shares owned by board members relative to the total number of shares outstanding
- Audit committee size – indicated by the actual number of persons in the audit committee.
- Audit committee independence – ratio of independent AC members to the size of the audit committee.
- Audit committee financial literacy –measured as the ratio of AC having financial literacy to the size of audit committee
- Big 4 audit (BIG 4) – assigned a value of 1 if the firm uses any of the big 4 audit firm, otherwise a value of 0
- Non-audit fees – proxied by the residuals of the model of audit fees with size of the sample firms.

In this study in order to determine how corporate governance impacts upon the value relevance of accounting information, we employ the technique of Principal Component Analysis. Following Habib and Azim (2006) the corporate governance variable in this study were grouped into three main classes The three factors extracted from the matrix solution are categorised into STRUCTURE factors which represents Board and Audit Committee structure. The second category will be that of INDEPENDENCE which captures the independence characteristics of both the board and audit committee and lastly AUDIT QUALITY (AQ) which captures the audit quality dimension.

It is the factors scores from the three categories discussed above that are employed in the regression model to determine how corporate governance affects value relevance of accounting information.

Deriving from the above process, the regression model (1) is modified with the inclusion of the PCA scores of the three derived corporate governance variables to give us model (2)

$$P_{it} = \alpha_0 + \alpha_1 EPS_{it} + \alpha_2 BV_{it} + \alpha_3 STR_{it} + \alpha_4 INDP_{it} + \alpha_5 AQ_{it} + \varepsilon_{it} \qquad (2)$$

Model (3) shows the interaction effect of the corporate governance variables in order to establish the effect of corporate governance on value relevance of accounting information.

$$P_{it} = \alpha_0 + \alpha_1 EPS_{it} + \alpha_2 BV_{it} + \alpha_3 STR_{it} + \alpha_4 INDP_{it} + \alpha_5 AQ_{it} + \alpha_6 EPS*STR_{it} + \alpha_7 EPS*INDP_{it} + \alpha_8 EPS*AQ\mathit{it} + \alpha_9 BV*STR\mathit{it} + \alpha_{10} BV*INDP_{it} + \alpha_{11} BV*AQ + \varepsilon_{it} \qquad (3)$$

The variables in the models above are measured as follows : EPS=earnings per share; BV= book value per share; STR= Board and Audit Committee structure factor score; INDP = Board and Audit Committee independence factor score AQ= Audit quality factor score

Extant literature show that value relevance of accounting information is affected by fundamental economic factors. In order to isolate the effect of corporate governance on value relevance of accounting information, there is the need to control for these company specific factors (Habib &Azim, 2008). Company specific factors identified in previous literature are profitability, size, growth opportunities and leverage (Collins et al, 1997). The regression model shown below captures the implication of the control variables on value relevance of accounting information.

We also employ an interaction model in which the various corporate governance mechanism interact in influencing value relevance of accounting information

$$P_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 BV_{it} + \beta_3 D_{loss\,it} + \beta_4 SIZE_{it} + \beta_5 LEV_{it} + \beta_6 GROWTH_{it} + \beta_7 EPS*D_{loss\,it} + \beta_8 EPS*SIZE_{it} + \beta_9 EPS*GROWTH_{it} + \beta_{10} BV*Dloss_{it} + \beta_{11} BV*SIZE_{it} + \beta_{12} BV*LEV_{it} + \beta_{13} BV*GROWTH_{it} + + \varepsilon_{it} \qquad \mathbf{(4)}$$

Where :

- P_{it} = Share price at three (3) months after end of accounting year; LEV = leverage is the ratio of (short term debt + long term debt/total assets; D_{loss} = dummy variable takes a value of 1 if EPS is negative and otherwise 0; SIZE = is the natural logarithm of Total Assets; GROWTH =is the ratio of Market value of Equity/Book value of Equity at the end of the year

- The final regression model taking into cognisance the effect of the control variables in determining how corporate governance affects value relevance of accounting information is indicated in model (4) below:
- $P_{it} = \alpha_0 + \alpha_1 EPS_{it} + \alpha_2 BV_{it} + \alpha_3 STR_{it} + \alpha_4 INDP_{it} + \alpha_5 AQ_{it} + \alpha_6 EPS*STR_{it} + \alpha_7 EPS*INDP_{it} + \alpha_8 EPS*AQ_{it} + \alpha_9 BV*STR_{it} + \alpha_{10} BV*INDP_{it} + \alpha_{11} BV*AQ + \beta_3 D_{loss it} + \beta_4 SIZE_{it} + \beta_5 LEV_{it} + \beta_6 GROWTH_{it} + \beta_7 EPS*D_{loss it} + \beta_8 EPS*SIZE_{it} + \beta_9 EPS*GROWTH_{it} + \beta_{10} BV*Dloss_{it} + \beta_{11} BV*SIZE_{it} + \beta_{12} BV*LEV_{it} + \beta_{13} BV*GROWTH_{it} + + \varepsilon_{it}$ **(4)**

4.1 Empirical Results

The data used in the analysis consist of 45 firms quoted in the Nigerian Stock Exchange from 2008 to 2015 a period of eight years. The sample covers all industries excluding firms in financial industry.

Insert table 1

Table 1 provides a summary statistics of firms based on the industry sector class in the Nigerian Stock Exchange. The corporate governance and accounting data were collected primarily from the financial statements of the sample firms, Nigerian Stock Exchange Fact book and Nigeria Stock Exchange daily price quotation.

Share price data 3 and 6 months after year end is collected daily from share price quotation. Accounting data extracted from financial statements and supplemented by NSE fact book.

Insert table 1 here

Table 1above shows the descriptive statistics of the corporate governance variables employed in the study. Board size has a maximum number of 16, a minimum of 3. The mean board size is 8.9 and standard deviation of 2.57. Non-executive board membership has mean value of 5.98 and median value of 6. The maximum non-executive board membership is 2.02, with maximum and minimum values at 12 and 1 respectively. Audit committee has a maximum number of 6 and a minimum of 3, with mean and median values at 5.53 and 6 respectively. Audit committee financial literacy has a mean and median value of 0.58 an 0 respectively, with standard deviation of 0.97. Non-executive audit committee membership has a mean value of 2.12 and a median value of 2, with standard deviation of 0.7. and Political connection of board members has maximum value of 3 and minimum value of 1, with mean and median values at 0.96 and 1 respectively and the maximum and minimum values at 3 and 0 respectively

Foreign board membership has a maximum value of 8 and minimum value of 2, with the mean and median values at 2.2 and 2 respectively, the standard deviation has a value on 2.07. Board independence has a mean value of 0.68 and a median value of 0.7, with standard deviation at 0.15. The mean board shareholding is 68.2million shares with median value at 10.02million shares and a standard deviation of 172million shares. Audit fee of sample firms has a mean value of N14.16million and a median value of N5.75million, with the standard deviation at 28.24million. The Jacques-Bera statistics for most of the variables are high and easily pass the test of at 5 per cent. Indicating that we reject the hypothesis of normality for the probability distribution of the data. This means that the data are quite heterogeneous, manifesting dispersed individual features of sample firms. This heterogeneity is not however manifest in the data for non-executive board membership and non-executive audit committee membership.

Insert Table 2 here

Table 4.2 above shows the descriptive statistics of the accounting information extracted from the financial statements of sample firms in the study. The mean EPS of sample firm over the period 2008 to 2015 is 1.98 and median at 0.71, with standard deviation at 5.5 suggesting a high level of variability among EPS of sample firms. Book value per share (BVPS) has a mean of 8.85 and a median of 4.35, with a standard deviation of 16.04, much higher than the mean. The positive value of skewness, suggest data distribution to the right of the mean value. Dividend per share (DPS) has a mean value of 34.8k and a median value of 0.12k, with standard deviation of 119.8k, these value indicate strong heterogeneity amongst the sample firms, which is corroborated by the JB statistics, that supports the rejection of normality of data at 5 per cent. Cash flow per share (CFOPS) has a mean value 3.17, with a median and standard deviation of 0.81 and 6.21 respectively. The JB-statistics is quite high, meaning we can reject the hypothesis of normality. In summary, the data of exhibit a strong level of heterogeneity across the sample firms.

Insert Table 3 here

Table 3 above shows the correlation coefficient of the variables employed in the study. An examination of the table shows that no value exceeds 0.5, meaning that the correlation amongst the variables is weak. This gives some assurances that the model does not suffer from the problem of auto correlation. The relationship between corporate governance variables in the study and the accounting and control variables are weak. Structure has negative relationship with independence, loss, and growth. But has positive relationship with other variables. Independence (INDP) has negative relationship with audit quality (AQ), EPS,DPS, CFOPS, BVPS, DEBT and

Share price. Audit quality (AQ) has negative relationship with the control variables of LOSS and GRW.

4.2 Analysis of regression results

The regression analysis is undertaken with the dependent variable taken at 3months after year end, in order to take into account the inefficiency of the market. As opined by Dung(2008), using prices some time after year end has the advantage of impounding more fully the accounting information at year end. The inefficiency of the market demands the passage of time to afford the resolution of the inefficiency of the market in accommodating accounting information released after year end.

Insert table5 here

Table 5 above shows the results of the basic regression with share price at 3 months after year end (shp1) as dependent variable and the explanatory variables as earnings (EPS) book value (BVPS), cash flow from operation (CFOPS) and dividends (DPS). In model 1 the results shows the adjusted R^2 at 0.532, with F-stat at 130.6 (p-value=0). This shows that about 53% of the variations in share value is explained by the independent variables and the model has good explanatory power. The coefficients of earnings and book value are positive and significant at 1%. In model 2 the explanatory variables are earnings, book value and cash flow. Adjusted R^2 is 0.567, that is they explain about 57% of the changes in share prices. Coefficient of the regressors are positive and significant at 1%. In model 3 we include dividend as a variable following Brief (2000). The regression result from this model shows that both earnings and book value are positive and significant but dividend is not. Adjusted R^2 is 0.533, with f-stat at 98.7(p-value=0)

Insert Table 6 here

Table 6 above shows the results of the regression models 4,5 and 6. These models are variants of model 1,2, and 3 in which the corporate governance variables included in the models. Regression results of model 4 shows that the Adjusted R^2 at 0.54, and the f-stat at 69.16 (p-value=0). Earnings and book value are positively related to share price in the presence of corporate governance variables, however they are not significant. Only audit quality (AQ) of the corporate governance variable is significant at 5%. In model 5, which is model 2, with corporate governance variables included, the adjusted R^2 is 0.57, not different from the result of model 2. The coefficients of the explanatory variables show that earnings, book value, cash flow and independence dimension of corporate governance are positively related to share price and significantly so at 5 per cent. Model 6 is the model 3 with corporate governance variables included. Adjusted R^2 is 0.54, marginally different from that of model 3. The coefficients of the variables shows that only the audit quality dimension of corporate governance is significant at 5 per cent. All other variables are positively associated with share price except for independence dimension , however they fail test of significant even at 10 per cent.

INSERT TABLE 7

Table 7 above shows the result of regression model 7,8 and 9. These models are variants of model 4,5 and 6, in which the accounting variables are allowed to interact with the corporate governance variables. The results from model 7 shows that BVPS and AQ are significant at 5 per cent, while EP*STR and BVPS*INDP are also significant at 5 per cent and 1 per cent respectively. All other accounting variables are positively associated with share price do not pass the test of significance. The same applies to corporate governance variables of STR and INDP which are negatively and positively associated with share price, but not significant even at 10 per cent. In the interaction of the variables, earnings interacting with structure and independence are negatively associated with share price. Book value interacting with independence and audit quality is negatively related with share price but not significant. The adjusted R^2 is 0.62, which quite higher than that of model 1, with f-stat of 48 (p-value=0) indicating that the model has a goodness of fit.

The regression result from model 8 a variant of model 2, shows that CFOPS is positively associated with share price and it is significant at 5 per cent. Earnings and book value are positively related to share price but do not pass the test of significance even at 10 per cent. The corporate governance variable of AQ is positively related to share price and significant at 5 per cent. Structure is negatively related to share price, but independence is positively related, though both are not significant at 10 per cent. In the interaction of the variables the interaction of earnings with structure and independence, is negatively associated with share price but the interaction with audit quality is positively related. Earnings interaction with corporate governance variables is not however significant. Book value interaction with structure is negatively related to share price and significant at 5 per cent. BVPS interaction with other corporate governance variables is not significant even at a loose 10 per cent. Cash flow interaction with INDP and AQ is negatively associated with share price though not significant, while the interaction of cash flow with structure is positively related to share price but not significant. The adjusted R^2 from this model is 0.63 higher than that of model 2. The results from model 9 shows that book value is significantly related to share price at 5 per cent, but other accounting variables are positively related to share price but not significantly so. From the corporate governance variables we find that audit quality is positively associated with share price and pass the test of significance at 5 per cent. The interaction of earnings and with structure and audit quality is significant at 5 per cent. Book value interaction with structure is positively associated with share price and significant at 1 per cent. Dividend interaction with corporate governance variables fail the test of significance even at a liberal 10 per cent. The adjusted R^2 from the model is 0.63, higher than the adjusted R^2 of model 3.

INSERT Table 8

Table 8 above shows the regression results of model 10, 11 and 12 which capture the differential valuation consequences of accounting information in the context of the control variables of LOSS, SIZE, GROWTH and DEBT. The control variables are included in the study in order to properly isolate the effects of corporate governance on value relevance of accounting information. Extant studies show that firm profitability, size, growth and debt are firm specific factors that affect the degree to which accounting information is value relevant (Collis, Maydew& Weiss, 1997)

The results from model 10 shows that LOSS, DEBT and GRW are negatively related to share price and significant at 5 per cent, but SIZE is positively associated with share price however it is not significant. The interaction of earnings and loss is positively and significantly associated with share price at 5 per cent. There is a also a significant and positive association between EPS*DEBT and share price at 5 per cent. The adjusted R^2 is 0.94. The regression results from model 11, reveals that the earnings and book value are positively associated with share price, but cash flow is negatively related. However non of the accounting variables is significant in its association with share price. For the control variables only size is positive in its association with share price, others are negatively related but non is significant in relationship with share price. In the interaction of accounting variables with control variables, we find that only BVPS*GRW is significantly and positively related to share price at 1 per cent. The adjusted R^2 from this model is 0.94

The results from model 12 shows that no accounting variable is significant in its association with share price at even 10 per cent. While earnings and book value are positively related to share price, dividend is negatively related. Like model 11, all the control variables are insignificant in relation with share price. Of the control variable only GRW is positively associated with share price. In the interaction of the control variables with accounting variables, the interaction of book value and growth is positive in association with share price and it is significant at 1 per cent. All other interactions are not significant in relations with share price. The adjusted R^2 from the model is 0.94

INSERT TABLE 9 HERE

Table 9 above shows the results of the regression of model 13. The model shows the basic accounting information of earnings and book value, together with corporate governance variables and control variables. The interaction of accounting variables with corporate governance variables and control variables is also included in the model. The accounting variables of earnings and book value are positively related to share price, however not significant even at 10 per cent. For the corporate governance variables, audit quality is positive in its relationship with share price, but structure and independence are negatively related to share price. The corporate governance variables are however not significant in relationship with share price. The control variables are all negatively related with share price but are not significant at a liberal 10 per cent level. The interaction of accounting variables with corporate governance variables reveal that earnings interaction with corporate governance variables are negatively associated with share price but do not pass the test of significance at 10 per cent. The same applies to book value and corporate governance variables which the fail the test of significance, though BVPS*STR is positive. For the control variables, they are all negatively related to share price however they fail the test of significance even at a liberal 10 per cent. The interaction of accounting variables with control variables, shows that only the interaction between book value and growth pass the test of significance at 5 per cent. All other interactions do not manifest significance in relationship with share price. The adjusted R^2 is 0.94, with the DW stat at 2.06.

The regression result from model 14 shows that earnings and cash flow are negatively associated with firm value but not significant. Book value is positively associated with firm value and also not significant. Independence and audit quality dimension of corporate governance are positively related to firm value but lack significance, which structure dimension is negatively associated with firm value and also is insignificant. The interaction of accounting variables and corporate governance are positively associated with firm value except for EPS*STR, EPS*INDP and CFOPS*AQ, however not one of these interaction is significant at 10 per cent. Of the control variables only DEBT is negatively related to firm value and significant at 5 per cent. The interaction of accounting variables with control variables also show insignificance in relationship with firm value, except for BVPs*GRW and CFOPS*DEBT, which pass the test of significance at 1 per cent and 10 per cent respectively. The adjusted R^2 is 0.95, with DW stat at 2.11.

The regression result from model 15 shows that the accounting variables are positively related to share price, but are not significantly related to share price. Structure and independence dimension of corporate governance are negatively associated with share price but lack significance in this relationship. Audit quality is positively related to firm value but fail the test of significance even at 10 per cent. The interaction of earnings and corporate governance variables are negatively related to firm value, but not significantly so. Book value interaction with independence and audit quality is negative in relationship with firm value, but interacting with structure, it is positive and not significant. Dividend interaction with corporate governance variables of independence and audit quality is positively related to firm value, but fail the test of significance at 10 per cent. While the interaction with structure dimension is negative and insignificant. All control variables are negatively related to firm value but fail the test of significance even at 10 per cent. The interaction of accounting variables with control variables, reveal that only the BVPS*GRW interaction is significant at 1 per cent. The adjusted R^2 is 0.95, with DW stat at 2.07

4.3 Discussion of Results

The value relevance of accounting information is the operationalisation of relevance a primary characteristics of accounting information. Value relevant accounting information is an attribute of quality of financial reporting. Market based accounting studies have focused on the role of accounting numbers in valuation. A lot of studies have utilised the Ohlson (1995) and the Feltham and Ohlson(1996) model with respect to valuation. Callen (2009) argues that almost all accounting valuation models are variants of the Ohlson (1995) and Feltham and Ohlson(1995,`1996) models. This according to Callen (2009) is motivated by the simplicity with which the models can be estimated.

The Ohlson (1995) model shows that the market value of a share is a function of two bottom line measures in the financial statement – Earnings and Book value and other relevant information captured or not by the accounting system. In this study the basic Ohlson model is employed to ascertain the value relevance of accounting information, as well as variants of the model as revealed by existing literature. The study modifies the basic Ohlson model to include corporate governance variables, in order to determine the association between corporate governance and value relevance of accounting information.

From the results of model1, 2 and 3 in which Earnings, Book value, cash flow from operations and dividend are explanatory variables for the dependent variable share price at 3months after year end, an overall evaluation of the results shows that earnings and book value are significant at 1 per cent in model 1. From model 2 in which cash flow is included they are all significant at 1 per cent.. From model 3, in which dividend is included we find that it is not significant under the estimation methods at 1%. Our finding are consistent with, Mungly et al (2016), Habib and Azim (2008) and Fiador (2010), who document the significance of earnings and book value.

For corporate governance to be associated with value relevance of accounting information, the coefficient of accounting variables in the model 4, 5 and 6 are expected to be positive and significant.Model 4, 5 and 6 are variants of model 1, 2 and 3 in which the corporate governance variables which are the factor scores variables of STRUCTURE, INDEPENDENCE and AUDIT QUALITY are included. The coefficients of accounting information in model 4 are both positive but not significant. In model 5, the coefficients are positive and significant, while in model 6, the coefficients are positive and not significant. In order to corroborate these results, the adjusted R^2 from model 1,2 and 3 are compared with that of model 4, 5 and 6. There is no significant difference in adjusted R^2 between model 1 and model 4; between model 2 and model 5; and between model 3 and model 6. We find therefore that corporate governance does not lead to higher value relevance of accounting information. We note however that models 4,5 and 6 would not validate or confirm the interaction effect of corporate governance with accounting information.

In order to ascertain how accounting information links up to firm value in the context of corporate governance, the measures of corporate governance are interacted with accounting information in model 7, 8 and 9. These models are variants of the basic model 1, 2 and 3. The effect of better corporate governance should lead to stronger relationship between accounting information and firm value (share price). This is determined by the coefficients in model 7, 8 and 9. Where they are positive and significant we can infer that corporate governance leads to stronger association between accounting information and firm value. In model 7, only the coefficient of book value is positive and significant at 5 per cent, while earnings is not. We also find that the interaction of earnings and audit quality (EPS*AQ) is positive and significant at 5 per cent. While the interaction of book value and independence (BVPS*STR) is positive and significant at 1 per cent. The adjusted R^2 of model 7 is 0.62, which is significantly higher than that of model 1. The inference is that the corporate governance results in stronger association between firm value and accounting information. The results of model 8 is compared with that of model 2. In model 8 CFOPS has positive and significant coefficient, but earnings and book value are not significant though have positive coefficients. The interaction of BVPS*STR in model 8 has a positive and significant coefficient at 5 per cent level. This result is consistent with Habib and Azim (2008). The adjusted R^2 from model 8 is compared with that of model 2, we find that model 8 has adjusted R^2 of 0.63 compared with 0.54 of model 2. The regression results of model 9 is compared with that of model 3. We find that the adjusted R^2 of model 9 is 0.63 which is higher than that of model 3 at 0.54. The coefficient of accounting information in this model though positive are not all significant. Only the book value passes the test of significance at 5 per cent. In the interaction of corporate governance variables with accounting variables, we find that EPS*AQ has a positive coefficient and it is significant at 5 per cent. BVPS*STR also has a positive coefficient and it is significant at 1 per cent. From the foregoing it is evident that book value relevance is improved by corporate governance.

In order to properly isolate the effect of corporate governance on the association between accounting information and firm value, the firm-characteristics in firm valuation should be controlled. As seen in model 10, 11 and 12 firm specific factors significantly improved the explanatory power of the models. Comparing model 10 to model 1, we find that the explanatory power has increased from 0.54 to 0.94, while the comparison of model 11 to model 2 shows that explanatory power has increased from 0.57 to 0.94 and that of model 12 compared to model 3 moves from 0.53 to 0.94. The regression results from model 13, 14 and 15 shows the effect of corporate governance on the association of accounting information and firm value while controlling for firm-specific factors. Comparing the results of model 10 to model 13, we find that the adjusted R^2 moves marginally from 0.94 to 0.945. The coefficient of accounting variables in this model while being positive do not pass the test of significance at prescribe levels. Controlling for firm-specific variables does not lead to stronger association between accounting information and firm value given the level corporate governance in sample firms. The results of model 14 shows also that there is no significant increase in the explanatory power of model 14 relative to model 11 after controlling for firm-specific factors. The adjusted R^2 from model 14 is 0.94 and that of model 11 is also 0.94. The coefficient of accounting variables of earnings and cash flow are negative, meaning that corporate governance does not lead to stronger association of accounting information and firm value. Though the coefficient fails the test of significance at a liberal 10 per cent. The analysis of model 15 and model 12 shows that there is no significant improvement in the explanatory power of model 15 over model 12. The adjusted R^2 of model 15 is 0.944 while that of model 12 is 0.94. The coefficient of accounting variables in model 15 are positive but fail the test of significance at 10 per cent.

5. CONCLUSION.

This paper investigated the effect of corporate governance on the value relevance of accounting information for listed firms in the Nigerian Stock Exchange, from 2008 to 2015. The primary motivation of this study is place of corporate governance in the Nigerian capital market. Corporate governance has been linked to the spate of banking crisis in Nigeria. The quality of accounting information against the back ground of poor corporate governance has been queried. Using a sample of listed non-financial firms from 2008 to 2015 we provide evidence that corporate governance does to lead to stronger association of accounting information and firm value.

Using the basic Ohlson (1995) model and variants which include cash flow from operation and dividends, we integrate principal component analysis factor of corporate governance variables into the model. We find that from the basic Ohlson (1995) we find earnings, book value and cash flow value relevant, but dividends not significantly associated with share values. Including the corporate governance variables, we find that earnings, book value and cash flow positively associated with share price, but fail the test of significance. The implication therefore is that the present state of corporate governance has not resulted in stronger association of accounting information and share price. In order to give the findings robustness, we control for firm-specific characteristics of loss, size, growth and leverage. We find that these firm specific features lead to stronger value relevance of accounting information compared to corporate governance variables.

The result of this study implies that for practitioners, there is the need to avail other sources of information for investment decision making, as the state of corporate governance has not resulted in more value relevant accounting information for listed firms in the Nigerian Stock Exchange. The concern of relevant stakeholders as to the quality of corporate governance is justified by empirical evidence provided by this study. Consequently regulatory authorities and other interest groups must endeavor to improve the quality of corporate governance as it has implication for the relevance of accounting information available to investors.

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APPENDICES
Table 1

	Mean	Median	Maximum	MIN	Std. Dev.	J-B	Prob
BDSIZE	8.862573	9	16	3	2.474824	12.23	0.0022
NEXBD	5.982456	6	12	1	2.023248	5.11	0.0778
BDSH	68,208,044	10,016,569	1,050,000,000	31,679	172,000,000	3921.00	0
AUDCOM	5.538012	6	6	3	0.973258	72.45	0
ACFL	0.584795	0	7	0	0.961183	1381.11	0
EXAUDCOM	0.652047	1	3	0	0.630583	15.69	0.0004
NEXAUDCOM	2.128655	2	4	0	0.758798	4.80	0.0909
POLCON	0.961988	1	3	0	1.008041	31.38	0
FRGBDM	2.207602	2	8	0	2.077854	29.19	0
BDSHP	9.259854	1.595	80.31	0	18.07183	994.12	0
BIND	0.681608	0.7	0.9	0.09	0.155801	30.40	0
AUDFEE	14,162,818	5,750,000	200,000,000	2,450	28,245,326	8.76	0

Table 2

	EPS	DPS	CFOPS	BVPS
Mean	1.984481	34.80058	3.166017	8.8544
Median	0.707808	0.117008	0.813454	4.35164
Maximum	51.32742	993.1865	45.68133	226.49
Minimum	-19.97465	0	-9.902525	-34.039
Std. Dev.	5.505185	119.8149	6.211141	16.0493
Skewness	5.675276	5.15378	3.259725	7.97314
Kurtosis	47.2159	32.65013	16.73308	102.193
Jarque-Bera	29695.3	14041.6	3293.185	143832
Probability	0	0	0	0

Table 3 Correlation matrix

	STR	INDP	AQ	EPS	DPS	CFOPS	BVPS	LOSS	SIZE	GRW	DEBT	SHP1
STR	1											
INDP	-0.194	1.000										
AQ	0.268	-0.213	1.000									
EPS	0.149	-0.086	0.130	1.000								
DPS	0.118	-0.125	0.135	0.266	1.000							
CFOPS	0.114	-0.100	0.179	0.464	0.350	1.000						
BVPS	0.189	-0.111	0.150	0.346	0.184	0.434	1.000					
LOSS	-0.020	0.006	-0.024	-0.036	0.001	0.057	0.079	1.000				
SIZE	0.032	0.031	0.028	0.316	0.254	0.432	0.474	0.378	1.000			
GRW	-0.143	0.063	-0.038	0.106	0.029	0.049	0.018	0.124	0.147	1.000		
DEBT	0.015	-0.003	0.025	0.255	0.487	0.295	0.225	0.187	0.475	0.094	1.000	
SHP1	0.210	-0.239	0.148	0.385	0.304	0.492	0.455	0.031	0.380	0.055	0.283	1.000

Table 4

	Model 1	Model 2	Model 3
C	30.69	25.9	29.4
	2.65***	2.29***	2.58***
EPS	2.86	2.07	2.77
	4.30***	3.14***	4.15***
BVPS	0.92	0.69	0.914
	3.77***	2.9***	3.75***
CFOPS		2.85	
		4.19***	
DPS			0.05
			1.38
Adj R2	0.532	0.567	0.533
F-stat	130.6	111.05	98.7
p-value	0	0	0
D-W	1.86	1.84	1.86

*****, **, and * denote statistical significance at 1%, 5% and 10 levels respectively**

Table 5

	Model 4	Model 5	Model 6
C	32.12	27.27	31.17
	(2.11)**	2.50***	(2.06)**
EPS	2.06	1.84	2.55
	-1.02	(2.79)***	-1.26
BVPS	0.85	0.63	0.85
	-1.81	(2.65)***	-1.8
CFOPS		2.78	
		(4.80)***	
DPS			0.03
			-0.54
STR	7.11	10.7	7.43
	-1.08	-1.17	-1.12
INDP	-17.9	-16.2	-17.31
	(-1.72)	(6.30)***	-1.65
AQ	30.96	25.67	29.29
	(2.25)**	-17.7	(2.15)**
Adj R2	0.54	0.57	0.54
F-stat	69.16	66.7	59.4
p-value	0	0	0
D-W	1.88	1.86	1.88

******, **, and * denote statistical significance at 1%, 5% and 10 levels respectively***

Table 6

	Model 7		Model 8		Model 9	
	Coefficient	t-stat	coefficient	t-stat	coefficient	t-stat
Constant	23.3	-1.87	21.7	-1.67	23.4	(1.95)**
EPS	1.9	-1.68	1.2	-1.12	2.05	-1.7
BVPS	0.93	(1.98)**	0.71	-1.53	0.89	(1.92)**
CFOPS			2.25	(1.53)**		
DPS					0.08	-1.32
STR	-10.31	(-1.22)	-7.22	(-0.85)	-8.63	(-1.02)
INDP	7.17	-0.98	7.31	-1.04	4.97	-0.75
AQ	38.7	(2.16)**	46.1	(2.44)**	36.4	(2.02)**
EPS*STR	-3.23	(-1.1)	-2.54	(-0.75)	-4.26	(-1.43)
EPS*INDP	-4.37	(-1.68)	-2.34	(-1.24)	-4.96	(-1.73)
EPS*AQ	12.6	(1.84)**	9.91	-1.54	12.5	(1.94)**
BVPS*STR	3.02	(2.64)***	2.68	(2.31)**	3	(2.66)***
BVPS*INDP	-1.13	(-1.40)	-1.09	(-1.24)	-1.31	(-1.41)
BVPS*AQ	-3.4	(-1.24)	-1.58	(-0.44)	-3.43	(-1.29)
CFOPS*STR			0.5	-0.4		
CFOPS*INDP			-1.44	(-1.14)		
CFOPS*AQ			-5.98	(-1.42)		
DPS*STR					0.02	-0.01
DPS*INDP					0.13	-1.16
DPS*AQ					-0.11	(-0.39)
Adj R2	0.62		0.63		0.63	
F-stat	48.02		38.1		36.6	
p-value	0		0		0	
D-W	2		1.96		2.02	

******, **, and * denote statistical significance at 1%, 5% and 10 levels respectively***

Table 7

	Model 10		Model 11		Model 12
Constant	23.60	Constant	19.55	Constant	35.90
	(1.83)		(1.04)		(1.34)
EPS	-1.16	EPS	3.62	EPS	5.81
	(0.54)		(1.19)		(1.32)
BVPS	0.89	BVPS	1.06	BVPS	0.98
	(0.94)		(0.73)		(0.67)
LOSS	-11.80	CFOPS	-1.83	DPS	-0.02
	(-2.32)**		(-0.63)		(-0.55)
SIZE	0.45	LOSS	-16.30	LOSS	-11.18
	(0.28)		(-1.51)		(-1.39)
GRW	-0.04	SIZE	1.41	SIZE	-0.58
	(-4.5)**		(0.75)		(-0.34)
DEBT	-41.80	GRW	-0.06	GRW	(0.04)
	(-7.4)***		(-1.04)		(-1.19)
EPS*LOSS	(2.52)	DEBT	-52.40	DEBT	-56.45
	(-1.97)**		(-1.61)		(-1.61)
EPS*SIZE	0.01	EPS*LOSS	-3.27	EPS*LOSS	-2.87
	(0.04)		(-1.51)		(-1.52)
EPS*GRW	(0.0017)	EPS*SIZE	-0.48	EPS*SIZE	-0.76
	(-0.13)		(-1.21)		(-1.37)
EPS*DEBT	1.97	EPS*GRW	-0.0015	EPS*GRW	0.00
	(3.34)***		(-1.09)		(0.79)
BVPS*LOSS	0.59	EPS*DEBT	-0.58	EPS*DEBT	-0.71
	(0.74)		(-0.76)		(-0.68)
BVPS*SIZE	(0.23)	BVPS*LOSS	0.94	BVPS*LOSS	0.48
	(-1.99)**		(1.14)		(0.69)
BVPS*GRW	0.94	BVPS*SIZE	-0.22	BVPS*SIZE	-0.21
	(51.27)***		(-1.07)		(-1.08)
BVPS*DEBT	1.68	BVPS*GRW	0.91	BVPS*GRW	0.88
	(2.87)***		(14.5)***		(10.07)***
		BVPS*DEBT	1.14	BVPS*DEBT	1.20
			(1.24)		(1.24)
		CFOPS*LOSS	1.32	DPS*LOSS	0.52
			(0.71)		(1.24)
		CFOPS*SIZE	0.03	DPS*SIZE	-0.005
			(0.07)		(-0.66)
		CFOPS*GRW	0.02	DPS*GRW	0.0012
			(1.18)		(1.52)
		CFOPS*DEBT	3.29	DPS*DEBT	0.05
			(1.50)		(1.15)
Adj R2	0.94		0.94		0.94
F-stat	368.2		285.7		282.10
DW	1.82		2.09		2.07

***, **, and * denote statistical significance at 1%, 5% and 10 levels respectively

Table 8

	Model 13			Model 14			Model 15	
Variable	Coefficient	t-stat	Variable	Coefficient	t-stat	Variable	Coefficient	t-stat
C	30.85	1.32	C	24.62	1.32	C	33.03	1.37
EPS	-7.80	-1.27	EPS	-0.39	-0.13	EPS	4.41	1.08
BVPS	1.54	1.06	BVPS	2.13	1.26	BVPS	1.48	1.08
STR	-2.01	-0.86	CFOPS	-2.45	-0.90	DPS	0.02	0.44
INDP	0.13	0.07	STR	-4.11	-1.52	STR	-1.96	-0.77
AQ	3.41	0.57	INDP	0.32	0.17	INDP	-1.40	-0.67
EPS*STR	1.13	0.71	AQ	1.61	0.31	AQ	3.19	0.53
EPS*INDP	-2.41	-1.37	EPS*STR	0.14	0.10	EPS*STR	-1.59	-0.79
EPS*AQ	1.26	0.54	EPS*INDP	-2.02	-1.48	EPS*INDP	-0.94	-1.07
BVPS*STR	0.43	1.30	EPS*AQ	-0.92	-0.40	EPS*AQ	-0.55	-0.28
BVPS*INDP	0.08	0.43	BVPS*STR	0.64	1.57	BVPS*STR	0.77	1.61
BVPS*AQ	-0.33	-0.58	BVPS*INDP	0.08	0.41	BVPS*INDP	-0.09	-0.53
LOSS	-12.70	-1.35	BVPS*AQ	0.63	0.99	BVPS*AQ	-0.14	-0.26
SIZE	-0.56	-0.42	CFOPS*STR	0.06	0.25	DPS*STR	-0.03	-0.98
GRW	-0.04	-1.15	CFOPS*INDP	0.03	0.12	DPS*INDP	0.03	1.41
DEBT	-47.87	-1.51	CFOPS*AQ	-1.36	-1.20	DPS*AQ	0.03	0.83
EPS*LOSS	-3.44	-1.23	LOSS	-15.81	-1.58	LOSS	-10.94	-1.37
EPS*SIZE	0.95	1.21	SIZE	0.51	0.40	SIZE	-0.50	-0.35
EPS*GRW	0.00	-1.29	GRW	-0.07	-1.10	GRW	-0.04	-1.20
EPS*DEBT	2.92	1.47	DEBT	-51.87	1.68*	DEBT	-52.68	-1.64
BVPS*LOSS	0.74	0.91	EPS*LOSS	-4.89	-1.47	EPS*LOSS	-3.61	-1.41
BVPS*SIZE	-0.31	-1.29	EPS*SIZE	0.14	0.37	EPS*SIZE	-0.53	-1.06
BVPS*GRW	0.88	9.91***	EPS*GRW	0.00	-1.64	EPS*GRW	0.00	-0.20
BVPS*DEBT	1.42	1.24	EPS*DEBT	0.10	0.14	EPS*DEBT	-0.02	-0.02
			BVPS*LOSS	1.08	1.28	BVPS*LOSS	0.42	0.60
			BVPS*SIZE	-0.32	-1.37	BVPS*SIZE	-0.24	-1.28
			BVPS*GRW	0.87	9.96***	BVPS*GRW	0.84	7.85***
			BVPS*DEBT	0.29	0.38	BVPS*DEBT	0.61	0.78
			CFOPS*LOSS	1.32	0.67	DPS*LOSS	0.83	1.38
			CFOPS*SIZE	0.11	0.37	DPS*SIZE	-0.01	-1.04
			CFOPS*GRW	0.02	1.26	DPS*GRW	0.00	1.74
			CFOPS*DEBT	3.55	1.63*	DPS*DEBT	0.05	1.67
Adj R2	0.94			0.95			0.95	
F-stat	211			184			177	
DW	2.06			2.11			2.07	

*****, **, and * denote statistical significance at 1%, 5% and 10 levels respectively**