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Problems of Adoption and Application of International Financial Reporting Standards (IFRS) in Nigeria: A Study of Selected Banks in Umuahia

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Abstract: *This research focused on the adoption and application of IFRS in Nigeria and the problems relating thereto using selected banks in Umuahia as a case study. This study was carried out to identify and analyze the problems faced by. Nigerian banks in adoption and application of IFRS and to ascertain whether the adoption and. application of IFRS in Nigeria will be to the betterment of the nation or not. In the study of this work, primary and secondary data were sourced for; also works of other scholars and journals were used. Simple random sampling techniques were used. The population of the study was 32 and the sample size which was determined using Yaro Yamen's formula was 30. Questionnaires were designed using 5 point Likert. scale, distributed to 30 respondents and were correctly filed and returned. Simple descriptive statistic was used in answering the research questions while T-test was used in analyzing the 2 hypothesis formulated. The study however concluded that adoption and application of IFRS, despite its cumbersomeness and problems would be to the betterment of the nation in view of the fact that it enhances better accountability and transparency and improve quality of reporting. This study at the end recommends that Nigeria should still go ahead in the implementation of IFRS because of the significant roles it plays; the benefits of IFRS outweigh the problems.*

Key words: *International Financial Reporting Standards (IFRS) and Financial Reporting*

INTRODUCTION

The International Financial Reporting Standards (IFRS) is regarded as a global GAAP and a set of principles-based and globally accepted standard published by the International Accounting Standards Board (IA S B) to assist those involved in the preparation of financial statements all over the world to prepare and present high-quality, transparent and comparable financial statements.

The move towards developing an acceptable global high-quality financial reporting standards started in 1973 when 16 (sixteen) professional accounting bodies from Australia, Canada, France, Germany, Japan, Mexico, Netherlands, United Kingdom and the United States of America agreed to form the International Accounting Standard Committee (IASS): IAS (International Accounting Standards) was issued by 1ASC. this came as a child of necessity due to unprecedented growth in trade and investment between countries of Europe, America, Asia and Australia. It led to a search by investors for new destinations for surplus funds. But companies that started going abroad to become multinational soon faced the problem to consolidating their financial statements due to differences in the GAAPs of parent and subsidiary companies.

In 2001, the IASC was recognized into IASB (international Accounting Standard Board) with an objective to develop global standards and related interpretations that are now collectively known as International Financial Reporting Standard (IFRS). The need for the reorganization is that, if accounting is the language of business, then, business enterprise all over the world cannot continue to be speaking in different languages to each other while exchanging financial members from their international business' activities. 'Thus; a single set of worldwide accounting standards will simplify accounting procedures by allowing the use of a common reporting language across the globe.

Finally, Nigeria has now adopted IFRS and it has been nationally accepted in 2013. 1 his latest move though involves some problems and challenges but it would serve as a lesson to other Africa countries and to a large extent, the world, it would help to create jobs and alleviate poverty in Nigeria.

The objectives of IFRS are laudable, but what are the obvious difficulties that Nigeria and Nigerian firms would have to surmount for. a successful application? To answer this question, this project will carry out a study using selected banks in Umuahia (Access Bank PLC, Ecobank and Zenith Bank) as a case study.

STATEMENT OF THE PROBLEM

Existing literatures documents improvements in accounting quality following voluntary IFRS adoption. Gordon (2008), listed the benefits from adaptation of IFRS over the world as:

1. Better financial information for shareholders;
2. Better financial information for regulators;
3. Enhanced comparability;
4. Improved transparency of results;
5. Increase ability to secure Cross-border listing;
6. Better management of global operations and *1.* Decreased cost of capital;

On the other hand, adoption and application of IFRS has a huge outlay which includes:

- The cost of training personnel to understand the new global standards.
- Cost of acquiring new accounting packages that are needed for the implementation.
- Cost of discarding former accounting packages that are not compatible w ith H RS.
- Differences that exists between IFRS and local accounting standard; IFRS is more robust and principle-based and also has detailed disclosure requirements.
- Software problem.

A study such as this necessary to identify and analyze the problems faced by Nigeria in adoption and application of IFRS and to ascertain whether the adoption and application of IFRS in Nigeria will be to the betterment of the nation.

OBJECTIVE OF THE STUDY

The main objective of the study is to focus on the adoption and application of IFRS and problems relating thereto.

The specific objectives are:

1. To determine the role of the IFRS for improved quality accounting information in Nigerian banks.

2. To determine the problems regarding the adoption and application of IFRS in the context of Nigerian banks.

3. To determine the extent of implementation of IFRS in view of the problems involved in its adoption and application and the benefits therein.

REVIEW OF RELATED LITERATURE PREAMBLE

Reviewing the work of other eminent writers on the subject of any research student helps to provide a conceptual framework of the study.

This discuss the research topic, the problems of adoption and application of IFRS in Nigeria, the historical background of the case study and furthermore gives avenue to explore cases of other issues related to this study.

CONCEPTUAL ISSUES ON ADOPTION AND APPLICATION OF IFRS IN NIGERIA

Recently, there has been a push towards the adoption and application of IFRS developed and issued by the International Accounting Standard Board (IASB). The increasing growth in international trade, cross border financial transaction and investments which unavoidably involves' the preparation and presentation of accounting reports that is useful across .various national borders, has brought about the adoption of IFRS by both the developed and developing countries (Armstrong et ah, 2007). The process of adoption received a significant boost in 2002 when the European union adopted a regulation 160.6/2002 requiring all public companies in the territory to convert to IFRS, beginning in 2005 (Iyoha and Faboyede. 2011). A number of African countries including Nigeria, Ghana, Sierra Leone, South Africa, Kenya, Zimbabwe and Tunisia among others have adopted or declared intentions to adopt the standards. In particular Nigeria adoption of IFRS was launched in 'Sept, 2010 by the Honourable Minister, federal Ministry of Commerce and Industry Senator Jubriel Martins-Kuye (QFR) (Madawako, 2012). The adoption' was planned to commence with public listed companies in 2012 and by end of 2014 all stakeholders wouldd have complied. As at today, banking sector has fully implemented. This is considered a welcome progress for developing countries especially some of those that had no resources to establish their own standards.

There are proponents as well as opponents who have arguments for and against the global adoption of IFRS. According to Barth (2007), the adoption of a common body of international standards is expected to have the following benefits; Lower cost of financial information processing and auditing to capital market participants as users; familiarity with one common set of international accounting standards instead of various local Accounting Standards by Accountants and Auditors of financial reports; comparability ad uniformity of investment analysis easy, attraction of foreign investors in addition to general capital market liberalization. Ball (2006) stated that many developing countries where the quality of local government institutions is below the decision of adopt IFRS will be beneficial.

Lipsey and Chrystal (2003) note that foreign Direct Investment often generates somewhat higher paying jobs than might otherwise be available to local citizens, it generates investment that may not be possible with the local resources only, 'it links the recipient economy into the world economy in manners that-would be hard to achieve by new firm of a purely local origin. According to Lipsey and Chrystal (200'3).- the foreign Direct Investment alters country's comparative, advantages and improves its competitiveness trough technology transfer and effects myriad externalities, domestic investment which can change the counties volume and pattern of trade in many income enhancing directions.

Countries that suffer from corruption, slow-moving or ineffectual government are likely to resist the change but in such countries the opportunity and switching cost are lower which makes the possibility of adopting IFRS advantageous.

Kumar (2007), the foreign capital has the potential to deliver, enormous benefits to developing nations. In addition to helping bridge the gap between savings and investment in capital-scarce economics, capital often brings with it modern technology and encourage development of more mature financial sectors. Capital flows have proven effective in promoting growth and productivity in countries that have enough skilled workers and infrastructure. Some economists believe capital flows also help discipline governments' macroeconomics policies.

GAB (2012) stated that one of the demerits that will be experienced by countries adopting of IFRS includes forgoing the benefit of any past and potential future innovations in local reporting standards specific to their economies. Single set of accounting standards cannot refect the differences in national business practices arising from differences in institutions and cultures (Armstrong et al., 2007). The Nigeria Accounting Regulatory includes: The companies and Allied matters Act 1990 which stipulate the format, content and scope of the financial statements, disclosure requirement .and auditing. It. also requires that financial statements of companies comply with statements of accounting standards (SAS) issued from time to time b\ NASB and audit carried out in accordance generally accepted auditing standards. Secondly, Nigerian Accounting Standard Board (NASB) Act No 22. Of 2003 as the only independent body responsible for developing and issuing SAS for preparers and auditors of financial statements of business concern and government agencies (Madawaki, 2012).

Although many countries have faced challenges in .their decisions to adopt IFRS, its widespread adoption has been promoted by the argument that the benefits outweigh the cost (iyoha and jfaboyede, 2011).

ADOPTION AND APPLICATION OF IFRS IN NIGERIA BANKS

Nigerian Banks and other significant Public Interest Entities (i.e. Entities that are required by law to file returns to' regulators) in the financial service industry were required to adopt IFRS by January 1, 2012.

Other non-listed entities and public interest entities in the financial service industry w ere to adopt IFRS in'2013. By this time, they are all expected to move from Statement of Accounting Standard (SAS). the accounting standard issued by the Nigerian Accounting Standards Board (NASB) to IFRS.

Nigeria communications week investigations however revealed that Access Bank. F.cobank. First Bank. Guaranty Trustbank, Stanbic IBTC, Standard Chartered and UBA are among the first banks to complete the transition and have as Well adopted the standard for their reporting.

Others are still grappling with the challenges of complying with the new standards. Among the major challenges banks face in adopting IFRS include: understanding the value of IFRS against the current GAAP. Banks are also finding it difficult to understand the value it will bring to their business especially around tiye position of balance sheet and P&L (Now statement of financial position and statement of comprehensive income), as well as from their foreign banking partners.

Prior to the adoption of IFRS, the local financial industry seemed obvious of it and hence the huge knowledge gap around IFRS. An IFRS expert involved in' the implementation and training on IFRS who spoke to Nigeria communications week identified other challenges as fear of failure of the project and not getting it right, which delays it adoption.

According to the expert, this led to some banks looking for alternatives like manual conversion using excel sheet. The expert noted some challenges around the speed at which regulations are churned out, which affects the speed at which the bank plans the project to be compliant and make budgets. Charley Best, Vice President at IFRS partners, said that the biggest challenge for banks is the huge amount of change as regards customer master profile, "As a background, the most important thing about IFRS is that it exposes more information and that is the challenge itself. They need to have all the details around payment history and all the records have to be up to date" he said. Professor Francis Ojaide. president of the Institute of Chartered Accountants of Nigeria (ICAN) said only organizations willing to embrace change, invest in capital building both technical and human will benefit from the new financial reporting framework, which has the capacity to broaden and enhance their accessibility to global capital markets.

BENEFITS OF ADOPTION AND APPLICATION OF IFRS

Benefits of adoption and application of IFRS cannot be overemphasized as it attract foreign Direct Investment (FDI), reduces cost of doing businessacross borders by eliminating the need for supplementary information from Nigerian companies.

- It gives assurance of useful and meaningful decisions on investment portfolio in Nigeria and assures easier access to external capital for local and domestic companies.

- It facilitates easy consolidation of financial statement.
- It enhances knowledge of global financial reporting standards by tertiary institutions in Nigeria.
- It facilitates better financial information for shareholders.
- It facilitates better financial information/for regulators.
- It enhances comparability.
- It improves transparency of results.
- It increases the ability to secure cross-border listing.
- It facilitates better management of global operations.
- Harmonization of accounting standards. ;

ISSUES AND CHALLENGES IN INTERNATIONAL FINANCIAL REPORTING STANDARDS

The International Financial Reporting Standards (IFRS) is regarded as a global GAAP and a set of principles-based and globally accepted standard published by the International Accounting Standard's Board (IASB) to assist those involved in the preparation of financial statements all over the world .to prepare and present high quality, transparent and comparable financial statements.

According to Akirimutimi (2001), the major strength of IFRS is that it offers a lot of benefits to corporate and public entities in terms of cost;-easy consolidation of financial statements; better management control of internal consistencies of reporting; improved access to global financial capital markets, ability of international investors to make meaningful comparisons of investment portfolios in different countries and promotion of trade within regional economic groups. According to Izedonnii (2011), the need and feasibility for a uniform global financial reporting framework, has been on for many years. He identified the following factors supporting the adoption-of IFRS:

i. Continuous integration of world economy
ii. Increased interdependence of the international financial markets;
iii. Absence of barriers of capital flows across national boundaries
iv. Increased mobility of capital across national boundaries
v. Multiple listing by companies in- capital markets within and outside their home jurisdiction.
vi. Continuous demand by stakeholders for qualityinformation and greater disclosures.

There are however some inherent problems with aligning with international accounting standards, Ukpai (2002) pointed out that international accounting clearly has a language problem'. The world "asset'' in French may also connote "active". The German language has no reasonable single-word counterpart for the term fair, since accounting itself is not readily translated into Dutch; people in Holland simply use the Hngtish word "accounting" as part of their native language. Accounting words are far from universal comprehensible. Moreso, government policy may not be in support of international standards. Adams (2004) claimed that where an accounting standard conflicts with government policy, the standard is revised. For instance, .LIFO is not allowable for tax purpose in stock valuation. Another problem inherent with the adoption of IFRS is the universal tendency to resist change. Too often, co-operation comes only from compromise and sometimes to the detriment of quality (NASB, 2010).

After few years of vacillation Nigeria in 2010 formally decided to align her financial and accounting computations and reporting standards with what obtains in most futuristic economics across the world by setting January 1. 2012 as the commencement date for corporate and public entities to adopt the IFRS. Having-weighted the challenges and benefits associated with IFRS. Some entities in Nigeria especially those with global operations such as Guaranty Trust Bank, Access Bank, Ecobank etc have taken steps towards its development and implementation. To facilitate the adoption of IFRS the NASB (now; FRCN), investors, commercial enterprises and government regulatory agencies, in- collaboration with other professional bodies involved in financial reporting have organized series of workshops and seminars across the country as part of their efforts to create awareness about IFRS project conversion. The implications of this decision are as numerous as they are profound.

Akinmutimi (2011), stated that corporate entities need to build capacity to drive the process and revisit their operational and international control systems. More so, the laws need to be amended and the transition process need to be handled efficiently, effectively and professionally in order to sustain the confidence of users of accounting services on the skills of professional accountants.

Gambari (2010), stated that the successful adoption of IFRS entails assessing technical accounting, tax implications, internal processes and statutory reporting, technology infrastructure and organizational, issues.

Technical Accounting: Chief Executive Officer Controllers and Chief Accounting Officers should expect technical accounting challenges when moving from GAAP to H RS. Companies will need to take into account more than measurable differences between the two sets of standards, -it will also be necessary to develop a framework and approach that can be used to determine appropriate accounting According to Gambari (2010). The key considerations in the transition from GAAP to IFRS include:

i. *Principles Versus Rules:* A move to a principles-based accounting, will require a change in mindset and approach...
ii. *Application Considerations:* Accounting differences between IFRS and GAAP will vary some differences will be significant: Others will be seen in the details or depend on the company's industry. Accounting alternatives should be evaluated from a global
iii. Perspective not only for prospective policy-setting but also, in asking elections and applying exemptions related to retrospective IFRS application upon initial adoption, iii. *First lime Adoption Considerations:* IFRS, first-time adoption of international
iv. Financial reporting standards certain aspects of IFRS upon initial adoption where the cost of compliance would potentially exceed the. benefits to users of financial statements. Exemptions exist in many areas such as business combinations: share-

based payments and certain aspects of accounting for financial instruments. Companies will need to decide which exemption are the appropriate ones to use.

v. *Others that take the "fresh start"* will consider adopting new accounting policies in

vi. Additional areas where the Outcome is more representative of the underlying economics. Overall, the technical accounting aspects of IFRS adoption will be challenging.

vii. *Tax Implication:* Understanding tax consequences of IFRS w ill be important for finance and tax executives to consider if they would like to help support appropriate tax results for the organization down the road. As with .any tax accounting issue, the effort for an IFRS conversion will require close collaboration between finance and tax departments. According to Delloitte (2008) and Alexander.and Britton (2004), the key tax consideration include:

- Conversion timing
- Differences in accounting for income taxes
- Tax accounting methods
- Global tax planning

Internal processes and statutory reporting

A move towards a single set of global accounting standards is expected to lead to greater efficiency and internal control improvements for multinational companies. To make this over and to realize benefits, a number of financial reporting processes will like have to be evaluated and/or fine-tuned.

According to Marve (2001), the key considerations in internal process and statutory reporting include:

- Close and consolidation
- Management reporting
- Internal controls
- Statutory reporting

Technology infrastructure

Changes in accounting policies and financial reporting process can also ha\c a significant impact on a company's financial systems and reporting, infrastructure. These changes may require some adjustments to financial reporting systems; existing interface and underlying database to incorporate specific, data to support IFRS reporting companies will need to collaborate with their IT counterparts to review systems implications of IFRS, Zhang (2005) identified the key issues in technology infrastructure as:

i. Upstream systems

ii. General ledger
iii. Reporting data warehouse
iv. Downstream reporting

IFRS IN NIGERIA, CHALLENGES OF ITS ADOPTION AND SUGGESTED SOLUTIONS

Now that Nigeria has decided to adopt IFRS, the transaction needs to be carefully execution in logical manner to ensure a smooth transaction, ft must be stressed that the transaction process should involve key stakeholders such as educations, professional bodies, preparers, users, regulators and auditors. The ability to identify the challenges that the likely to be faced and how to address such challenges would ensure seamless transition. First and foremost, government must early define the role of the Nigeria Accounting Standard Board (NASB) now I RC N Financial Reporting Council of Nigeria in the post adoption era. Presently NASN now FRCN are charged with the responsibility of issuing. Interpreting and ensuring compliance of accounting standards in Nigeria. However, one would suggest that NASB now FRCN should be retained to play supervisory role and to ensure that reporting entitles comply with IFRS Some of the challenges and suggested solutions.

Educators

For one to impact knowledge, one must be knowledgeable, therefore, there's and urgent need to train the educators so as to be abreast with IFRS. It is only when they are equipped that they will be able to impact knowledge to others. The- government, the professional and corporate bodies have a great role to-play in this regard specially in subsidizing the training cost of the educators. The curricula of our territory institutions should be reviewed to incorporate IFRS.

The accounting professional bodies should not-be left out because the}' are responsible for training their students before they are certified as accountants. Such professional bodies would also need to urgently review their syllable to be in line with current global benchmark.

Existing professional accountants in the country will equally need training for the IFRS transition to be successful and sustainable.' Their training needs can be addressed through Mandatory continuous Professional Education (MCPW). This is the way that educators, professional-accountants and potential accountants that are being churned out in our institutions would be up to date with the new accounting world and discharge their duties effectively.

Preparers

It is the responsibility of professional accountants to prepare the financial statements of a reporting entity. Although the preparation of IFRS based financial statement in any organization is the responsibility of the accounts or financial control department, the nature of TFRS based financial statements will necessitate the active involvement of certain departments in the financial statements preparation process. For-instance, making decision an accounting policies requires the active involvement of top management and those charged with corporate governance.

RESEARCH METHODOLOGY PREAMBLE

The focus on the research methodology used is'-a philosophy of how' one goes about conducting a piece of research (Osuala. A. E. 2010). This disclosed the tools population size, sampling techniques, method of data collection, research design, data analysis.

RESEARCH DESIGN

The research design used for this work was the descriptive survey which permits sampling a representative number of people from the population by the use of questionnaires and the answers obtained used for generalization. This enabled the researcher obtain relevant data carefully analyze, summarize and interpret them for better understanding, recommendation and usages.

METHODS OF DATA COLLECTION

The data used for this-study were generated from two sources and they include:

- Primary sources
- Secondary sources

Primary sources: The primary data source was collected by the use f structural questionnaire and personal interview.
Secondary sources: Secondary data source were derived from compiled publications of the selected banks, existing literatures and internet.

POPULATION OF THE STUDY AND SAMPLE SIZE DETERMINATION Population of the study

A target population is thus a finite population, its boundaries fixed and described by time, geography and the characteristics of individual member comprising it as well as the nature of the variables being studied. The population of the study was 32 comprising of the staff of the 3 selected banks being investigated.

SAMPLE SIZE DETERMINATION

In determining the sample size using the Yafo Yemen's formula as cited by Anyanwu (2005). The sample was,

$\boldsymbol{N}=\boldsymbol{N}/(\mathbf{1}+\boldsymbol{N}(\boldsymbol{e})\string^\mathbf{2})$
Where:
n = sample size sought
N = population size i.e. 32
E = Error term i.e. *5%* or 0.05
$n = 32/(1 + 32(0.05)\string^2)$
$n = 32/(1 + 32(0.0025)$
$n = 32/(1 + 32(0.08)$
$n = 32/(1.08) = 29.6 = 30$

Therefore the sample size was 30

DESIGN AND ADMINISTRATION OF QUESTIONNAIRE

Design

The questionnaire was a highly structured questionnaire made up of 2 (two) sections. The first section was used to gather information on the respondent (Bio-data) while the second section was used to address the problems adoption and application of IFRS in Nigeria, providing answers not only to the research questions-but also for other important questions generated from the literature review. The instrument was structured on a modified Likert response scale of 5 points, which include:

Very High Extent (VHE)	5
High Extent (I IE)	4
low Extent (LE)	3
Very-Low Extent (VLE)	2
Unsure (UN)	1

Administration of questionnaire

The researcher personally administered the questionnaire to the staff of the selected banks in Umuahia (Access Bank, Zenith Bank and Ecobank) through which their opinions were sought.

METHOD OF DATA ANALYSIS

In carrying out this research study, objectives I. 11 and 111 were analyzed using simple descriptive statistics such as means, percentages and frequency distribution and the 3 point likert scale type. The 5 point likert scale type mean of 3.0 which was derived by the addition of the weight of the scale'(i.e. Very High Extent (5) + High Extent (HE) 4 + Low Extent (LE) 3 + Very Low Extent (VLE) 2 + Unsure (UN) 1 = 15) and divided by the number of the scales which is.5 (5 + 4 -I- 3 4 + 1=5/15 = 3.0). Any mean response-less than 3.0 was regarded as low extent and any mean response greater than 3 or equal to 3 was regarded as High Extent.

Hypothesis I and II were analyzed using T-test..The T-test formula is shown as follows.

T-test

$Xi\text{-}x_2$

Where;

For Hypothesis 1

Xj r Mean value of .cost of operation before adoption of IFRS X_2 = Mean value of cost of operation after adoption of IFRS $S^2|$ = variance of cost of Operation before adoption of IFRS $S^2 2$ = variance of cost of operation after adoption of IFRS n 1 = number of years before adoption, of IFRS 112 = number of years after adoption of IFRS

For Hypothesis II

X_1 = Mean value of profit before adoption, of IFRS

X_2 = Mean value of profit after adoption of IFRS'

S^2_1 = variance of profit before adoption of IFRS

S^2_2 = variance of profit after adoption of IFRS '

N_1 = number of years before adoption of IFRS

N_2 = number of years after adoption of IFRS

Then the stated hypothesis were tested at 5% level of significance

Reject Null' hypothesis if calculated greater than tabulated T test and accept if tabulated is greater.

DATA PRESENTATION

Table 1: Social characteristics of respondents

Variables	*Frequency*	*Percentage*
Female	11	36.7
Male-	19	63
Total	*30*	*100*

Source: Field Survey, 2013

Table 1 shows that 36.7% and 63.3% of the respondents were female and males respectively. This means that majority of respondents that are employed in the selected banks for the studs' on problems of adoption and applications of International Financial Reporting Standards (IFRS) in Nigeria were males. The involvement of males in the banking sector of the economy could be due to the fact that males have the abilities to easily prefer solutions to tetchily problems. In addition, males have the physical and emotional stability to shoulder the needs of the banking sector.

Table 2: The roles of IFRS for improved quality accounting information in Nigeria banks

S/No-	*Roles of IFRS*	— ...	<>/	*Ranking*
r	It enhances comparability	18	60	\^*r*
	It facilitates better management of global operations	24	80	1 ■'
o	It improves transparency of results	20 .	66.7	*rd*

4 •	It facilitates-easy consolidation of financial statement	23.	76.6	^ *nd*
5	Harmonization, of accounting standards	23-	76.7	*Wnd*

Source: Field Survey, 2013

Multiple responses recorded

Table'2 shows that 80% of the respondents indicated that IFRS facilitates better management of global operations. While 76.7% of the respondents indicated that IFRS facilitates cash consolidation of financial statement and brings about harmonization of accounting standards. In addition.'66:7% of the respondents stated that IFRS improved transparency of results. Finally 60% of the respondents also stated that IFRS enhances comparability. This finding shows that IFRS is a useful tool that promotes the overall effectiveness and efficiency of banking operations.

DATA ANALYSIS

H_0: There is no significant difference in the cost of operation before and after the adoption of IFRS among the selected banks.

TESTING OF HYPOTHESIS 1

Variables	*Individual Mean*	*Pooled Mean*	
Cost before Adoption Cost after adoption	623,408.33 2,087,281.0	1,463.8.72.7	823.618.59
t Calculate	t tabulated	Df	Remarks
3.045	2.920	2.	Significant

Decision Rule: From the above, it can be seen that t calculated 3.045> t tabulated 2.920 we therefore reject the null hypothesis and accept the alternative hypothesis which states that there's significant difference in the cost of operation before and adoption of IFRS among the selected banks.

H(>: There's no significant difference between the benefits before and after adoption of IFRS among the selected banks.

Variables	*Individual Mean*	*Pooled Mean*	*Standard Dev iation*
Profit before Adoption Profit after adoption	35.676.00 70.288.00	. 34,612.00	36,678.948 *I*
t Calculate	t tabulated	df	Remarks
1.634	2.920	: 2	Insignificant

Decision Rule: From the above, it can be seen that t calculated 1.634 < the t tabulated

2.920 we therefore accept the null hypothesis which there's no significant difference between the benefits before and after the adoption of IFRA among the selected banks.

CONCLUSION

This work concluded that, although the adoption and application of IFRS in Nigeria creates some problems in Nigerian banks, it will be to the betterment of the nation.

RECOMMENDATIONS

In the light of the above conclusions of the research, thiswork recommends that Nigerian should still go ahead in the implementation of IFRS in view of the significant roles it plays which includes: harmonization of accounting standards, easy consolidation of financial statement, comparability and transparency of results and better management of global operation.

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