CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Creative accounting is also known as aggressive accounting it is a method that deals with problems of accounting evaluation, dispute items and occurrences. (Salome, Ogbonna, Marcel & Echezonachi 2012). This flexibility provides room for manipulation, misrepresentation and deceit, therefore accountants use thier understanding of accounting regulations to manipulate the numbers recorded in the accounts of a company. However, creative accounting implies distinct stuff for distinct individuals, one can strongly argue that creative accounting is referred to as income smoothing, earnings management, earnings smoothing, economic engineering and cosmetic accounting as viewed by the United States and Europe (Salome *et al* 2012). The writers share the view that creative accounting is expressed in a manner complimentary to shareholders and investors through window dressing and reporting of revenues and assets in a manner complementary to shareholders and investors (Salome *et al* 2012). So, apart from being commonly used as a means of fraud, most officials regard it as false and unwanted practice because of false data (Salome *et al* 2012). Creative accounting is more than just a shift in profit, as creative accounting is often not in breach of legal regulations, the issue now is whether it is good or bad, depending on the fundamental purpose for which it is being implemented. In a very scenic manner, creative accounting is like a double-edged sword leadership that can either use it positively or abuse it, so the concept of presenting the business better can eventually lead to a complete loss of company image Bhasin (2016).

According to Remenaric, Kenfelja & Mijoc (2018) The individual responsible for manipulating financial data and creative accounting are primarily executives and accountants, the most frequent methods of manipulating financial statements include off-balance sheet financing items, modifications in accounting strategies and techniques of depreciation., Other revenue and expenditures and shifts in cash value. It is understandable that accounting and auditing experts responsible for preparing financial statements must adhere strictly to the codes of ethical accounting and auditing norms in order to generate reliable, appropriate, timely, precise, comprehensible and thorough financial statements In a real and honest perspective of the economic situation and results of the company. According to investigation by (Chen 2007) and (Ningi 2006) as citied by (Ibanichuka & Ihendinihu 2012) The reason why organizations try to manipulate their accounts includes smoothing incomes is the willingness to report a constant trend in profit development rather than showing volatile earnings with a sequence of drastic ups and downs, manipulating reported earnings to match profit forecasts, avoiding government regulation, enhancing managers ' bonus schemes and enhancing their chances of benefiting from inside. The true cause of creative accounting is adversely impacted by conflicts of interest between distinct interest groups and users of company accounting data involved in creative accounting practice.

Creative accounting has thus come to include: hiding economic risk, circumventing borrowing constraints, escaping shareholder control, boosting reported earnings or minimizing reported losses, manipulating important market analysis ratios, enhancing management efficiency, gaining access to finance, otherwise it would be difficult to increase (Salome *et al* 2012).

Manipulation of financial numbers is forbidden by legislation and accounting standards, they opposed the spirit of failing to provide the real and honest perspective of a compnay that accounts should have. Over time, creative accounting methods will be charged. As the accounting standard modifications, the methods that will operate will also alter. Many modifications in accounting standards are intended to block particular methods of manipulating accounts, which means creative accounting requirements to discover fresh methods of doing stuff (Balancius & Madalina 2008).

In addition, when creative accounting is practiced by any organisation, one should be able to see that there is plenty of scope for manipulating and manipulating accounting data. Such maipulation could leave the shareholder, the public, the government and any interested party in complete confusion about what is facts and what is not real and true about a published statement of accounting.

1.2 Statement of the Problem

Creative accounting and income management are euphemisms of accounting practices that tend to bypass the rules of standard accounting practices or the spirit of those Barnea values ; Chamberlain and Marlinton in 1076 as cited by (Salome et al 2012). They are defined by questionable complications and techniques of presentation of revenue, assets, or liabilities using the novel. There are many reports of price manipulation, profit overstatement, and account falsification by some questionable stewards that made economic reporting ineffective. Moreover according to (Bhasin 2016) It emerged that sometimes executives deliberately manipulate the financial statement to impact certain rivals on the capital market, such as 40 US businesses that reported losses under traditional accounting regulations in 2014 but claimed profit under their own customized creative accounting. According to Micah & Chinwe (2014) State that the manufacturing sector is a critical driver of economic growth and a industry considered a basis for determining the economic efficiency of a nation. The company failures of the previous decade, however, were strongly related to a failure in corporate governance involving a number of parties, boards of directors, auditors and certain shareholders (Ezeani, 2010).

Creative accounting is an instrument that helps or ends up in crisis for businesses, (Shah & Butt 2011). Most company organisations have always been related to fraud, and financial collapse has always influenced them, for instance, the problem of Cadbury plc that has been researched, and it has been confirmed that a intentional over-examination of the economic situation of the company over a period of several years is between N13 and N15 billion, Another instance is that of Afribank Nigeria plc, where the managing director at the moment and the board of directors collaborated with his auditors to cook the books a month before Cadbury plc was issued, but whereas Cadbury took too fast measures to bring the record straight, Afribank took time, not only costing stakeholders billions of bucks, but also damaging the accounting profession as a result of financial misrepresentation. The tale is comparable to that of Eron in the U.S., this firm that rose to be America's seventh biggest corporation in just 15 years came underground after it was found that the business was fiddling with profit statistics (Micah & Chinwe 2014) Most of the reporting norms for accounting audit have been eroded. (Osisioma and Enahoro 2006) reported. It is possible to manipulate the accounting procedures and policy decisions arising from countless decisions at the same moment, leading in creative accounting. The variations found in economic reporting are legitimately ready by selecting the diverse accounting strategies of the same organization for the same period, generating accountability difficulties (lastly statements and reporting). Most studies concentrated primarily on the effect of creative accounting without emphasizing why individuals practice it, and most studies in Nigeria did not pay attention to the manufacturing sector It is therefore in this context that the research aims to determine whether creative accounting practices have influenced corporate performance in Nigeria and to give reasons why creative accounting should be regarded as a severe crime and that accounting bodies and regulatory agencies should take rigorous steps to prevent this unethical practice.

1.3 Objective of the Study

This study's main objective is to determine the impact of creative accounting on Nigeria's corporate performance. In particular, the other aims of this study are to:

1. To examine the effect of creative accounting practices on return of assest in Nigerian manufacturing sector.
2. To examine the effect of creative accounting practices on return of investment in Nigerian manufacturing sector.
3. To examine the effect of creative accounting practices on market share in Nigerian manufacturing sector.

1.4 Research Question

The following research questions guided the study:

1. What is the effect of creative accounting practices on the return on asset in Nigerian manufacturing sector?
2. What is the effect of creative accounting practices on the return on investment in Nigerian manufacturing sector?
3. What is the effect of creative accounting practices on the market share in Nigerian manufacturing sector?

1.5 Statement of Hypothesis

To conclude, these hypotheses will be investigated and tested.

$H_0$1: No significant relationship exists in Nigeria between creative accounting and return on asset.

$H_0$2: No significant relationship exists in Nigeria between creative accounting and return on investment.

$H_0$3: No significant relationship exist in Nigeria between creative accounting and market share.

1.6 Significance of Study

This research will examine the extent to which creative accounting impacts cooperative performance in Nigeria and how creative accounting impacts asset returns, investment returns and profitability as well as the creative accounting connection with cooperative performance and how creative accounting is practiced in Nigerian organisations, Detailed efforts will also be made to invest in the impact of creative accounting on co-performance in Nigeria, the outcome or outcome of the research will form the foundation for policy suggestions. Studies and work on this subject are scarce as there have been very few scientists working on it. The research will help policymakers in the nation put in place excellent policies, the research will also have some distinguishing characteristics and seeks to contribute to the current knowledge base in this sector in several respects and serves as a reference for future studies.

1.7 Scope of the Study

This research focuses on the effect of creative accounting in Nigeria on coporate perfomance and in the lago state manufacturing sector, and the lago state is a key location with a adequate amount of manufacturing businesses, the research uses primary data to distribute questionnaires.

1.8 Definition of Terms

Creative accounting: Creative accounting is the accounting method that includes addressing many problems of judgment and resolving disputes between competing approaches to showing the outcomes of economic occurrences and transactions.

Financial reporting: Oxford Accounting Dictionary describes financial reporting as the presentation of financial information on the situation, working efficiency and flow of resources of a company for an accounting period.

Accounting policy: These are policies that are developed in accordance with the laws and regulations that guide them to improve account preparation.

Manipulation: Merriam Webster describes manipulation as a means of managing or playing artificial, unfair, or insidious means, particularly for the advantage of one's own.

Window dressing: It is the action taken to enhance the appearance of the financial statement of a company, it is especially prevalent when a company has a big amount of shareholders so that management can offer investors the appearance of a well-run company who likely have little daily contact with the company.

Return on asset: This indicates how lucrative a business is in relation to its complete assets, provides an idea of how effective the management of a business is to use its resources to produce profits, and also takes into consideration the debt of a business.

Return on investment: Can be abbreviated as ROI, it measures the profit or loss produced on an investment relative to the quantity of cash invested.it is generally expressed as a proportion and is typically used in private economic choices to compare the profitability or effectiveness of various investments of the company.

Market share: Market share is the percentage of the total sales of an industry or market that a particular company earns over a specified period of time.

Income smoothing: This is the use of tricky accounting methods to level net income fluctuations from one era to the next.

CHAPTER TWO

LITERATURE REVIEW

2.2 Conceptual Review

This is where the operational terms will be fully explained, for further understanding.

2.2.1 Creative Accounting

Creative accounting can be defined in a number of ways but will use the definition that states it is a process by which accountants use their knowledge of accounting rules to manipulate the figures reported in a company's accounts (Bhasin, 2016). They are defined by unnecessary complication and the use of new ways in which income, assets or liabilities are defined. This results in financial reports that are not at all dull, but have all of James Joyce's compilation of a novel, hence the use of the word "creative" or sometimes "innovative" or "aggressive." Creative accounting, which usually includes preparing financial statements in order to mislead readers of such statements, is prima facie a type of lying (Bhasin, 2016).

It examines and rejects the arguments for considering creative accounting, despite its misleading intention as not a type of lying, then I examine the ethical problems posed by creative accounting, In the light of the literature on lying ethics, even in the situation where creative accounting is likely to serve a worthy objective, that purpose would at least be served equally by honest communication.

Accounting emerged from the need to have a clear scenario of everything that happened economically and financially in a business that provided the prestige and trust of accounting data consumers at the start, but over time, more and more scandals that erupted due to breach of laws (Voinea, 2013). The creative accounting phenomenon can be understood as changing an entity's financial reality through methods, choices, absence of restrictions permitted by legal standards (Radu, 2013). Creative accounting is a instrument to help the manager to promote and support the picture of the company; however, this data was used by the manager to support his self-interest (Victoria, 2014).

2.2.1.1 Techniques of Creative Accounting

The creative accounting methods can be used in an unacceptable manner in the preparing of financial statements to satisfy the management requirements of the company's results, leading to misleading financial statements (Balacia, 2008). Using creativity in financial reporting can be defined as playing with financial statements components. This can lead to an overestimation of asset value, elevated inventory levels, decrease of expenditure, modifications in techniques of depreciation, display of requirements as assets, etc. (Shahid, 2016).

Creative accounting methods follow changes in accounting standards that are altered to reduce accounting manipulation. However, well-intended modifications in accounting norms often lead to fresh possibilities for accounting manipulations being opened up. According to (Gabar, 2015) Window dressing, off-balance sheet finance, changes in accounting practices, profit smoothing, capitalizing costs, contingent liabilities, changes in depreciation measures, etc. While businesses apply accounting standards, they use "loopholes" at the same moment to improve important indicators (Karim 2016). The fundamental concept of creative accounting is based on discovering the so-called loopholes in legislation and accounting standards in order to improve financial statements and present the company in a favorable light. Creative accounting can have a beneficial effect on company, but only in a positive sense and in a minimal scope.

However, businesses often cross the limits of minimalism and abuse such practices, which can lead to deadly effectsOne thing is certain, the most frequent adverse impact of creative accounting on financial reporting. In most cases, management of the company is responsible for manipulating financial reporting, As the staff responsible for financial reporting follow their directions and some of the primary reasons for implementing creative accounting include gaining private gain, completing, attracting investors, increasing or retaining capital levels, purchasing time to avoid debt settlement among many others (Mijoc, Remenaric & Kenfelja 2018) while according to (Yadav, 2013) Other reasons for creative accounting are where revenue smoothing comes in, businesses prefer to demonstrate steady growth in profit rather than fluctuating high or low in order to prevent unfavorable news, companies charged with liabilities against assets in order to decrease earnings in a good yearManagers can also use creative accounting to delay the release of market data, thereby improving their chance to benefit from inside knowledge if, among many others, executives participate in what is known as insider dealing within their business. Companies use different methods to manipulate economic data to present their company in the best possible light. Manipulations generally happen when accounting standards require accounting projections and some of the most commonly used creative accounting techniques include manipulation of off-balance sheet financing items, changes in accounting strategies and methods of depreciation, manipulation of other items of revenue and expense, changes in cash value, Revenue overestimation by recording fictional income from sales, accrual manipulation, etc.

2.2.1.2 Preventive Measure of Creative Accounting

Since creative accounting is increasingly being used in a negative sense, leading to countless accounting scandals with enormous implications, effective techniques and solutions need to be developed to minimize the manipulation of economic data and certain preventive measures such as Adaptation of accounting standards with regard to the limited use of estimates and consistency in the application of accounting methods, recognition and emphasis on the role of internal and external audit in identifying and reporting unfair estimates and avoiding accounting manipulations, Changes of audit service suppliers from one accounting period to another, recruitment of autonomous managers and audit committee members, efficient corporate governance controls should also be established, the firm should continue to develop a whistle blower policy, The business should also constantly raise workers ' awareness of the Code of Ethics, consistently enforce sanctions by domestic officials, then emphasize the creation and implementation of forensic accounting, and also raise investors ' awareness of the practice of manipulating economic data.

2.2.2 Financial Reporting

Oxford Dictionary of Accounting defines “Financial Reporting” as Presentation of financial data on the company's position, operating performance and flow of funds over an accounting period. "These financial reports are most frequently presented in the form of financial statements and daily stock summaries of stock exchanges and may be contained in various forms for external use, such as the annual report, SEC Form 10-K and prospectus. According to Anichebe (2009), The purpose of financial reporting is to fulfill the function of financial accounting and business reporting. According to the author, data should be provided by financial reporting.

i. This is helpful in making rational investment, credit and comparable choices to represent prospective investors and creditors and other customers. For those with a good knowledge of company and financial operations and ready to explore the data with good diligence, the data should be comprehensible.

ii. To assist potential investors, creditors, and other customers in assessing the quantities, timing, and uncertainty of future money receipts from securities or loans sales, redemption, or maturity. Since the cash flows of investors and creditors are linked to corporate cash flows, financial reporting should provide data to assist investors, creditors, and others in evaluating the quantities. Timing and uncertainty of the associated company's potential net cash inflows.

iii. About an enterprise's financial assets, which are direct or indirect sources of future money inflows (Enterprise obligations to transfer funds to other organizations and owners ' equity) that are direct or indirect sources of future money outflows ; and the impacts of operations, activities and conditions that trigger resource change and claims on those assets.

iv. Anichebe also holds that the main focus of financial reporting is to provide data on the results of an enterprise through measures to earn its parts.

v. Nzekwu (2007) also has it that, financial reporting provides a main quantitative representation of individual corporations that promote a broad variety of contractual interactions and improve the data environment in a more general manner, while its quality also affects the cash flows of companies and influences the capital costs on which cash flows are reduced. Reporting transactions and activities may have economic and non-financial impacts, i.e. may involve economic and non-financial data. The review of the literature would consider the financial reporting of the financial perspective only. Such final reports are designed to provide data to satisfy the requirements of external customers who are unable to request or contract unique reports in order to satisfy their specific information requirements.

A reporting duty often stems from laws, regulations, common law, or contractual agreements. The responsibility to report openly, however, is wider than and comes from the "legal" duty. (a) The role played by the reporting entity in the community, and/or.

(b) The dependence of users for their data requires on financial reports.

The following are examples of users who may be dependent on an entity's financial reports.

(a) Providers of resources to such entities. For example, suppliers, lenders, investors, tax payers or donors.

(b) Representatives of groups such as voters or shareholder whether the representatives be elected or appointed.

(c) Analysts and members of the media concerned with analysing and reporting the performance of entities.

The objectives of financial reporting are to provide information to assist users in:

(a) Assessing the reporting entity's financial and service performance, financial position and cash flows.

(b) Assessing the reporting entity's compliance with legislation, regulations, common law and contractual arrangements, as these relate to the assessment of the reporting entity's financial and service performance, financial position and cash flows and.

(c) Making decisions about providing resources to or doing business with the reporting entity.

Consequently, financial reporting has an accounting function [Parts (a) & (b)] and an data role [Parts (c)]. For distinct consumers and in distinct industries, the relative significance of these positions may differ. For example, Because many public sector organizations exercise specific powers, consumers may be more interested in accountability for public sector financial reporting. The goal of the above-mentioned financial reporting is most frequently accomplished by publication covering financial reports.

(a) Financial Position.

(b) Financial and Service Performance, and

(c) Cash Flows.

2.2.3 Window Dressing

Window dressing is an action taken to improve the appearance of the financial statements of a company, it is especially common when a company has a large number of shareholders, so that management can give the appearance of a well-run company to investors who probably have little daily contact with the company. From an accounting view, the word window dressing relates to a broad spectrum of methods that an audit customer could use to improve an entity's economic situation by manipulating disclosures (Guan, Steven, & Mceldowny 2008). It can also be used when a company wishes to impress a lender to qualify for a loan, window dressing is essential for a company because every business wishes to look as appealing as possible for their economic data. It's what creates fresh possibilities for company, investors, and others.

The downside of window dressing is that it is viewed with skepticism in general. Window dressing comes with at least a mildly adverse connotation and it's because it can and sometimes involves making unethical or even illegal adjustments to figures, charts, timeliness, orders, etc. to create a company's economic image look the most attractive to outsiders. Usually, if a business is kept tightly, the owners are better advised about the outcomes of the business, so there is no reason for anyone to submit window dressing to the financial statements. Window dressing is often carried out strongly with mutual funds, at the end of a reporting or economic period, mutual funds often sell stocks in their portfolio rapidly which do not perform well, The cash generated from the sale will then be used in a rapid turnaround to purchase high-performance inventory stocks.

Therefore, we can only conclude that window dressing is really just a short-term approach that businesses and funds are using to create their financial reports and portfolios look more attractive to stakeholders. The objective is to attract more individuals and more money that will hopefully boost the bottom line for the next reporting era.

2.1.4 Return on Assets

Return on Assets (ROA) is an indicator of how a business manages existing assets when generating earnings, where ROA is low the management may be inefficient while a high ROA figure shows the business is running smoothly and efficiently. The ROA is usually expressed as a percentage figure, the calculation is made by separating the net income for the year by the complete assets of the company, by calculating the ROA, the company will see where the return is on any investment and if the management generates sufficient return on the resources accessible to themAt the end of the year, management will look carefully at the ROA figure, if the ROA is large, it is a nice indication that the company is making the most of its resources combining the ROA with the metric, Return on investment that can demonstrate that further investment is worthwhile and that the company is able to make efficient use of fresh investment. Examining a small ROA is essential to the effective operation of a company, if the ROA is continuously small, it can indicate that either management is not making sufficient use of current resources or that assets within the company are no longer of use. The ROA figure can motivate management to create better use of resources by making sure that the returns are not as they should be, and also the ROA figure can demonstrate how the general profit can be improved by adequate management of current resources.

2.2.5 Return on Investment

Return on investment policies that he gains or losses on an investment in relation to the quantity of cash invested. ROI is generally expressed as a proportion and is typically used to compare the profitability of a company or to compare the effectiveness of separate investments for private economic choices ROI calculation is versatile and can be manipulated for various uses, a business may use the calculation to compare the ROI on distinct prospective investments, while an investor may use it to calculate a return on a stock because of its flexibility, ROI is one of the most commonly used profitability ratios, one of the downsides of ROI is that it can be manipulated, so findings can differ from user to user.

2.2.6 Market Share

Market share reflects the proportion of total sales of an sector or a market gained over a defined period of time by a specific business. Market share is calculated by taking sales of the company over the period and dividing over the same period by the total sales of the sector; This metric is used to offer a general idea of a company's size with respect to its market and its rivals. It's the quantity of sales a business receives compared to its sector as a whole in order to put it into words. Investors and analysts closely track rises and declines in market share as this can be a sign of the company's product or services ' relative competitiveness. Companies are trying to gain revenues and beat their competition in many distinct respects, some are trying to boost their economies of scale which is a higher output at a reduced average price in an attempt to provide customers with reduced price products while others are trying to boost brand recognition and customer loyalty. According to Micah & Chinwe (2014) Market share is essential because it allows one to understand the organization's power whether they are leaders or minor players and also whether the organisation still holds, gains or loses share of its target market. Organizations need to safeguard their present company from market assaults while attempting to grow, first, by identifying weaknesses that can provide possibilities or their rivals ; second, by maintaining expenses down and their prices in line with the value that clients see in the brand ; third, by ongoing innovation and, lastly, by enhancing their competitive efficiency and customer value.

2.2.7 Income Smoothing

Managers smooth the revenue in order to boost earnings when profit is reduced and also decrease it when profit is increased. More exactly, Gordon supplied revenue smoothing theory with the four hypotheses contained in the first hypothesis that Benchmark for corporate management in the selection of accounting methods maximizes the benefit or welfare of leadership, Secondly, the usefulness of leadership rises with job security, growth rates of remuneration and rights, as well as growth rates of company size. Thirdly, acquisition is component of the management goals articulated in the premise that two depends on shareholders ' satisfaction with firm results and Lastly, shareholder satisfaction with income development (or equity return rate) and also income stabilization is crucial for executives to be able to meet their objectives. If the four hypotheses above are adopted so that executives within their power means accepted range of accounting guidelines should smooth the reported income and development rate of income. (Zang 2006).

According to (Herrmann, 2003) some of the purposes of income smoothing includes:

1. Increase in Stock Exchange corporate shareholder value and typically improve the value of the corporation.

2. Corporate risk reduction and therefore payments reduced interest on borrowing and reduced capital cost of the company.

3. Raise resources because investors and creditors think that investment risk is small and that investment is a healthy place to invest.

4. Transfer of data to the market and promote predictive revenue.

5. Improve interactions with staff, raw material vendors, and so on.

6. Tax incentives

7. Contractual incentives like debt agreements, bonus contracts for management

8. Reduce the danger of deportation and redundancies

9. Special features such as corporate size, corporate profitability, property control or manager control, economic sector.

In accounting practice, creative accounting has now become a topical problem. This is due to the attached ethical view. On one side of the argument is that for real action, moral guidelines should apply. The other opinion is that an action should be assessed on the grounds of the moral value of the result (Ezeani 2012).

2.3 Theoretical Review

The analysis of creative accounting methods is based on several theories. However, this research reviews the theory of agencies, stakeholder theory, and the theory of policemen.

2.3.1 Agency theory

Khanefa & Bhargava (2010), Assert that the concept of agencies is dominant in creative accounting studies. Property is separated from leadership in the legal entity. As the principal, the owners (shareholders) employ executives (directors) as the agent for managing investments by shareholders. Sydserff & Weetman (1999), pointed out that Because of the conflict of interest between shareholders and executives in the sharing of financial assets, executives are able to engage in opportunistic behaviour, so executives are not objective in preparing accounting statements for shareholders, leading in asymmetric information between manager and officer. Agency as commonly recognized is a consensual connection between two sides that authorizes one of the agents (accountants / auditors) to behave on behalf of another, the principal (manager / stakeholders).

Application of agency theory on creative accounting demonstrates that a main aspect underpinning the study of the creative accounting phenomenon is the information perspective. A conflict is established by information asymmetry between a privileged leadership and a more distant stakeholder body in complicated corporate structures (Shipper, 1989). However, it is the responsibility of the management / stakeholders to submit the organization's stewardship reports to the accountant or auditor (agent) who is hired and delegated to prepare the organizations ' economic statements. Managers, accountants or auditors may choose to take advantage of their privileged position by handling disclosures of financial reporting for their own benefit. The data view assumes that in offering helpful signals, accounting disclosures have an information material that has importance for stakeholders. Accordingly, the accountant (agent) must prepare an accounting declaration representing real and honest opinion of the multiple operations performed by the organisation in accordance with the accounting principles, policies and standards.

The agency theory's significance to this research is that accountants sometimes corroborate either to raise or reduce (inflate) the financial statement with the leadership. Accountants are rather associated with the boss to manipulate accounting numbers instead of making their stewardship accounts with a real and honest perspective. In support of the above view, (Umar, 2003) Warned all accountants that in the practice of our profession in Nigeria the supervisory authorities and the consumer public can no longer meet double standards. Umar further certified whether the quality of the decision depends on the decision-making method and decision-maker in the accounting practice or the management of the domestic economy.

In order to make quality and transparent choices, decision-makers in the public, private and even unofficial industries of the economy should embrace the contemporary management scientific strategy. The significance of the agency theory to this research is that understanding of ethics helps accountants and auditors overcome ethical dilemmas, enabling for the correct decision that may not benefit the business, rather it will benefit the public that depends on reporting accountants/auditors. An accountant must have a powerful feeling of values, the capacity to reflect on a position to determine the ethical consequences, and a dedication to the well-being of others in order to maintain powerful ethics.

2.3.2 Stakeholders Theory

This theory promotes the assertion that the economic statements of companies are prepared in reaction to the demand and interest of different stakeholder organizations – workers, clients, public departments, analysts, etc. Therefore, managers are under pressure to manipulate accounting numbers in order to change the perceptions of a specified stakeholder group. The theory of stakeholders is an organizational management and ethics theory. Although it is often implicit, all strategic management theories have some moral content. This is not to say that, as opposed to immoral, all such theories are moral. The theory of stakeholders does not provide an algorithm for daily decision-making in the management. This is because of the stage of abstraction at which the debate takes place. Stakeholder theory offers a technique by which stakeholder commitments are derived and a warning that when making choices, executives must take into consideration the interests of these stakeholders. Due to the countless ways an organisation could be organized, it is difficult to tell a priori what these interests will be and how they can be accounted for. It is therefore difficult to dictate particular action in the abstract for such a theory.

2.3.3 Policeman Theory

An auditor operates under this hypothesis as a policeman focused on arithmetic precision and fraud prevention and detection. This theory makes it possible for the auditor to detect and deter organizational mistakes and fraud. Management should set up and sustain powerful internal control systems through creative accounting practice to improve fraud prevention and detection and any other irregularities in a business. It is not the auditor's duty to seek fraud unless he concludes a particular contract with the management to do so. However, the auditor's job should reveal fraud and irregularities where they occur if the audit is performed correctly. The auditors ' primary focus is on verifying the economic statements ' reality and fairness and providing sensible certainty.

2.4 Empirical Review

In a research conducted by Osisioma and Enahoro (2006), entitled "Creative Accounting and Total Quality Accounting Option in Nigeria," the aim was to determine whether financial accounting data consumers (accountants, executives and investment analysis) in Nigeria are conscious of creative accounting in the private sector of the economy (banks, accounting companies) in Lagos, Nigeria. The research was conducted through the administration of field job questionnaires. Primary data were given to a sample of 300 practicing accountants through a structured questionnaire. The population was chosen randomly from the economy's private sector. Particular attention was given to the practice of accounting and auditing firms. Simple percentage and companions will apply considerably and relevant statistical tests (chi-square, x2at meaning level of 5 percent) will be implemented. The research discovered that creative accounting certainly influenced users of data. In Nigeria, therefore, creative accounting practices are thought to be constructive to the advantage of the account manipulator. The writers also discovered that the company's truly beneficial aspect is submitted to the public to the fullest extent, While the region of weakness is reported down in anticipation of weakness correction. In order to make the business appealing, the economic status is improved. Less than 40% argue this benefit, however, while less than 40% do not consider creative accounting to be practically creditable. Creative accounting is falsification manipulation and provides a mistaken impression of truth, and this is fraudulent.

In another research conducted by Amat, Blake and Dowds (1999), entitled "The Ethics of Creative Accounting," it was shown that accountants acknowledge the ethical challenge created by creative accounting to be conscious of the scope of both accounting policy decision abuse and transaction manipulation. In a research conducted by Sen and Inagnga (2005), Titled ' Creative Accounting in Bangladesh and the worldwide perspective, creative accounting has discovered that it includes: concealing financial risk, circumventing borrowing constraints, evading shareholder control, boosting, reported profit / minimizing reported losses, manipulating important market analysis ratios, Improving efficiency in leadership and gaining access to finance would otherwise not be possible. They also found that if any organization practices creative accounting there is plenty of scope to manipulate and manipulate accounting information such manipulation could leave the shareholder, the public, the government and any interested party absolutely confused as to what is and what is not real and true in connection with a published set of accounting statements.

Here in Nigeria, Izeze (2008) found evidence of creative accounting practice in multinational petroleum companies ' books. He noted that the numbers of oil transactions presented to the Nigerian National Petroleum Corporation (NNPC) and the Petroleum Resources Department (DPR) are mainly cooked up and that for a long time, Nigeria's oil multinationals have inadvertently engaged in creative accounting, fleeing the nation from its huge fortunes. African Petroleum Plc's leadership also used creative accounting to conceal a N 23 billion debt during the company's privatization (Proshare, 2009). This act is the antecedent of its share scandal.

Amat, Blake and Dowds (1999) submit that the incidence of creative accounting is common, deceitful and therefore undesirable.

Moldovan, Achim, & Avram, (2010) researched the role of creative accounting as an account manipulation method as opposed to fair-view presentation and accounting profession morality. The writers evaluated the views of various writers on the topic in this research while contrasting both fraud and professional morality with creative accounting. They also described the inverse causal relationship between the principle of creative accounting and the principle of fair perspective. The research evaluated the creative account writings of other writers to discover or suggest alternatives to this issue that threaten the fair presentation. Accounting rules and professional accounting ethics are the suggested solutions in this region. These alternatives are defined by their practicality and the business itself and other interested customers can put them into practice.

(Vladu, & Matis, 2010conducted a survey on the link between corporate governance and creative accounting. The author says that corporate governance concerns the connection between the leadership of a business and its board of directors, shareholders and lenders, as well as stakeholders such as staff, clients, vendors, and the community in which it operates. In the process of understanding, strengthening and rediscovering this association, the research provides interesting insights into this connection by examining the previously established appropriate thoughts. The author wished to strengthen the position of literature analysts as an interpreter by undertaking this research.

(Matar & Al Halabi, 2009) The role that auditors can play in limiting creative accounting and its impact on accounting data reliability was explored. The aim of the research is to define the techniques used in creative accounting practices and their impacts on accounting data reliability and to determine the incentives for management to practice them. Another significant objective of the research is to define the role of auditors in identifying and limiting the creative accounting methods that Jordanian shareholding businesses have played. The research finds that the techniques used in creative accounting practice influence the accuracy of announced accounting data by the sort of Jordanian businesses listed above. Furthermore, the research discovers that management practices various techniques of creative accounting, but auditors take the necessary processes and tests to detect these practices.

(Dahdouh, 2006) conducted an associated research on creative accounting and auditors ' role in this problem. The research objects to determine the issue of financial statements fraudulent and to identify the factors that determine its detection after failure in several big companies around the globe. The research concentrated on auditors ' role in identifying Jordanian fraudulent activities. He discovers that there are several variables connected with auditors and other variables connected with the company can help detect financial statements fraudulent. The study's most significant conclusion is that the capacity of auditors to detect fraudulent financial statements is affected by various variables connected with these companies ' issuances.

(Osazevbaru, 2012) Reviewed creative accounting and market value of the company in Nigeria. The research found that many Nigerian banks indulged in creative accounting through direct loans to shareholders to purchase the bank's stocks in order to maintain demand pressure to cause unreduced price rises without capital base appreciation.

(Sanusi & Izadonmi, 2013) Noted that creative accounting in Nigerian commercial banks is intended to increase the share market value.

(Akenbor & ibanihuka, 2012) Reviewed creative accounting practices in the Nigerian banking industry and discovered that Nigerian banks ' main reason for creative accounting practices is to increase the market value of stocks.

CHAPTER THREE

METHODOLOGY

3.1 Research Design

As stated in Taole (2008), A research design is a plan that guides the scientist through observations collection, analysis and interpretation. For this study, the research design is the survey research method, it is a logical evidence model that enables the investigator to draw inferences about casual relationships among the factors under this research.

3.2 Population of Study

This study's population includes 21 consumer goods production businesses, taking into account the information source's precision and reliability and accessibility.

3.3 Sampling Techniques

The sample technique of this study will be the random sampling technique.

3.4 Sampling Size Determination

According to Ezejuele & Ogwo (1990), For this study, 10% of consumers ' products businesses were purposely chosen on the basis of the criteria of those with full information, taking into account the precision and reliability of the data source, this research is aimed at a particular population of accountants, inner auditors, chief cashiers and managers of finance. The questionnaires were distributed to four consumer goods companies which includes: Nestle Nigeria plc, Dangote Sugar Refinery Plc, Flour mills of Nigeria Plc. and Nigerian Breweries

3.5 Method of Data Collection

The main and secondary data involve kinds of information. The primary data used to collect data for this research is where a survey questionnaire will be administered and the secondary data will be from previous associated works, publications, articles, textbooks to complement primary data in order to obtain more information.

3.6 Research Instrument

The information collection study tool used in this studies is a questionnaire, the questionnaire is intended on an ordinal scale with strong agreement, agreement, fair agreement, strong disagreement, and fair disagreement on the use of a 6-pointer Likert-type scale. It consists of two sections, the first section is based on the respondent's socio-demographic variables, e.g. age sex, occupation etc., while the second section is based on research questions.

3.7.1 Validity of Research Instrument

Validity being the appropriateness, meaningfulness and usefulness of particular inferences taken from the study tool, validity would be determined in a number of ways, including discussions with the manager, who will evaluate the validity characteristics, helping to evaluate the suitable sentence construction, the comprehensiveness of the tool and the clarity of language.

3.7.2 Reliability of Test

Reliability concerns the consistency of the tool, which implies that if the circumstances stay the same, the questions in the study will receive the same sort of reaction

3.8 Method of Data Analysis

The study is implementing a range of statistical techniques and processes such as helping to examine study hypothesis, including reliability and validity testing, frequency analysis, autonomous sample test statistics, matrix of correlation, linear regression, and sample regression. All statistical processes have been estimated using version 21 of the Social Sciences Statistical Package (SPSS). Descriptive statistics model, this offers summary statistics such as mean, median and standard deviation to the investigator.

3.9 Model specification

$CA = \alpha_1 + \lambda_1 ROA + \beta_1 ROI + \delta_1 MS + \varepsilon_t$

CA = *ƒ* (CP)

CA= *ƒ* (ROA, ROI, MS)

CP= *ƒ* (ROA, ROI, MS)

Where: CP= Corporate Performance

CA = creative accounting.

ROA= return on asset.

ROI =return on investment.

MS = market share.

ε_t =error term.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

The purpose of this chapter is to present and analyse the result of the available data collected on the effect of creative accounting on corporate performance in the Nigerian manufacturing companies. It represent the primary data collected for the study through the instrument of questionnaires. The data was accordingly sorted out, summarized, analysed and interpreted before conclusion was drawn on the study. This chapter is presented in the following sequence

a. Demographic characteristics
b. Empirical analysis
c. Discussion of findings.

Table 4.1 Questionnaire Distribution

	Frequency	Percentage (%)
Returned and duly completed	92	92%
Unreturned	8	8%
Total	100	100%

Source: researchers field survey, 2019

4.1 Demographic Characteristics of Respondents

This section sets out the identity of respondents grouped by demographic characteristics.

Table 4.2 Analysis of respondent’s profile

	Frequency	**Percentage %**
Age		
18- 30	59	64.1
31-40	26	28.3
41-50	7	7.6
51-60	-	-
Above 60	-	-
Total	**92**	**100**
Female	50	54.3
Male	42	45.7
Total	**92**	**100**
Marital status		
Single	47	51.1
Married	44	47.8
Widow/widower	-	-
Separated	1	1.1
Divorced	-	-
Total	**92**	**100**
Educational qualification		
School certificate	4	4.3
Undergraduate	9	9.8
Post graduate	79	85.9

Total	**92**	**100**
Years of experience		
1-5 years	62	67.4
6-10 years	23	25.0
11-15 years	7	7.-6
16-20 years	-	-
Above 20	-	-
Total	**92**	**100**

Table 4.2 shows that majority of the respondents are between the age bracket of 18-30 years, consisting 64.1% of the total respondents. This implies that the designated respondents fell among the working class age bracket. Hence, it can be said that informed respondents filled the questionnaire, thus, their opinion can be trusted. Table 4.2 also shows that majority of the respondents are post graduates representing 85.9 percent of the total respondents. This implied that educated and well informed respondent filled the questionnaire thus their opinion can be trusted, also table 4.2 shows that 100% of the respondents have experience ranging from 1-15 years.

Furthermore, table 4.2 shows that 44 respondents representing 47.8% of the total respondents are married, and 47 respondents representing 51.1% of the total respondents are single while just one respondent representing 1.1% is separated, no respondents is a widow or divorcee.

4.1.2 Analysis of Respondent's Responses.

S/NO	STATEMENTS	SD 1	D 2	FD 3	FA 4	A 5	SA 6	mean
1.	Most audited financial statement are not transparent.	6(6.5%)	20(21.7%)	15(16.3%)	7(7.6%)	34(37%)	10(10.9)	3.79
2.	Assets are sold to pump money into the company to pay shareholders.	4(4.3%)	30(32.6%)	11(12.0%)	16(17.4%)	21(22.8%)	10(10.9%)	3.54
3.	Creative accounting has made the return on asset of this company high.	3(3.3%)	23(25.0%)	7(7.6%)	19(20.7%)	28(30.4%)	12(13%)	3.89
4.	Creative accounting has made the company's inventory turnover high.	2(2.2%)	21(22.8%)	4(4.3%)	27(29.3%)	32(34.8%)	6(6.5%)	3.91
5.	Window dressed financial statement improves the goodwill of the company.	12(13.0%)	14(15.2%)	16(17.4%)	15(16.3%	26(28.3%)	9(9.8%)	3.61

Interpretation:

From the table 4.1.2, 6 respondents representing 6.5% of the total respondents strongly disagree that most audited financial statement are not transparent. Another 20 respondents representing

21.7% disagreed with this notion while 15 respondents representing 16.3 % fairly disagree with this notion. But 34 respondents representing 37.0% of the total respondents agree that most audited financial statement are not transparent. And 10 respondents representing 10.9% of the total population strongly agree to this notion and 7 respondents which is 7.6% fairly agreed to it

Also from this table we can see that 4 respondents representing 4.3% of the total population strongly disagree that assets are sold to pump money into the company to pay shareholders. Another 30 respondents representing 32.6% disagreed with this notion and 11 respondents representing 12% fairly disagreed to the notion. 21 respondents representing 22.8% of the total respondents agree that assets are sold to pump money into the company to pay shareholders while 16 respondents representing 17.4% fairly agree and 10 respondents 10.9% strongly agree to the notion. From the table above we can deduce that 3 respondents representing 3.3% of the total population strongly disagree that creative accounting has made the return on asset of their company high, and 23 respondents representing 25% of the total respondents disagree with this notion and 7 respondents which is 7.6% fairly disagree to the notion, they are not fully disagreeing, 19 respondents representing 20.7% of the total population fairly agree to this and 28 respondents that is 30.4% agree that creative accounting has made the return on asset of their company high, also 12 respondents which is 13% strongly agree to this notion. Also to the question that creative accounting has made the company's inventory turnover high 2 respondents representing 2.2% of the total population strongly disagree,21 respondents which is 22.8% of the total population disagree and 4 respondents fairly disagree,27 respondents with 29.3% fairly agree with 32 respondent representing 34.8% agree to it and 6 respondent strongly agree which is 6% of the total population And to the notion that says window dressed financial statement improves the goodwill of the company12 respondents which is 13% strongly disagreed,14 respondents representing 15.2% disagreed,16 respondents representing17.4 fairly agreed, 26 respondents representing 28.3% agree and 9 respondents representing 9.8% of the total population strongly disagree.

S/NO	STATEMENTS	SD 1	D 2	FD 3	FA 4	A 5	SA 6	mean
6.	The use of creative accounting makes people invest more into the company.	6(6.5%)	10(10.9%)	4(4.3%)	13(14.1%)	49(53.3%)	10(10.9%)	4.29
7.	Investors rely on audited financial statement for their investment decisions.	1(1.1%)	4(4.3%)	1(1.1%)	16(17.4%)	54(58.7%)	16(17.4%)	4.80
8.	The financial statement that most investors see are the window dressed financial statements.	2(2.2%)	14(16%)	16(17.4%)	8(8.7%)	43(46.7%)	9(9.8%)	4.12
9.	The investors are not always aware that the financial statement are window dressed.	1(1.1%)	23(25%)	7(7.6%)	16(17.4%)	34(37%)	11(12%)	4.00
10.	Creative accounting makes return on investment positive.	2(2.2%)	14(15%)	10(10.9%)	19(20.7%)	34(37%)	13(14.1%)	4.17

Interpretation:

From the table 4.1.3, 6 respondents representing 6.5% of the total respondents strongly disagree that the use of creative accounting makes people invest more into the company. Another 10 respondents representing 10.9% disagreed with this notion while 4 respondents representing 4.3 % fairly disagree with this notion. But 49 respondents representing 53.3% of the total respondents agree that the use of creative accounting makes people invest more into the company. And 10 respondents representing 10.9% of the total population strongly agree to this notion and 13 respondents which is 14.1% fairly agreed to it.

Also from this table we can see that 1 respondent representing 1.1% of the total population strongly disagree that investors rely on audited financial statement for their investment decisions. Another 4 respondents representing 4.3% disagreed with this notion and 1 respondent representing 1.1% fairly disagreed to the notion. 54 respondents representing 58.7% of the total respondents agree that investors rely on audited financial statement for their investment decisions while 16 respondents representing 17.4% fairly agree and 16 respondents 17.4% strongly agree to the notion. From the table above we can deduce that 2 respondents representing 2.2% of the total population strongly disagree that the financial statement that most investors see are the window dressed financial statements, and 14 respondents representing 15.2% of the total respondents disagree with this notion and 16 respondents which is 17.4% fairly disagree to the notion, they are not fully disagreeing, 8 respondents representing 8.7% of the total population fairly agree to this and 43 respondents that is 46.7% agree that the financial statement that most investors see are the window dressed financial statement, also 9 respondents which is 9.8% strongly agree to this notion. Also to the question that ask if investors are not always aware that the financial statement are window dressed, 1 respondent representing 1.1% of the total population strongly disagree,23 respondents which is 25.0% of the total population disagree and 7 respondents fairly disagree,16 respondents with 17.4%

fairly agree with 34 respondent representing 37.0% agree to it and 11 respondent strongly agree which is 12.0% of the total population And to the notion that says creative accounting makes return on investment positive, 2 respondents which is 2.2% strongly disagreed,14 respondents representing 15.2% disagreed,10 respondents representing10.9% fairly agreed, 34 respondents representing 37.0% agree and 13 respondents representing 14.1% of the total population strongly disagree.

S/NO	STATEMENTS	SD 1	D 2	FD 3	FA 4	A 5	SA 6	mean
11.	Creative accounting has made the total market share of the sales of this company high.	6(6.5%)	14(15.2%)	5(5.4%)	27(29.3%)	33(35.9%)	7(7.6%)	3.96
12.	Creative accounting has made the piece-earnings ratio of this company high.	5(5.4%)	16(17.4%)	15(16.3%)	22(23.9%)	29(31.5%)	5(5.4%)	3.75
13.	Window dressing increases the percentage of the firm's total sales	5(5.4%)	16(17.4%)	19(20.7%)	17(18.5%)	29(31.5%)	6(6.5%)	3.73
14.	Creative accounting helps the firm get good acquisition skills.	6(6.5%)	19(20.7%)	23(25%)	11(12%)	29(31.5%)	4(4.3%)	3.54
15.	Creative accounting puts the firm in growth mode.	4(4.3%)	15(16.3%)	22(23.9%)	17(18.5%)	28(30.4%)	6(6.5%)	3.74

Interpretation:

From the table 4.2, 6 respondents representing 6.5% of the total respondents strongly disagree that the use of creative accounting has made the total market share of the sales of the company high. Another 14 respondents representing 15.2% disagreed with this notion while 5 respondents representing 5.4 % fairly disagree with this notion. But 33 respondents representing 35.9% of the total respondents agree that the use of creative accounting has made the total market share of the sales of the company high. And 7 respondents representing 7.6%

of the total population strongly agree to this notion and 27 respondents which is 29.3% fairly agreed to it.

Also from this table we can see that 5 respondents representing 5.4% of the total population strongly disagree that creative accounting has made the piece-earnings ratio of their company high. Another 16 respondents representing 17.4% disagreed with this notion and 15 respondents representing 16.3% fairly disagreed to the notion. 29 respondents representing 31.5% of the total respondents agree that creative accounting has made the piece-earnings ratio of their company high, while 22 respondents representing 23.9% fairly agree and 5 respondents 5.4% strongly agree to the notion. From the table above we can deduce that 5 respondents representing 5.4% of the total population strongly disagree that window dressing increases the percentage of the firm's total sale, and 16 respondents representing 17.4% of the total respondents disagree with this notion and 19 respondents which is 20.7% fairly disagree to the notion, they are not fully disagreeing, 17 respondents representing 18.5% of the total population fairly agree to this and 29 respondents that is 31.5% agree that window dressing increases the percentage of the firm's total sales, also 6 respondents which is 6.5% strongly agree to this notion. Also to the question that asked if creative accounting helps the firm get good acquisition skills, 6 respondent representing 6.5% of the total population strongly disagree, 19 respondents which is 20.7% of the total population disagree and 23 respondents fairly disagree, 11 respondents with 12.0% fairly agree with 29 respondent representing 31.5% agree to it and 4 respondent strongly agree which is 4.3% of the total population. And to the notion that says creative accounting puts the firm in growth mode, 4 respondents which is 4.3% strongly disagreed, 15 respondents representing 16.3% fairly disagreed, 17 respondents representing18.5% fairly agreed, 28 respondents representing 30.4% agree and 6 respondents representing 6.5% of the total population strongly disagree.

4.2 Test of Hypothesis One

Research objective 1: To examine the effect of creative accounting practices on return on asset

Research question 1: What is the effect of creative accounting practices on return on assets?

Research hypothesis 1: There is no significant relationship between creative accounting and return on assets.

Table 4.3 Test of Hypothesis One

Variable	Model 1			
	Coefficient	Standard error	t-stat	Prob/sig
Constant	3.581	1.206	2.97	.004
Return on assets	.021	.221	.095	.924
R^2	.019			
Adj. R^2	.008			
Standard Error of the estimate	.498			
F-statistic	1.771			
Prob.(F-stat)	.187			
Observation	92			

Dependent variable: creative accounting *significance at 5%

(Researcher, 2019)

Interpretation:

Model 1:=

$CA= \alpha + \beta_1 ROA+ \beta_2\ ROI+ \beta_3\ MS+\mu_1$

The linear regression estimates in model one shows that return on assets has a positive effect on creative accounting. This is indicated by the sign of the coefficient β_1=.021. This result is consistent with our *apriori* expectations that all measures creative accounting will have a positive influence on return on assets. The probability of t-statistic for return on assets stood at 0.95. This implies that return on assets is not significant with p-value more than 5% level of significance.

Also from table 4.3, the size of the coefficient of the independent variable shows that a 1% increase in return on assets will cause .021 increase in creative accounting.

Furthermore the adjusted R-squared show that 0.8% variation in return on assets can be attributed to creative accounting, while the remaining 99.2% variation in creative accounting are caused by other factors not included in the model. Although the coefficient of determination shows that model 1 has a weak explanatory power, the probability of F-statistic of .187 shows that the regression result is not statistically significant because this is more than five percent, the level of significance adopted for this study.

Therefore, the null hypothesis 1 that there is no significant relationship between return on assets and creative accounting is accepted. Hence creative accounting does not significantly affect return on assets as a measure of corporate performance in manufacturing companies in Nigeria.

4.3 Test of Hypothesis Two

Research objective 2: To examine the effect of creative accounting practices on return on investment

Research question 3: What is the effect of creative accounting practices on return on investments?

Research hypothesis 3: There is no significant relationship between creative accounting and return on investment.

Table 4.4 Test of Hypothesis Two

Variable	Model 2			
	Coefficient	Standard error	t-stat	Prob/sig
Constant	5.159	.221	23.322	.000
return on investment	.066	.050	1.331	.187
R^2	.007			
Adj. R^2	-.005			
Standard Error of the estimate	.501			
F-statistic	.591			
Prob.(F-stat)	.444			
Observation	92			

Dependent variable: creative accounting *significance at 5%

(Researcher's field study 2019)

Interpretation:

Model 2:

CA= $\alpha + \beta_1 ROA + \beta_2\ ROI + \beta_2\ MS + \mu_1$

The linear regression estimates in model one shows that return on investment has a positive effect on creative accounting. This is indicated by the sign of the coefficient β_1=.066. This result is consistent with our *apriori* expectations that all measures creative accounting will have a positive influence on return on investment. The probability of t-statistic for return on investment stood at 1.331. This implies that return on investment is not significant with p-value more than 5% level of significance.

Also from table 4.4, the size of the coefficient of the independent variable shows that a 1% increase in return on investment will cause .066 increase in creative accounting.

Furthermore the adjusted R-squared show that -.005 variation in return on assets can be attributed to creative accounting, while the remaining 99.5% variation in creative accounting are caused by other factors not included in the model. Although the coefficient of determination shows that model 2 has a weak explanatory power, the probability of F-statistic of .444 shows that the regression result is not statistically significant because this is more than five percent, the level of significance adopted for this study.

Therefore, the null hypothesis 1 that there is no significant relationship between return on investment and creative accounting is accepted. Hence creative accounting does not significantly affect return on investment as a measure of corporate performance in manufacturing companies in Nigeria.

4.4 Test of Hypothesis Three

Research objective 3: To examine the effect of creative accounting practices on market share

Research question 3: What is the effect of creative accounting practices on market share?

Research hypothesis 3: There is no significant relationship between creative accounting and market share

Table 4.5 Test of Hypothesis Three

Variable	Model 3			
	Coefficient	Standard error	t-stat	Prob/sig
Constant	5.317	.175	30.414	.000
market share	.034	.044	.769	.444
R^2	.007			
Adj. R^2	-.005			
Standard Error of the estimate	.501			
F-statistic	.591			
Prob.(F-stat)	.444			
Observation	92			

Dependent variable: creative accounting *significance at

(Researcher, 2019)

Interpretation:

Model 3:

CA= $\alpha + \beta_1$ROA+ β_2 ROI+ β_3 MS+μ_1

The linear regression estimates in model 3 shows that market share has a positive effect on creative accounting. This is indicated by the sign of the coefficient β_1=.034. This result is consistent with our *apriori* expectations that all measures creative accounting will have a positive influence on return on assets. The probability of t-statistic for market share stood at .769. This implies that return on assets is not significant with p-value more than 5% level of significance.

Also from table 4.5, the size of the coefficient of the independent variable shows that a 1% increase in market share will cause .034 increase in creative accounting.

Furthermore the adjusted R-squared show that -0.5% variation in market share can be attributed to creative accounting, while the remaining 99.5% variation in creative accounting are caused by other factors not included in the model. Although the coefficient of determination shows that model 1 has a weak explanatory power, the probability of F-statistic of .444 shows that the regression result is not statistically significant because this is more than five percent, the level of significance adopted for this study.

Therefore, the null hypothesis 3 that there is no significant relationship between market share and creative accounting is accepted. Hence creative accounting does not significantly affect market share as a measure of corporate performance in manufacturing companies in Nigeria.

4.5 Discussion of Findings

The linear regression estimates in model one shows that return on assets has a positive effect on creative accounting. This is indicated by the sign of the coefficient β_1=.021. The probability of t-statistic for return on assets stood at 0.95. This implies that return on assets is not significant with p-value more than 5% level of significance. Also from table 4.4, the size of the coefficient of the independent variable shows that a 1% increase in return on assets will cause .021 increase in creative accounting. Furthermore the adjusted R-squared show that 0.8% variation in return on assets can be attributed to creative accounting, while the remaining 99.2% variation in creative accounting are caused by other factors not included in the model. Although the coefficient of determination shows that model 1 has a weak explanatory power, the probability of F-statistic of .187 shows that the regression result is not statistically significant because this is more than five percent, the level of significance adopted for this study. Therefore, the null hypothesis 1 that there is no significant relationship between return on assets and creative accounting is accepted. Hence creative accounting does not significantly affect return on assets as a measure of corporate performance in manufacturing companies in Nigeria.

The linear regression estimates in model 2 shows that return on investment has a positive effect on creative accounting. This is indicated by the sign of the coefficient β_1=.066. The probability of t-statistic for return on investment stood at 1.331. This implies that return on investment is not significant with p-value more than 5% level of significance. Also from table 4.5, the size of the coefficient of the independent variable shows that a 1% increase in return on investment will cause .066 increase in creative accounting. Furthermore the adjusted R-squared show that -.005 variation in return on assets can be attributed to creative accounting, while the remaining 99.5% variation in creative accounting are caused by other factors not included in the model. Although the coefficient of determination shows that model 2 has a weak explanatory power, the probability of F-statistic of .444 shows that the regression result is not statistically significant because this is more than five percent, the level of significance adopted for this study. Therefore, the null hypothesis 1 that there is no significant relationship between return on investment and creative accounting is accepted. Hence creative accounting does not significantly affect return on investment as a measure of corporate performance in manufacturing companies in Nigeria.

The linear regression estimates in model 3 shows that market share has a positive effect on creative accounting. This is indicated by the sign of the coefficient β_1=.034. This result is consistent with our *apriori* expectations that all measures creative accounting will have a positive influence on return on assets. The probability of t-statistic for market share stood at .769. This implies that return on assets is not significant with p-value more than 5% level of significance. Also from table 4.5, the size of the coefficient of the independent variable shows that a 1% increase in market share will cause .034 increase in creative accounting. Furthermore the adjusted R-squared show that -0.5% variation in market share can be attributed to creative accounting, while the remaining 99.5% variation in creative accounting are caused by other factors not included in the model. Although the coefficient of determination shows that model 1 has a weak explanatory power, the probability of F-statistic of .444 shows that the regression result is not statistically significant because this is more than five percent, the level of significance adopted for this study. Therefore, the null hypothesis 3 that there is no significant relationship between market share and creative accounting is accepted. Hence creative accounting does not significantly affect market share as a measure of corporate performance in manufacturing companies in Nigeria.

S/N	HYPOTHESIS(NULL)	RESULT
1.	There is no significant relationship between creative accounting practices and return on assets	Accepted
2.	There is no significant relationship between creative accounting and investment	Accepted
3.	There is no significant relationship between creative accounting and market share	Accepted

(Source: Researcher’s Field Survey, 2019)

CHAPTER FIVE

SUMMARY, FINDINGS AND CONCLUSION.

5.0 Introduction

This chapter outlines the entire work and findings thereof. Based on these, recommendations and conclusion are drawn. The study investigates the relationship between creative accounting and coporate performance.This chapter also deals with the summary of the study, descriptive and empirical findings as well as conclusion and recommendations made to the study's contribution to knowledge and suggestions for further research.

5.1 Summary

This study empirically investigated the effect of creative accounting and corporate performance. Previous studies concentrated mainly on the relationship between creative accounting and auditors, ethics using firm attributes such as market share, profitability to mention but a few. Little attention was placed on the effect of creative accounting on corporate performance. Thus this study was designed to investigate the effect of creative accounting on corporate performance.

The study was structured into five chapters. Chapter one looked into the background of the study, identify the problem of the study, objectives of the study were defined, research questions and hypothesis to guide the investigation were formulated. The chapter also highlighted the justification and significance of the study, the scope as well as identified and operationalized the study variables. Also relevant terms to the study were defined based on their contextual use in the study. In summary the chapter serves as introduction to the study.

Chapter two deals with three basic components of the study, these are the conceptual review which emphasizes the concept of creative accounting, window dressing, income smoothing, return on assets, return on investment and market share The theoretical review emphasizes on the stakeholders theory, agency theory and policeman theory. Empirical reviews studies in developed countries, studies on creative accounting, studies on creative accounting in the banking systems, studies on companies that have liquidated due to creative accounting, studies on affected companies and studies on manufacturing companies.

Chapter three presents the methodology for the study. Essentially, the chapter discusses the design and population of the study. An appropriate sample size was determined and selected using **random sampling method.** Type and source of data were also discussed. Methods of data collection, validity and reliability test of research instrument, method of data analysis and *apriori* expectation were described. The functional relationship between the dependent and independent variable of this research work was described in the model specification.

The chapter four covers the presentation, analyses and interpretation of data collected. The data were analysed into three parts under section one, two and three, namely; demographic characteristics of respondents, empirical analysis and discussion of findings using regression analysis.

This chapter gives summary of the study as well as their findings and their implications. Conclusions were drawn and recommendations made. Finally, the chapter highlighted the limitations of the study, the study’s contribution to knowledge and suggestion for further study research.

5.1.1 Summary of Findings

The study investigated the effect of creative accounting on corporate performance through a well detailed review in the study, the study found out that according to my result in the hypothesis one that return on assets has a positive effect on creative accounting but creative accounting does not significantly affect return on assets as a measure of corporate performance in manufacturing companies in Nigeria. So therefore the null hypothesis was accepted.

It was also shown in this study as stated in hypothesis two, model 2, that even though return on investment has a positive effect on creative accounting, creative accounting does not significantly affect return on investment as a measure of corporate performance in manufacturing companies in Nigeria, the null hypothesis was also accepted.

The study also shows in accordance with the result gotten from model 3, in analysing hypothesis 3 that market share has a positive effect on creating accounting but creative accounting does not have significant effect on market share and the null hypothesis was also accepted.

5.2 Conclusion

Based on table on the result of the test of hypothesis, creative accounting shows a positive relationship between return on asset, return on investment and market share as a measurement of corporate performance. And these variables was also found not to have a significant moderating effect on the relationship between creative accounting and corporate performance in the Nigerian manufacturing companies and the null hypothesis were accepted

5.3 Recommendation

This study focused on the effect of creative accounting on corporate performance in Nigerian manufacturing firms, Based on the findings and conclusions of this study, it specifically dealt with return on assets, return on investment and market share which are measure of corporate performance and recommend that more investigation and further studies should be carried out.

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Appendix I: Questionnaire

This questionnaire is meant to collect data regarding the research topic "The Effect of Creative Accounting on Corporate performance in Nigeria"

CONSENT: Kindly tick the appropriate box to signify your consent to be part of this study

Yes ☐ No ☐

Section A: Bio-Data

Instruction: Tick the appropriate **box** as relating to your personality.

1. Name of company: ___________________________________
2. Gender: A. Female ☐ B. male ☐
3. Age group: A. 18 to 30 ☐ B. 31 to 40 ☐ C. 41 to 50 ☐ D.51 to 60 ☐ E. Above 60 ☐
4. Marital Status: A. Single ☐ B. Married ☐ C. Widow/Widower ☐ D. Separated ☐ E. Divorced ☐
5. Educational Qualifications: A. School Certificate ☐ B. Undergraduate ☐ C. Post Graduate ☐
6. Years of experience: A. 1 to 5 years ☐ B. 6 to 10 years ☐ C. 11 to 15 years D. 16 to 20 years ☐ E. Above 20 years ☐

Section B

i. The Effect of Creative Accounting on Return on Assets

Kindly indicate the extent to which you agree or disagree with the statement using the following.

(1 = Strongly Disagree, 2 = Disagree, 3 = Fairly Disagree, 4 = Fairly Agree, 5 = Agree, 6 = Strongly Agree)

S/NO	STATEMENTS	SD 1	D 2	FD 3	FA 4	A 5	SA 6
1.	Most audited financial statement are not transparent.						
2.	Assets are sold to pump money into the company to pay shareholders.						
3.	Creative accounting has made the return on asset of this company high.						
4.	Creative accounting has made the company's inventory turnover high.						
5.	Window dressed financial statement improves the goodwill of the company.						

ii. The Effect of Creative Accounting on Return on Investment

Kindly indicate the extent to which you agree or disagree with the statement using the following.

(1 = Strongly Disagree, 2 = Disagree, 3 = Fairly Disagree, 4 =Fairly Agree, 5 = Agree, 6 = Strongly Agree)

S/NO	STATEMENTS	SD 1	D 2	FD 3	FA 4	A 5	SA 6
6.	The use of creative accounting makes people invest more into the company.						
7.	Investors rely on audited financial statement for their investment decisions.						
8.	The financial statement that most investors see are the window dressed financial statements.						
9.	The investors are not always aware that the financial statement are window dressed.						
10.	Creative accounting makes return on investment positive.						

iii. The Effect of Creative Accounting on Market Share

Kindly indicate the extent to which you agree or disagree with the statement using the following.

(1 = Strongly Disagree, 2 = Disagree, 3 = Fairly Disagree, 4 = Fairly Agree, 5 = Agree, 6= Strongly Agree)

S/NO	STATEMENTS	SD 1	D 2	FD 3	FA 4	A 5	SA 6
11.	Creative accounting has made the total market share of the sales of this company high.						
12.	Creative accounting has made the piece-earnings ratio of this company high.						
13.	Window dressing increases the percentage of the firm's total sales						
14.	Creative accounting helps the firm get good acquisition skills.						
15.	Creative accounting puts the firm in growth mode.						

Appendix ii: Descriptive Statistical Analysis

Table 4.1;Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	50	54.3	54.3	54.3
	Male	42	45.7	45.7	100.0
	Total	92	100.0	100.0	

Table 4.1 show the frequency of the gender of the respondents. 50 (54.3%) of the respondents were female, while 42 (45.7%) of the sample were male.

Table 4.2:Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	59	64.1	64.1	64.1
	31-40	26	28.3	28.3	92.4
	41-50	7	7.6	7.6	100.0
	Total	92	100.0	100.0	

Table 4.2 displayed the age distribution of the respondents. Those in the age bracket 18-30 are 59 (64.1%), 26 (28.3%) are in 31-40 age bracket, 7 (7.6%) are in 41-50 age bracket. In essence, 92.4% of the respondents are below 50 years.

Table 4.3: Marital Status of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	47	51.1	51.1	51.1
	Married	44	47.8	47.8	98.9
	Separated	1	1.1	1.1	100.0
	Total	92	100.0	100.0	

Table 4.3 displayed the marital status of the respondents. 47 amounting to 51.1% of the respondents are single, 44 (47.8%) are married while only 1 amounting to 1.1% is separated.

Table 4.4: Educational qualification of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	School Cert	4	4.3	4.3	4.3
	Graduate	9	9.8	9.8	14.1
	Postgraduate	79	85.9	85.9	100.0
	Total	92	100.0	100.0	

Table 4.4 considered the educational qualification of the respondents. The school certificate holders are 4 (4.3%), graduates totalled 9 (9.8%) and postgraduate are 79 amounting to 85.9%.

Table 4.5: Years of Experience of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	62	67.4	67.4	67.4
	6-10 years	23	25.0	25.0	92.4
	11-15 years	7	7.6	7.6	100.0
	Total	92	100.0	100.0	

Table 4.5 look at the years of experience of the respondents. Those who have spent 1-5 years are 62 (67.4%), 23 (25%) are within the 6-10 years working experience, while 7 (7.6%) are within 11-15 years' experience. In essence, 92.4% have spent below 11-15 years.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.010[a]	.000	-.011	1.051

a. Predictors: (Constant), Creative Accounting

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.010	1	.010	.009	.924[b]
	Residual	99.468	90	1.105		
	Total	99.478	91			

a. Dependent Variable: Return on Assets

b. Predictors: (Constant), Creative Accounting

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.581	1.206		2.970	.004
	Creative Accounting	.021	.221	.010	.095	.924

a. Dependent Variable: Return on Assets

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.139[a]	.019	.008	.498

a. Predictors: (Constant), Return on Investment

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.439	1	.439	1.771	.187[b]
	Residual	22.290	90	.248		
	Total	22.728	91			

a. Dependent Variable: Creative Accounting

b. Predictors: (Constant), Return on Investment

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.159	.221		23.322	.000
	Return on Investment	.066	.050	.139	1.331	.187

a. Dependent Variable: Creative Accounting

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.081[a]	.007	-.005	.501

a. Predictors: (Constant), Market Share

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.148	1	.148	.591	.444[b]
	Residual	22.580	90	.251		
	Total	22.728	91			

a. Dependent Variable: Creative Accounting

b. Predictors: (Constant), Market Share

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.317	.175		30.414	.000
	Market Share	.034	.044	.081	.769	.444

a. Dependent Variable: Creative Accounting

Appendix iii: Empirical Statistical Analysis

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	Cases Used	All non-missing data are used.
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Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Most audited financial statement are not transparent	92	1	6	3.79	1.552
Assets are sold to pump money into the company to pay shareholders	92	1	6	3.54	1.515
Creative accounting has made the return on asset of this company high.	92	1	6	3.89	1.486
Creative accounting has made the company's inventory turnover high.	92	1	6	3.91	1.331

Window dressed financial statement improves the goodwill of the company.	92	1	6	3.61	1.583
The use of creative accounting makes people invest more into the company.	92	1	6	4.29	1.403
Investors rely on audited financial statement for their investment decisions	92	1	6	4.80	.964
The financial statement that most investors see are the window dressed financial statements	92	1	6	4.12	1.357
The investors are not always aware that the financial statement are window dressed.	92	1	6	4.00	1.430
Creative accounting makes return on investment positive.	92	1	6	4.17	1.356
Return on Investment	92	2	6	4.33	1.049
Creative accounting has made the total market share of the sales of this company high.	92	1	6	3.96	1.390
Creative accounting has made the piece-earnings ratio of this company high.	92	1	6	3.75	1.356
Window dressing increases the percentage of the firm’s total sales	92	1	6	3.73	1.384
Creative accounting helps the firm get good acquisition skills.	92	1	6	3.54	1.402
Creative accounting puts the firm in growth mode.	92	1	6	3.74	1.341
Market Share	92	1	6	3.77	1.187
Valid N (listwise)	92				

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Descriptives

Notes

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	Cases Used	All non-missing data are used.
Syntax		DESCRIPTIVES VARIABLES=q1 q2 q3 q4 q5 q6 q7 q8 q9 q10 QM2 q11 q12 q13 q14 q15 QM3 /STATISTICS=MEAN STDDEV MIN MAX.
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Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Most audited financial statement are not transparent	92	1	6	3.79	1.552
Assets are sold to pump money into the company to pay shareholders	92	1	6	3.54	1.515
Creative accounting has made the return on asset of this company high.	92	1	6	3.89	1.486
Creative accounting has made the company's inventory turnover high.	92	1	6	3.91	1.331
Window dressed financial statement improves the goodwill of the company.	92	1	6	3.61	1.583

The use of creative accounting makes people invest more into the company.	92	1	6	4.29	1.403
Investors rely on audited financial statement for their investment decisions	92	1	6	4.80	.964
The financial statement that most investors see are the window dressed financial statements	92	1	6	4.12	1.357
The investors are not always aware that the financial statement are window dressed.	92	1	6	4.00	1.430
Creative accounting makes return on investment positive.	92	1	6	4.17	1.356
Return on Investment	92	2	6	4.33	1.049
Creative accounting has made the total market share of the sales of this company high.	92	1	6	3.96	1.390
Creative accounting has made the piece-earnings ratio of this company high.	92	1	6	3.75	1.356
Window dressing increases the percentage of the firm's total sales	92	1	6	3.73	1.384
Creative accounting helps the firm get good acquisition skills.	92	1	6	3.54	1.402
Creative accounting puts the firm in growth mode.	92	1	6	3.74	1.341
Market Share	92	1	6	3.77	1.187
Valid N (listwise)	92				

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FREQUENCIES VARIABLES=q1 q2 q3 q4 q5 QM1 q6 q7 q8 q9 q10 QM2 q11 q12 q13
q14 q15 QM3
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Frequencies

Notes

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	Cases Used	Statistics are based on all cases with valid data.
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Statistics

		Most audited financial statement are not transparent	Assets are sold to pump money into the company to pay shareholders	Creative accounting has made the return on asset of this company high.	Creative accounting has made the company's inventory turnover high.	Window dressed financial statement improves the goodwill of the company.
N	Valid	92	92	92	92	92
	Missing	0	0	0	0	0

Statistics

		Return on Assets	The use of creative accounting makes people invest more into the company.	Investors rely on audited financial statement for their investment decisions	The financial statement that most investors see are the window dressed financial statements	The investors are not always aware that the financial statement are window dressed.
N	Valid	92	92	92	92	92
	Missing	0	0	0	0	0

Statistics

		Creative accounting makes return on investment positive.	Return on Investment	Creative accounting has made the total market share of the sales of this company high.	Creative accounting has made the piece-earnings ratio of this company high.	Window dressing increases the percentage of the firm’s total sales
N	Valid	92	92	92	92	92
	Missing	0	0	0	0	0

Statistics

		Creative accounting helps the firm get good acquisition skills.	Creative accounting puts the firm in growth mode.	Market Share
N	Valid	92	92	92
	Missing	0	0	0

Frequency Table

Most audited financial statement are not transparent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	disagree	20	21.7	21.7	28.3
	Fairly disagree	15	16.3	16.3	44.6
	Fairly agree	7	7.6	7.6	52.2
	Agree	34	37.0	37.0	89.1
	Strongly agree	10	10.9	10.9	100.0
	Total	92	100.0	100.0	

Assets are sold to pump money into the company to pay shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	4.3	4.3	4.3
	disagree	30	32.6	32.6	37.0
	Fairly disagree	11	12.0	12.0	48.9
	Fairly agree	16	17.4	17.4	66.3
	Agree	21	22.8	22.8	89.1
	Strongly agree	10	10.9	10.9	100.0
	Total	92	100.0	100.0	

Creative accounting has made the return on asset of this company high.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	3.3	3.3	3.3
	disagree	23	25.0	25.0	28.3
	Fairly disagree	7	7.6	7.6	35.9
	Fairly agree	19	20.7	20.7	56.5
	Agree	28	30.4	30.4	87.0
	Strongly agree	12	13.0	13.0	100.0
	Total	92	100.0	100.0	

Creative accounting has made the company's inventory turnover high.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	2.2	2.2	2.2
	disagree	21	22.8	22.8	25.0
	Fairly disagree	4	4.3	4.3	29.3
	Fairly agree	27	29.3	29.3	58.7
	Agree	32	34.8	34.8	93.5
	Strongly agree	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Window dressed financial statement improves the goodwill of the company.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	12	13.0	13.0	13.0
	disagree	14	15.2	15.2	28.3
	Fairly disagree	16	17.4	17.4	45.7
	Fairly agree	15	16.3	16.3	62.0
	Agree	26	28.3	28.3	90.2
	Strongly agree	9	9.8	9.8	100.0
	Total	92	100.0	100.0	

Return on Assets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.1	1.1	1.1
	disagree	13	14.1	14.1	15.2
	Fairly disagree	21	22.8	22.8	38.0
	Fairly agree	37	40.2	40.2	78.3
	Agree	18	19.6	19.6	97.8
	Strongly agree	2	2.2	2.2	100.0
	Total	92	100.0	100.0	

The use of creative accounting makes people invest more into the company.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	disagree	10	10.9	10.9	17.4
	Fairly disagree	4	4.3	4.3	21.7
	Fairly agree	13	14.1	14.1	35.9
	Agree	49	53.3	53.3	89.1
	Strongly agree	10	10.9	10.9	100.0
	Total	92	100.0	100.0	

Investors rely on audited financial statement for their investment decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.1	1.1	1.1
	disagree	4	4.3	4.3	5.4
	Fairly disagree	1	1.1	1.1	6.5
	Fairly agree	16	17.4	17.4	23.9
	Agree	54	58.7	58.7	82.6
	Strongly agree	16	17.4	17.4	100.0
	Total	92	100.0	100.0	

The financial statement that most investors see are the window dressed financial statements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	2.2	2.2	2.2
	disagree	14	15.2	15.2	17.4
	Fairly disagree	16	17.4	17.4	34.8
	Fairly agree	8	8.7	8.7	43.5
	Agree	43	46.7	46.7	90.2
	Strongly agree	9	9.8	9.8	100.0
	Total	92	100.0	100.0	

The investors are not always aware that the financial statement are window dressed.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.1	1.1	1.1
	disagree	23	25.0	25.0	26.1
	Fairly disagree	7	7.6	7.6	33.7
	Fairly agree	16	17.4	17.4	51.1
	Agree	34	37.0	37.0	88.0
	Strongly agree	11	12.0	12.0	100.0
	Total	92	100.0	100.0	

Creative accounting makes return on investment positive.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	2.2	2.2	2.2
	disagree	14	15.2	15.2	17.4
	Fairly disagree	10	10.9	10.9	28.3
	Fairly agree	19	20.7	20.7	48.9
	Agree	34	37.0	37.0	85.9
	Strongly agree	13	14.1	14.1	100.0
	Total	92	100.0	100.0	

Return on Investment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	6.5	6.5	6.5
	Fairly disagree	14	15.2	15.2	21.7
	Fairly agree	24	26.1	26.1	47.8
	Agree	40	43.5	43.5	91.3
	Strongly agree	8	8.7	8.7	100.0
	Total	92	100.0	100.0	

Creative accounting has made the total market share of the sales of this company high.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	disagree	14	15.2	15.2	21.7
	Fairly disagree	5	5.4	5.4	27.2
	Fairly agree	27	29.3	29.3	56.5
	Agree	33	35.9	35.9	92.4
	Strongly agree	7	7.6	7.6	100.0
	Total	92	100.0	100.0	

Creative accounting has made the piece-earnings ratio of this company high.

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	strongly disagree	5	5.4	5.4	5.4
	disagree	16	17.4	17.4	22.8
	Fairly disagree	15	16.3	16.3	39.1
	Fairly agree	22	23.9	23.9	63.0
	Agree	29	31.5	31.5	94.6
	Strongly agree	5	5.4	5.4	100.0
	Total	92	100.0	100.0	

Window dressing increases the percentage of the firm's total sales

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	5.4	5.4	5.4
	disagree	16	17.4	17.4	22.8
	Fairly disagree	19	20.7	20.7	43.5
	Fairly agree	17	18.5	18.5	62.0
	Agree	29	31.5	31.5	93.5
	Strongly agree	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Creative accounting helps the firm get good acquisition skills.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	disagree	19	20.7	20.7	27.2
	Fairly disagree	23	25.0	25.0	52.2
	Fairly agree	11	12.0	12.0	64.1
	Agree	29	31.5	31.5	95.7
	Strongly agree	4	4.3	4.3	100.0
	Total	92	100.0	100.0	

Creative accounting puts the firm in growth mode.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	4.3	4.3	4.3
	disagree	15	16.3	16.3	20.7
	Fairly disagree	22	23.9	23.9	44.6
	Fairly agree	17	18.5	18.5	63.0
	Agree	28	30.4	30.4	93.5
	Strongly agree	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Market Share

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	5.4	5.4	5.4
	disagree	8	8.7	8.7	14.1
	Fairly disagree	20	21.7	21.7	35.9
	Fairly agree	32	34.8	34.8	70.7
	Agree	24	26.1	26.1	96.7
	Strongly agree	3	3.3	3.3	100.0
	Total	92	100.0	100.0	

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Frequencies

Notes

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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on all cases with valid data.
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	Elapsed Time	00:00:00.11

Statistics

		Most audited financial statement are not transparent	Assets are sold to pump money into the company to pay shareholders	Creative accounting has made the return on asset of this company high.	Creative accounting has made the company's inventory turnover high.	Window dressed financial statement improves the goodwill of the company.
N	Valid	92	92	92	92	92
	Missing	0	0	0	0	0

Statistics

		The use of creative accounting makes people invest more into the company.	Investors rely on audited financial statement for their investment decisions	The financial statement that most investors see are the window dressed financial statements	The investors are not always aware that the financial statement are window dressed.	Creative accounting makes return on investment positive.
N	Valid	92	92	92	92	92
	Missing	0	0	0	0	0

Statistics

		Creative accounting has made the total market share of the sales of this company high.	Creative accounting has made the piece-earnings ratio of this company high.	Window dressing increases the percentage of the firm's total sales	Creative accounting helps the firm get good acquisition skills.	Creative accounting puts the firm in growth mode.
N	Valid	92	92	92	92	92
	Missing	0	0	0	0	0

Frequency Table

Most audited financial statement are not transparent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	Disagree	20	21.7	21.7	28.3
	Fairly disagree	15	16.3	16.3	44.6
	Fairly agree	7	7.6	7.6	52.2
	Agree	34	37.0	37.0	89.1
	Strongly agree	10	10.9	10.9	100.0
	Total	92	100.0	100.0	

Assets are sold to pump money into the company to pay shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	4.3	4.3	4.3
	Disagree	30	32.6	32.6	37.0
	Fairly disagree	11	12.0	12.0	48.9
	Fairly agree	16	17.4	17.4	66.3
	Agree	21	22.8	22.8	89.1
	Strongly agree	10	10.9	10.9	100.0
	Total	92	100.0	100.0	

Creative accounting has made the return on asset of this company high.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	3.3	3.3	3.3
	Disagree	23	25.0	25.0	28.3
	Fairly disagree	7	7.6	7.6	35.9
	Fairly agree	19	20.7	20.7	56.5
	Agree	28	30.4	30.4	87.0
	Strongly agree	12	13.0	13.0	100.0
	Total	92	100.0	100.0	

Creative accounting has made the company's inventory turnover high.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	2.2	2.2	2.2
	Disagree	21	22.8	22.8	25.0
	Fairly disagree	4	4.3	4.3	29.3
	Fairly agree	27	29.3	29.3	58.7
	Agree	32	34.8	34.8	93.5
	Strongly agree	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Window dressed financial statement improves the goodwill of the company.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	12	13.0	13.0	13.0
	Disagree	14	15.2	15.2	28.3
	Fairly disagree	16	17.4	17.4	45.7
	Fairly agree	15	16.3	16.3	62.0
	Agree	26	28.3	28.3	90.2
	Strongly agree	9	9.8	9.8	100.0
	Total	92	100.0	100.0	

The use of creative accounting makes people invest more into the company.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	Disagree	10	10.9	10.9	17.4
	Fairly disagree	4	4.3	4.3	21.7
	Fairly agree	13	14.1	14.1	35.9
	Agree	49	53.3	53.3	89.1
	Strongly agree	10	10.9	10.9	100.0
	Total	92	100.0	100.0	

Investors rely on audited financial statement for their investment decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.1	1.1	1.1
	Disagree	4	4.3	4.3	5.4
	Fairly disagree	1	1.1	1.1	6.5
	Fairly agree	16	17.4	17.4	23.9
	Agree	54	58.7	58.7	82.6
	Strongly agree	16	17.4	17.4	100.0
	Total	92	100.0	100.0	

The financial statement that most investors see are the window dressed financial statements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	2.2	2.2	2.2
	disagree	14	15.2	15.2	17.4
	Fairly disagree	16	17.4	17.4	34.8
	Fairly agree	8	8.7	8.7	43.5
	Agree	43	46.7	46.7	90.2
	Strongly agree	9	9.8	9.8	100.0
	Total	92	100.0	100.0	

The investors are not always aware that the financial statement are window dressed.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.1	1.1	1.1
	disagree	23	25.0	25.0	26.1
	Fairly disagree	7	7.6	7.6	33.7
	Fairly agree	16	17.4	17.4	51.1
	Agree	34	37.0	37.0	88.0
	Strongly agree	11	12.0	12.0	100.0
	Total	92	100.0	100.0	

Creative accounting makes return on investment positive.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	2.2	2.2	2.2
	disagree	14	15.2	15.2	17.4
	Fairly disagree	10	10.9	10.9	28.3
	Fairly agree	19	20.7	20.7	48.9
	Agree	34	37.0	37.0	85.9
	Strongly agree	13	14.1	14.1	100.0
	Total	92	100.0	100.0	

Creative accounting has made the total market share of the sales of this company high.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	disagree	14	15.2	15.2	21.7
	Fairly disagree	5	5.4	5.4	27.2
	Fairly agree	27	29.3	29.3	56.5
	Agree	33	35.9	35.9	92.4
	Strongly agree	7	7.6	7.6	100.0
	Total	92	100.0	100.0	

Creative accounting has made the piece-earnings ratio of this company high.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	5.4	5.4	5.4
	disagree	16	17.4	17.4	22.8
	Fairly disagree	15	16.3	16.3	39.1
	Fairly agree	22	23.9	23.9	63.0
	Agree	29	31.5	31.5	94.6
	Strongly agree	5	5.4	5.4	100.0
	Total	92	100.0	100.0	

Window dressing increases the percentage of the firm's total sales

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	5.4	5.4	5.4
	disagree	16	17.4	17.4	22.8
	Fairly disagree	19	20.7	20.7	43.5
	Fairly agree	17	18.5	18.5	62.0
	Agree	29	31.5	31.5	93.5
	Strongly agree	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Creative accounting helps the firm get good acquisition skills.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	6.5	6.5	6.5
	disagree	19	20.7	20.7	27.2
	Fairly disagree	23	25.0	25.0	52.2
	Fairly agree	11	12.0	12.0	64.1
	Agree	29	31.5	31.5	95.7
	Strongly agree	4	4.3	4.3	100.0
	Total	92	100.0	100.0	

Creative accounting puts the firm in growth mode.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	4	4.3	4.3	4.3
	disagree	15	16.3	16.3	20.7
	Fairly disagree	22	23.9	23.9	44.6
	Fairly agree	17	18.5	18.5	63.0
	Agree	28	30.4	30.4	93.5
	Strongly agree	6	6.5	6.5	100.0
	Total	92	100.0	100.0	