

Accounting and Finance Review

About the Journal

Overview

Accounting and Finance Review (AFR) is dedicated to advance academic research by publishing original scholarly manuscripts concerning issues relevant to the practice of accounting in a wide variety of contexts. The journal provides worldwide forum for the dissemination of original scholarly research which will elaborate the contemporary issues in the discipline and contribute to address these challenges that will be practiced in institutions and corporates globally. It embraces a range of methodological approaches such as analytical, archival, experimental, survey and qualitative case methods that is applied in solving emergent problems and accounting issues.

AFR is a quarterly (March, June, September and December) periodical that considers for publication original articles as per its scope. The journal publishes in English and it is open to authors around the world regardless of the nationality.

The Journal is available globally.

Aims and scope

The AFR aims to provide platform for high quality research related to accounting. The subject areas that is relevant to journal scope include:

- Accounting - Financial accounting, Management accounting, Corporate Governance, Board composition, Financial reporting quality, Intellectual capital accounting, Islamic accounting, Corporate Social Responsibility in governance, Financial reporting and accounting standards, taxation policy and outcomes, Accounting and e-business, Alternative reporting formats, Integrated reporting, Forensic accounting, Accounting education, Earning management, Non-financial performance measurement and reporting, Behavioural financial and accounting research, Education, training, and the role of professional accounting bodies, Accounting and accountability issues in the public sector, NGOs, multinational corporations, The impact of culture, ethnicity, and history on accounting, The role of accounting in socio-economic development and poverty reduction, Theoretical approaches to accounting;
- Finance - Financial innovations, Financial literacy, International finance, Behavioral corporate finance, Stock market, Risk management, Portfolio analysis, Corporate finance, Trading strategies in financial/derivative markets, Anomalies in financial markets, Mutual and hedge funds, Financial management, Financial decision making, Time value of money, Pricing financial services, Segmenting financial services customers, Wealth management, Regulations affecting financial services marketing, Segmenting financial services customers, Risk measurement and asset pricing.

Digital Certificate of Publication

Honor the publication of your research article in **Accounting and Finance Review** with a FREE digital certificate of publication. View the **PDF** for more information.

Citing journal articles

The abbreviation for the Accounting and Finance Review (AFR) is *Acc. Fin. Review*,

Publication policy

AFR policy prohibits an author from submitting the same manuscript for concurrent consideration by two or more publications. It prohibits as well publication of any manuscript that has already been published either in whole or substantial part elsewhere. It also does not permit publication of manuscript that has been published in full in Proceedings.

Originality

The author must ensure that when a manuscript is submitted to AFR, the manuscript must be an original work. The Author should check the manuscript for any possible plagiarism using any program such as Turnitin or any other software before submitting the manuscripts to the AFR Editorial Office.

All submitted manuscripts must be in the Journal's acceptable similarity index range: < 25%- PASS; 25-35%- RESUBMIT MS; > 35%- REJECT.

Lag time

A decision on acceptance or rejection of a manuscript is reached in 2 to 3 months (average 10 weeks). The elapsed time from submission to publication for the articles averages 4-5 months.



Authorship

Authors are not permitted to add or remove any names from the authorship provided at the time of initial submission without the consent of the Journal Editor in Chief.

Manuscript preparation

Refer to GATR Journals INSTRUCTIONS TO AUTHORS, available on the website.

Editorial process

AFR follows a double-blind peer-review process. Manuscripts deemed suitable for publication are usually sent to reviewers. Authors are encouraged to suggest names of at least three potential reviewers at the time of submission of their manuscript to AFR, but the editors will make the final choice. The editors are not, however, bound by these suggestions.

Notification of the editorial decision is usually provided within eight to ten weeks from the receipt of manuscript. Publication of solicited manuscripts is not guaranteed. In most cases, manuscripts are accepted conditionally, pending an author's revision of the material.

AFR Peer-Review

In the peer-review process, three referees independently evaluate the scientific quality of the submitted manuscripts. Peer reviewers are experts chosen by journal editors to provide written assessment of the strengths and weaknesses of written research, with the aim of improving the reporting of research and identifying the most appropriate and highest quality material for the journal.

Please direct all inquiries at: afr@gatrenterprise.com

INDEXING OF THE GATR JOURNALS



QUICK NAVIGATION

- [Home](#)
- [GATR Overview](#)
- [GATR BSS Experts Repository](#)
- [GATR Reviewers Repository](#)
- [Webmail](#)
- [CrossMark Policy Page](#)

[Call for Papers](#) | [Journal Policy & Ethics](#) | [Copyright & Conflict of Interest](#) | [Subscribe GATR Journals](#) | [Site Map](#) | [Contact Us](#)

CONNECT WITH US




Copyright © 2013-2020 by [Global Academy of Training and Research \(GATR\) Enterprise](#). All rights reserved.

GATR AFR

Accounting and Finance Review (AFR) Editorial Board


Editor:


[Kamran Ahmed, Ph.D.](#) 
 (La Trobe Business School, Australia)

Founding Editor :


[Kashan Pirzada, Ph.D.](#) 
 (University Utara Malaysia, Malaysia)

Associate Editors:


[Mohd Zulkhairi Bin Mustapha, Ph.D.](#) 
 (University of Malaya, Malaysia)


[Musa Mangena, Ph.D.](#) 
 (Nottingham University, United Kingdom)


Editorial Advisory Board:

[Danture Wickramasinghe, Ph.D.](#) 
 (University of Glasgow, UK)


[Mostafa Jazayeri, Ph.D.](#) 
 (Manchester Metropolitan University, UK)

[Normah Omar, Ph.D.](#) 
 (Universiti Teknologi MARA, Malaysia)


[Christian C.P. Wolff, Ph.D.](#) 
 (University of Luxembourg, Luxembourg)

[José G. Vargas-Hernández, Ph.D.](#) 
 (University of Guadalajara, Mexico)

[Milena Botlíková, Ph.D.](#) 
 (Silesian University, Czech Republic)


[Noor Sharoja Binti Sapiei, Ph.D.](#) 
 University of Malaya, Malaysia


[Veronika Bikse, Ph.D.](#) 
 (Liepaja University, Latvia)

[Peera Tangtammaruk, Ph.D.](#) 
 (Srinakharinwirot University, Thailand)


[I Putu Sudana, Ph.D.](#) 
 (Udayana University, Indonesia)

[Le Hoang Ba Huyen, Ph.D.](#) 
 (Hong Duc University, Vietnam)


[Rohana bt Kamaruddin](#) 
 (Universiti Teknologi MARA, Malaysia)

[Sanja Franc, Ph.D.](#) 
 University of Zagreb, Croatia

[Muhammad Umar Draz, Ph.D.](#) 
 (Universiti Teknologi PETRONAS, Malaysia)

[Jing Li, Ph.D.](#) 
 (Bradford University Management School, UK)

[Eddie Chamisa, Ph.D.](#) 
 (University of Cape Town, South Africa)

[Sina Yekini, Ph.D.](#) 
 (Coventry University, UK)

[Edward Bace](#) 
 (Middlesex University, UK)



INDEXING OF THE GATR JOURNALS



QUICK NAVIGATION

[Home](#)
[GATR Overview](#)
[GATR BSS Experts Repository](#)
[GATR Reviewers Repository](#)
[Webmail](#)
[CrossMark Policy Page](#)

CONNECT WITH US



Copyright © 2013-2020 by [Global Academy of Training and Research \(GATR\) Enterprise](#). All rights reserved.

Accounting and Finance Review (AFR)

Vol. 3 (4) Oct-Dec 2018

Content

The Accounting Conservatism of the Adoption of IFRS in Indonesia

Author(s): Juniarti, Devi Tirta Raharjo, Regina Monica

Affiliation: Petra Christian University, Jl. Siwalankerto 121-131, 60236, Surabaya, Indonesia

Keywords: Conservatism; Earning Quality; IFRS Adoption; Indonesia; Pre and Post-adoption.

Received: August 10, 2018 | **Accepted:** December 7, 2018

Type of Paper: Empirical | **Vol.** 3(4) **Page:** 93 – 104 | **Citation:** 0

[Abstract](#) | [PDF](#) | [Share](#) | [facebook](#) | [twitter](#) | [LinkedIn](#) | [Mendeley](#) | [ResearchGate](#)

Analysis of Voluntary Disclosure Before and After the Establishment of the Integrated Reporting Framework

Author(s): Nahariah Jaffar, Azleen Shabrina Mohd Nor, Zarehan Selamat

Affiliation: Faculty of Management, Multimedia University, Persiaran Multimedia, 63100 Cyberjaya, Selangor, Malaysia

Keywords:

Received: August 11, 2018 | **Accepted:** December 8, 2018

Type of Paper: Empirical | **Vol.** 3(4) **Page:** 105 – 113 | **Citation:** 1

[Abstract](#) | [PDF](#) | [Share](#) | [facebook](#) | [twitter](#) | [LinkedIn](#) | [Mendeley](#) | [ResearchGate](#)

Information Asymmetry in the Post-IFRS Adoption Period: Evidence from Developing Countries

Author(s): Juniarti, Beatrice Marcellina, Alvita Angela

Affiliation: Petra Christian University, Jl. Siwalankerto 121-131, 60236, Surabaya, Indonesia

Keywords: Bid-ask Spread; Cost of Capital; Information Asymmetry; IFRS Adoption.

Received: August 17, 2018 | **Accepted:** December 10, 2018

Type of Paper: Empirical | **Vol.** 3(4) **Page:** 114 – 123 | **Citation:** 0

[Abstract](#) | [PDF](#) | [Share](#) | [facebook](#) | [twitter](#) | [LinkedIn](#) | [Mendeley](#) | [ResearchGate](#)

Gender-Diversity, Financial Performance and Cash Holding in Family Firms

Author(s): Salehudin Eka Saputra Alrasidi, ST, Dr. Farida Titik Kristanti, S. E. M. Si

Affiliation: Telkom University, Faculty of Economics & Business, 40153, Bandung, Indonesia

Keywords: Cash Holding; Dividend; Gender Diversity; Growth Opportunity; Leverage; Return on Assets; Size.

Received: October 30, 2018 | **Accepted:** December 10, 2018

Type of Paper: Empirical | **Vol.** 3(4) **Page:** 124 – 130 | **Citation:** 0

[Abstract](#) | [PDF](#) | [Share](#) | [facebook](#) | [twitter](#) | [LinkedIn](#) | [Mendeley](#) | [ResearchGate](#)

Capital Policy on Firm's Profitability: A Case of the Thai Agro and Food Industry

Author(s): Sareeya WICHITSATHIAN

Affiliation: Institute of Social Technology, Suranaree University of Technology, Nakhon Ratchasima 30000, Thailand

Keywords: Working Capital Policy; Profitability; Agro and Food Industry; Thailand.

Received: November 5, 2018 | **Accepted:** December 11, 2018

Type of Paper: Empirical | **Vol.** 3(4) **Page:** 131 – 138 | **Citation:** 0

[Abstract](#) | [PDF](#) | [Share](#) | [facebook](#) | [twitter](#) | [LinkedIn](#) | [Mendeley](#) | [ResearchGate](#)



INDEXING OF THE GATR JOURNALS



QUICK NAVIGATION

[Home](#)
[GATR Overview](#)
[GATR BSS Experts Repository](#)
[GATR Reviewers Repository](#)
[Webmail](#)
[CrossMark Policy Page](#)

[Call for Papers](#) | [Journal Policy & Ethics](#) | [Copyright & Conflict of Interest](#) | [Subscribe GATR Journals](#) | [Site Map](#) | [Contact Us](#)

CONNECT WITH US



Copyright © 2013-2020 by [Global Academy of Training and Research \(GATR\) Enterprise](#). All rights reserved.

Indexing of Journals

GATR Journals five titles being indexed in several indices.

SCOPUS (Elsevier) (Under Evaluation)



SCOPUS (Elsevier), officially named SciVerse Scopus, is a bibliographic database containing abstracts and citations for academic journal articles. It covers nearly 20,500 titles from over 5,000 international publishers, of which 19,500 are peer-reviewed journals in the scientific, technical, medical, and social sciences (including arts and humanities). It is owned by Elsevier. Searches in Scopus incorporate searches of scientific web pages through Scirus, another Elsevier product, as well as patent databases.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Thomson Reuters (ISI-ESCI) (Under Evaluation)



Web of Science™ Core Collection Emerging Sources Citation Index (ESCI) is a new citation index by Thomson Reuters, and now by Clarivate Analytics. ESCI complements the highly selective indexes covers prestigious academic Journals that publish peer-reviewed articles recognized for their significance and contribution to the regional academic and reflects community, which welcomes high-quality research publications to boost its presence as an emerging scientific voice. The ESCI, because of its vast coverage across the science, business, social sciences, arts and humanities, provides access to leading international and regional journals, offer timely publishing, global outlook and high scholarly impact. Inclusion in ESCI provides greater discoverability which leads to measurable citations and more transparency in the selection process.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

EBSCOhost



EBSCOhost is an intuitive online research platform used by thousands of institutions and millions of users worldwide. With quality databases and search features, EBSCOhost helps researchers of all kinds find the information they need fast. EBSCO has partnered with libraries for more than 70 years by providing quality research content, powerful search technologies and intuitive delivery platforms. EBSCO offers premium content through databases, e-books, journals and magazines, as well as a versatile discovery tool for searching across all library resources. Its content and feature-rich technology platforms serve the needs of researchers at all levels, whether they access EBSCO products at academic institutions, schools, public libraries, hospitals, medical institutions, corporations or government institutions.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Malaysian Citation Centre (MCC)



The Ministry of Education (MOE) Malaysia initiated the establishment of the Malaysian Citation Centre (MCC) in 2011. MCC is responsible for collating, monitoring, coordinating and improving the standard of scholarly journal publications in Malaysia. MCC will maintain a citation system, named MyCite or Malaysian Citation Index. MyCite will provide access to bibliographic as well full-text contents of scholarly journals published in Malaysia in the fields of Sciences, Technology, Medicine, Social Sciences and the Humanities. Besides this, MyCite will provide citation and bibliometric reports on Malaysian researchers, journals and institutions based only on the contents within MyCite. It is estimated that there are over 500 Malaysian journals, the contents of which needs to be made visible globally so that Malaysian researchers can identify expertise, areas of possible collaboration, stimulate use and citations.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Research Papers in Economics (RePEc) is a collaborative effort of hundreds of volunteers in many countries to



RePEc

RePEc

effort of hundreds of volunteers in many countries to enhance the dissemination of research in economics. RePEc is a central index of economics research, including working papers, articles and software code. The heart of the project is a decentralized database of working papers, preprints, journal articles, and software components. The project started in 1997. Its precursor NetEc dates back to 1993.

Sponsored by the Research Division of the Federal Reserve Bank of St. Louis and using its IDEAS database, RePEc provides links to over 1,200,000 full text articles. Most contributions are freely downloadable, but copyright remains with the author or copyright holder. It is among the largest internet repositories of academic material in the world. Leading publishers, such as Elsevier and Springer, have their economics material listed in RePEc. RePEc collaborates with the American Economic Association's EconLit database to provide content from leading universities' working paper or preprint series to EconLit.

AFR | GATR-GJBSSR | JBER | JFBR | JMMR

EconPapers

EconPapers

EconPapers use the RePEc bibliographic and author data, providing access to the largest collection of online Economics working papers and journal articles. The majority of the full text files are freely available, but some (typically journal articles) require that you or your organization subscribe to the service providing the full text file. EconPapers provides access to RePEc, the world's largest collection of on-line Economics working papers, journal articles and software.

AFR | GATR-GJBSSR | JBER | JFBR | JMMR

MyJurnal

MyJurnal

MyJurnal is an online system used by Malaysia Citation Centre (MCC) to collect and index all the Malaysian journals. MyJurnal's main objectives are to increase access to the contents of Malaysian journals to the global community; and improve the visibility of contents, hence, encouraging usage and generating citations to articles published. MyJurnal is provided by the Malaysia Citation Centre, Ministry of Higher Education, Malaysia.

AFR | GATR-GJBSSR | JBER | JFBR | JMMR

J-Gate



The Largest E-Journal Database & Gateway

J-Gate is an electronic gateway to global e-journal literature. Launched in 2001 by Informatics India Limited, J-Gate provides seamless access to millions of journal articles available online offered by 13,232 Publishers. It presently has a massive database of journal literature, indexed from 47,658 e-journals with links to full text at publisher sites. J-Gate also plans to support online subscription to journals, electronic document delivery, archiving and other related services.

AFR | GATR-GJBSSR | JBER | JFBR | JMMR

PlumX Metrics



ELSEVIER

PlumX Metrics are comprehensive, article-level metrics that provide insights beyond traditional citation metrics. PlumX Metrics provide insights into the ways people interact with individual pieces of research output (articles, conference proceedings, book chapters, and many more) in the online environment. Collectively known as PlumX Metrics, these metrics are divided into five categories to help make sense of the large amount of data involved and enable analysis by comparison. PlumX gathers and collates appropriate research metrics for all types of scholarly research output. In a competitive research landscape, PlumX offers metrics to support your research impact footprint along with analysis to assist in case studies or reporting requirements.

AFR | GATR-GJBSSR | JBER | JFBR | JMMR

Google Scholar



Google Scholar is a freely accessible web search engine that indexes the full text or metadata of scholarly literature across an array of publishing formats and disciplines. Released in beta in November 2004, the Google Scholar index includes most peer-reviewed online academic journals and books, conference papers, theses and dissertations, preprints, abstracts, technical reports, and other scholarly literature, including court opinions and patents.

AFR | GATR-GJBSSR | JBER | JFBR | JMMR

UDL Edge Abstracting and Indexing



UDLEDGE was established in 2010 and rapidly became the largest abstract and citation index database in the region. Comprehensive overview of the world's research output for over 600 disciplines of sciences, covering more than 129,000 journal titles, 143,000,000 journal articles and conference proceedings, and 38,000,000 patents in multiple languages from over 67,000 various institutions and publishers worldwide. GATR Journals are now indexed in UDLEDGE Social Science & Humanities Citation Index (SS&HI), <http://www.udledge.com>

AFR | JBER | JFBR | JMMR

GATR JOURNALS

Suite 15, Taman Bukit Angkasa,
Jalan Pantai Dalam, 59200,
Kuala Lumpur, Malaysia

Index Copernicus International is an international, specialized platform for promoting scientific achievements, as well as supporting national and international collaboration between scientists, publishers of scientific journals and scientific entities.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Academic Keys



AcademicKeys.com is the premier source for academic employment. Our 18 discipline-focused sites offer comprehensive information about faculty, educational resources, research interests, and professional activities pertinent to institutions of higher education. More than 89% of the top 120 universities (as ranked by US News and World Report) are posting their available higher ed jobs with AcademicKeys.com.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

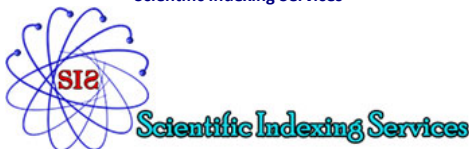
Social Science Research Network (SSRN)



The Social Science Research Network (SSRN) is devoted to the rapid worldwide dissemination of research and is composed of a number of specialized research networks.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Scientific Indexing Services



Scientific Indexing Services (SIS) was founded by renowned scientists. A group of 70 scientist from various countries in different disciplines are started SIS with specific objective of providing quality information to the researcher. SIS offering academic database services to researcher. It's mainly: citation indexing, analysis, and maintains citation databases covering thousands of academic journals, books, proceedings and any approved documents SIS maintains academic database services to researchers, journal editors and publishers. SIS focuses on: citation indexing, citation analysis, and maintains citation databases covering thousands of academic journals.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

International Institute of Organized Research (I2OR)



International Institute of Organized Research (I2OR) has been established to promote various domains related to Education and Research around the globe to make it easily accessible and more organized. A Team of Reputed Researchers/Scientists have been working continuously to make it possible. I2OR provides a much desired platform for Researchers, Editors, Publishers and Conference Organizers through its exclusive services viz. Indexing of Research Journals, Listing of National/International Conferences and Quality Research serial publications. I2OR also evaluates Publication Impact Factor (PIF) to set a bench mark for the quality of Serial publications around the world.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Directory of Research Journals Indexing



The Directory of Research Journal Indexing (DRJI) is to increase the visibility and ease of use of open access scientific and scholarly journals thereby promoting their increased usage and impact. DRJI supply champion has access to global-renowned content in all discipline areas including magazine and journal articles. We advocate, educate, and provide the central resource for indexing. DRJI encourages the participation of all persons, groups, and organizations interested in indexing and related methods of information retrieval.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Root Indexing



Root Society for Indexing and Impact Factor Service (rootindexing.com) is a society to provide indexing to all types of online and offline journals () to get international visibility of research and also provide impact factor (RIF-Root Impact Factor) to the journal to decide journal visibility in the world of research. Lot of members are giving their service to this society. It is a completely free service to index any journal in the world.

It helps user to find a suitable international journal to publish their work. All indexed journals will be submitted in all search engines, online libraries, social media etc to get more researchers under a single platform rootindexing.com.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

ResearchBib

ResearchBib is open access with high standard indexing database for researchers and publishers. Research Bible

Eurasian Scientific Journal Index



Eurasian Scientific Journal Index (ESJI) is a service that provides access to quality controlled Open Access Journals. The ESJI aims to be comprehensive and cover all open access scientific and scholarly journals that use an appropriate quality control system, and it will not be limited to particular languages or subject areas. The aim of the ESJI is to increase the visibility and ease of use of open access scientific and scholarly journals thereby promoting their increased usage and impact.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Cosmo Impact Factor



Cosmos Foundation was founded by renowned scientists. A group of 100 scientist from various countries in different disciplines are started Cosmos (2010) with specific objective of providing quality information to the researcher. We offer academic database services to researcher. We provide impact factor and index of academic journals, books. We maintain academic database services to researchers, journal editors and publishers. Cosmos provides a detailed report of individual journal for further improvement of respective journal overall look up and technical aspect for better Impact Factor.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

International Innovative Journal Impact Factor (IIJIF)



International Innovative Journal Impact Factor (IIJIF) has been established to promote various platforms related to Academic and Research across the world to make it easily accessible and more organized. IIJIF also evaluates Journal Impact Factor (JIF) to set a benchmark for the quality of Serial publications across the world. Indexing of Journal helps the research to get global excellence.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Academia.edu



Academia.edu is a platform for academics to share research papers. The company's mission is to accelerate the world's research. Academics use Academia.edu to share their research, monitor deep analytics around the impact of their research, and track the research of academics they follow. Over 53 million academics have signed up to Academia.edu, adding 19 million papers. Academia.edu attracts over 36 million unique visitors a month.

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

Academia Social Sciences Index



Asosindex.com is one of Turkey's leading academic directory sites founded in 2010. Its mission are ensuring that academic publishing develops in accordance with the quality and standards in Turkey, increasing the visibility and using of national academic journals all over the world and also providing widespread and advanced use of a system that enables the management of magazines in electronic environment

[AFR](#) | [GATR-GJBSSR](#) | [JBER](#) | [JFBR](#) | [JMMR](#)

INDEXING OF THE GATR JOURNALS



QUICK NAVIGATION

[Home](#)
[GATR Overview](#)
[GATR BSS Experts Repository](#)
[GATR Reviewers Repository](#)
[Webmail](#)
[CrossMark Policy Page](#)

Information Asymmetry in the Post-IFRS Adoption Period: Evidence from Developing Countries

Juniarti,^{1*} Beatrice Marcellina,² Alvita Angela³

^{1,2,3} Petra Christian University, Jl. Siwalankerto 121-131, 60236, Surabaya, Indonesia

ABSTRACT

Objective – The adoption of IFRS aims to reduce the level of information asymmetry. Prior studies conducted in developed countries prove that the adoption of IFRS enhances transparency and diminishes information asymmetry. However, in developing countries with a low level of openness, limited regulation, and more centralized ownership, the ability of IFRS to reduce information asymmetry remains unknown. To address this issue, this study aims to investigate whether IFRS adoption will reduce information asymmetry in some developing countries in South East Asia.

Methodology/Technique – This research is applied in three developing countries: Indonesia, the Philippines and Thailand. Information asymmetry is proxied by the cost of capital using the Easton model (2004) and a bid-ask spread. Listed firms from the three countries are selected as the research sample resulting in 5.313 firm-years for the period between 2007 and 2016.

Findings – This study concludes that the adoption of the IFRS decreases information asymmetry in developing countries. These finding confirm that the benefit of the adoption is the same as in developed countries, despite the level of law enforcement in developing countries being lower. Managers, standard authorities and investors must note that the IFRS conveys benefits to the market, which increases transparency by asking lower returns and valuing company stocks appropriately.

Novelty – This study examines the benefits of the adoption of the IFRS in reducing information asymmetry in some emerging countries to enhance the generalization of the results from prior studies that are mostly conducted in developed countries.

Type of Paper: Empirical.

Keywords: Bid-Ask Spread; Cost of Capital; Information Asymmetry; IFRS Adoption.

JEL Classification: M41, M48, M49.

1. Introduction

Information disclosure plays an important role in the market as it can increase the credibility of a company (Healy and Palepu, 2001). Differences in information cause investors to lose trust in the company, and consequently, ask for higher returns (Ballesteros, et al., 2016).

* Paper info: Revised: August 17, 2018

Accepted: December 10, 2018

* Corresponding author: Juniarti

E-mail: yunie@petra.ac.id

Affiliation: Business Accounting, Petra Christian University, Indonesia

The adoption of the IFRS aims to reduce information asymmetry, thereby increasing competition and the efficiency of companies in capital markets and reducing the cost of capital (Covrig, et al., 2007; Daske, et al., 2008; Patro & Gupta 2014).

The relationship between the IFRS and information asymmetry has been widely studied in developed countries. It is characterized by high protection for investors and strong accounting standards supported by professionals (Leuz et al., 2003; Turki et al., 2017; Daske & Gebhardt, 2006; Chen et al., 2010). However, research on the relationship between the IFRS and information asymmetry in emerging countries is limited. According to Ball (2006), the implementation of the IFRS is heterogeneous among countries. The effect will be smaller in countries that have fewer differences between local GAAP and the IFRS. The most substantial effect is found in countries with a considerable difference between the local GAAP and the IFRS (Daske et al., 2008).

Furthermore, Indonesia and some other developing countries such as the Philippines and Thailand have identical characteristics; they have weaker and less mature capital markets (Gibson, 2003), limited regulation, and more centralized ownership (Claessens et al., 2000), all of which contribute toward higher information asymmetry.

Mandatory IFRS adoption has proven more effective than voluntary adoption. Turki et al. (2016) states that the adoption of the IFRS reduces information asymmetry. Mandatory IFRS adoption improves the quality of the information more than voluntary adoption (Horton et al., 2012). Several studies have examined the effect of voluntary IFRS adoption on the cost of capital, using an estimation of the implied capital costs for the company. Buijink (2005) examines the adoption of IFRS or non-local GAAP by Europeans Union (EU) companies, however, that study fails to document lower capital costs for IFRS adopters. Daske and Gebhardt (2006) samples German companies with IFRS adoption for the period between 1993 and 2002, identifying higher capital costs associated to the IFRS.

The similarity of characteristics between emerging countries on the one hand and the strength of the mandatory IFRS adoption on the other hand provide an exciting opportunity to examine whether mandatory adoption provides the same benefits for developing countries as for developed countries. By using three developing countries as the research sample (Indonesia, the Philippines, and Thailand), this research aims to contribute to the empirical evidence regarding the power of the mandatory adoption of the IFRS in reducing asymmetric information.

The remainder of this paper is as follows. A review of the literature and the development of hypotheses for this study are presented in the second section. The third section describes the research methods. The fourth section presents and discusses the findings of the study, and the fifth section concludes the paper.

2. Literature Review

2.1 International Financial Accounting Standards

Changes from rule-based standards to the principle-based standards of the IFRS addresses the need for harmonization of financial information for users worldwide (Christensen et al., 2015). The International Accounting Standards Board (IASB) is an independent group tasked with coordinating national accounting standards to ensure harmonization around the world. Eight IFRS were issued by the IASB in 2006 (Kim and Shi, 2006). The IFRS is the accounting standard issued by the IASB. Changes to international standards are the most significant changes in the context of financial information for more than 100 countries (Sellami & Slimi, 2006; Daske et al., 2008). Countries in the Asia Pacific began to adopt IFRS in 2005 (Cheong et al., 2010). At present, 166 countries use the IFRS as their financial reporting standard in part or in full.

The IFRS standard demand high quality, transparent, and comparable information in financial statements and help investors in global markets and other users to make economic decisions (Turki et al., 2016). The proponents of the adoption of the IFRS state that it makes disclosure more valuable. Compared to local

accounting standards in many countries, the IFRS focuses on fair value. Therefore, the IFRS can reduce the flexibility allowed for financial reporting and incorporate the impact of economic events on a company's performance through financial statements in a more precise period (Kim & Shi, 2006).

2.2 Local GAAP in Indonesia, the Philippines and Thailand

Indonesia passed through several stages before deciding to converge with the IFRS. In 1973, based on the published standards of the American Institute of Certified Public Accountants, the Indonesia Accounting Principles Committee issued the Indonesian Accounting Principles (PAI) (Perera & Baydoun, 2007). In 1994, the committee was changed to the Financial Accounting Standards Committee, and at this point the body comprehensively revised the PAI. The new committee published interpretations of these standards in the Financial Accounting Standards (SAK) on 1 October 1994. In 1998, the Financial Accounting Committee was changed to the Financial Accounting Standards Board (DSAK) with autonomy to formulate and amend the Statement of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK). DSAK uses International Accounting Standards (IAS) as its primary reference in establishing these standards.

Beginning in 2006, Indonesia planned to integrate its standards into the IFRS. Indonesia actively revised most of its accounting standards until they fully converged with the IFRS in 2012. In a domestic setting, Indonesia continues to use local accounting standards, PSAK, despite substantial convergence to the IFRS. The capital market in Indonesia also requires all listed companies to prepare financial statements following the IFRS.

Unlike Indonesia, the adoption of the IFRS in Thailand began on 1 January 2011. Thailand requires all companies listed on the SET to report their financial statements under the IFRS (Intharaprasiti et al., 2016). The adoption of the IFRS, particularly in Thailand, is useful for reducing the manipulation of financial reporting.

Thailand implements local accounting standards known as the Thailand Accounting Standards (TAS). The Federation of Accounting Professions, the board that sets and regulates accounting standards in Thailand, formerly known as the Institute of Certified Accountants and Auditors of Thailand (ICAAT), publishes the TAS as a local accounting standard (FAP). FAP announced the timeline for the adoption of the IFRS in Thailand. In 2011, the top 50 companies were registered on the SET (Klose & Sabangban, 2011). In 2012, 100 companies listed on the SET began adopting the IFRS. The remaining companies that had not adopted the IFRS did so in 2014. Thailand adopted the IFRS in part; that standard is known as the Thai Financial Report Standards (TFRS). SET also permitted companies that have been listed on the stock market to add or adopt the IFRS, which has not been adopted as the TFRS with additional disclosures.

Before 1996, accounting standards in the Philippines were based primarily on the US GAAP issued by the FASB. However, in 1997, the ASC decided to move to IAS completely. In November 2004, the ASC approved the issuance of the new Philippine Accounting Standards (PAS) and Philippine Financial Reporting Standards (PFRS), directly following the IAS and the IFRS. The Securities and Exchange Commission (SEC) agreed to adopt international accounting standards to enforce high quality and transparent financial reporting and increase credibility and competence in the capital market.

In 2005, the ASC adopted the IFRS issued by the IASB and a revised version of the previously adopted IAS. In 2006, the Financial Reporting Standards Council (FRSC) was established as the successor of the ASC. The FRSC carried out a decision by the ASC to converge Philippine accounting standards with the IFRS standards. It took a while for companies to understand the new accounting standards (Fajardo, 2008). In a domestic setting, the Philippines maintains the use of the IFRS-based local standards, namely, the Philippine Financial Reporting Standards.

2.3 Mandatory IFRS Adoption and Cost of Capital

In economic theory, the high cost of information asymmetry translates to high capital costs, illiquid markets, and suppressed investment activities. IFRS supporters find a basis in the mandated part of the IASB goal, which requires high quality, transparency and comparable information. They argue that the IFRS will encourage the development of capital markets. The IASB has been tireless in promoting IFRS at the political level, and its efforts have paid off in matters ranging from endorsement to mandatory adoption (Ball, 2006).

The mandatory adoption of the IFRS will reduce the cost of equity capital as this standard requires increased financial information disclosure than most local accounting standards (Ashbaugh & Pincus, 2001). With appropriate implementation and empowerment, the adoption of the IFRS can reduce capital costs by improving the quality and comparability of financial statements. This is supported by the findings of many previous studies that document the increase in disclosure which is believed to reduce the cost of equity (Easley & O'Hara, 2004; Lambert et al., 2007; Armstrong et al., 2010). Based on this, the following hypothesis is proposed:

H1: Information asymmetry that is proxied by the cost of capital will reduce following the adoption of the IFRS.

2.4 Mandatory IFRS Adoption and Bid-ask Spread

Empirical studies on the effect of mandatory IFRS adoption on capital markets are inconclusive. Previous research suggests that the economic consequences of the adoption of the IFRS must increase market liquidity around the time of mandatory IFRS adoption, particularly in countries that have strong law enforcement and managerial incentives for those who disclose transparently. Daske et al. (2008) examine the economic consequences of mandatory IFRS adoption in 26 countries and found that market liquidity increases around the time of the mandatory adoption of the IFRS. The mandatory application of the IFRS in EU countries has increased the accuracy of analysts' estimates and this impact is increasingly evident in countries with strong law enforcement (Christensen, Lee & Walker, 2009; Byard, Li & Yu, 2011). Based on this, the following hypothesis is proposed:

H2: Information asymmetry that is proxied by the bid-ask spread will be narrower after the adoption of the IFRS.

3. Research Methodology

3.1 Model of Analysis

The model of analysis to test the two hypotheses of this study is shown below. Control variables that have previously been proven as the determinants of the cost of capital and bid-ask spread are used within the model.

Model 1.1

$$\text{CoC}_{i,t} = \beta_0 + \beta_1 \text{IFRS}_{i,t} + \beta_2 \text{SIZE}_{i,t} + \beta_3 \text{GROWTH}_{i,t} + \beta_4 \text{LEV}_{i,t} + \beta_5 \text{CFO}_{i,t} + \beta_6 \text{EPS}_{i,t} + \varepsilon_{i,t} \quad (1)$$

Model 1.2

$$\text{SPREAD}_{i,t} = \gamma_0 + \gamma_1 \text{IFRS}_{i,t} + \gamma_2 \text{SIZE}_{i,t} + \gamma_3 \text{GROWTH}_{i,t} + \gamma_4 \text{LEV}_{i,t} + \gamma_5 \text{CFO}_{i,t} + \gamma_6 \text{EPS}_{i,t} + \varepsilon_{i,t} \quad (2)$$

3.2 The Operationalization of Variables

This research measures information asymmetry using two proxies: cost of capital and bid-ask spread. Cost of capital is calculated according to Easton's (2004) model, which uses earnings per share data for the coming year and the following two years. Below is a regression of the cost of capital:

$$CoC_{PEGi,t} = \sqrt{\frac{E0(eps2) - E0(eps1)}{P0}} \quad (3)$$

where:

CoCPEG = Cost of capital for companies i and year t

eps1, eps2 = Earnings per share in year t and year t-1

P0 = Share price at the beginning of the year

The second proxy of information asymmetry is bid-ask spread, which is the difference between the bid price and ask price, calculated using the following formula:

$$Spread_i = \left[\sum_{t=1}^n \frac{Ask_{it} - Bid_{it}}{(Ask_{it} + Bid_{it})/2} \right] / N \quad (4)$$

where:

Spread_i = Average difference between the bid and ask during the stock trading period i

Bid_{it} = The last price offered on the day t of the stock i

Ask_{it} = The last price requested on day t of the stock i

N = Number of stock trading days in a year

3.2 Control Variables

This study includes several control variables in the model of analysis: firm size, growth, leverage, cash flow from operating, and earnings per share. **Firm size (SIZE)** is measured by the logarithm of the equity market value at the end of the year, following Chae (2005) and Lafond et al. (2007). **Sales growth (GROWTH)** refers to the annual sales growth rate of a company. Companies with higher growth opportunities are more likely to have higher information asymmetry and bear higher adverse selection costs than companies with low growth opportunities (D'Mello et al., 2008; Krishnaswami & Subramaniam, 1999; Myers & Majluf, 1984).

Leverage (LEV) is measured by total debt scaled by the total equity. This indicates the amount of debt borne through the company's capital (Nguyen & Schubler, 2013; Komala & Nugroho, 2013; Abasari et al., 2013; Kose, 2011). **Cash flow from operating (CFO)** is measured by cash flow from operating at the end of the year divided by total assets at the beginning of the year. **Earnings per share (EPS)** shows the company's net profit that is ready to be distributed to all shareholders. EPS is measured by profit or loss before extraordinary items divided by the weighted average of shares outstanding (Mgbame & Ikhatua, 2013; Menaje, 2012; Sheetaraman & Raj, 2011; Perera & Thrikawala, 2010; Zhu, 2003).

3.3 Data

Three countries are selected as the research sample: Indonesia, the Philippines and Thailand. These countries represent emerging countries with similar backgrounds prior to the adoption of the IFRS as the

mandatory standard. There are 5.313 firm-years for the period between 2007 and 2016. The data for this research is available in Bloomberg, firm websites and the respective stock exchanges.

4. Results

4.1 The Profile of Sample

Table 1, Panel A presents the profile of the variables of this study. Further, the profiles of each group of adoption, i.e., pre and post-adoption are included. Panel B shows the comparison of the cost of capital and bid-ask spreads in each group.

Table 1. Profile of the Sample

Panel A						
	mean	min	max	stddev		
CoC	0,2015	0,0000	3,0663	0,2625		
SPREAD	0,0065	0,0000	1,1603	0,1045		
CFO	0,0763	4,6740	30,4000	0,4989		
EPS	585	-	465	2.830		
SIZE	12,1300	9,6666	21,6300	0,9049		
GROWTH	0,7021	3,4680	66,1000	13,1900		
LEV	1,8020	-64,0500	12,5100	19,3600		

Panel B						
	COST OF CAPITAL			BID-ASK SPREAD		
	PRE	POST	ALL	PRE	POST	ALL
Mean	0,20939	0,19087	0,20153	0,08341	0,05259	0,06453
Min	0,00000	0,00001	0,00000	0,00000	0,00000	0,00000
Max	2,86700	3,06630	3,06630	0,81444	1,16040	1,16040
Std dev	0,25041	0,27802	0,26252	0,12266	0,00897	0,10545

Table 1, Panel B shows that the mean of the cost of capital is lower post-adoption than pre-adoption. Bid-ask spreads as another proxy of information asymmetry is narrower post-adoption compared to pre-adoption. The profile of cost of capital and bid-ask spread implies that there is a reduction of information asymmetry post-adoption. Table 2 describes the profile of the sample in each industrial sector.

Table 2. Mean of variables per Industrial Sector

Industrial Sector	COC	SPREAD	CFO	EPS	SIZE	GROWT	
						H	LEV

Consumer Goods	0.21419	0.06718	0.08145	635.8	11.96	0.2937	1.679
Infrastructure, Utilities, and Transportation	0.25401	0.05444	0.005296	126.4	12.15	0.7139	0.9044
Trade, Service, and Investment	0.17523	0.08172	0.07793	866	12	0.7049	1.145
Extraction	0.16601	0.02792	0.1939	439.3	12.55	3.62	6.477
Agriculture	0.28087	0.02955	0.09255	157.2	12.45	0.3789	2.44
Agro and Food Industry	0.082019	0.06141	0.08402	423.7	12.19	0.2464	1.963
Finance	0.23963	0.02294	0.02625	855.9	12.36	0.1398	2.583
Manufacturing	0.27334	0.02640	0.09059	610.2	11.7	0.1095	1.592
Resources	0.25575	0.00903	0.06923	794.2	12.64	0.1852	1.609
Technology	0.28214	0.01088	0.1226	756.9	12.32	0.08491	1.342

4.2 Hypothesis Testing

Based on Table 3, the coefficient of PREPOST is negative and significant. This means that there is a significant decrease in the cost of capital following the adoption of the IFRS. SIZE and COUNTRY act as the significant control variables that reduce the level of information asymmetry.

Table 3. Cost of Capital and IFRS Adoption

Dependent variable: COC	Coef	p-value
Const	1,20290	0,00010 ***
PREPOST	- 0,02933	0,00720 ***
CFO	- 0,00390	0,62860
EPS	- 0,00000	0,12180
SIZE	- 0,07436	0,00010 ***
GROWTH	- 0,00022	0,50410
LEV	0,00009	0,93820
COUNTRY	- 0,04632	0,00010 ***
R2	0,07283	
F	27,52470	0,00000

Consistent with the results of Hypothesis 1, the results of Hypothesis 2 show that PREPOST is also negative and significant in reducing information asymmetry (Table 4). Firm size is also consistent as a determinant of the level of information asymmetry, however, this does not differ among countries.

Table 4. Bid-ask Spreads and IFRS Adoption

Dependent variable: SPREAD	Coef	p-value
Const	0,52181	0,00010 ***

PREPOST	- 0,02933	0,00010 ***
CFO	- 0,00390	0,72370
EPS	0,00101	0,89080
SIZE	- 0,03679	0,00010 ***
GROWTH	- 0,00009	0,40730
LEV	- 0,00005	0,51250
COUNTRY	- 0,00009	0,25360
R2	0,13401	
F	51,95530	0,00000

5. Discussion

The results of this study support the argument that mandatory IFRS adoption has the same value in emerging countries as in developed countries. Mandatory IFRS adoption forces managers to comply with the standard. When adoption is mandatory, IFRS demands further and better disclosure and thus is likely to reduce information asymmetry in an imperfectly competitive equity market. This will produce a lowering effect in the cost of equity capital (Armstrong et al., 2010).

These results reinforce the findings of prior studies which state that mandatory IFRS adoption reduces information asymmetry (Turki et al. 2016; Easley & O'Hara, 2004; Lambert et al., 2007; Armstrong et al., 2010). The quality of information following mandatory IFRS adoption significantly increases (Horton et al., 2012). The proponents of IFRS state that adoption promotes high quality, transparent, and comparable information. This study supports these findings.

The IFRS demands wider disclosure of information compared to those required by previous standards (Ashbaugh & Pincus, 2001). Thus, the adoption of the IFRS encourages transparency and comparative information and reduces the cost of capital.

IFRS adoption encourages companies to provide broader disclosures that convey internal company information to the outside market. This disclosure increases the availability of information for investors. This leads to a decrease in information asymmetry (Diamond & Verrecchia, 1991; Lopatta et al., 2015). The availability of further information enables investors to value the company appropriately. Investors who have more information using the provisions of the company will determine the price according to what is requested by others. This causes a gap between bid and ask to be narrower, or the bid-ask spreads to decrease.

6. Conclusion

The objective of this study is to determine the effectiveness of mandatory IFRS adoption in reducing the level of information asymmetry. By examining three developing countries, this study confirms that mandatory IFRS adoption significantly reduces the level of information asymmetry. These findings demonstrate the strength of mandatory adoption of IFRS. The results also highlight the superiority of mandatory IFRS because it goes beyond the state aspects so it can be generally accepted.

The results of this study are of concern to the standard authorities. Mandatory adoption maintains the consistency of implementation so the benefit of this approach will be sustainable. This research does not provide sufficient detail about the relevant factors in developing countries such as governance level and investor protections that may potentially influence the benefit of mandatory IFRS adoption. The study also

fails to make a direct comparison to voluntary adoption. Therefore, future research may explore these issues further.

References

- Absari, Dyatri Utami Arian. Made Sudarma and Grahita Chandrarin. 2013. Analysis of the Effect of Company Fundamental Factors and Systematic Risk on Stock Returns. *El-Muhasaba Journal*, 3 (2), 1- 29.
- Ashbaugh, H. and M. Pincus. (2001). Domestic Accounting Standards, International Accounting Standards, and the Predictability of Earnings. *Journal of Accounting Research*, 39(3), 417- 434.
- Armstrong, C. S., Guay, W. R. and Weber, Joseph P. (2010). The Role of Information and Financial Reporting in Corporate Governance and Debt Contracting. *Journal of Accounting and Economics* 50(2010), 179–234.
- Ballesteros, B. C., I. M. G. Sanchez and J. M. Ferrero. (2016). How are Corporate Disclosures Related to the Cost of Capital? The Fundamental Role of Information Asymmetry. *Management Decision*, 54(7), 1669-1701. doi: 10.1108/MD-10-2015-0454.
- Ball, R. (2006). International Financial Reporting Standards IFRS: Pros and Cons for Investors. *Accounting and Business Research* 36: 5–27.
- Bauman, H., Kaen, F. R., Blease, J. B. R. and Etebari, A. (2010). Employees, Firm Size and Profitability in US Manufacturing Industries. *Investment Management and Financial Innovations*. 7, 7-23.
- Buijink, W. and Cuijpers, Rick (2005). Voluntary Adoption of Non-Local Gap in the European Union: A Study of Determinants and Consequences *European Accounting Review*, 14(3), 487-524.
- Byard, D., Li, Y. and Yu, Y. (2011). The Effect of Mandatory IFRS Adoption on Financial Analysts' Information Environment. *Journal of Accounting Research*, 49(1), 69-96.
- Campos-Espinoza, R., de la Fuente-Mella, H., Silva-Palavecinos, B. and Cademartori-Rosso, D. (2015). Adopting the IFRS and its Impact on Reducing Information Asymmetry in the Chilean Capital Market. *NETNOMICS: Economic Research and Electronic Networking*, 16(3), 193–204. doi:10.1007/s11066-015-9101-z.
- Chae, J. (2005). Trading Volume, Information Asymmetry, and Timing Information. *The Journal of Finance*, 60(1), 413–442. doi:10.1111/j.1540-6261.2005.00734.x.
- Chen, H., Q. Tang, Y. Jiang and Z. Lin. (2010). The Role of International Financial Reporting Standards in Accounting Quality: Evidence from the European Union. *Journal of International Financial Management and Accounting*, 21(3), 220-278.
- Cheong, C. S., S. Kim and R. Zurberuegg (2010). The Impact of IFRS on Financial Analysts' Forecast Accuracy in the Asia- Pacific Region. *Pacific Accounting Review*, 22(2), 124–146. <http://dx.doi.org/10.1108/01140581011074511>.
- Christensen, H. B., Lee, E. and Walker, M. (2009). Do IFRS Reconciliations Convey Information? The Effect of Debt Contracting. *Journal of Accounting Research*, 47, 1167-1199.
- Christensen, H. B., E. Lee, M. Walker and C. Zheng. (2015). Incentives or Standards: What Determines Accounting Quality Changes Around IFRS Adoption? *European Accounting Review*, 24(1), 31-61.
- Claessens, S., S. Djankov and L. H. P. Lang. (2000). The Separation of Ownership and Control in East Asian Corporations. *Journal of Financial Economics*, 58,81-112.
- Covrig, V. M., M. L. DeFond and M. Hung. (2007). Home Bias, Foreign Mutual Fund Holdings, and the Voluntary Adoption of International Accounting Standards. *Journal of Accounting Research*, 45(1), 1-70. doi: 10.1111/j.1475-679X.2007.00226.x.
- D'Mello, R., Krishnaswami, S. and Larkin, P. (2008). Determinants of Corporate Cash Holdings: Evidence From Spin-Offs. *Journal of Banking & Finance*, 32 (7), 1209-1220.
- Daske, H., & Gebhardt, G. (2006). International financial reporting standards and experts' perceptions of disclosure quality. *Abacus*, 42(3-4), 461-498.
- Daske, H., Hail, L., Leuz, C., & Verdi, R. (2008). Mandatory IFRS reporting around the world: Early evidence on the economic consequences. *Journal of accounting research*, 46(5), 1085-1142.
- Diamond, D. W., & Verrecchia, R. E. (1991). Disclosure, liquidity, and the cost of capital. *The journal of Finance*, 46(4), 1325-1359.
- Easton, P. D. (2004). PE ratios, PEG ratios, and estimating the implied expected rate of return on equity capital. *The accounting review*, 79(1), 73-95.
- Easley, D., & O'hara, M. (2004). Information and the cost of capital. *The journal of finance*, 59(4), 1553-1583

- Fajardo, Consolacion L. (2008). 8th Global Conference on Business & Economics. The Evolution of Financial Accounting Standards in the Philippines
- Gibson, M. S. (2003). Is corporate governance ineffective in emerging markets?. *Journal of financial and quantitative analysis*, 38(1), 231-250.
- Healy, P. M., & Palepu, K. G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of accounting and economics*, 31(1-3), 405-440.
- Houqe, N., van Zijl, T., Dunstan, K. L., and Waresul Karim, A. K. M. (2012). The effect of IFRS adoption and investor protection on earnings quality around the world. *International Journal of Accounting*, 47(3), 333-355.
- Horton, J., Serafeim, G., & Serafeim, I. (2013). Does mandatory IFRS adoption improve the information environment?. *Contemporary accounting research*, 30(1), 388-423.
- Intharaprasiti, C., R. Semakhan, S. Srisukont, C. Love, & T. Chongsirithitisak. (2016). Earning quality of Accounting information after IFRS adoption: an empirical study of Thai listed firms after IFRS adoption. *APHEIT Journal*, 5(2), 55-64.
- Kim, J. & Shi, H. (2006). International financial reporting standards, institutional infrastructures and costs of equity capital around the world. *Review of Quantitative Finance and Accounting*, 42(3), 469-507. doi: 10.1007/s11156-013-0350-3.
- Klose, M., & Sabangban, P. (2011). Thailand's convergence to IFRS. *Controlling & Management*, 55(1), 25-29.
- Komala, Lievila Angela Pinkan. & Nugroho, Paskah Ika. 2013. "The Effect of Profitability ratio, Liquidity, and Debt towards Investment Return," *Journal of Business and Economics*. Vol. 4(11): 1176-1186.
- Kose, E. (2011). Dissecting the leverage effect on stock returns. Retrieved May, 2, 2011.
- Krishnaswami, S., & Subramaniam, V. (1999). Information asymmetry, valuation, and the corporate spin-off decision. *Journal of Financial economics*, 53(1), 73-112.
- Lafond, D., Descarreaux, M., Normand, M. C., & Harrison, D. E. (2007). *Chiropractic & Osteopathy*, 15(1), 1. doi:10.1186/1746-1340-15-1
- Lopatta, K., Buchholz, F., & Kaspereit, T. (2015). Asymmetric information and corporate social responsibility. *Business & Society*, 1-31.
- Leuz, C., Nanda, D., & Wysocki, P. D. (2003). Earnings management and investor protection: an international comparison. *Journal of financial economics*, 69(3), 505-527.
- Lambert, R., Leuz, C., & Verrecchia, R. E. (2007). Accounting information, disclosure, and the cost of capital. *Journal of accounting research*, 45(2), 385-420.
- Menaje, P. M. (2012). Impact of selected financial variables on share price of publicly listed firms in the Philippines. *American International Journal of Contemporary Research*, 2(9), 98-104.
- Mgbame, C.O., & Ikhatua J.I. (2013). Accounting information and stock price volatility in the Nigerian capital market: a garch analysis approach. *International Review of Management and Business Research*, 2(1)
- Myers, S., & Majluf, N. (1984). Corporate Financing and Investment Decisions When Firms Have Information That Investors Do Not Have. doi:10.3386/w1396
- Nguyen, T., & Schüßler, A. (2013). Leverage, maturities of debt and stock performance. *International Journal of Banking and Finance*, 10(1), 5.
- Perera, R. A. A. S., & Thrikawala, S. S. 2010. An Empirical Study of the Relevance of Accounting Information on Investor's Decision. ICBI. University of Kelaniya, Sri Lanka
- Patro, A. & Gupta, V. K. (2014). Impact of international financial reporting standards on cost of equity capital for Asian countries. *International Journal of Accounting and Financial Reporting*, 4(2), 148-170. <http://dx.doi.org/10.5296/ijafr.v4i2.6462>
- Perera, H., & Baydoun, N. (2007). Convergence with international financial reporting standards: the case of Indonesia. *Advances in International Accounting*, 20, 201-224.
- Seetharaman, A., & Raj, J. R. (2011). An empirical study on the impact of earnings per share on stock prices of a listed bank in Malaysia. *The International Journal of Applied Economics and Finance*, 5(2), 114-126.
- Sellami, Y. M., & Slimi, I. (2005). The effect of the mandatory adoption of IAS/IFRS on earnings management: Empirical evidence from South Africa.
- Turki, H., Wali, S., & Boujelbene, Y. (2016). The effect of IFRS mandatory adoption on the information asymmetry. *Cogent Business & Management*, 3(1), 1209100.
- Turki, H., Wali, S., & Boujelbene, Y. (2017). IFRS Mandatory Adoption Effect on the Information Asymmetry: Immediate or Delayed?. *Australasian Accounting, Business and Finance Journal*, 11(1), 55-77.