IRJEMS International Research Journal of Economics and Management Studies
Published by Eternal Scientific Publications
ISSN: 2583 – 5238 / Volume 3 Issue 2 February 2024 / Pg. No: 175-182
Paper Id: IRJEMS-V3I2P123, Doi: 10.56472/25835238/IRJEMS-V3I2P123

Original Article

The Effect of Fair Value Accounting and Product Market Competition on Earning Quality With Relationship Capital as a Moderation Variable

[1]Adi Nurpermana, [2]Titik Aryati
[1,2]Department of Economics and Business, Trisakti University, Indonesia

Received Date: 27 January 2024 Revised Date: 06 February 2024 Accepted Date: 14 February 2024 Published Date: 21 February 2024

Abstract: *This paper aims to study whether fair value accounting and product market competition can improve the quality of earnings in primary material and transportation and logistics companies in Indonesia during the 2019-2021 period and emphasize the moderating impact of relationship capital. This paper shows four main findings: first, fair value accounting measures reduce earnings quality; second, product market competition increases earning rate; third and fourth, relationship capital strengthens fair value accounting and product market competition on earning quality. In addition to contributing to this study, the researchers concluded that in developing countries, no statistically relevant relationship was found between fair value accounting and earning quality, possibly due to IFRS adoption and lack of experience in FVA or, more generally, the influence of IFRS regulations. Very low on local accounting practices. So, practitioners have to master accounting standards in Indonesia.*

Keywords: *Fair Value Accounting, Product Market Competition, Earning Quality, Relationship Capital.*
JEL Classification: *H27; M41.*

I. INTRODUCTION

High earnings quality provides an accurate and reliable picture of company performance, making it informative and useful for decision-making (Dechow et al., 2010). According to some experts, high Earning Quality also means that income can be predicted, so current income is a reliable predictor of earnings for the next period (Mikhail et al., 2003). However, the problem of the credibility of earnings information in financial statements can affect the need for more investor confidence in earnings quality.

The phenomenon of profit manipulation practices has emerged in several cases. This is the case with the manipulation of financial reports by PT Bumi Resources Tbk. Allegations of manipulation of sales data from three Bakrie Group coal mining enterprises have been brought to the attention of the Directorate General of Taxation by Indonesian Corruption Watch (ICW). ICW believes that the state lost US$ 620.49 million as a result of PT Bumi Resources Tbk and its subsidiaries' misleading reporting between 2003 and 2008.

Cases of financial report manipulation also occurred at PT Timah (Persero) Tbk (Nelly & Siregar, 2022). The case at PT. Asuransi Jiwasraya, which engineered financial reports in 2006 and continued until 2019. The loss started when the company sold the JS Saving Plan product, valued at IDR 802 billion, with an interest of 9% -13%.

Besides that, coupled with the presence of Covid-19, the company's profits were not good. The logistics and basic material transportation sector is most severely affected by the COVID-19 pandemic. namely PT Garuda Indonesia Tbk. During Semester I 2020, Garuda Indonesia posted a net loss of US$ 712.72 million or the equivalent of Rp. 10.47 trillion. This achievement is in contrast to the performance of the same period last year, where PT Garuda Indonesia Tbk was able to record a profit of US$ 24.11 million, equivalent to Rp. 354.48 billion. Meanwhile, PT Blue Bird Tbk recorded a loss of IDR 93.67 billion during the first semester of 2020 due to the coronavirus pandemic. Even though PT Blue Bird Tbk managed to get a net profit of IDR 158.37 billion in the same period last year, it can be concluded that its profitability fell by 129.15%. PT Express Transindo Utama Tbk recorded a loss of IDR 43.44 billion during the first semester of 2020, down 62.47% compared to the loss experienced by PT Express Transindo Utama Tbk in the same period last year. In the first semester of 2019, the company posted a net loss of IDR 115.78 billion (Quoted from Katadata 13 August 2020). Source: Central Bureau of Statistics (BPS).

The fair value approach provides the right information for users of financial statements to make the right decisions because this information becomes more relevant to applying fair value (Sodan, 2015). According to (Levitt, 1998), a disclosure structure built with high-quality standards makes investors feel confident about the credibility of financial reporting. Yao et al. (2018) concluded that fair valuation increases earnings persistence, affecting earnings quality.

Cheng et al. (2013) investigated the effect of product market competition on earnings quality. They find consistent evidence showing a positive relationship between product market competition and earnings quality.

The research questions in this study are as follows:
RQ1: How far is the relationship between Fair value accounting and Earning Quality?
RQ2: To what extent is the relationship between Product Market Competition and Earning Quality?
RQ3: How far is the relationship between Fair Value Accounting and Earning Quality with Relationship Capital as a Moderator?

This study aims to find out whether fair value accounting and product market competition can improve the quality of earnings in primary material and transportation and logistics companies in Indonesia during the 2019-2021 period and emphasize the moderating impact of relationship capital. The researcher focuses on introductory material and transportation and logistics companies due to several companies manipulating the financial reports of the sector.

The significance of this paper is the testing of earning quality in transportation and logistics companies and basic materials in Indonesia as a developing country.

This paper contributes to the literature on research by Akacs et al. (2020) by providing empirical evidence that significant positive fair value accounting is only proven for developed countries. For practitioners, this paper is a reference for improving the quality of making financial reports according to accounting standards in Indonesia.

II. LITERATURE REVIEW

A) Theoretical Review

This study is anchored in stakeholder theory, a fundamental and essential recommendation of stakeholder theory which states that groups need to expand a firm consisting of non-traditional stakeholders, such as negative business regulation, to change changing social needs(Trotman, 1999; Bassey et al. al., 2013).

Agency theory explains the agency relationship of a contract between principal and agent, which contains separation of interests between the two parties, which often creates problems when each party has different goals. Agency theory will solve problems that arise in agency relationships (Scott, 2009).

B) Fair Value Accounting on Earning Quality

Information content theory emphasizes that information provided by accounting numbers contained in financial reports must be able to reflect the company's financial condition so that external parties obtain appropriate and valuable information. The accounting numbers in the financial statements are essential in understanding their economic content, especially in the profit value of the financial statements. Awatif et al., 2021 With the disclosure of other comprehensive income obtained from the fair value valuation method, the company will describe the condition of the company based on market value. Thus, measuring fair value that can provide this information will improve the Quality of earnings in the company's financial reporting.

Festus and Ibukun stated that fair value harms the predictability of earnings, which can ultimately lead to investors lying for investment purposes. Paoloni et al. (2017) found that applying fair value in the financial reporting of European banks has a positive effect on earnings quality. His research explained that net profit/loss in other comprehensive income has a positive relationship with earnings quality. Sodan (2015) shows that the application of fair value used to measure corporate assets and debt to banks in Eastern Europe has a lower aggregate quality of earnings. This is due to a less liquid or less active market. Olaoye et al. (2020) found that the study's results concluded that fair value significantly affects earnings quality.

Based on the explanation above, a research hypothesis can be developed, namely:
H1: Fair Value Accounting has a positive effect on Earning Quality

C) Product Market Competition on Earning Quality

Balakrishnan and Cohen (2014) examined the connection between profit restatements and competitiveness in the product market. They noted a negative correlation between earnings clarifications and rivalry in the product market, suggesting that competition in some industries restrains financial accounting errors in reporting. Furthermore, they report on the information ecosystem of the firm's disciplinary impact on competitiveness in the product market.

Finally, Verrecchia (1983) shows that competition in the product market hinders the disclosure of quality financial reports, and companies in competitive markets report financial information with low earnings quality. At the lowest level of competition, there is little information from competitors as a benchmark for management's business and performance. Thus, management has ample opportunities to manage earnings and enjoys high discretion. Using profits in contracts with multiple stakeholders or operating inefficiencies from managerial slack can motivate earnings management. As competition increases (e.g., because of more competition), more information becomes available to evaluate management efforts and performance, reduces profits, and increases liquidity risk. Increased information limits earnings management, and reduced earnings motivate earnings management to improve stakeholder perceptions of performance (Guo, 2015). This aligns with the signaling theory, which states that businesses may preserve productivity while maintaining a competitive edge by implementing added value-creating tactics.

Empirical evidence about the relationship between product market competition and earnings quality from several studies has found it positive (Paktinat et al., 2015; Cheng et al., 2013; Zheng et al., 2019).

Based on the explanation above, a research hypothesis can be developed, namely:
H_2: Market Competition has a positive effect on Earning Quality

D) Relationship Capital moderates Fair value accounting on Earning Quality

The decrease or low quality of earnings is caused by management interference in preparing financial reports, so financial reports must accurately describe the company's financial condition (Karim, Atikah, and Lenap, 2019).

Agency theory states that the relationship between the principal and agent can lead to information asymmetry, triggering management to hide information. This action will not occur if the company has high intellectual capital. More information processed and owned by management will indirectly result in better performance compared to management, which has a smaller collection of information. Management with high intellectual capital makes them perform well to generate significant profits for the company (Pramanda & Husnah, 2014).

Based on the explanation above, a research hypothesis can be developed, namely:
H_3: Relationship Capital strengthens the Influence of Fair value Accounting on Earning Quality

E) Relationship Capital moderates Product Market Competition on Earning Quality

Relationship capital, according to Brander and Lewis (1986), helps businesses compete in fiercely competitive markets. Increasing leverage, lowering agency conflicts between management and shareholders, and producing greater returns are also always managers' top priorities. Relationship capital is, therefore, essential for corporate expansion and accomplishing the organization's strategic objectives.

Relationship capital and earning quality have attracted much empirical debate, and the results of empirical studies are mixed. For example, supporters of agency theory believe that a company's Relationship Capital harms earning quality (Margaritis & Psillaki, 2010; Chintrakarn et al., 2014). However, other literature has empirically found that managers prefer high leverage, which increases profits and positively impacts earning quality (Fosberg, 2004). Another study also found that market competition positively affects long-lasting company performance (Abor, 2007).

Based on the explanation above, a research hypothesis can be developed, namely:
H_4: Relationship Capital Strengthens the Influence of Product Market Competition on Earning Quality

III. RESULTS METHODOLOGY

A) Research Design

The analytical method used is by using multiple linear regression analysis models. Analysis of the research data uses statistical calculations with the application of Eviews version 9.

a. Regresi:

The design of analysis and hypothesis testing is formulated as follows:

$$EQ = \beta_0 + \beta 1FVA + \beta 2PMC + \beta 3RC + \beta 4FVA * RC + \beta 5PMC * RC + \varepsilon$$

Note: EQ is Earning Quality, Constanta, 1,2,3,4 is Regression coefficient, FVA is Fair Value Accounting, PMC is Product Market Competition, RC is Relationship Capital, and is Error

B) Population and Sample

The population in this study are companies in the Basic Materials and Transportation and Logistics sectors listed on the Indonesia Stock Exchange, with 107 companies in the Transportation and Logistics sector and essential materials for 2019 to 2021 listed on the IDX. The initial population was 123 companies. Sixteen companies were excluded because they needed complete financial reports. The number of samples used in the study was 321. The sample selection procedure is described in Table 1.

Table 1: Sample Selection Procedure

Sampling Criteria	2019	2020	2021	Total
Basic Materials and Transportation & Logistics companies listed on the IDX for the 2019-2021 period	123	123	123	369
Companies that do not consistently publish annual reports	5	10		15
Companies that do not have complete data	11	11	11	(33)
The number of samples used in the study	**321**			

Source: *Sample reconciliation by researcher*

C) Operationalization and Measurement of Variables

a. Earning Quality

Earnings quality is measured by Francis, LaFond, Olsson, and Schipper (2005) using the accrual quality model developed by Dechow and Dichev (2002). For earnings quality, this is thought to be a more accurate proxy (Jaggi et al., 2005). This metric is based on the finding that accruals correlate with cash flow realization, and that measurement mistakes in accruals have an impact on accruals' quality independent of management intention. The predicted residuals through firm-specific regression analyses of the impact of working capital accumulations on past, present, and future revenues from activities are seen as an inverse metric for quality of earnings in Dechow and Dichev (2002) because they capture management's estimate of total accruals. Francis et al. (2005) add two more variables to Dechow and Dichev's (2002) accrual quality model, namely changes in income and property, plant, and equipment (PPE), to provide a more thorough definition of the association between accruals and cash flows. The accrual quality model's capacity for explanation is greatly increased, according to McNichols (2001), when Dechow and Dichev's (2002) model and Jones' (1991) model variables are combined.

$$\frac{\Delta TCA_{j,t}}{Assets_{j,t}} = \varphi_{0,j} + \varphi_{1,j}\frac{CFO_{j,t-1}}{Assets_{j,t}} + \varphi_{2,j}\frac{CFO_{j,t}}{Assets_{j,t}} + \varphi_{3,j}\frac{CFO_{j,t+1}}{Assets_{j,t}} + \varphi_{2,j}\frac{\Delta REV_{j,t}}{Assets_{j,t}} + \varphi_{2,j}\frac{PPE_{j,t}}{Assets_{j,t}} + \nu_{j,t}$$

Where: CA is the company's total accruals, assets are total assets, CFO is cash from the company's operations in a certain year, REV is the change in company income in a certain year, and PPE is the company's property, plant and equipment.

b. Fair Value Accounting

In this study, the fair value to be used is fair value as measured by the income statement approach. The calculation of fair value in this study will use calculations from the research of Hodder et al., 2006 Bratten et al. (2013):

$$absrelOCI_{i,t} = \frac{abs(OCI_{i,t})}{[abs(NI_{i,t}) + abs(OCI_{i,t})]}$$

Where: OCI is Other Comprehensive Income, NI is Net Income.

c. Product Market Competition

In this study, PMC will be measured using 1. The Lerner index directly shows the features of market power, namely, the company's ability to calculate prices above final costs. The challenge facing the Lerner index in experimental studies is that the final cost cannot be observed. Therefore, researchers estimate the Lerner index through the price-cost margin (Booth & Zhou, 2009). Like Gaspar and Massa (2006), Kale and Loon (2011), and Booth and Zhou (2009), the Lerner index is defined in terms of operating income divided by sales. This index is roughly estimated using the following equation (Sharma, 2010):

$$LI = \frac{Sales - COGS - SG\&A}{Sales}$$

Where: COGS is the price of products sold, and SG&A is general, administrative and selling costs.

d. Relationship Capital

If the company wants to have high competitiveness compared to other similar companies, increase profits as much as possible with the most efficient costs possible, and the company's primary goal is achieved, namely the welfare of shareholders and others. Stakeholders are reached, and it is better to implement a well-managed business intelligence system (Widhiastuti & Murwaningsari, 2018). In this study, Relationship Capital will be measured using value-added Ulum et al. (2014) with the following formula:

$$RCE = \frac{VA}{CE}$$

Where: VA is Value Added, CE is Capital Employed.

e. Study Model and Analysis

This study uses a regression equation design in the analysis and hypothesis testing as follows:

$$EQ = \beta_0 + \beta 1FVA + \beta 2PMC + \beta 3FVA * RC + \beta 4PMC * RC + \varepsilon$$

Where:

EQ is Earning Quality; is Constanta; 1,2,3,4 is Regression, coefficient; FVA is Fair Value Accounting; PMC is Product Market Competition; RC is Relationship Capital, is Error.

Table 2: Variable Measurement

Variable	Indicator(s)	Measurement
Independent variable Earning Quality	Total Company Accruals (TCA) (Jones, 1991).	Total Accruals.
Dependent variable Fair Value Accounting Product Market Competition	absrelOCI, (Bratten et al,2012). Lerner Index (IL) (Sharma 2010).	Other Comprehensive Income to net income. Price of products sold to General, administrative, and sales expenses.
Moderate variable Relationship Capital	Relationship Capital Employee (RCE) Ulum et al. (2014).	Value Added to Capital employed.

IV. RESULT AND CONCLUSION

A) Descriptive Statistics

The descriptive statistics in Table 3 show that product market competition is greater than the fair value accounting average; this implies that product market competition affects earning quality more than fair value accounting. Product market competition standard deviation is slightly higher than fair value accounting, meaning that product market competition has a variance spread. The standard deviation of product market competition in this study is higher than the average value, which indicates that product market competition data on this variable has many variants. The mean value is 1.349595, more significant than the standard deviation value of 1.063238, so the data deviations that occur are low, and the values are evenly distributed.

Table 3: Descriptive Statistics

Variable	Mean	Median	Maximum	Minimum	Std. Dev.
FVA	0.540	0.500	4.900	-0.770	0.334
PMC	1.349	1.790	8.870	-5.500	1.063
VACE	-0.01	0.010	2.180	-4.100	0.309
EQ	0.189	-0.020	2.920	-0.300	0.480

Information: FVA is Fair value Accounting, PMC is Product Market Competition, and VACE is Value-Added Capital employee.

B) Regression Analysis

Table 4 below shows the results of the Random Effect Model (REM) panel data regression analysis used:

Table 4: Effect of fair value accounting and product market competition on earning quality

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.323	0.070	4.591	0.000
FVA	-0.126	0.091	-1.392	0.064***
PMC	0.050	0.029	-1.734	0.083***
VACE	-0.212	0.099	-2.128	0.034**
R-squared	0.546			
Adjusted R-squared	0.537			
S.E. of regression	0.471			
F-statistic	0.035			
Prob(F-statistic)	0.001			0.189
Mean dependent var			0.480	
S.D. dependent var			70.353	
Sum squared resid			1.915	
Durbin-Watson stat				

*Information: **signifikan pada α = 5% ***signifikan pada α = 10%*
FVA is Fair value Accounting, PMC is Product Market Competition, and VACE is Value Added Capital Employee.

The results presented in Table 4 show that the company's total accruals provide a significance value of 0.0647 <0.01 with a negative coefficient value of -0.126899, which means that even ineffective fair value accounting can increase earnings quality in companies. In addition, a study conducted by Yao et al. (2018) and Paoloni et al. (2017) shows that a higher ratio of fair value instruments on the balance sheet leads to a higher quality of earnings made in developed countries. However, Takacs et al. (2020) positive significant fair value accounting is only proven for developed countries. In developing countries, no statistically relevant relationship was found between fair valuation and earning quality. This may be due to later IFRS adoption and lack of experience in fair valuation or, more generally, the external influence of IFRS regulations on local accounting practices.

In Sodan's research (2015) results, Takacs et al. (2020) also revealed that fair value accounting harms earning quality.

Table 4 shows Product Market Competition, which is assessed based on the Lerner green index (Sharma, 2020), providing a significance value of 0.0839 <0.1, indicating that Product Market Competition affects earning quality with a positive coefficient value of 0.050345, which means that effective Product Market Competition can increase earning quality in the company. Therefore, the hypothesis that Product Market Competition positively affects earning quality can be accepted.

This is to the signaling theory, which explains that companies can maintain productivity with the company's competitive advantage by implementing strategies to create added value.

Increasing competition in the product market leads to an increase in the quality of company profits. Therefore, increased product market competition can stimulate managers' motivation to disclose quality information voluntarily. Paktinat et al (2015). Competition not only helps improve the quality of earnings but also helps improve the accuracy of the information obtained by investors and analysts. The decisions made by managers regarding voluntary disclosure are heavily influenced by market competitiveness. It supports the idea that factors affecting business economics, institutional structures, and industry traits impact managers' reasons for disclosing information.

The research results of Cheng et al. (2011), Guo et al. (2019), and Paktinat et al. (2015) also revealed that product market competition affects earning quality.

Table 5 shows VACE gives a significance value of 0.0136 <0.5 in the first output, which indicates that relationship capital moderates Fair value accounting for Earning Quality. The hypothesis states that relationship capital moderates Fair value accounting for Earning Quality, which is acceptable. A positive coefficient value of 0.499846 means that relationship capital strengthens the relationship between fair value accounting and earning Quality.

Table 5: FVA to VACE Moderation

	C	FVA	VACE		FVA*VACE
	Coefficient	0.253	-0.124	-0.243	
	Std. Error	0.057	0.090	0.098	
	t-Statistic	4.393	-1.364	-2.480	
Output 1	Prob.	0.000	0.173	0.013	
	Coefficient	0.247	-0.115	-0.353	0.499
	Std. Error	0.057	0.090	0.127	0.370
	t-Statistic	4.268	-1.269	-2.776	1.350
Output 2	Prob.	0.000	0.205	0.005	0.177

*Information: **signifikan pada α = 5% ***signifikan pada α = 10%*
FVA is Fair value Accounting, VACE is Value added capital employee

Agency theory states that the relationship between the principal and agent can lead to information asymmetry, triggering management to hide information. However, this action will not occur if the company has high intellectual capital. Therefore, the more information and knowledge owned, the more influential it is on earning quality. (Pramanda & Husnah, 2014).

Table 6 shows VACE gives a significance value of 0.0255 <0.5 in the first output, which indicates that relationship capital moderates product market competition on Earning Quality, so the hypothesis stating that relationship capital moderates product market competition on Earning Quality is acceptable. A positive coefficient value of 0.013076 means that employee capital strengthens the relationship between product market competition and earning quality.

Table 6: PMC to VACE moderation regression

	C	PMC	VACE		PMC*VACE
	Coefficient	0.254	-0.049	-0.223	
	Std. Error	0.049	0.029	0.099	
	t-Statistic	5.103	-1.706	-2.244	
Output 1	Prob.	0.000	0.088	0.025	
	Coefficient	0.257	-0.051	-0.219	-0.013
	Std. Error	0.052	0.030	0.102	0.062
	t-Statistic	4.903	-1.679	-2.141	-0.208
Output 2	Prob.	0.000	0.094	0.033	0.835

*Information: **signifikan pada α = 5% ***signifikan pada α = 10%*
PMC is Product Market Competition, VACE is Value added capital employee

This result validates the hypothesis that companies in diverse and concentrated industries typically create an opaque information environment to preserve their competitive edge (Cheng et al., 2011). Moreover, the existing literature suggests that competitive advantage uncovers opportunities for opposition predation in concentrated product markets. Thus leading to increased growth and profits for the company. Abor's research (2007) also revealed that Capital Employees moderate product market competition on Earning Quality.

C) Conclusion

This study analyzes the effect of Fair Value Accounting and Product Market Competition on Earning Quality with Relationship Capital as a Moderating Variable, showing that all the independent variables are significant to the dependent variable except for those of fair value accounting variables. The study observes that the Fair Value Accounting Variable significantly negatively affects Earning Quality. This indicates that Earning Quality is impacted by the degree of Fair Value Accounting. According to Takacs et al. (2020), positive, significant fair-value accounting has only been demonstrated in industrialized nations. There is no statistically significant correlation between earning quality and fair valuation in emerging nations. This might result from implementing IFRS later, a lack of expertise with fair valuation, or, more broadly, the minimal impact of IFRS rules on regional accounting standards.

This paper contributes to practitioners who can be used as references and materials to improve the quality of making financial reports according to accounting standards in Indonesia. Apart from that, this research also contributes to the literature in research conducted by Akacs et al. (2020) by providing empirical evidence that significant positive fair value accounting is only proven for developed countries. This paper only focuses on specific industries, so further research can continue in different contexts.

V. REFERENCES

[1] Abor, J. (2007). Debt policy and performance of SMEs: evidence from Ghanaian and South African firms. J. Risk Fin. Incorporate. Bal. Sheet 8, 364–379.

[2] Abor, J. (2007). Debt policy and performance of SMEs: evidence from Ghanaian and South African firms. J. Risk Fin. Incorporate. Bal. Sheet 8, 364–379.

[3] Alzoubi, E., S., S. & Selamat, M., S. (2013). The adoption of IFRS-based accounting standard and earnings quality: Literature review and proposing conceptual framework. [Online]. Available: http://www.wbiconpro.com/104-Latest-Ebraheem.pdf [2013/04/09]

[4] Angraini, R., & Septiano, R. (2019). Pengaruh pertumbuhan laba dan likuiditas terhadap kualitas laba pada perusahaan manufaktur sektor karet dan batubara di kota padang. Academic Conference of Accounting J, 1(1), 129– 140.

[5] Awatif Alsheikh, Mohamat Sabri Hassan, Norman Mohd-Saleh, Mohd Hafizuddin-Syah bin Abdullah, & Warda Alsheikh. (2021). Firm's Size, Mandatory Adoption of IFRS and Corporate Risk Disclosure among Listed Non-Financial Firms in Saudi Arabia. Asian Academy of Management Journal of Accounting and Finance, 17(2), 1–28. https://doi.org/10.21315/aamjaf2021.17.2.1

[6] Balakrishnan, K. and Cohen, D., 2014. Competition and financial accounting misreporting. University of Pennsylvania and University of Texas at Dallas working paper.

[7] Barth, M. E., Kasznik, R., & McNichols, M. F. 2001. Analyst Coverage and Intangible Assets.Journal of Accounting Research, Vol. 39, No. 2, 1-34.

[8] Bassey, E., Sunday.O., Okon.E.,(2013), "The Impact of Environmental Accounting and Reporting on Organizational Performance of Selected Oil and Gas Companies in Niger Delta Region of Nigeria", Research Journal of Finance and Accounting, Vol. 4 No. 3, pp 57 – 73.

[9] Booth, L., Zhou, J., 2009. Market power and dividend policy: a risk-based perspective. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1296940.

[10] Brander, J. A., and Lewis, T. R. (1986). Oligopoly and financial structure: the limited liability effect. Am. Econ. Rev. 76, 956–970.

[11] Bratten, B. et al. 2013. The Audit of Fair Values and Other Estimates: The Effects of Underlying Environmental, Task, and Auditor-Specific Factors. Auditing: A Journal of Practice.

[12] Cheng, P., Man, P., Yi, C. H., 2013. The impact of product market competition on earnings quality. Accounting & Finance 53, 137-162.

[13] Chintrakarn, P., Jiraporn, P., and Singh, M. (2014). Powerful CEOs and capital structure decisions: evidence from the CEO pay slice (CPS). Appl. Econ. Lett. 21, 564–568.

[14] Dechow, P. and I. Dichev. 2002. The Quality of Accruals and Earnings: The Role of Accrual Estimation Errors. The Accounting Review, 77 (Supplement), 35-59.

[15] Fosberg, R. H. (2004). Agency problems and debt financing: leadership structure effects. Corp. Govern. 41, 31–38.

[16] Francis, J., Lafond, R., Olsson, P., & Schipper, K., 2005. The Market Pricing of Accruals Quality. Journal of Accounting and Economics, 39, 295-327.

[17] Freedman, Martin, & Jaggi, Bikki, (2005),‖ Global warming, commitment to the Kyoto protocol, and accounting disclosures by the largest global public firms from polluting industries‖, The International Journal of Accounting, Vol 40, pp.216
[18] Gaspar, J.M., Massa, M., 2006. Idiosyncratic volatility and product market competition. Journal of Business Vol.79, pp.3125-3152.
[19] Guo, Y., Jung, B. and Yang, S.Y. (2015), "Product market competition and earnings quality: a non-linear relationship", SSRN eLibrary, pp. 1-45.
[20] Hasan, M.M. and Habib, A. (2017), "Corporate life cycle, organizational financial resources and corporate social responsibility", Journal of Contemporary Accounting and Economics, Vol. 13 No. 1, pp. 20-36.
[21] Jones, Jennifer J, 1991. Earnings Management During Import Relief Investigations. Journal Of Accounting Research, Vol 29, No.2 1991, p.193-228.
[22] Kale, J.R., Loon, Y.C., 2011. Product market power and stock market liquidity. Journal of Financial Markets Vol. 14, pp.376-410.
[23] Karim, N. K., Atikah, S., & Lenap, I. P. (2019). Kualitas Laba Dan Pengukurannya Pada Perusahaan Jasa Pendukung Industri Pariwisata. Jurnal Aplikasi Akuntansi, 4(1), 1–14. Https://Doi.Org/10.29303/Jaa.V4i1.56
[24] Levitt, A. (1998). The importance of high-quality accounting standards. Accounting Horizons, 12 (1), 79-82.
[25] Margaritis, D., and Psillaki, M. (2010). Capital structure, equity ownership and firm performance. J. Bank. Fin. 34, 621–632.
[26] Mauro P, Guido P, Elisa M, Fair value accounting and earnings quality (EQ) in banking sector: Evidence from Europe African Journal of Business Management (2017) 11(20) 597-607
[27] McDonough, R. P., & Shakespeare, C. M. (2015). Fair value measurement capabilities, disclosure, and the perceived reliability of fair value estimates: A discussion of Bhat and Ryan (2015). Accounting, Organizations and Society, 46(C), 96-99.
[28] Michalkova, L., Cepel, M., Valaskova, K., Vincurova, Z., 2022. Earnings Quality and Corporate Life Cycle Before the Crisis. A Study of Transport Companies Across Europe. Amfiteatru Economic, 24(61), pp. 782-796.
[29] Mikhail, M., B. Walther and R. Willis, 2003. Reactions to dividend changes conditional on earning quality. J. Account, Audit. Finance., 18(1): 121-151.
[30] Nelly R, Siregar S, Sugianto S. Analisis Manajemen Risiko Pada Bank Syariah: Tinjauan Literatur . reslaj [Internet]. 23Feb.2022 [cited 14Jan.2023];4(4):918-30. Available from: https://journal.laaroiba.ac.id/index.php/reslaj/article/view/1008
[31] Ngo, D. N. P., and Le, A. T. H., 2021. Relationship between the audit committee and earning management in listed companies in Vietnam. Journal of Asian Finance Economics and Business, 8(2), pp. 135-142. https://doi.org/10.13106/jafeb.2021.vol 8.no2.0135
[32] Olaoye Festus Oladipupo, Ibukun-Falayi Owoola Rekiat, EFFECT OF FAIR VALUE accounting on earnings quality of nigeria deposit money banks. kiu interdisciplinary journal of humanities and social sciences
[33] Pramanda, A., & Husnah, N. (2014). Pengaruh Intellectual Capital terhadap kualitas laba dengan corporate governance sebagai variabel moderasi (studi perusahaan manufaktur yang terdaftar di bursa efek indonesia tahun 2011 dan 2012). Universitas Indonesia, 1-14.
[34] Sharma, V., 2010. Stock Returns and Product Market Competition: beyond Industry Concentration Review of Quantitative Finance and Accounting Vol. 37, pp. 283-299.
[35] Sodan, S. (2015). The impact of fair value accounting on earnings quality in Eastern European countries. Procedia Economics and Finance, 32, 1769-1786.Available at: https://doi.org/10.1016/s2212-5671(15)01481-1.
[36] Susanto, Y. K., Pirzada, K., and Adrianne, S., 2019. Is tax aggressiveness an indicator of earnings management? Polish Journal of Management Studies, 20(2), pp. 516-527. https://doi.org/10.17512/pjms.2019.20.2.43
[37] Ulum, Ihyaul, I. Ghozali, dan A. Purwanto.2014a.Intellectual Capital Performance of Indonesian Banking Sector: A Modified VAIC (M-VAIC) Perspective.Asian Journal of Finance & Accounting.Vol.6 No.2, ISSN: 1946-052X.
[38] Vahab Rostami, Leyla Rezaei, dan Zeinab Bazargani., 2021. The Effect of Product Market Competition and Life Cycle Stages on Corporates' Business Strategy with Emphasis on New Companies. Journal of Business Intelligence Management Studies Vol. 9, No.36
[39] Verrecchia, R.E. (1983), "Discretionary disclosure", Journal of Accounting and Economics, Vol. 5 No. 1, pp. 179-194.
[40] Widhiastuti S, Murwaningsari, Etty Mayangsari S., 2018. The effect of business intelligence and intellectual capital of company value moderated by management of profit riil. JVol. 2, No. 2, pp. 64-78
[41] William R Scott. 2009. Financial Accounting Theory. Fifth Edition. Pearson Prentice Hall: Toronto.
[42] Z Paktinat dan D Javid, Investigating the Effect of Product Market Competition on Earning Quality in the Listed Companies in the Tehran Stock Exchange, International Journal of Management, Accounting & Economics Vol.1, No.1: 60-70, 2015.