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UNIVERSITY

ILISHAN-REMO, OGUN STATE, NIGERIA

COLLEGE OF POSTGRADUATE STUDIES

2022/2023 PhD Thesis Abstract

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RT: Creative Accounting Practices and Business Survival of Selected Deposit Money Banks Quoted in Nigeria

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AB: The survival of the banking industry partly rests on the ability of the management to present transparent financial statements to the public which will inform good investment decisions. Literature revealed that the banking industry in Nigeria had witnessed collapses and mergers which may be associated with Creative Accounting (CA) despite the various reforms and Institutional regulations. Studies had linked (CA) with short term performance but long-term business performance has scarcely been researched. This study investigated the effect of (CA) on business survival (bank solvency, bank operating cashflow, credit risk management) of banks in Nigeria.

This study adopted *ex-post facto* research design. The population of the study comprised 19 listed Deposit Money Banks (DMBs) as at December, 2021 with International and National authorizations and 9 failed banks between 2006 and 2021. Purposive and total enumeration sampling techniques were adopted to select seven surviving DMBs and the failed banks respectively. The validity and reliability of data were premised on audited financial statements of DBMs listed in Nigeria. Descriptive and Inferential (multiple regression) statistics were used to analyze the data at 5% level of significance.

Findings revealed that CA had a significant influence on the survival of the DMBs ($Adj.R^2 = 0.32$, $F(5, 60) = 2.64$, $p < 0.05$) and the failed banks ($Adj.R^2 = 0.36$, $F(5, 67) = 5.48$, $p < 0.05$). Specifically, CA had a significant influence on bank solvency for surviving banks

($Adj.R^2 = 0.26$, $F(5, 106) = 12.07$, $p < 0.05$) and for failed banks ($Adj.R^2 = 0.33$, $F(5, 61) = 7.38$, $p < 0.05$); bank operating cashflow for surviving banks ($Adj.R^2 = 0.58$, $F(5, 106) = 31.35$, $p < 0.05$) and for failed banks ($Adj.R^2 = 0.50$, $F(5, 61) = 2.37$, $p < 0.05$); bank growth for surviving banks ($Adj.R^2 = 0.32$, $F(5, 105) = 11.44$, $p < 0.05$) and for failed banks ($Adj.R^2 = 0.34$, $F(5, 61) = 5.67$; $p < 0.05$); and credit risk management for surviving banks ($Adj.R^2 = 0.20$, $W(5, 106) = 4.44$, $p < 0.05$) and for failed banks ($Adj.R^2 = 0.34$, $F(5, 59) = 5.75$; $p < 0.05$) but exerted an insignificant influence on return on capital employed for surviving banks ($Adj.R^2 = 0.374$, $W(5, 106) = 5.88$, $p > 0.05$) and for failed banks ($Adj. R^2 = 0.360$, $F(5, 59) = 5.75$, $p > 0.05$). Board oversight function significantly moderated the effect of CA on survival of DMBs for surviving DMBs ($Adj. R^2 = 0.322$, $W(5, 60) = 11.44$, $p < 0.05$) and for failed banks ($Adj.R^2 = 0.34$, $F(5, 34) = 4.46$, $p < 0.05$).

The study concluded that creative accounting enhanced business survival of selected deposit money banks listed in Nigeria. It was recommended that Central Bank of Nigeria and other regulators of financial institutions listed should ensure that banks loan portfolios are in the right mix and financial reports presented should be a representation of business reality.

Keywords: Bank solvency, Board oversight function Business survival, Creative accounting, Credit risk management

Word Count: 478

Abbreviations: RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract

Suggested Citation: Nwobodo, H., Dada, S.O. & Ajibade, A.T. 2023. Creative Accounting Practices and Business Survival of Selected Deposit Money Banks Quoted in Nigeria. PhD Thesis Abstract, College of Postgraduate Studies, Babcock University. [https://doi.org/10.61867/pcub.1\(5\).080](https://doi.org/10.61867/pcub.1(5).080)