

INTRODUCTION

1.1 Background to the Study

Earnings quality and the quality of financial reporting in general are subjects that have attracted much attention and are the centre of debate for investors, regulators as well as scholars in the recent years. This heightened attention to the subject of earnings quality is, in part, due to the wave of accounting scandals of the early 2000s (the manipulation of accounting figures) (Hermanns, 2006). However, earnings quality has been a topic of increasing importance and interest especially after the colossal corporate collapses of Enron, WorldCom, Parmalat and, more specifically, Leisurenet and Fidentia in South Africa amongst others, which has put a big question mark on the financial reporting quality of the publicly listed companies in stock market (Abdullah, 2004).

Earnings quality is of interest to users of financial statements because earnings and the varied metrics derived there from are utilized in making contracting and investment decisions. From a contracting perspective, low-quality earnings may result in unintended wealth transfers. From an investors vantage point, low-quality earnings are undesirable because they result in a defective resource allocation signal (Schipper & Vincent, 2003). This is also supported by Myers, Myers & Omer (2003), who stated that poor quality of earnings is problematic because it can mislead investors, resulting in misallocation of resources. In the recent work of Redhwan, (2014) erosions in earnings quality, transparency, and disclosure levels have caused investors to be less confident in the integrity of accounting numbers. Since investors need unbiased earnings information to make the right investment decisions, financial crises and financial reporting scandals have unveiled the importance of board supervision and highlighted the crucial need for firms to enhance the quality of reported earnings. Earnings quality is an important characteristic of financial reports that affects the efficient allocation of resources (Peter, Baruch, Melissa, & Sarah , 2013).

The generation of quality earnings information depends on a whole set of guarantee mechanisms, for instance, a governance mechanism capable of efficiently supervising the process of accounting information reporting. The board of directors, as the core of corporate governance, will undoubtedly play a key role in supervising listed companies financial reporting process and the quality of financial reporting. Strengthening the board of directors, such as enhancing the boards independence, improving its capabilities of detecting problems in financial statements, and clarifying explicitly directors responsibilities, is regarded as an efficient way to ameliorate the board supervisory and monitoring practices and the quality of financial reporting (Qinghua, Pingxin & Junming, 2007).

Accounting scandals broke out one after another in various enterprises, under the guise of related party transactions, and accounting fraud was perpetrated through benefit transactions between the parent and subsidiary companies, such as Enron and WorldCom in the United States. The occurrence of these major cases exposed the lack of supervising mechanisms in enterprise management and resulted in heavy investor losses. In order to reduce the behavior of surplus manipulation of enterprises and to restore investor confidence and stable operations in the capital markets, the Organization for Economic Cooperation and Development (OECD), the World Bank, and other international organizations advocated supervising mechanisms to strengthen corporate governance effectively. Therefore, the related issue of supervising mechanisms that could enhance the effectiveness of corporate governance gained momentum and received considerable attention in countries around the world, and became an important topic of academic research (Hsiang-tsai, .Li-jen, & Chih-Hung, 2012).

CAPITAL STRUCTURE AND FINANCIAL PERFORMANCE OF LISTED MANUFACTURING FIRMS IN NIGERIA

The complete project material is available and ready for download. All what you need to do is to

order for the complete material. The price for the material is NGN 3,000.00.

Make payment via bank transfer to Bank: Guaranteed Trust Bank, Account name: Emi-Aware technology, Account Number: 0424875728

Bank: Zenith Bank, Account name: Emi-Aware technology, Account Number: 1222004869

or visit the website and pay online. For more info: Visit <https://researchcub.info/payment-instruct.html>

After payment send your depositor's name, amount paid, project topic, email address or your phone number (in which instructions will sent to you to download the material) to +234 70 6329 8784 via text message/ whatsapp or Email address: info@allprojectmaterials.com.

Once payment is confirmed, the material will be sent to you immediately.

It takes 5min to 30min to confirm and send the material to you.

For more project topics and materials visit: <https://researchcub.info/> or For enquiries: info@allprojectmaterials.com or call/whatsapp: +234 70 6329 8784

Regards!!!