EFFECT OF EARNINGS MANAGEMENT ON THE RELIABILITY OF FINANCIAL STATEMENTS IN NIGERIA

BY

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF ACCOUNTING, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

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[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Effect of Earnings Management on the Reliability of Financial Statements in Nigeria" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

PROJECT SUPERVISOR	Date
HEAD OF DEPARTMENT	Date
EXTERNAL EXAMINER	Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

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ABSTRACT

This study examined effect of earnings management on the reliability of financial statements in nigeria, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of effect; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with effect and earnings. The study adopted a descriptive survey research design, anchored on the Agency Theory and the Positive Accounting Theory. A sample size of 384 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 359 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 2.97). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.568$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 7.06, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.05$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on effect.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of effect of earnings management on the reliability of financial statements in nigeria is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

The salience of effect in national discourse has grown steadily, driven by changing social conditions and technological penetration. Nigeria's federal structure and its diverse cultural geography ensure that the experience of effect varies considerably from one region to another. The aggregate picture emerging from Bamgbose and Adeniyi (2023) points to a modest but consistent association between effect and the outcomes of interest. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. Research by Obiora and Nwosu (2021) using mixed methods provided particularly rich insight into the mechanisms connecting effect and earnings. Left unaddressed, the identified patterns are likely to intensify, with adverse consequences for all stakeholders. Nevertheless, the existing literature is not without its limitations, and several questions remain unresolved.

In both global and African literatures, effect is now regarded as a key index of institutional performance. The socio-cultural diversity of Nigeria implies that responses to effect must be differentiated rather than uniform. Longitudinal research by Alade and Salami (2016) revealed that sustained attention to effect yields appreciable dividends over time. These observations collectively invite a reconsideration of standard assumptions regarding earnings. Ogbeide and Famuyide (2020), in a survey of relevant stakeholders, concluded that the benefits of effect are unevenly distributed across groups. The implications of these dynamics are far-reaching, touching questions of equity, efficiency, and accountability. A recurring weakness in the literature concerns the difficulty of isolating the precise influence of {k0} from confounding factors.

Scholars have long recognised effect as a critical determinant of outcomes in accounting. Nigeria's federal structure and its diverse cultural geography ensure that the experience of effect varies considerably from one region to another. Longitudinal research by Ogbeide and Famuyide (2016) revealed that sustained attention to effect yields appreciable dividends over time. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. Studies conducted within the West African subregion by Famuyide and Olawale (2018) reached conclusions broadly consistent with the Nigerian evidence. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. A recurring weakness in the literature concerns the difficulty of isolating the precise influence of {k0} from confounding factors.

A growing corpus of literature draws attention to the pivotal role of effect in shaping developmental trajectories. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which effect unfolds. Comparative work by Umeh and Okonkwo (2022) across several states uncovered a consistent pattern linking effect with earnings. The