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Discovering Thoughts, Inventing Future

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The Similarities and Differences between the Financial Reporting Standards under United States. GAAP versus IFRS

By Prof. Edel Lemus, M.I.B.A.
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Abstract- The purpose of the article is to review recent trends as it relates to the expected convergence process from United States Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS) that will take place as early as 2015. In addition, the idea of implementing International Financial Reporting Standards (IFRS) in the United States market is not only adopting one singular accounting system but also bringing foreign cash from multinationals by lowering the repatriation tax rate under IFRS so businesses can have the competitive advantage to continue operating in the global market arena. However, the prohibition of Last-In, First-Out (LIFO) under International Financial Reporting Standards (IFRS) represents a great challenge to the Financial Accounting Standard Board (FASB) and the Securities and Exchange Commission (SEC). As a result, according to Warren, Reeve, & Duchac (2014), approximately 127 countries have already adopted IFRS and Tyson (2011) predicts that the number of countries adopting IFRS will increase up to 150 countries worldwide. Therefore, IFRS claims to be more capital oriented, to provide more relevant information for investment decision, and to reflect better a firm's economic position than United States GAAP as predicated by Florou & Kosi (2013).

Keywords: securities and exchange commission (SEC), financial accounting standard board (FASB), generally accepted accounting principles (GAAP), international financial reporting standards (IFRS), similarities and differences between rules based and principles based, IFRS roadmap, convergence and accounting standards advisory forum (ASAF).

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THESIMILARITIESANDDIFFERENCESBETWEENTHEFINANCIALREPORTINGSTANDARDSUNDERUNITEDSTATESGAAPVERSUSIFRS

Strictly as per the compliance and regulations of:

The Similarities and Differences between the Financial Reporting Standards under United States. GAAP versus IFRS

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I. Introduction

In an effort to stay abreast with International Financial Reporting Standards (IFRS) (as cited in Rivero & Lemus, 2014) this article will introduce three subject areas that are relevant to private and public traded companies in the United States. The three subject areas mentioned are as follows: (1) The Standard Setting Similarities and Differences Between: United States GAAP and IFRS, (2) The Financial Reporting System between the FASB and the IASB, and (3).The United States Adoption of IFRS and its Global Competitors. Moreover, the majority of Certified Public Accountants (CPAs) in the United States have a good understanding of United States GAAP but not IFRS. As a result, the United State is in the process of determining if listed public traded companies in the stock market have to adopt IFRS. Therefore, it is imperative that the SEC and FASB understand four key aspects when considering the adoption of IFRS in the United States: (1) Convergence, (2) Adoption, (3) Endorsement, and (4) Condorsement.

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II. The Standard Setting Similarities and Differences between: U.S. GAAP and IFRS

The similarities and differences that exist under United States GAAP and IFRS are quite distinctive. In addition, when comparing United States GAAP to IFRS one is rules based and the other one is principles based. Moreover, as it relates to the accounting treatment transition under IFRS, the principle based provides less information and by far is less detail oriented than rules based. Furthermore, United States GAAP is supported by three aspects and these are: (1) Legal, (2) Economic, and (3) a Social Accounting System. On the contrary, IFRS is a principle based accounting standard and as such meets the social economic needs of a country. As a result, the main differences and objectives that exist between United States GAAP and IFRS are found under the economic, legal, political and social aspect. For example, when Germany decided to adopt IFRS, the central bank suggested that IFRS was a great accounting standard to follow. Another example that can be illustrated is the Netherlands because the Netherlands had to clearly identify the equity outside their financial system by following the predicated guidance under IFRS. The technical differences that are established between United States GAAP and IFRS are indicated as follows: (1) The way financial statements are presented under each accounting standard, (2) Evaluation of the financial position of the Balance Sheet, and (3) Recording of the accounting differences in the accounting books. Therefore, IFRS offers more latitude judgment than United States GAAP and as well provides an extensive reporting disclosure requirement (Warren, Reeve, & Duchac, 2014).

Since the SEC began to follow the road map guidance, the three institutional bodies that demonstrated interest in mitigating the technical differences between United States GAAP and IFRS were: (1) the government, (2) professional accountants in the accounting industry, and (3) educators in the higher education arena. In addition, once the SEC proposed a road map towards IFRS, the government, professional accountants, and educators have expressed a sentiment in understanding the timeline of the convergence process from United States GAAP to IFRS. Moreover, the SEC indicated that the initial step of the adoption of IFRS in the United States will take place as early as 2014. As a result, medium sized and public traded companies have express a degree of concern about the execution plan of the convergence project. For example, in terms of financial reporting, IFRS is more flexible than United States GAAP. Also, educators in the higher education arena have to prepare for the new adoption era of IFRS. Therefore, the SEC proposed an optimistic value towards the convergence project from United States GAAP to IFRS (Bandyopadhyay & McGee, 2012).

A brief summary (as cited in Warren, Reeve, & Duchac, 2014) proposed a chronological convergence event from United States GAAP to IFRS is illustrated below:

The Road to IFRS

2002	IASB and FASB jointly agree to work toward making IFRS and United States GAAP compatible.
2005	EU adopts IFRS for all companies engaged in international markets. SEC and European Commission jointly agree to work toward a "Roadmap for Convergence".
2007	SEC allows foreign (non-U.S.) companies to use IFRS financial statements to meet U.S. filing requirements.
2008	SEC issues proposed "Roadmap" with timeline and key milestones for adoption to IFRS.
2010	SEC reiterates milestones in the proposed "Roadmap."
2013	Target date for FASB and IASB convergence on major standard-setting projects. Target date for SEC's tentative decision regarding IFRS adoption.
2015	Earliest date the SEC would require IFRS for U.S. public companies.

(Warren, Reeve, & Duchac, 2014, Appendix D-3)

The SEC, acting as a principal regulator in the convergence process from United States GAAP to IFRS, issued a comment proposal in reference to accepting the consolidation of financial statements under IFRS by not taking under consideration the reconciliation accounting process from United States GAAP. Researchers in the accounting industry have accepted the liquidity disclosure of IFRS by utilizing different accounting methods and criteria. Moreover, the researchers proposed in the literature review study that in order for there to be an appropriate accounting reconciliation method between United States GAAP and IFRS three conditions must be met: (i) understand the magnitude of the financial reports consolidated under the two standards, (ii) analyze cautiously the items reflected in the financial statements that are creating discrepancies, and (iii) the professional judgment reflected in the financial statements should address a comprehensive rationale about the two standards long-term financial decision making process across nations. For example, the research study of Miller and Becker (2010), and Poon (2012) suggests if public traded companies reconcile their financial statements under IFRS investors will receive useful and reliable financial information. As a result, as regulators tend to enforce their own GAAP in their own territory the cost of the same will serve as a cost advantage adoption position in different economic market. Therefore, researchers attest that using dual method accounting reconciliation will be useful to the accounting industry for years to come (Sunder, Benston, Jamal, Carmichael, Christensen, Colson, & Watts, 2013).

The differences between United States GAAP and IFRS are associated with the financial reporting performance aspect. In addition, IAS 1 deals with the presentation of financial statements, but does not prescribe specifically the presentation of the financial statements. Moreover, multiple reporting formats have been created that evolve the reporting practice under the two standards settings. Furthermore, Smith (2012), throughout the research study, discusses the importance of the Balance Sheet presentation prescribed as follows: "Assets - Liabilities = Stockholders' Equity, rather than the U.S. format: Assets = Liabilities + Stockholders' Equity" (p. 22.). For example, the Stockholders' Equity reported under IAS 7 is quite similar to SFAS No. 95 that is presented under United States GAAP. However, in terms of disclosing information in the financial footnotes IFRS requires that currency should be disclosed in the financial footnotes. On the other hand, United States GAAP does not require United States public traded companies to disclose the currency in the financial statements footnotes since it is relatively understood that the company is reporting in United States dollars. Furthermore, the other pertinent difference that exists between United States GAAP and IFRS is the inventory method. As a result, under IFRS the inventory accounting methods that are allowed are:

(1) FIFO and (2) Weighted-Average Method, and (3) LIFO which is prohibited under IFRS. On the contrary, the United States GAAP permits the three inventory accounting methods which are: (1) FIFO, (2) LIFO, and (3) Weighted-Average. The standard settings such as IFRS and United States GAAP require the application of lower market cost. Nevertheless, United States GAAP and IFRS, to some extent, permit certain write-up after write-down. Another difference that exists between United States GAAP and IFRS is the investment property value. As United States GAAP indicates, if a company has a deferred tax, the company must determine where the valuation allowance exists. Therefore, the similarities and differences between United States GAAP and IFRS remain on the technical aspect and selected items presented in the financial statements (Smith, 2012).

III. The Financial Reporting System between the FASB and the IASB

The financial reporting system in the United States has changed significantly. In addition, in 2008, the SEC proposed a feasible road map plan of guidance by joining more than 100 countries worldwide that have already adopted IFRS. Moreover, the rapid expansion of IFRS has guided MNEs and subsidiaries to prepare and consolidate their financial statements in accordance with IFRS. Furthermore, the two accounting standards aboard, the FASB and the IASB, are presently working in conjunction to convert the two standards in one set of accounting principles. As a result, the FASB and the IASB have issued new standards to eliminate the differences that exist between United States GAAP and IFRS in terms of bringing about a new financial horizon path for business combinations and consolidated financial statements. However, significant differences still persist between the two standards. For instance, since the SEC continues to work toward the adoption of IFRS, the SEC is asking professional accountants to keep abreast of the knowledge of the two standards. For example, companies' executives should think strategically about the transition towards IFRS and what contingency plan the executives are willing to propose for the next five years ahead. Therefore, the researcher recommends that the treatment of IFRS3 business combination (as cited in IFRS, 2012) is an important aspect to be consider in the adoption process, because promote: (1). relevance, (2). reliability, and (3). comparability reported in the financial statements (James, 2010).

The accounting principle standard known as IFRS offers similar conceptuality to United States GAAP. In addition, United States GAAP and IFRS utilize accrual basis accounting with different going-concern presentation values in the balance sheet. Moreover, the taxonomy aspect is another hot subject to deal with in the convergence process. Furthermore, the FASB has proposed a taxonomy road map plan guidance for practitioners' accountants to follow in 2014. Therefore, the financial reporting position in the United States continues to constantly evolve and the new principles based adoption will come sooner than expected (James, 2010).

The fair-value measurement considered two relevant aspects and these are: (1) Historical-Cost Model, and (2) The Fair-Value Elements Measurement. The researchers Langmead, and Soroosh, (2009), noted that

> Jack T. Ciesielski investigated 129 U.S.GAAP reconciliations from foreign filers using IFRS in 2006 (the last year the SEC required such reconciliations). The study revealed that the overall effect of differences between the two accounting systems was significant. Of the 129 companies studied, 83 (64%) showed higher earnings under IFRS than under U.S.GAAP; the median difference was 12.9%. Another 44 companies (34%) showed lower earnings under IFRS; the median difference was -9.1%. Only two companies showed the same earnings under both bases of accounting (The Analyst's Accounting Observer, R.G. Associates, Inc., vol. 16, no. 11) (p. 24.).

Furthermore, the researchers noticed in the research study that the reliability and transparency of IFRS is quite similar to United States GAAP, because shareholders and stakeholders care about the observance of financial suitability within the firm. For example, the information presented in the balance sheet under IFRS will be characterized similar to United States GAAP standards. As a result, this is one of the main existing reasons that professional practitioner accountants in the United States have to acknowledge the strong presences of IFRS in the United States capital market. Therefore, the United States continues to be one of the most important nations around the world for many organization and investment entities that are not affiliated with the United States (Langmead, & Soroosh, 2009).

IFRS indicates three provisions that must be recognized by following the existing conditions in the accounting and financial market and these are: (1) a company must present past transaction events reflected in the financial statements, (2) the economic outflow of IFRS is probable, and (3) the estimates under IFRS must comply in accordance with IAS 37. In addition, the major difference that exists between United States GAAP and IFRS specifies the precision time in recognizing the transaction event. Moreover, IFRS records a company restructure cost when a liability is presented in a detailed plan to meet IAS 37 guidance and procedure. For example, under this specific situation a company has a constructive obligation under IAS 37 IN 2(b) that creates a probable execution plan. As a result, the main differences that exist between United States GAAP and

IFRS are illustrated as follows: (1) Material recognition, (2) Material measurement, and (3) Full disclosure of restructuring charges. For instance, the preparers of financial statements working with both standards should be aware of the financial implications that are related in interpreting the financial information and the related liabilities under statement IAS 37. Therefore, IFRS is currently working in the alignment process of IAS 37 and improving at the same time the recording position of liabilities in the global convergence project from United States GAAP to IFRS (Lin, & Yang, 2012).

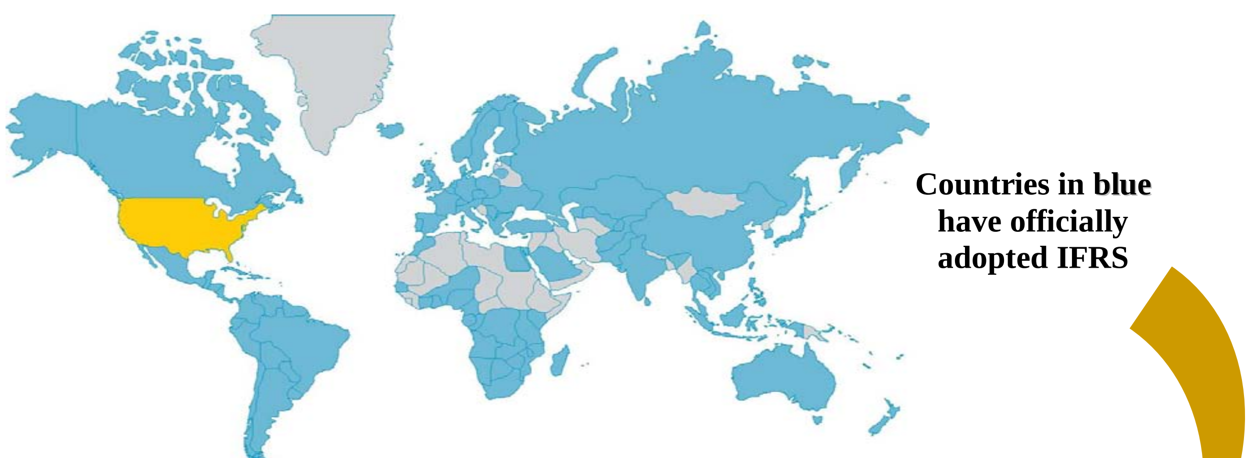
IV. The United States Adoption of IFRS and its Global Competitors

The adoption efforts of IFRS in the United States market continue gaining a strong presence. In addition, the researcher provides relevant statistical data information where investors in the United States hold more than $6 trillion in foreign debt and the equity securities include the following countries: countries in the European Union, Canada, Mexico, Brazil, and South Korea. Most importantly, China is presently in the process of adopting IFRS. For example, more than 450 non United States companies operating in the United States market are reporting under IFRS and hold a combined market cap of $5 trillion. Furthermore, in 2013, the IASB created a single set of high quality financial reporting standards known as ASAF. The main goal and objective of ASAF is to provide high quality reporting standards of financial reports in the United States as well as around the globe. However, the ASAF will serve as a vehicle to communicate the technical accounting differences that exist between the FASB and the IASB. For example, the researcher Murphy (2013) writes:

> Hoogervorst reported— 62% of those companies surveyed reported transition budgets under $500,000. For larger companies with revenues of more than $1 billion, the highest recorded transition cost was less than 0.1% of turnover. These numbers are consistent with surveys elsewhere such as in Europe and Korea, so we know the costs of transition are manageable (p.10.).

Therefore, the standard setters such as the Financial Accounting Standard Board (FASB) and the International Accounting Standard Board (IASB) are supporting the global adoption effort of IFRS acting as a singular accounting language through the Accounting Standards Advisory Forum (ASAF) mission statement (Murphy, 2014).

IFRS Adopters



Anguilla	Antigua and Barbuda	Armenia	Austria
Australia	Bahamas	Bahrain	Barbados
Belgium	Bosnia and Herzegovina	Botswana	Brazil
Bulgaria	Chile	Costa Rica	Croatia (Hrvatska)
Cyprus	Czech Republic	Denmark	Dominican Republic
Ecuador	Egypt	El Salvador	Fiji
Georgia	Ghana	Gibraltar	Grenada
Greece	Guatemala	Guyana	Haiti
Honduras	Hong Kong	Iraq	Israel
Jamaica	Jordan	Kazakhstan	Kenya
Kuwait	Kyrgyzstan	Laos	Lebanc
Lesotho	Macedonia	Malawi	Maldive
Mauritius	Mongolia	Montenegro	Morocc
Mozambique	Myanmar	Namibia	Netherlands Antilles
Nepal	New Zealand	Nicaragua	Oman
Panama	Papua New Guinea	Paraguay	Peru
Qatar	St. Kitts and Nevis	Saudi Arabia	Serbia (Republic of)
Sierra Leone	South Africa	Sri Lanka	Suriname
Swaziland	Switzerland	Tajikistan	Tanzania
Trinidad and Tobago	Turkey	Uganda	Ukraine
United Arab Emirates	Virgin Islands (British)	West Bank/Gaza	Zambia
Zimbabwe			

Source: http://www.iasplus.com/country/useias.htm.

(Warren, Reeve, & Duchac, 2014, Exhibit 1, Appendix D-2)

The researchers indicate throughout the research study in the above global map that 27 countries in the European Union (EU) have officially adopted IFRS and another 100 countries have adopted IFRS for public companies. Most importantly, in 2016 in the Asian market, Japan is expected to consider mandatory adoption of IFRS, whereas India demonstrates limited use of IFRS and China is fully adopting IFRS. Therefore, the G20 group is calling for a uniform financial accounting language standard by 2016 (Warren, Reeve, & Duchac, 2014).

V. Conclusion

In conclusion, it can be determined that the earliest date the SEC will require publicly traded companies to adopt IFRS is 2015. In addition, the top 500 publicly traded companies in the New York Stock Exchange (NYSE) market need to align their financial statements in accordance with IFRS. As a result, the four main objectives of the IASB are: (1) develop one singular accounting language, (2) promote strong IFRS standards, (3) fulfill the governance necessity in the emerging economic market, and (4) promote IFRS as a high quality accounting solution as noted by the IAS. Therefore, as written by Rivero, & Lemus (2014) "U.S. IFRS is inevitable and the U.S. government needs to create a sense of urgency to prepare U.S. business leaders" (p. 49).

VI. Recommendation for Future Studies

The author of this article suggests that the following aspects should be considered for future studies in the convergence process from United States GAAP to IFRS and the adoption of the same in the United States capital market:

1. Regulators in the United States need to value IFRS latitude judgment in the accounting industry. This requires the involvement of SEC and FASB leaders.
2. Accounting educators and professional practitioners have to concentrate on understanding the insights of the 2014 United States GAAP Financial Reporting Taxonomy aspect and IFRS's earliest expected adoption in 2015.
3. The attitude and psychological effect of CPAs and Chief Financial Officers (CFOs) toward the harmonization process of IFRS in the United States capital market.
4. Examine the relationship between Corporate Social Responsibility (CSR) and the treatment of IFRS3 business combination in the convergence process from United States GAAP to IFRS.
5. Universities and colleges in the United States should align the accounting curriculum with IFRS.

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Obligation of the External Auditors with International Standards and its Relationship with the Volume and Prices in the Jordanian Stock Market for Service Sector Corporation

By Dr. Ali Mustafa Maqableh
National Irbid University, Jordan

Abstract- This study aimed to describe the extent to which the external auditors in service sector companies contribute to the Jordanian international auditing standards so that the obligation is not a new innovation to the profession, and the results of the study showed that there is a extent of the external auditors and the obligation to use international accounting standards which affected the outcome of both the trading volume and stock increase.

GJMBR-D Classification : JEL Code: M40

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I. Introduction

The main objective of the audit added confidence on the information contained in the financial statements. This information serves as a green light for decision-makers in their investments and expected returns, costs and risks which contribute to promoting investment both at the individual level or at the aggregate level.

External auditor independence is one of the most important audit issues have received considerable attention from the very beginning to configure the audit profession is a cornerstone of the profession, and the independence of the auditor it is because of the confidence the users of financial statements and rely on them in their use of the information contained in the lists of economic decisions, and when the independence of the auditor to suspect confidence in financial statements that carry its ratification and is difficult to rely on sound economic decisions of the syndicate.

Due to the expansion of business in the recent period and the emergence of global trade between various countries had to be an external audit of all companies, which aim to detect errors and fraud and ensure the accuracy and validity of financial statements, the audit has played a significant role in public life because it serves a large part of society including shareholders and investors and Government authorities here had to be in the impact of the work of the external auditor and its commitment to international standards in the service-sector firms listed in the stock market.

The audit process is based on the examination of internal control systems, data, documents, accounts and books of the company's critical examination, with a view to coming up with an impartial professional opinion on the significance of financial statements on the company's financial position at the end of the time period information, and photographed for the results of their work from profit or loss for the period.

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II. The Problem of the Study

Companies face different types of risks affecting the accuracy and credibility of financial reports that are issued, due to events in previous years, companies had to be an external audit which contributes to results through effective oversight of corporate activities and abide by the laws of these companies and provide consulting, with all that it has a leading role in the evaluation of companies by following the external auditor with the international standards and will focus this study on problem questions:

1. The impact of the external auditor's commitment to international standards in the sector of services firms contribute to Jordan and to increase the volume?
2. What is the impact of the external auditor's commitment to international standards and the increase in stock prices in the service sector companies contribute to Jordan?

a) Importance of the study

The importance of this study through research on the impact of the external auditor's commitment to international standards and its role in the evaluation process of the service sector companies contribute to the Jordan, and access to accurate financial statements.

b) The objectives of the study

The study aims to identify the following:

- Learn about the impact the auditor's commitment to international standards in service sector companies contribute to Jordan?
- Identify the role of the external auditor in the evaluation process of the service sector companies contribute to Jordan?

c) The study hypotheses

- There is a relationship between the external auditor's commitment to international standards in service sector companies contribute to the volume stock market.
- There is a relationship between the external auditor for the application of international standards and rising stock prices in the services sector contributing companies.

d) Methodology of the study

Been using descriptive analytical study, which relies on the collection of data on the subject of the study, the use of sources of data collection as follows:

i. *Secondary sources*

And that is in reference books, magazines and periodicals in this study.

ii. *Primary sources*

The questionnaire that will be developed to measure the impact of the external auditor's commitment to international standards in the service-sector firms Jordan. And distributed to selected from a sample survey to collect data on the topic of study.

e) Study Society

The study society consists of all service sector companies contribute to Jordan included shares of trading when the study sample was taken 144 companies, select asample including 65 companies, distributed 260 questionares , retrieved 240 of them.

f) Display and Analysis of Data

By entering the data gathered from the sample program (SPSS) to extract duplicates and means, standard deviations and therefore to answer the study hypotheses.

g) Previous studies

1. Arar study (2009): "the extent to which the external auditor in Jordan, and assessment tests material error when auditing the financial statements.

This study aimed to describe the extent to which the external auditor in Jordan, and tests to assess the risk of financial mistakes when auditing the financial statements and the study found the following results:

- The external auditor in Jordan applies the procedures and tests necessary to understand the internal environment and to assess the risks of material misstatement, since there is a relationship between the auditor's understanding of the environment and the ability to assess the risk of material misstatement when audited financial statements.
- The auditor comply with the application procedures and tests necessary for testing internal control system in its assessment of the risk of physical danger when auditing the financial statements.

2. Study, and tanning (2011) entitled: "the impact of the audit firms compliance with international auditing standards on marketing strategic plans."

This research aims to describe the impact of the audit companies of Jordan's commitment to international auditing standards to marketing plans for marketing their services. Information was collected on the practical side of this study through field visits and interviews with four firms audit; two of them local, and other global companies operating in Jordan. And interviews with five international companies which ask questions; most of the answers of the respondents stating that adhere to international standards of the audit profession is important for both companies and audit firms.

But the most important element in choosing a company for her strict external expertise and efficiency in the work of the audit staff working in the company.

3. Study of Al-Rashidi (2011) entitled: "the conditions of the external auditor's independence is in the State of Kuwait: a comparative study".

This study aimed to identify the availability requirements of the external auditor's independence is in the State of Kuwait, and follow the researcher in this study is descriptive, the population of the study consisted of external auditors and the existing and potential investors, lenders, financial analysts, in addition to the control and supervision of the profession has been intentional sample of this community include (75). The study found most of the following results:

- No terms of the independence of the external auditors in the State of Kuwait from the point of view of the groups included in the study (external auditors, users of financial statements, points of control and supervision) and that regulatory and supervisory authorities are most influential to this view.
- There are constraints to provide conditions for the independence of the external auditors in the State of Kuwait, and that groups in support of this opinion are also oversight and supervision of the profession.

4. study (Chen et al, 2007), "the role of the external auditor in the process of quality assurance and customer case study of Taiwan."

To examine the independence of the Auditor, negotiations and discussions between the client and the Auditor during the audit of financial statements, identify the impact of the quality of the outputs of the negotiations between the client and the Auditor in Taiwan, to accomplish the objectives of the study the researchers model design of the questionnaire contains a set of paragraphs, was distributed to a sample of (960) company consisting of (622), a public company listed on Taiwan Stock Exchange, (338) public company registered in the labour market Securities Market) (GreTai GTSM, the researchers used statistical methods in data analysis through statistical packages for the Human Sciences (SPSS), and the results of the analysis showed that the quality Checker play a major role in the independence of the Auditor, as high degree autonomy where high efficiency and quality checker, and found that there are other factors affecting the ability of administrative pressure resistance checker in auditing the financial statements.

5. study (Abu Baker et al., 2005), entitled "factors affecting external auditor, a case study of Malaysia".

To identify and explain the factors affecting the independence of the auditor from the point of view of the staff responsible for lending in Malaysia, and to achieve the objectives of the study was descriptive in design model of questionnaire distributed to a random sample of (86) employees in the Malaysian commercial banks, and use appropriate statistical methods to analyze data through statistical packages for the Human Sciences (SPSS), and the results of the analysis showed the presence of small companies are auditing within a highly competitive environment which negatively affects the quality and independence of the external auditor, In addition to auditing firms serving clients and customers for a long time on the administrative guidance services, audit fees are in addition to the existence of a regulatory audit Board sets auditing process are factors contributing to the high level of serious lack of independence.

6. study the Muttawa |(2009): the study showed that there is a growing interest in auditing standards at the time of issuance and El Khader explained and developed in addition to that there is a constant evolution in both the accounting and auditing profession and the environment where the standards that apply to certain conditions not suitable for application in other circumstances and study towards a harmony or coherence between international standards and national standards.
7. study (Tella, 2008): this study aimed to clarify the ethical failures that played a prominent role in the global financial crisis, the study lists some cases when some managers coveting and greed of shareholders to ensure quick profits, and forms of corruption that emerged from conflicts of interest, complex financial instruments to understand and conduct a number of businessmen who failed to exercise the mind and independence in quick.
8. study (Leone, the researcher noted that audit firms to become acceptable not only to the company but to the stakeholders should focus on the quality of the audit service through a commitment not only to the international standards of auditing, but commitment to the culture and standards of the audit firm itself, most notably the auditor should understand that it is not only responsible for managing the company but also to stakeholders and to be a force behind the changing relationship between the audit firm and the management of the company.

III. The Theoretical Framework of the Study

The internal audit is crucial as a aims to serve many uses of financial statements and audited as adopted in decision processes and policy, the management of any project depends primarily on the accounting data in planning and monitoring and evaluating performance, and ensure that such data is audited by a professional with experience and high quality in the audit process.

The audit of operations is very important in mapping and risk assessment, internal audit has a significant role in public life since it serves multiple classes within the company and outside it as current and prospective investors, government departments and the directors of the company.

The internal audit profession is undergoing unprecedented development, development control tools within business organizations are significantly different than in traditional organizations in most periods of the twentieth century, business information, they are knowledge-intensive, result in very complex processes and theme at the international level, it had changed to the Organization, function, and changed the need for oversight, and internal audit profession of support functions for the administration of these organizations and the backbone of business organizations.

The audit profession originated from a human need to validate reliable accounting data in decision-making and policy-making,

And that the audit process is not new, but the process is a very old process, historical documents that ancient Egyptians were recorded cash transactions then they scrutinize her for validity.

And then the audit profession has evolved and the return on the breadth and development of economic activity and the increase in area in the world, with the audit profession take great importance high value and internal audit is defined as: .

As an independent activity calendar in the project to review the accounting, financial and other business and management service, and administrative control is you measure and evaluate other means of control and the functions of the internal audit are:

- Monitoring plans and monitor their implementation and identify its objectives, and the reasons for not reaching the goals set.
- Evaluation of business results relative to what was targeted.
- Eliminate waste by maximizing efficiency by maximizing the efficiency of productivity possible.
- Maximize the well-being of the community.

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- Reduce audit risk and the difficulty of estimating the effects of the audit client or facility under scrutiny.

IV. The Importance of Auditing

The importance of checking back to being a means, not an end, so that the objective of this medium to the inter service using audited financial statements, and adopted by the decision-making and policy-making.

Examples of such entities and groups, managers and investors, banks, business, economy and various government bodies and trade unions.

Since project management depends entirely on accounting data in planning and performance monitoring and evaluation, and hence ensure that accurate data by neutral technical body, and also find a variety of investors adopt audited financial statements when making any decision in direct savings and investments to achieve the greatest possible return.

In terms of commercial banks and industrial installations, based financial statements planned by neutral technical body when examining financial statements for projects that apply for loans and credit facilities, as well as find economists rely on these lists in their assessment of national income and economic planning.

The role of internal audit in risk management:

The role of internal audit in the treatment and management of risk varies from one company to another, but it contains some or all of the following:

The focus of the work of the internal audit on the major and important risks were identified and defined by the management, monitoring and auditing risk management process within your organization.

1. Provide confidence and stress management.
2. Providing effective support for the risk management process.
3. To facilitate the description and definition of risk and identifying and providing the knowledge and education to staff existing risks.
4. Coordination of reporting to the Board of Directors and the Audit Committee.

Therefore, the Audit Department should ensure continued to function professionally and independently to provide the results of its work objectives referred to above.

It should be noted that it is not possible to reach the degree of achievement of a risk-free situation in practice, and to accept a reasonable level of risk is the final decision of his administration, and it usually boils down to compare the results of the risk and work on them, and usually comes to know this last consequence, it provides an important database management to address the potential risk.

So the internal control system may be the tool needed to provide the best way to reach the break-even point in reducing the impact of risk on the enterprise to ensure its continuity.

V. Public Joint Stock Company

Company can be defined as "a committed by two or more persons established their stakes on the stock for the IPO and trading capital is not less than five hundred thousand dinars have independent financial liability from accounts where administered by partners Board of Directors composed of not less than three and not more than thirteen appointed by public authority derives its name from its ends, where each partner is liable only to the extent of his share in the company capital.

Apportion securities issued by companies into three types: shares, bonds, and shares of Foundation, each of them will be dealt with in a separate section in summary form. The company's capital consists of equity shares representing partners in contributing to the project company, which is the capital of the company whether they contributed in cash or in kind.

International audit standards:

- According to the Constitution, the Member organizations of the general objective of the International Federation of accountants, the Committee adopts a support and with the support of the Council of the Union to provide aid for member organizations to facilitate their commitment by international evidence.
- Control systems, local laws and circulars issued by governmental institutions and /Or professional for each country, in varying degrees, professional practice followed in auditing the financial information.
- Differs from the form and content of audit data in various States, The Commission therefore seeks to achieve international acceptance of standards by taking data and contrast with each other into consideration when issuing the international standards on auditing.

International standards on auditing is a general performance standards developed by the international organization of the Audit Committee of the profession to provide a reasonable level of controls governing the auditing process and specifies the type of the window within which the checker works, depends on these criteria in judging the performance of the auditor and the quality of the work done by him.

It should be noted here that parameters provide a certain level of confidence in the work of the Auditor, the public learned that the audit process is disciplined by the familiar rules and increase public confidence in the importance of scrutiny and that this process is not improvisational.

This must be taken into account that these standards constitute a general framework and must not limit creativity and practice of government audit Professional with reasonable, but these standards are an essential reference and important of the audit profession is practiced.

a) The goal of the independence of the external auditor

External audit is designed to enhance the credibility of financial statements by providing confidence (reasonable, not absolute) independently provides a true and fair financial statements, this will only be achieved if the user trusts the financial statements with the external auditor's credibility and not affected by company management.

There are three criteria for assessing the independence of the Auditor:

1. Independence curriculum is the freedom of thinking and planning.
2. Independent verification is the freedom of access to records, documents and company secrets.
3. Independent report was to express his opinion and documented.

The dimensions of the independence of the external auditor

The auditor's relationship with the company under scrutiny may be affected by many factors, including the physical pressures, social obligations, personal relationships, and may affect the factors together or independently to the independence of the Auditor, and in order to keep the profession on its role in society must be the full independence of the audit process auditor in several stages, as a result, you can select three dimensions to the independence of the Auditor, are:

1. Independence in the preparation of the audit program.
2. Independent testing.
3. Independence in the preparation of the report.

Factors affecting the independence of the external auditor

1. Competition to attract customers: when the external auditor's entry in the competition to attract customers that lead to competitive fees, as reflected on the quality of the audit process, and the growing competition to attract customers by audit offices can create client motivation to change the validator either to reduce audit fees or find another Checker more loyal to management to achieve their wishes, which is reflected on the quality of the audit process and the independence of Auditor
2. Administrative and advisory services for clients: resort management established under scrutiny sometimes to request advisory services from Checker outside audit has the experience and qualifications of the Auditor (s) provide such services efficiently and quickly and passed international auditing standards provide that advisory services on condition that:

i. The provision of such services does not affect the independence of the auditor.
ii. That there is no interference by checker on administrative decisions, the Department established under the audit responsibility for those decisions.
iii. Fees: the fees of the Auditor, the person or entity which has appointed it, splitting a return received by the auditor for auditing the data to replacing check for comment on these audited financial statements.

b) Statistical analysis

The following table represents the sample analysis through preparation and attributed as follows: Table (1)

(qualifications and experience)

		Frequency	Percentage
Qualification	Bachelor of accounting	214	89
	Postgraduate studies	26	11
Total		240	100
Years of experience	Less than 5 years	22	9
	5-10 years	46	19
	11-15 years	54	23
	More than 15 years	118	49
Total		240	100

The above table shows that the majority of the sample of the BSC in accounting and 89% gives an indication of the merits of the subject of the study and knowledge of the significance of questions and note that years of experience for more than 15 years by 49%, which means that their expertise and experience and know upon their answers to questions.

c) Alpha test

This test measures the internal coherence and consistency study questions together and the value alpha = 0.82 and generally high stability coefficient, meaning that this tool has the ability to achieve the objectives of the study.

d) Analysis of themes of study

i. *The first hypothsis*

To answer this question was calculated arithmetic means and standard deviations of the volume in the stock market, as shown in the following table:

Table No. 2 : mean and standard deviations for the volume axis

No	Paragraph	mean	Standard deviation	order
1	The auditor's obligation to obtain sufficient and appropriate information in accordance with international standards helps to change the volume	3.97	.87	6
2	International standards on auditing in general settings	3.9	.79	7
3	The auditor should be fair and impartial, unbiased denuded	4.05	.76	5
4	Helps commitment to apply international accounting standards to increase the capacity of the audit and Auditor increased reliability	4.18	.72	1
5	Should be trusted as auditor to perform professional duties	4.08	.9	4
6	Most companies apply modern audit systems	4.1	.72	3
7	Corporate Auditors holds accounts with high efficiency	4.18	.72	1

The above table shows the mean values and standard deviation of the volume with the fourth and the seventh was the first ranking this means that reliability and high efficiency of Auditors take a great deal of importance on answers in kind.

While ranked second and sixth paragraph, which States that the companies are using modern systems of auditing thus increasing the credibility and efficiency of output.

e) The second hypotheses

To answer this question was calculated arithmetic means and standard deviations of stock prices as shown in the following table:

Table 3 : mean and standard deviations of stock prices

No	Paragraph	mean	Standard deviation	Order
1	Governing the nature of the activity of the established assessment checker for stock prices.	4.0	.83	1
2	The company procedure assist the auditor to evaluate the best	3.95	.89	3
3	The market competence Affect the increase of price stock	3.97	.81	2
4	Adopting international standards for auditing helps to adjust the rate of increase in stock	3.9	.64	5
5	The external auditor's report is among the most important elements which increases reliability by company	3.92	1.06	4

The above table shows that paragraph 1 received the highest average since the nature of the established economic fixes and has a significant impact on viewing and performers in the financial market which affects the conviction and decisions current and future investors.

The third paragraph was ranked second and that market competition in the sector has important effects on the company's stock price increase.

f) Analysis the study hypotheses

The first hypothesis: There is a relationship between the external auditor's commitment to international standards in service sector companies and volume stock market.

Table No. 4 : of the test track the commitment of international standards on audit volume stock market

mean	Standard deviation	T value	Statistical significance	result the hypothesis
4.04	.6	10.76	.000	Reject the hypothesis of zero

The above table shows test of one sample to discuss the commitment of external auditors amounted to arithmetic 4.04 the calculated value of 10.76 level indication 0.000 and demonstrate the value of the calculated statistically significant differences between the average and the reference value of 3.0 because the value was less than the significance level 0.05 so that these indications were for the benefit of the obligation of external auditors, and this result is rejected, the hypothesis of zero, meaning the commitment of Auditors external audit international borders on assets volume.

The second hypothesis: There is a relationship between the external auditor's role in influencing the price of the service sector firms contribute.

Table No. 5 : of the test track the commitment of international auditing standards checker and its relationship to increase stock prices

mean	Standard deviation	T value	Statistical significance	As a result the hypothesis
3.99	.56	11.05	.000	Reject the hypothesis of zero

The table above shows the results of a test for the sample parent to discuss with auditors international auditing standards and the value of the arithmetic mean 3.99 the value computed t. 11.05 level indication is equal to 0.000 and demonstrate the value of the calculated there were significant differences between the average and the reference value of 3.0 because the value of the level of significance was less than . 05 so that the indication of the commitment of Auditors external audit standards and its impact on the increase in stock prices, and this result is rejected, the hypothesis of zero, meaning the commitment of Auditors external audit standards international impact in increasing the share prices of the companies.

VI. Results and Recommendations

a) Results

From the above statistical analysis the study found the following results:

1. International standards that adjust the volume in General
2. Adopting international standards for auditing helps to adjust the low trading volume
3. There is a statistical relationship between the external auditor's commitment to international standards on volume stock market.
4. There is a statistical relationship between the external auditor's commitment to international standards to increase stock prices

b) Recommendation

Based on the above findings, the study found several recommendations including:

1. Encourage the Auditors and accountants to comply with international accounting standards, which helps to adjust as much on financial statements.
2. Legislation requiring companies to implement modern systems of auditing and follow-up.
3. The role of market competition in the accounting sector, which has a positive role to promote companies.
4. The need for ethical and behavioural values teaching for Auditors

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Application of Forensic Auditing in Reduding Fraud Cases in Nigeria Money Deposit Banks

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Abstract- The study examines the application of forensic auditing in fraud control in Nigerian banks. Nigerian banks over the past decades suffered from the menace of frauds which resulted to distresses and liquidations which hamper the roles of banks in the economy. The external auditors failed to detect the frauds in the course of carrying out their work. Regulatory evidences have shown that bank frauds increase on daily basis. Analysis of the types of frauds and forgeries perpetrated show that the most common types are: ATM fraud; fraudulent transfers/withdrawals; internet banking; lodgement of stolen warrant; presentation of forged cheques; suppression of customer deposit. The study analysed the trend in fraud cases from 2001-2012, included are the amounts involved in frauds, the most frequent types of fraud, and the losses sustained by banks. The descriptive analysis revealed that there are up and down movements in fraud cases. Since banks continually lose huge sums of money as a result of the inability of the auditors and the supervisory regulators to curtail the trend, there is therefore the need to devise different means of tackling frauds in the banks. The study therefore suggests employment of forensic auditing in Nigerian banks by amending the existing statutes, in such a way that forensic auditors are included in the audit team. Through this, auditors will have more tools to effectively deal with challenges in detecting fraud.

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Strictly as per the compliance and regulations of:

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Abstract- The study examines the application of forensic auditing in fraud control in Nigerian banks. Nigerian banks over the past decades suffered from the menace of frauds which resulted to distresses and liquidations which hamper the roles of banks in the economy. The external auditors failed to detect the frauds in the course of carrying out their work. Regulatory evidences have shown that bank frauds increase on daily basis. Analysis of the types of frauds and forgeries perpetrated show that the most common types are: ATM fraud; fraudulent transfers/withdrawals; internet banking; lodgement of stolen warrant; presentation of forged cheques; suppression of customer deposit. The study analysed the trend in fraud cases from 2001-2012, included are the amounts involved in frauds, the most frequent types of fraud, and the losses sustained by banks. The descriptive analysis revealed that there are up and down movements in fraud cases. Since banks continually lose huge sums of money as a result of the inability of the auditors and the supervisory regulators to curtail the trend, there is therefore the need to devise different means of tackling frauds in the banks. The study therefore suggests employment of forensic auditing in Nigerian banks by amending the existing statutes, in such a way that forensic auditors are included in the audit team. Through this, auditors will have more tools to effectively deal with challenges in detecting fraud.

I. Introduction

The rise in corporate crimes has forced the developed and developing economies to look for possible way of tackling the scandals. Nowadays, fraud has become a norm in most organisations and as result of its widespread, conventional auditing and investigations have become unproductive in its prevention and detection. Oyejide (2008) opines that fraud is a subject that has received a lot of attention both globally and in Nigeria specifically. Fraud is something that internal and external auditors are supposed to guard against through their periodic audits. However, the auditors can only check for the compliance of a company's books to Generally Accepted Accounting Principles (GAAP), auditing standards, and company policies.

According to Owolabi (2010) bank failures are as old as banking industry itself. The Dictionary of Economics and Commerce confirmed that 200 banks failed in England between 1815 and 1850 just a period of 35 years, and one of the reasons attributed to the failure is fraud. Therefore, fraud is not limited to one economy but is a general problem. The origin of bank failure in Nigeria can be traced to the 1930s bank failure and crises. Nwankwo (1992) stated that "the crises of confidence in Nigerian banking industry is not a new one, it has been with us for quite a long time. It occurred in the 1930s when all indigenous banks, except one (National Banks), collapsed. It occurred again during the banking boom and crash of the late 1940s when all but four indigenous banks escaped the liquidators' hammers". Also between 1952 and 1954, 16 out of 21 indigenous banks failed. In the late 1990s, 26 failed banks were liquidated at once while others went through various surgical operations ranging from, restructuring, renaming, acquiring and complete sales to new investors (Owolabi, 2010). As a consequence of capital inadequacies, Nigerian banks experienced liquidity problem which led to the raising of minimum capital base of N25 billion in 2004. The recapitalization brought the number of banks to 25 in 2006, a considerable reduction from the 89 which existed in 2004. In 2009, Nigerian banks witnessed sacking of the management of five banks; Intercontinental, Oceanic, Union, Afri, and First Inland banks over alleged fraudulent mismanagement which tremendously heightened public anxiety about the health of these banks and to some extent created doubts about the audit function being performed in these banks. Fraud constitutes a problem to banks in their operations and their roles in the economy at large. Evidence therefore shows that out of the 25 big banks operating in Nigeria after recapitalization, three international accounting firms have been their auditors.

The above scenario shows that audit failure prevailed over the years. The audit failure encompasses internal and external audits. The frauds were perpetrated under the supervision of the management and internal auditors of the banks. There is no doubt on the fact that the independence of internal auditors is not guaranteed as they work as employees of the organisation as also noted by Okoye and Gbegi (2013). The idea of external auditor was given birth to, yet frauds exist in banks. The frauds committed are of different types and magnitude. Among them are; Tellering fraud, Falsification of accounts, Forged cheques with forged signatures, Printing of bank documents illegally, Clearing fraud, Computer Fraud, Foreign exchange fraud, Theft of cash, Opening and Operating of fraudulent loan accounts, Armed Robbery attacks, Fictitious Bank branches,

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Miscellaneous and other types of fraud, Fraudulent Withdrawals, ATM Withdrawals (Kanu and Okarafor, 2013).

In relation to external auditors' work, the statutory regulations such as Companies and Allied Matters Act 2004 (as amended), Nigerian Deposit Insurance Corporation (NDIC) Act 2007, Banks and Other Financial Institutions Act (BOFIA) 1991, and Banks Ordinance 1991 have not spelt out fraud detection as part of auditor's duty rather than management. Conventional auditing has become ineffective in its preventive role, and lack of integrity which is an essential quality of an auditor. This means there is need to devise different means of tackling fraud taking into consideration the types of frauds, perpetrators, the mode of perpetration, and the duties of external auditors as enshrined in the governing statutes.

Forensic auditing is a field of accounting that is attracting attention as a result of persistent occurrence of frauds. Crumbley (2003) defined forensic accounting as an accounting analysis that can uncover possible fraud that is suitable for presentation in court. This means the primary aim of forensic auditing is fraud detection. Several studies centred on the detective role of forensic accounting and fraud prevention in Nigerian deposit banks. However, little or no attention has been given to its possible application in Nigerian banks especially taking into cognizance the factors that may hamper its application, and acceptance. It is against this background that the study seeks to examine the possible application of forensic auditing in reducing fraud cases Nigerian banks.

II. Review of Related Literature

a) *Concept of Fraud*

Different scholars have varied definitions of fraud. Adewumi (1986) defined fraud as a conscious premeditated action of a person or group of persons with the intention of altering the truth and or fact for selfish personal monetary gain. It involves the use of deceit and trick and sometimes highly intelligent cunning and know-how. Watoseninyi (1996) views fraud as irregularity involving criminal deception to obtain an unjust or illegal advantage. He further explains that fraud is the deviation of a person's or organisation's money or goods for satisfaction of personal or selfish desires using criminal deception techniques which are identified to include defalcation by way of misappropriation of money or goods or manipulation of accounts. From the legal point of view, fraud situates itself as generic term which embraces all multifarious means, which human ingenuity can devise, that are resorted to by one individual to get an advantage over another by false pretences (Nigerian Criminal Code, 1990). According to Chambers Universal Learners' Dictionary (1985), a person who pretends to be something that he is not is fraud, a snare, a deceptive, trick, cheat and a swindler.

The defunct Common Law Manual (Masango, 1998) argues that fraud is an unlawful making, with intention to defraud, a misrepresentation which causes actual prejudice or which is potentially prejudicial to another. It identifies essential elements as follows: unlawfulness, misrepresentation (which could be in the form of words, conduct, or failure to disclose); prejudice (which could either be actual or potential), and intention. The United States Association of Fraud Examiners (1999), in a rather conservative fashion, identifies fraud as the fraudulent conversion and obtaining of money or property by false pretences; included are larcenies by bailee and bad cheque.

In the context of the banking industry, Gold-Irokalibe (1995) opines that banking fraud or malpractice is an action or conduct by which the perpetrator aspires to gain a rather dishonest advantage over another in pecuniary. Ihiagarajah (2008) views bank fraud to any of a number of actions carried out with the intent of defrauding a financial institution. Similarly, the concept has been stated to mean the use of fraudulent means to obtain money, assets, or other property owned or held by a financial institution (Wikipedia, 2013). One thing stands out from the various definitions above which is the fact that fraud vary widely in nature, character and method of perpetration.

b) *Concept of Forensic Auditing*

The concept forensic auditing and forensic accounting are used interchangeably. The concept has been enunciated by several authors and scholars. According to Dahli (2008), forensic comes from the Latin word 'for public' and specifically to 'forum'. The forum was where the Ancient Romans were taught to do business and settle disputes among other things. He further buttressed that forensic relates to the application of knowledge to legal problems such as crimes. This definition traces the history of forensic accounting and its application in litigation support. Forensic is as old as history but its usage got little attention in the past. It is now becoming prominent because of increase in financial scandals. Joshi (2003) ascribed the origination of forensic accounting to Kutilya, the first economist whom he said mentioned 40 ways of embezzlement centuries ago. However, he stated that the term forensic accounting was coined by Peloubet in 1946, when he defined forensic accounting as the application of accounting knowledge and investigative skills to identify and resolve legal issues. Crumbley (2003) defined forensic auditing as an accounting analysis that can uncover possible fraud that is suitable for presentation in court. A forensic accountant uses his knowledge of accounting, law, investigative auditing, criminology, and psychology to uncover fraud, find evidence and present such evidence in court if required. According to him forensic accounting is different from the old debit or credit accounting as it provides an accounting analysis that is suitable to the organization, which will help in resolving the disputes that arise in the organization. Forensic accountants are often retained to analyze, interpret, summarize and present complex financial and business related issues in a manner, which is both understandable and properly supported. Albretch and Albretch (2001), described forensic auditing as the utilization of specialized investigative skills in carrying out an enquiry conducted in such a manner that the outcome will have application to the court of law. They further stated that the primary aim of forensic auditing is fraud detection, unlike the traditional auditing that focuses on review of internal control system, error identification and prevention. Forensic auditors are experienced auditors, accountants, and investigators of legal and financial documents that are hired to look into possible suspicion of fraudulent activity within a company; or are hired by a company who may just want to prevent fraudulent activities from occurring. It demands reporting, where accountability of the fraud is established and the report is considered as evidence in the court of law or in administrative proceedings. Forensic accountants may be involved in recovering proceeds of crime and in relation to confiscation proceedings concerning actual or assumed proceeds of crime or money laundering. In the United Kingdom, relevant legislation is contained in the Proceeds of Crime Act 2002. In India there is a separate breed of forensic accountants called Certified Forensic Accounting Professionals. In other countries, some forensic accountants are called Certified Fraud Examiners (CFE), Certified Public Accountants with AICPA's Certified in Financial Forensics (CFF) Credentials, Chartered Accountants (CA), Certified Management Accountants (CMA) or Chartered Certified Accountants. Also known as investigative accounting, forensic accounting is a detailed examination and analysis of financial documents and records for use as evidence in a court of law. The term forensic accounting can refer to anything from the execution of a fraud analysis to the recreation of true accounting records after the discovery that they have been manipulated.

Forensic accounting in its present state can be broadly classified into two categories encompassing litigation support and investigative accounting. These two major categories form the core around which other supporting services that traditionally come within the sphere of investigative services revolve - including corporate intelligence and fraud investigation services.

A good forensic accountant is much more than just a good accountant. To discharge his functions effectively, a forensic auditor needs to possess certain qualities and skills. Crumbley (2003) identified the following as qualities of a forensic auditor; a good knowledge of financial and managerial accounting, corporate financial management, advanced computer skills, a good knowledge of the environment experience, strong communication skills, and a naturally suspicious state of mind. On the other hand, Singleton, et al (2006) opine that the forensic auditor if he is to succeed in his work, should have knowledge and understanding of fraudulent financial transactions, legal processes, and high acumen of fraud and criminological concepts, and above all investigative skills.

III. Advantages of Forensic Accountants

a) Forensic accountants are of benefits in the following areas

Objectivity and credibility - there is little doubt that an external party would be far more independent and objective than an internal auditor or company accountant who ultimately reports to management on his findings. An established firm of forensic accountants and its team would also have credibility stemming from the firm's reputation, network and track record.

Accounting expertise and industry knowledge - an external forensic accountant would add to the organisation's investigation team with breadth and depth of experience and deep industry expertise in handling frauds of the nature encountered by the organisation.

Provision of valuable manpower resources - an organisation in the midst of reorganisation and restructuring following a major fraud would hardly have the full-time resources to handle a broad-based exhaustive investigation. The forensic accountant and his team of assistants would provide the much needed experienced resources, thereby freeing the organisation's staff for other more immediate management demands. This is all the more critical when the nature of the fraud calls for management to move quickly to contain the problem and when resources cannot be mobilised in time.

Enhanced effectiveness and efficiency - this arises from the additional dimension and depth which experienced individuals in fraud investigation bring with them to focus on the issues at hand. Such individuals are specialists in rooting out fraud and would recognise transactions normally passed over by the organisation's accountants or auditors (www.buzzle.com).

b) Disadvantages/challenges of Forensic Auditing

The increased use of forensic accountant breeds the following challenges/disadvantages:

Confidentiality Issue: Since the scrutiny of a company's financial records is done by an external forensic accountant, the chances of leakage of confidential matter are always there. It is true that their code of ethics clearly mentions that forensic accountants and other members involved in the scrutiny must not engage in disclosing confidential data to outsiders, but the possibility of disclosure cannot be nullified.

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Increased Chances of Threats and Negative Publicity: If the analysis of a company's financial statements points out the involvement of a particular person in fraudulent activities, there is a significant chance that the person will try to threaten the company to safeguard himself from the trial. Also, any trial that confirms a fraud happening in the company comes under public eye and gains negative publicity, which directly affects the reputation and investor relations of the company.

Costs a Lot of Money: Forensic accounting can be an expensive affair because the procedures which accountants use involve high-end accounting software. If study results have to be presented in a trial, the overall expenditure goes up even further, because the fees of forensic accountants are quite high. This can be a matter of concern for the organization.

Losing Employee Trust: It is quite obvious for employees to feel offended when they come to know that their job is under scrutiny by a third person. If no fraud is identified, employees are left with the feeling that the employer does not have faith in them. Lost trust can be difficult to regain in such cases.

Limited Use of Services: Federal regulations limit the use of services from a single accounting firm. Suppose a company has tied up with one firm for auditing, it cannot ask the firm to provide other services to it. Therefore, a company has to reach out to several firms for carrying out its accounting tasks (www.buzzle.com).

Stringent rules on customers: limited services may be provided to customers as a result of stringent rules on operations. Employees may not want to take the risk of providing some services to customers at the expense of their job. As a result, customers would find banking operations to be difficult which at the end of the day will make customers run away from banking. Also, Lack of trained professionals poses serious harm to the field.

IV. Methodology

The study adopted descriptive analysis. Fraud types, trends of frauds suffered by banks, losses sustained by banks for twelve years were analysed using this method of data analysis, from which conclusion was drawn.

V. Common Types of Fraud in Nigerian Banks

Attempts to classify fraud have been a difficult task to fraud specialists. One school of thought differentiates fraud according to occupation and non-occupation (Singleton, Singleton, and Balogna, 2006), while Comer (2006) classified it on the basis of whether it is public or private sector fraud. However, another school accorded fraud in terms of industry in which the fraud was committed, such as bank fraud or insurance fraud (Skalah,Alois, and Sellar, 2005). Watoseninyi (1996) opines that fraud can be classified based on the method or instruments used; those involved in the fraud; and the victim of the fraud.

For the purpose of this study, the table below shows the types of fraud in Nigerian banks

Table 1 : Common types of fraud in Nigerian banks

S/no	Fraud type	No. of bank fraud	Ranking
1.	Cashiering fraud	401	8th
2	Falsification of accounts	300	11th
3	Forged cheques with forged signatures	2254	3rd
4	Printing of bank documents illegally	54	15th
5	Clearing frauds	338	10th
6	Computer fraud	356	9th
7	Telex fraud	56	14th
8	Foreign exchange fraud	31	17th
9	Cross firing of cheques and kite flying	36	16th
10	Theft of cash/suppression of lodgement	786	6th
11	Suppression of entries cash/cheque	1301	5th
12	Opening and operating of fraudulent account	235	12th
13	Over-invoicing for service to the bank	79	13th
14	Robberies (armed)	472	7th
15	Fictitious bank branch	2	18th
16	Miscellaneous fraud	1361	4th
17	Fraudulent withdrawals	4994	1st
18	ATM withdrawal	4647	2nd
Total		17703	

Source: adapted from Akindele (2011)

Analysis of the types of frauds and forgeries perpetrated shows that the commonest types are: ATM fraud; fraudulent transfers/withdrawals; lodgement of stolen warrants; presentation of forged cheques; suppression of customer deposit. A further analysis of the types of frauds and forgeries perpetrated in 2010 shows that the perpetration of ATM frauds and granting of authorized credits accounted for the largest proportion. A total of 357 members of staff of banks were reported to be involved in frauds and forgeries in 2010 (Omoh, 2011). Sometimes, employees monitor customers' signatures as they always come to perform one transaction or the other. Once they become conversant with the signatures, having access to the account is no longer a problem. Fraudsters perpetrate the above frauds in different ways best known to them.

The NDIC report (2011) shows that the largest number of the reported cases were through the ATM transactions, fraudulent transfers/withdrawals through insider facilitation, internet banking, and suppression of customer deposits. Details of the nature of the frauds show that ATM-related frauds topped with 738 reported cases, followed by fraudulent transfers/withdrawal of deposit (331 cases), presentation of forged cheques (280 cases) and outright theft (240 cases). Other cases include suppression of customer deposit, 219; fraudulent conversion of cheques, 123; non-dispensing of money, but registered by electronic journal, 112; and internet fraud, 108. In 2012, there were about 2352 reported fraud cases. 498 were attributed to staff participation which shows an increase of 141 from 357 cases in 2010. This indicates that staff members commit internal frauds mostly. This could be controlled by putting proper internal control measures in place.

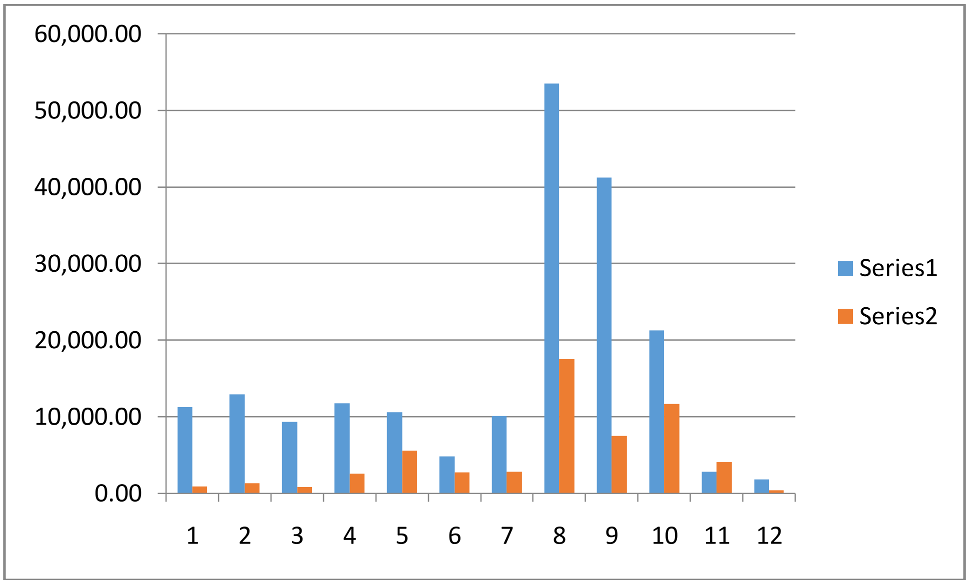
The results (the amounts involved, and the losses sustained by banks) of the frauds committed are presented in the table below

Table 2 : Fraud cases in banks from 2001-2012

Year	Amount of bank funds involved (N'M)	Actual/expected losses sustained by banks (N'M)
2001	11,243.94	906.3
2002	12,919.55	1,299.69
2003	9,384.67	857.46
2004	11,754	2,610
2005	10,606.18	5,602.05
2006	4,832.17	2,768.67
2007	10,105.81	2,870.85
2008	53,522.86	17,543.09
2009	41,265.50	7,549.23
2010	21,291.41	11,679
2011	2,840	4,071
2012	1,797	452
Total	191,563.09	58,209.34

Source: extracted from NDIC report (2001-2012)

The data in table 2 are presented in the diagram below:



Source: plotted from table 2 (see appendix)
Note: Series 1 represent amount involved in bank frauds
Series 2; actual/expected losses sustained by banks
Horizontal axis; years (2001-2012)
Vertical axis; amount involved

The chart above shows the amounts involved in bank frauds and the losses suffered by banks as a result of the frauds from 2001-2012. As depicted in the chart, there is rise and fall in the amounts involved in the two cases. The chart shows that the worrisome fraud occurred in 2008 amounting to N53,522.86 billion which resulted to N17,543.09 billion loss. In 2009, there was reduction in the fraud from N53,522.86b to N41,265.50b (N12,257.36b difference), resulting to a reduction in losses by N17,535.54b. More so, between 2009 and 2010, a reduction in the amount involved in fraud was recorded, but there was increase in the losses suffered.

Nigerian banks started using e-banking effectively in 2008. Looking at the types of fraud prevalent in the banks between the periods under review, such as, fraudulent withdrawals, ATM fraud, forged cheques with forged signatures, miscellaneous fraud e.t.c, there is indication that e-banking has brought about fast growth in fraudulent activities. The reduction in the bank frauds in the years 2009 and 2010 on the other hand, could be attributed to the measures taken by Central Bank of Nigeria (CBN) in sanitizing the banking industry in 2009. This brought an iota of sanity into the banking industry.

The NDIC has said that three banks were in unsound condition in 2010. The NDIC in its 2010 report noted that the financial condition of 15 of the 24 banks operating in the country were rated as sound/satisfactory compared to 13 of the previous year, six were rated as marginal as against one in the previous year whilst only three banks remained in the unsound category compared to the 10 in 2009. The level of soundness and the industry performance improved during the period ended December 2010 when compared to its performance in 2009. The various statistics were indications that the nation banking industry benefited immensely from the stringent regulators action and restructuring efforts that took place in the industry during the year under review.

The total cases of frauds in 2011 involved the sum of N28.4 billion and caused a loss of about N4.071 billion to the industry. Though the value of fraud and forgeries in 2011 was lower than 2010 (N21.29 billion), the expected loss was higher in 2010 (N11.68 billion).

The N D I C reported that various Money Deposit Banks in the country reported some 3,380 fraud involving the sum of ₦17.97 billion with expected/contingent loss of about ₦4.52 billion in 2012. The expected/contingent loss had increased by ₦455 million, representing 10.9 per cent as against ₦4.072 billion reported in 2011. Notwithstanding the 43.7 per cent increase in the number of reported fraud cases from 2,352 in 2011 to 3,380 in 2012, the amount involved decreased by 36.4 per cent from ₦28.40 billion in 2011 to ₦18.04 billion 2012. The report noted that in terms of level of soundness, 10 banks were rated sound, nine satisfactory and only one was rated marginal. According to the report, the industry can be considered to be relatively stable in 2012. It noted that there was no unsound bank in the banking industry as at December 31, 2012. If banks can continue to operate the same way they did from 2009-2012, then they may not experience much problems in the future.

VI. Conclusion and Recommendations

The importance of forensic auditing cannot be underestimated as a result of global persistent perpetration of fraud in organisations. This indeed has made researchers and management of companies to look into other means of tackling and reducing the menace of fraud.The following recommendations are therefore made;

1. The service of forensic auditors should be employed in Nigerian banks. This could be done by amending the existing statutes, thereby making forensic auditors one of the audit team.
2. Forensic auditing should be taught in tertiary institutions to better train accountants in the field.
3. There should be ethical campaign among employees towards developing high moral standards.
4. Practicing Accountants should also specialize in forensic auditing.
5. Fraud perpetrators should be properly sanctioned without any favour

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Effect of High Corporate Tax Rate on the Liquidity of Corporate Organizations in Nigeria-A Study of Some Selected Corporate Organizations

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Abstract- The study was carried-out to analyse the effect of high corporate tax rate on the liquidity of corporate organizations in Nigeria. The related literatures were reviewed. The population of study comprises the selected corporate organizations while the sample size of the study is fourty one (41). Taro Yamane sampling technique was adopted because it ensures a satisfactory degree of representativeness and un-biasness. A number of statistical tools including tables and analysis of variance (ANOVA) were used to analysed the data and test the hypothesis formulated. The study revealed that, the burden of high corporate tax falls on the corporate organisations as it affects their liquidity, but the incidence of high corporate tax rate falls on the customers and suppliers through forward and backward shifting of prices-all things being equal. It is therefore, recommended that, the Nigeria corporate tax rate of 30% should be reduce below OECD average corporate tax rate of 25.32% to avert the negative economic effects of high corporate tax rate on the long-run and also the government should strengthen the Bank of Industry to close the funding gap in the corporate organisations.

Keywords: effect; high; corporate; tax; rate; liquidity and organizations.

GJMBR-D Classification : JEL Code: H20, H29

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I. Introduction

a) Background to the Study

The formation of accountability and effective States has been closely associated with the emergence of taxation systems (Moore, 2007). Taxes underwrite the capacity of the States to carry out their goals; form one of the central arenas for the conduct of the State-Society relations and shape the balance between accumulation and re-distribution that give States their social character. Without the ability to raise revenue effectively, States are limited in the extent to which they can provide security, meet basic needs or foster economic development. A general analysis of the tax policy was considered. The emphasis is on the trade-off of encouraging the development of resources versus extracting the maximum tax revenue. This constrained the ability of the State tax policy makers to achieve goals of maximum resource development and the tax yields simultaneously; and hence, affects the liquidity of Corporate Organisations.

There is no doubt that revenue is necessary for the State to meet the basic needs of citizenry in fulfilment of social contract. While this objective is been pursued there is need for a focus on the bases or core fundamental for understanding the impediments to industrial development and jobs generation and also serve as a mean for formulating and implementing dynamic industrial and employment policies. This is because special achievement that is unidirectional in terms of generating revenue for the State alone can fuel unemployment and de-industrialization due to its short run optimism in financing State fiscal policy. In addition, it can leads local and foreign investors' disenchantment, a situation where international investors quickly rebalance off their international investments in Nigeria, and flee to those countries where the tax systems provide for industrial growth and its consequent high investment returns.

Nigeria tax system, as it is today, is skewed towards raising fund to meet the State expenditures (recurrent and capital). Laudable as this is, it has however, obscured the need for tax system that can be used as a veritable tool for establishing and developing industries in Nigeria, particularly in the rural areas with its subsequent multiplier effects. Taking the forgoing into cognisance, the Nigeria tax architecture will need to be focused on the objective of industrial development, economic growth and employment generation. Therefore, it should look at the role of tax in promoting sound industrial performance and scale down unemployment.

One of the Acts regulating the taxation practice relating to Companies Income in Nigeria is the Companies Income Tax Amendment Act 2007. Company Income Tax is charged on the chargeable profits of all companies operating in the country except those specifically exempted under the Act. The administration of the Companies Income Act and the tax is under the care and management of the Federal Board of Inland Revenue (the Board). The operational arm of the Federal Board of Inland Revenue is called the

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Federal Inland Revenue Service (the Service) and the Act that governed it, is called the Federal Inland Revenue Service Establishment Act (FIRSEA) 2007.

A tax system is not merely aimed at raising a certain amount of revenue, but the aim is to raise it from those sections of the people who can best bear the tax. The aim in short, is to secure a just distribution of the tax burden. This obviously cannot be done unless; an effort is made to trace the incidence of each tax. We must know who pays it ultimately in order to find out whether it is just to ask him to pay it or whether the burden imposed on him is according to the ability of the taxpayers or not. If the tax system is to conform to Adams Smiths first cannon of taxation via, the cannon of equity, it becomes imperative to make a careful study of the reactions and repercussions of each tax and find out its final resting place.

The system has, from time to time, involved a number of different tax allowances and relief aimed at encouraging investment by differing or permanently reducing tax for those businesses which purchase capital equipments.

However, complete exemption of profits from taxation is not desirable, yet a high tax rate is highly undesirable as is seen in Nigeria because the corporate tax rate of 30% charged in Nigeria is above the average Organisation of Economic Corporation and Development (OECD) corporate tax rate of 25.32% (Applicable Federal Rate, 2014). It will put a brake on invention and enterprise and it will cut down revenue and thus hinder modernisation of plant.

How the tax authority treats different segments of the formal and informal economy shapes the business tax culture, at the same time, the attitudes of entrepreneurs in the different sectors of the economy to the legitimacy of the State, the extent of corruption, voice and accountability are critical to trust in the State on which economic growth depends. Tax effort and tax collection depend not just on income base, but also on the political and institutional bases, especially the extent to which taxpayers trust their governments (Bird, Martinez-Vazquez & Torgler, 2006).

The elaboration of a general typology of tax non-compliance appears to both legal and economic approaches. The more complex the tax law is, the more it leaves open possibilities for tax non-compliance. Privileged taxpayers construct tax schemes which they depend as a category of tax avoidance (legal) while the tax administration may consider such schemes to be cases of tax evasion (fraud). Legal and illegal tax schemes (avoidance and evasion) may have similar economic effects, but different sociological effects. Tax evasion may be generally perceived rather negatively, tax flight neutrally, and tax avoidance positively (Kirchler, et'al 2003 cited in Fakile, 2009).

b) *Statement of the Problem*

The Corporate tax creates two problems, a practical one of administration and a theoretical one of being able to determine how the firm responds to the tax and who bears its final burden and incidence. The complexity arises because economists define profits differently from accountants and the taxing authorities. Consequently, the corporate income tax falls partly on the expected return to equity capital, since this is not a deductable item and partly on economic rent and unanticipated economic profits. This is paid out of the organisational resources and exact additional influence on their finances.

The consensus among economists who have analyzed the effect of high corporate income tax rate on the liquidity of enterprises as a whole is that in the short-run as human-made capital is held constant, the tax has little or no effect on the behaviour of the firm; capital bears the tax burden. However, as capital depreciates, management must decide how to invest. Since the tax falls initially on equity capital, owners will divert their capital to activities or countries with tax preferences because the after-tax return in these will be higher. If the capital is shifted to other countries, the tax will equally shift and ultimately affect the liquidity of these organisations.

c) *Research Question*

The following constitutes the research question:

a. What is the effect of high corporate tax rate on corporate liquidity?

d) *Objectives of the Study*

The broad objective of the study is to analyse the effect of high corporate tax rate on the liquidity of some selected corporate organisations in Nigeria.

The specific objective of the study includes the following:

i. To determine the effect of high corporate tax rate on corporate liquidity.

e) *Statement of Hypothesis*

In the course of this research work, the following hypothesis was formulated for test.

Ho_1: High corporate tax rate does not have significant effect on corporate liquidity.

II. Literature Review and Theoretical Framework

a) *Corporate Taxation (Empirical Review)*

The link between taxation and governance is not immediately apparent, but in fact one is vital for the other. It has the potential to shape relationship between state and society in significant and distinctive ways. The history of state revenue production 'is the history of the state'. Taxes underwrite the capacity of the states to carry out their goals; they form one of the central arenas

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for the conduct of state-society relation and they shape the balance between accumulation and distribution that gives states their social character (Moore, 2007). There are several remarkable pointers to the universal importance of taxation to state-building: First, the state's capacity to raise taxes is closely linked to its ability to deliver good policies and it is suggested that tax-raising is a good proxy indicator of overall governance capacity (Arbetman et'al (2007), secondly, tax levels remain surprising static in countries over long period of time, despite frequent tax policy reform. Thirdly, differences in the treatment of taxpayers by tax authorities may be explained by differences in citizens' right to political participation (Feld & Frey, 2002). Tax levels; in general usually rise with increases in the gross domestic product (GDP). This implies that better governed people are more willing to pay more taxes, but more heavily taxed states are not necessarily more legitimate. As taxation increases as a share of national economic output, conflict becomes less likely (Hendrix, 2007).

Political governance, economic growth and taxation create mutually reinforcing processes of State building. The 'fiscal social contract' is a key factor in delivering both political legitimacy and sustainable economic growth. A stable transparent, even-handed tax system is perceived by investors as a sign of established 'rule of law'. In other words, tax is a key indicator of an industrialised framework of political stability and fairness (Bird et' al, 2006). As Levi has noted, a society's 'public spiritedness or normative conviction' can be motivating factors in the general willingness to pay taxes. People with a strong believe in a welfare state might thus be more willing to pay high rates of taxes (Levi, 1988). Religious tradition of 'Zakat' or 'tithing' might form a sense of moral obligation to hand over a percentage of one's income to the community (Hull, 2000). This attitude is intrinsic and not conditioned by actions by the government, although they might well have been conditioned by state-society relations in the past (Cummings et'al, 2004 cited in Fakile (2009).

It is suggested that the level of compliance with taxation requirements is affected by perceptions of the government's legitimacy and the fairness of the tax system, as well as taxpayers' expectation that their tax moneys will be spent on valued public services (Slemrod, 1992).

Recognising the economic structure, some research has suggested that countries with sizeable shadow economies or informal sector can more easily observe large numbers of other escaping the tax net (Alm & Torgler, 2004). The business tax culture and morale of the private sector are more complex. The complex relationship between tax authorities and taxpayers reflect a country tax culture (Torgler, 2007). Therefore, how the tax authority treats different segments of the formal and informal economy shapes the business tax culture, at the same time, the attitudes of entrepreneurs in the different sectors of the economy to the legitimacy of the state, the extent of corruption, voice and accountability are critical to trust in the state on which economic growth depends. Tax effort and tax collection depend not just on the income base, but also on the political and institutional bases, especially the extent to which taxpayers trust their governments (Bird et'al, 2006).

The elaboration of a general typology of tax deviance appears to include both legal and economic approaches. The more complex the tax law is, the more it leaves open possibilities for tax non-compliance. Privileged taxpayers construct tax schemes which they depend as a category of tax avoidance (legal) while the tax authority may consider such schemes to be cases of tax evasion (fraud). Legal and illegal tax schemes (avoidance and evasion) may have similar economic effects, but different sociological effects. Tax evasion may be generally perceived rather negatively, tax flight neutrally, and tax avoidance positively (Kirchler et'al, 2003 cited in Fakile, 2009).

b) Corporate Liquidity

Various forces prevented a firm from pursuing its investment level when the presumption of a perfect market is violated. Information asymmetries and agency problems are the most important factors influencing investment efficiency (Stein, 2003) whereas cash holding is strongly related to a firm's investment when facing these frictions. Cash holding also helped firms with high external financing costs to take up positive net present value (NPV) projects. Such a phenomenon therefore, makes an investment sensitive to cash holding.

Almeida, Campello & Weisbach (2004), indicate that financially constrained firms tend to save cash, whereas unconstrained firms do not. Consistent with the costly external finance view of Faulkender & wang (2006) and Pinkowitz & Willionson (2004) in that cash holding is more valuable for constrained firms than for unconstrained firms. Dennis & Sibilkov (2010) explained that higher cash holding allows financially constrained firms to undertake value-increasing projects that might be bypass.

Her-Juim & Shiou-Ying (2012) opined that capital expenditures have statistically significant sensitivity to excess cash, which is stronger for constrained firms, providing support for the underinvestment argument. Managers may be forced to give up positive NPV projects, because they are not willing to raise external capital by issuing underpriced securities. Therefore, cash flow and cash can benefit those firms facing external financing constraints by funding necessary expenditures, which makes their investment sensitive to the availability of internal funds (Stein, 2003; Franzoni, 2009).

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c) Theoretical Framework

The issue of taxation has generated a lot of controversy and severe political conflicts over time. According to its importance, several economic theories have been proposed to operate an effective tax system. Taxation is classified under two different theories as stated below: Benefit or 'Quid Pro Quo' Theory and 'Ability-to-Pay' or Faculty Theory. Therefore, this study is guided by the 'Ability-to-Pay' or Faculty Theory.

d) 'Ability-to-Pay' or Faculty Theory

The most popular and the plausible theory of justice in taxation is that every taxpayer should be made to contribute according to his ability or faculty to pay. The tax is to be based on his taxable capacity. Nothing would appear to be more just. But the acceptance of the principle does not mean the end of our difficulties; rather the difficulties begin. The question which we then face is: 'What is the measure of a man's ability to pay?' (Dewett et'al, 2005)

In the search for a proper criterion of a person's ability to contribute to the State Coffer, we can proceed on two lines, subjective and objective:

Subjective Approach: If we examine the position of the taxpayer in its subjective aspects, we shall consider the inconvenience, the pinch or the sacrifice involved. On this point, three distinct views have been advanced: (a) The Principle of Equal Sacrifice; (b) The Principle of Proportional Sacrifice; and (c) The Principle of Minimum Sacrifice.

In the words of J.S. Mill cited in Dewett et'al (2005) "Equality of taxation, as a maxim of politics, means equality of sacrifice. It means apportioning the contribution of each person towards the expenses of government, so that he shall feel neither more nor less inconvenience from his share of the payment than every other person experiences from his. According to this principle, the money burden of taxation is to be so distributed as to impose equal real burden on the individual taxpayers". This will mean proportional taxation.

According to the principle of Proportional Sacrifice, the real burden on the individual taxpayer is not to be equal but proportional either to their income or the economic welfare they derive. This will be more just than if the sacrifices involved were equal. Those who can make a greater sacrifice should be asked to do so. This will mean progressive taxation.

The Minimum Sacrifice Principle considers the body of taxpayers in the aggregate and not individually. According to this principle, the total real burden on the community should be as small as possible.

Objective Approach: We must, therefore, take our second line of approach to measure a man's faculty to pay that is, proceed objectively. Here we are on surer grounds, but here again; we find that several criteria have been suggested. A man's faculty to pay may be measured according to: (a) consumption; (b) property; and (c) income.

Consumption, as a criterion of ability to pay, is not a sound criterion, because consumption or utilisation of the services of the State by the poor is considered to be out of all proportion to their means, and as such, it cannot be taken as a practical principle of taxation.

Property also cannot be a fair basis of taxation, for properties of the same size and description may not yield the same amount of income; and some persons having no property to show may have large incomes, whereas men of large property may be getting small incomes. Thus, to tax according to property will not be taxation according to ability.

Income, however, remains the single best test of a man's ability to pay. But even in the case of income, the tax will be in proportion to faculty, if there is a minimum exemption to allow for a reasonable subsistence, if there is an allowance made for the number of dependants, and finally, if the principle of progression is applied by taxing the rich at a higher rate.

Besides, we have to consider 'the ability to pay' not merely of the individual taxpayer but of the community as a whole. In this light, it is necessary that the tax system as a whole is not oppressive. It should not discourage saving or retard accumulation of capital. Also, it should not, in any manner, impair the productive capacity of the community by hampering the development of trade and industry in the country (Dewett et'al, 2005).

III. Research Methodology

a) Research Design

The study entails descriptive research in which the survey method was used in collecting the data. The method concerned with the quantitative data and this study used it to determine the effect of high corporate tax rate on the liquidity of corporate organisations in Nigeria.

b) The Population of the Study

The population of the study is the entire aggregate of individuals or items relevant to a phenomenon under investigation (Ugwu, 2003). The targeted population for this study consists of 45 corporate organisations in Lagos State of Nigeria as at April 2014. The above population shows that, all the corporate organisations in the population have about 45 Chief Accountants.

c) Sampling technique and sampling size

The sample size is usually a compromise between what is desirable and what is feasible. For the purpose of this study, the researcher used mainly downstream oil sector of the economy as the population comprises fourty five (45) corporate organisations, that pay their corporate taxes, as obtained from Federal Inland Revenue Service, Lagos office. The use of purposive sampling was based on the fact that, almost all the corporate organisations in Nigeria may have liquidity problem though they differ in sizes and profits and therefore, may serve as a good representative of the whole corporate organisations in Nigeria. Hence, the researcher used random sampling technique on the fourty five (45) corporate organisations.

Based on the above population, the sample size for the study is determined using Taro Yamane formula. This formula is used where the population parameter for the study is known. Thus it is stated:

$$n = N/1+N\ (e)^{2}$$

Where: n = Sample size

N = Population size

e = Degree of tolerance error

With a confidence level of 95%, the degree of tolerance error is 5% (0.05).

Therefore: $n = 45/1+45(0.05)^2$

$n = 45/1+45(0.0025)$

$n = 45/1+0.1$

$n = 45/1.1$

$n = 40.9$

$n = 41$

d) Sources of Data

Data were gathered from primary sources. The primary data for this study came from questionnaire with specific focus on the effect of high corporate tax rate on the corporate liquidity of the organisations under study. The review of several publications that were relevant to the study was carried-out. These were FIRS bulletin and journals.

e) Questionnaire Administration

The questionnaire was administered based on the policies of the companies used as the case studies. The researcher was allowed to administer the questionnaires to the Chief Accountants of the selected organisations.

The researcher faced some problems in retrieving the questionnaire because not all the respondents filled the questionnaires due to their 'tight schedule'. This reduced the numbers of questionnaires retrieved. Out of fourty one (41) questionnaires administered, thirty six (36) were returned and found usable, given a response rate of 88%.

f) Method of Data Analysis

Data were sourced from fourty one (41) companies in Lagos. Fourty one (41) questionnaires were distributed to collect data out of which thirty six (36) were returned and found usable, given a response rate of 88%. All the questionnaires collected were analysed based on tables and simple percentages analysis.

The hypothesis formulated was tested using Analysis of Variance (ANOVA). The formula for Analysis of Variance is as follows in the table below:

Table 3.1

Source	SS	DF	MS	F-ratio	Remarks
Between	SS_B	t - 1	SS_B/df_B	MS_B/MS_W	Accept or Reject
Within	SS_W	N - t	SS_w/df_w		
Total	SS_T	N - 1			

Source: Adefila, (2008)

Where:

N = Total number of active cells

Q = The grand total of all data

t = Number of groups or rows

n = number of columns in a group

SS_T = Sum of the square of each of the individual scores in all the groups subtract Q^2/N

$SS_T = (X^2_1 + X^2_2 + X^2_3 + \ldots\ldots + Z^2_4 + Z^2_5 + Z^2_6) - Q^2/N$

SS_B = Square of each group sum, divided by the corresponding group (n), then sum all these and subtract Q^2/N

$SS_B = (XX^2/n + YY^2/n + ZZ^2/n - Q^2/N$

SS_W = The outcome of SS_T less the outcome of SS_B

$SS_W = SS_T - SS_B$

df_B = degree of freedom for "variance between" = t – 1

df = degree of freedom for total of all the data = N – 1

df_W = degree of freedom for "variance within" = $df_T – df_B$ (N– t)

MS = mean square for "variance between" and "variance within"

g) Decision Rule

The null hypothesis is rejected if the calculated value of F – ratio i.e. (MS_B/MS_W) is greater than the critical value of F. i.e. (F_t – 1, N – t) as given in the F distribution table otherwise, it stands accepted.

- If MS_B/MS_W > (F_t – 1, N – t), then, reject the Null hypothesis
- If MS_B/MS_W < (F_t – 1, N – t), then, accept the Null hypothesis

The choice of ANOVA as one of the statistical tools to test hypothesis two of this study is based on the fact that, it determines the extent of variance in dependent variable that are caused by independent variable. Also, ANOVA reduces the type one error rate (rejecting null hypothesis instead of accepting).

IV. Data Presentation, Analysis and Discussion of Findings

a) *Data Presentation and Analysis*

This chapter represents the data collected in response to 41 questionnaires distributed to chief Accountants of the 41 sampled corporate organisations in Lagos-Nigeria on their view about the effect of high corporate tax rate on corporate liquidity by which 36 questionnaires were filled and returned correctly.

Q1 Table 4.1 : Company bears the burden of high corporate tax rate

Options	Respondents	Percentage of Respondents %
Strongly agree	21	58
Agree	13	36
Strongly disagree	0	0
Disagree	2	6
Total	36	100

Source: Field survey, (2014)

Table 4.1 above shows that 21 respondents representing 58% of the total respondents strongly agree, 13 respondents representing 36% agree, 0 respondent representing 0% strongly disagree while 2 respondents representing 6% disagree. This means that, the total respondents of 34 constituting 94% do agree that companies bear the burden of the high corporate tax rate. Therefore, the researcher concluded that the burden of the high corporate tax rate falls heavily on the corporate organisations that pay the taxes in the first instance to the tax authority, and hence affects their liquidity.

Q 2 Table 4.2 : The high corporate tax rate affects corporate liquidity

Options	Respondents	Percentage of Respondents %
Strongly agree	27	75
Agree	5	14
Strongly disagree	2	5.5
Disagree	2	5.5
Total	36	100

Source: Field survey, (2014)

Table 4.2 above revealed that 27 respondents representing 75% of the total respondents strongly agree that, the high corporate tax rate affects corporate liquidity, 5 respondents representing 14% also agree while 2 respondents representing 5.5% strongly disagree and 2 respondents representing 5.5% also disagree. This implies that, high corporate tax rate affects corporate liquidity. The researcher draws a conclusion that, high corporate tax sometimes forces corporate organisations into a liquidity trap even in the time of heavy profits because not all profits declared by companies are in cash.

Q 3 Table 4.3 : There is a relationship between high corporate tax rate and corporate liquidity

Options	Respondents	Percentage of Respondents %
Strongly agree	20	55
Agree	15	42
Strongly disagree	1	3
Disagree	0	0
Total	36	100

Source: Field survey, (2014)

Table 4.3 above revealed that 20 respondents representing 55% of the respondents strongly agree that, there is a relationship between high corporate tax rate and corporate liquidity, 15 respondents representing 42% also agree while 1 respondent representing 3% strongly disagree. This implies that, high corporate tax rate has a negative relationship with corporate liquidity as it reduces cash available to the organisations.

The high corporate tax rate affects the price of goods and services of a company

Options	Respondents	Percentage of Respondents %
Strongly agree	12	33
Agree	19	53
Strongly disagree	3	8
Disagree	2	6
Total	36	100

Source: Field survey, 2014

Table 4.4 above revealed that 12 respondents representing 33% of the total respondents strongly agree that, high corporate tax rate affects the prices of goods and services of companies, 19 respondents representing 53% also agree. However, 3 respondents representing 8% of the total respondents strongly disagree and 2 respondents representing 6% disagree. Therefore, the researcher concluded that companies do increase their prices of goods and services because of high corporate tax rate by way of backward and forward shifting through the purchase and selling prices of their products and services as the case may be.

b) Test of Hypothesis

Ho_1: High corporate tax rate does not have significant effect on corporate liquidity.

Hi_1 High corporate tax rate has significant effect on corporate liquidity

Variables	Question 1	Question 2	Question 3	Total
Strongly agree	21	27	20	68
Agree	13	5	15	33
Strongly disagree	0	2	1	3
Disagree	2	2	0	4
Total	36	36	36	108

Source: Field survey, 2014

Sum of Square between (SS_B) = $(\sum X^2/n + \ldots\ldots.. + X^2/n - Q^2/N$

Where:

n =number of column in a group = 3

N =Total number of active cells = 12

Q =Grand total of all the cells = 108

$SS_B = 68^2/3 + 33^2/3 + 3^2/3 + 4^2/3 - 108^2/12$

$SS_B = 4624/3 + 1089/3 + 9/3 + 16/3 - 11,664/12$

$SS_B = 1541 + 363 + 3 + 5 - 972$

$SS_B = 1,912 - 972 = 940$

Sum of Square total (SS_T) = $(\Sigma X^2 + \ldots\ldots. X^2) - Q^2/N$

$SS_T = 21^2 + 27^2 + 20^2 + 13^2 + 5^2 + 15^2 + 0^2 + 2^2 + 1^2 + 2^2 + 2^2 + 0^2 - 108^2/12$

$SS_T = 441 + 729 + 400 + 169 + 25 + 225 + 0 + 4 + 1 + 4 + 4 + 0 - 972$

$SS_T = 2002 - 972 = 1030$

Sum of Square within (SS_W) = SS_T - SS_B

$SS_W = 1030 - 940 = 90$

Degree of freedom between (df_B) = t -1

t = Total number of group or rows available = 4

$df_B = 4 - 1 = 3$

Degree of freedom within (df_W) = N – t

$df_W = 12 - 4 = 8$

Degree of freedom total (df_T) = N – 1

$df_T = 12 - 1 = 11$

Mean Square between (MS_B) = SS_B/df_B = 940/3 =31

Mean Square within (MS_w) = SS_w/df_w = 90/8 = 11.25

F – Ratio = MS_B/MS_W = 313/11.25 = 27.8

ANOVA Summary Table

Source	SS	df	MS	F- Ratio
Between	940	3	313	27.8
Within	90	8	11.25	
Total	1030	11		

Critical value at 5% significance with degree of freedom 3 to 8 is 4.07

Since the calculated value of 27.8 is greater than the critical table value of 4.07, the null hypothesis is rejected for the acceptance of alternative hypothesis. We concluded that, high corporate tax rate has significant effect on corporate liquidity.

c) Discussion of Findings

Based on the analysis, the following findings were arrived at:

The high corporate tax rate has both arithmetic and economic effects on the economy. It increases the revenue of the government, which is used by the government to finance both the Capital and Recurrent Expenditure in its annual budget. However, there are negative effects; it discourages invention and entrepreneurship, it causes tax flight, it reduces savings, investments, employment opportunities etc.

There have been many arguments for the reform of corporation tax. Despite, many tinkering with the system, to take some criticisms into account, it has been argued that the system is in total disarray (Kay & King, 1990).

Various forces prevented a firm or firms from pursuing its optimal investment level including high corporate tax rate as it affects the liquidity (cash) of the organisation because cash holdings are strongly related to firms' investment. Cash holdings also help firms with high internal financing cost (i.e. financially constrained firms) take up positive net present value projects. This is in line with Dennis & Sibilkov (2010) who opined that higher cash holdings allow financially constrained firms to undertake value-increasing projects that might be bypassed.

Managers may be forced to give up positive NPV projects, because they are not willing to raise external capital by issuing underpriced securities. Therefore, cash flow and cash can benefit those firms facing external financing constraints by funding necessary expenditures, which makes their investments sensitive to the availability of internal fund (Stein, 2003; Franzoni, 2009).

V. Summary, Conclusion and Recommendations

a) *Summary*

This work examines the analysis of the effect of high corporate tax rate on the liquidity of corporate organisations in Nigeria.

The high corporate tax rate impinged on the decisions of the investors as it discourages invention and entrepreneurship, it causes tax flight, it affects capital formation, it reduces savings, investments and causes unemployment in the country.

The burden of high corporate tax falls on the corporate organisations as it affects their liquidity, but the incidence of high corporate tax rate falls on the customers and suppliers through forward and backward shifting of prices- all things being equal.

b) *Conclusion*

Nigeria as one of the countries of the world that charges high corporate tax rate stands a chance of under developing her economy. The multiplier effects of this on the economy are enormous; ranging from: low savings, low investments, high rate of unemployment, capital flight, tax flight and high cost of borrowing.

Taxation as an instrument of fiscal policy to regulate, control and manage the economy should be neutral to encourage the corporate organisations to save, invest, and create employment opportunities in the country.

c) *Recommendations*

For Nigeria to achieve it fiscal policy through optimal corporate tax rate for economic growth and development, based on the findings, the following recommendations have been provided:

i. The Nigeria corporate tax rate of 30% should be reduce below OECD average corporate tax rate of 25.32% to avert the negative effect of financing the firms.
ii. The Nigerian tax system should be change from classical system to imputation system to avoid economic double taxation.
iii. We recommended that government should strengthen the Bank of Industry to close the funding gap in the corporate organisations.
iv. The government should ensure revenue generated from taxation especially corporate tax should be utilize in the development of the general economy and not just a segment of it as this will go a long way to improve the standard of living of her citizenry and hence lead to a growth in Gross Domestic Product (GDP).

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An Investigation of the Accounting Information and its Role for Capital Expenditure Decisions in the Industrial Companies Listed in Amman Stock Exchange

By Dr. Talal A. Al- Kassar & Ibtihal A. Abed
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Abstract- The study has dealt with accounting information, and its definition as well as its importance. It's aimed to investigate the role of accounting information in making decisions in capital expenditure to industrial companies listed in Amman Stock Exchange. Thus to achieve this goal, the researchers were distributed a questionnaire to a sample of (70) the industrial companies. The researchers have used the necessary groups of statistical methods are available in the Statistical Package of Social Sciences (SPSS), to achieve the results of the study.

An important result of the study, was apparent, that having a statistically significant effect of the three types of accounting information and of (About the expected cash flows at the end of the term of the asset investment, and information cash inflows and outflows, and information cash outflows (tax)). In capital expenditure decisions, and increase awareness of the departments of industrial companies and contribute to awareness of the role of accounting information will contribute significantly to the upgrading and advancement of capital expenditure decisions in the companies mentioned.

The main recommendation reached by this study was the continuation of the industrial companies for using accounting information such as expected cash flows at the end of the life of the asset, information of cash outflows (taxes), and the annual cash flow information, which become of their significant impact on capital expenditure decisions.

Keywords: accounting information, decisions capital expenditure, industrial companies.

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I. Introduction

There are many of uncertainty and risk experienced by the global economy requires creating an investment climate that is characterized by the credibility of accounting information which helps to make investment decisions and thus achieve economic development, since the investment decision is one of the most difficult decisions and the most sensitive, this decision, in essence, represents the allocation of resources on one hand, on the other hand is one of the forms of distribution of national income (11).

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There is a situation that traditional organizations that primarily responsible for the decision-making process of capitalism is the senior management. But the new concepts differed to enter each of the middle management, and the lower managerial class, to participate in management decisions, and because of the availability of information and spread in the organization that allowed for individuals in lower management decision-making, it is essential that these decisions are correct and add value to the business (9).

It also represents a decision on the termination of that stage of the selection process and stability on the one alternative, as it is the center of the administrative process; because these decisions will determine the strategic line of the company (10).

The study will address of accounting information of (Information cash inflows and outflows, cash flow information beyond the annual, the information expected cash flows at the end of the term of the asset investment, and information flows of operating cash outflows (tax)). On that basis, the study of the role of information accounting decisions in capital spending in industrial corporations listed in Amman Stock Exchange (ASE) will contribute to enhancing the ability of these companies to achieve the overall objectives of economic development, and the development of decision-making process with senior management to increase their efficiency, and effectiveness in the utilization of available resources on the best. Also, they do not differ that the decisions of capital spending as important when decision makers in companies of all types, and this has its causes, including the fear of the low rate of financial return compared to spending, add to it that such decisions capture the interest of the decision makers in the company on the differences of managers and investors, and the rest the relevant authorities of the company.

a) Objectives of the study

This study aimed to achieve the following objectives:

1. To clarify the concept of capital spending and its importance and its properties.

2. To identify the management's ability to use accounting information in making a decision in capital spending.
3. To stand on the mechanism of decision in capital spending in the Jordanian industrial corporations.
4. To Submit of proposals and recommendations that could contribute to the advancement of the process of decision-making capitalism and upgrade them to better contribute to industrial companies listed on the Amman Stock Exchange.
5. To identify any impact of accounting information and make a decision in capital spending for industrial companies to contribute to the community of study.

b) Problem of the study

As the success of companies or stumble is located in the most part on the failure of departments of these companies or their success in making a decision in capital expenditure which is based on a careful study of the economic feasibility of the project, and the area covered by this resolution, and take into account the current reality, and the future of the variables related effects including possible decision on the performance of companies in terms of financial, operational, and then on their ability to continue in the market in which it operates, and from the above, the problem of the research is based and centered around the following questions:

1. Is there a role for the cash inflows and outflows (the cost of the asset purchase, the sale of assets and property) in capital spending decisions in industrial corporations listed in Amman Stock Exchange?
2. Is there a role for the extra annual cash flows (the cost of management and operation of the original investment) decisions in capital spending in industrial corporations listed in Amman Stock Exchange?
3. Is there a role for the expected cash flows at the end of the term of the asset investment (the original sale as scrap) in capital spending decisions in industrial corporations listed in Amman Stock Exchange?
4. Is there a role for the emerging operational cash flows (taxes) to make decisions in capital spending in industrial corporations listed in Amman Stock Exchange?

c) Research Methodology

The research problem is demonstrated in the following: Is there a role for the cash inflows and outflows (the cost of the asset purchase, the sale of assets and property) in capital spending decisions in industrial companies listed at Amman Stock Exchange? Is there a role for the extra annual cash flows (the cost of management and operation of the original investment) decisions in capital spending in industrial companies listed in Amman Stock Exchange? Is there a role for the expected cash flows at the end of the term of the asset investment (the original sale as scrap) in capital spending decisions in industrial companies listed in Amman Stock Exchange? Is there a role for the emerging operational cash flows (taxes) to make decisions in capital spending in industrial corporations listed at Amman Stock Exchange?

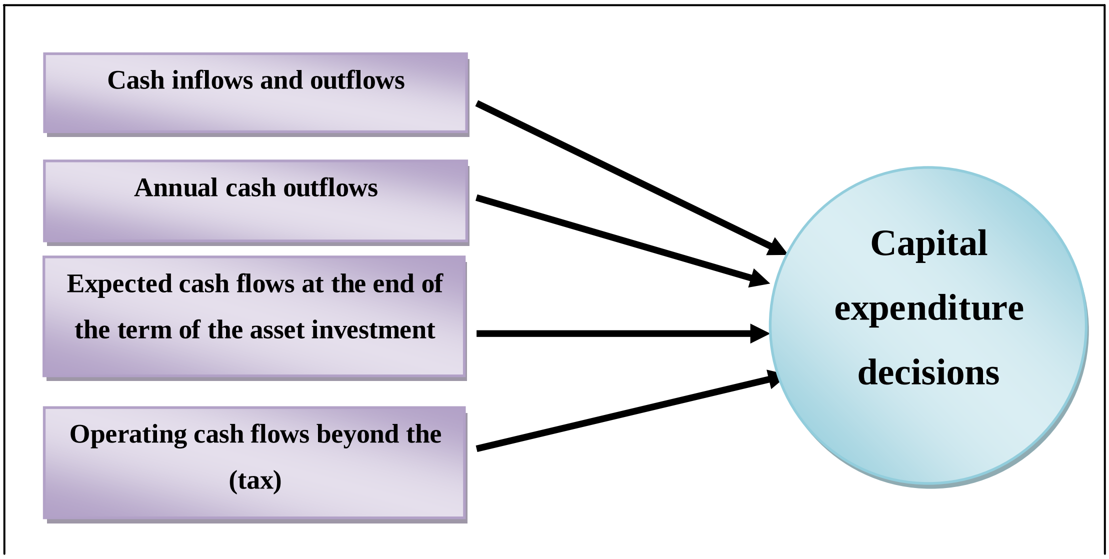
The importance of research is presented through the following:

1. Building and conscious thought about Accounting information and its role in capital expenditure decisions.
2. Highlighting the role Accounting information and capital expenditure decisions.
3. Measure the role Accounting information and capital expenditure decisions.
4. in the industrial companies operating in Jordan.
5. Find out how to apply this information in industrial companies listed in Amman Stock Exchange.

The study relied on a descriptive approach for the purpose of description of the responses of the sample of the study about their views on the level of Accounting information in industrial companies listed at Amman Stock Exchange, has been the use of the analytical method to measure the role of the application of Accounting information and capital expenditure decisions in the industrial companies listed in Amman Stock Exchange, through the use of statistical methods to test the suitability hypotheses of the study.

d) Study Model

The model of the study is shown below



e) Research Hypotheses

The current study examines the following hypotheses in null form:

Ho: No statistically significant effect of accounting information in making decisions Capital expenditure for industrial companies listed and traded on the ASE.

This hypothesis can be divided to the following null hypotheses:

Ho_1: No statistically significant effect of cash inflows and outflows (the cost of the asset purchase, the sale of assets and property) when the level of significance ($a \leq 0.05$) to make decisions Capital expenditure in industrial corporations listed in Amman Stock Exchange.

Ho_2: No statistically significant effect of the extra annual cash flows (the cost of management and operation of the original investment) at the level of significance ($a \leq 0.05$) to make decisions Capital expenditure in industrial corporations listed in Amman Stock Exchange.

Ho_3: No statistically significant effect of expected cash flows at the end of the term of the asset investment (the original sale as scrap) at the level of significance ($a \leq 0.05$) to make decisions Capital expenditure in industrial corporations listed in Amman Stock Exchange.

Ho_4: No statistically significant effect of operating cash flows beyond the (tax) at the level of significance ($a \leq 0.05$) in the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange.

f) Sampling

The study population consists of all industrial corporations listed on the Amman Stock Exchange of (70), either the study sample of general managers and directors of administrative units and financial managers, internal audit exclusively, totaling (280) as director, due to the large size of the sample was selected a stratified random sample of each company to be a research sample and rate (50%) of them, totaling (140) director in companies included in the study. Note that distributed (140) questionnaires, but he was not subjected to statistical analysis only (110) because of the lack of returned or completion of the respondents, as shown in Table (1) as follows:

Table 1 : Valid, collected, and distributed questionnaires

Job	Distributed	Collected	Response rate	Valid Questionnaires	Percentage of valid Questionnaires
General Manager	35	24	68.6%	20	83.3%
Managing Director	35	32	91.4%	30	%93.8
Financial Manager	35	33	94.3%	29	87.9%
Internal Audit Manager	35	32	91.4%	31	%96.9
Total	140	121	86.4**%**	110	90.9**%**

g) Data collection

To achieve the purposes of the present study aimed to identify the level of application of accounting information and its role in capital expenditure decisions in the industrial corporations operating in Jordan listed at ASE, the researchers were adopted two types of primary sources of data collection, namely:

i. *Primary Data*

It is designed to identify and collect data through field visits exploratory, interview and departments of industrial corporations operating in Jordan listed in Amman Stock Exchange included in the study.

ii. *Secondary Data*

It is data that has been obtained through sources and references available in the libraries of the Jordanian universities, as well as previous studies relevant to the preparation of the conceptual and theoretical framework for the study of example: Arab and foreign sources, research and review of the literature, magazines and studies on the subject of accounting information, the capital expenditure decisions of companies operating in the industrial contribution Jordan listed in ASE, with the aim of preparing the theoretical framework for the study. Documents related to data and information on the capital expenditure decisions of industrial companies operating in Jordan contribution listed on the ASE. Benefit from data released by the Amman Stock Exchange and is available on the web sites.

II. Literature Review and Previous Studies

The accounting information relating to cash flow is useful in providing users of financial statements primarily necessary to measure the company's ability to generate cash or its equivalent, and require investment decisions to assess the ability of users of information and degree of certainty regarding the generation of flows. The objective of IAS first to oblige companies to provide information on actual changes in cash or equivalent, and so prepare a list of the cash flows with the division of cash flows during the period to flow from operating activities, investment and financing, and attached analysts, investors, creditors and others involved and interested constituencies financial and economic importance on the statement of cash flows due to the difficulties and problems associated with the accrual basis, which entails hide cash flows, and the widening gap between them and the net profit, and convinced them that the net cash flow from operations is the ultimate guide on the quality of the profits, because the company's success is through access to the net inflows positive cash from its operating activities (8).

The aim of financial reporting is essential to provide users and stakeholders related to the project with the necessary information to help them make decisions for the various economic, as is the accounting information system concerned with the identification and measurement and delivery of quantitative information on the economic unit can be used in the evaluation and decision-making by the parties or categories used for this information (6).

The capital expenditure investment of funds in the assets used by the company for a long time, and in spite of capital spending that occurs in the current period, but the revenue implications will continue for a long time, so the success of the companies in the future depends on the integrity of investment decisions taken at the present time, although any error in the estimates of investment be serious consequences, and that it is impossible to correct these consequences, and so the risk increases as the amounts required to invest substantial and economic conditions in the rapid development, and it can be said that what distinguishes capital spending is: long-term commitment to invest money, and betting on the future; Because betting is risky and risky, and with one another, the investment is a bet on the disbursement uncertain at the moment, however, be achieved in the future is uncertain (4).

III. It can Determine the Factors to be Taken into Account when Making Decisions in Capital Spending

By the statement the key factors public to be taken into account, there are several advance reservations are: These factors are not limited to, there may be some other factors may take into account in accordance with the conditions, you may not take all factors into consideration when studying the feasibility of a particular proposal when exposed to the ways and methods technical evaluation and comparison between the proposals may also take into account all the factors when using another method, so we try as much as possible comprehensive inventory factors to be taken into account when deciding capital expenditure (5).

a) Cash inflows and outflows

Fall under this heading the purchase price of fixed assets, which have been on for several years, such as the construction of a building or factory and residence, these expenditures represent the initial (cash outflow) is added to the automatic increase in current assets, and the expenses of installation of machinery and prepared for the run, and is considered a sale of assets (cash flow inside).

b) Annual cash outflows related to the operation and management of the asset investment

Sales are recognize as an important cash inflows, and also takes the burden and expense of cash for operations (cash outflows) and over the economic life of the asset investment. It is necessary to take into account whenever possible the expected changes in current assets during the period.

c) Expected cash flows at the end of the term of the asset investment

Remind them of the cash inflows from the asset sale as scrap, and in spite of the difficulty of estimating this value, however, neglected to take the lead with the wrong decision not to overlook the expenses of scrapping the original.

d) Cash outflows and actress in taxes

On the grounds that the company make a profit, all the burden of investment are deducted from revenue before arriving at taxable profit it achieved savings or gains tax for each period, and it can be seen that the exemption from several angles

1. must choose the method of depreciation allowable use of the tax, and that achieve maximum savings from this side, may be this method is associated with age-economic origin, and so can the amortization of assets within the period allowed by the tax, even if the asset value at the end of the period.
2. taking into account the increase in inventory (as current assets) must know and add the expected changes in reserves undeclared.
3. taking into account the tax on the gains expected after the depreciation of an asset accounting, The gains cash from scrapping the asset after owning diphtheria at the end of the period subject to tax (this represents cash flow within, such as the sale value of the asset as scrap, and the consequent cash flow external, and is tax the scrap value which exceeded the carrying value of the asset at the end of the period).
4. with respect to the cash flows resulting from financing and actress in interest rates on loans and repayments of these loans, cash outflows related to financing, you need such aspects of special treatment where does not take into account the feasibility studies of the proposals, but take into account the burden of funding (interest) and when we are studying the return on equity.

There are numerous studies on corporate governance and share price in the past few years was such as:

Abu Huwaydi's study (2011) entitled: "The role of accounting information in the rationalization of capital spending decisions - An Empirical Study on the companies listed on the Stock Exchange of Palestine." The aim of this study was to identify the importance of the use of accounting information in the rationalization of the decisions of capital spending, and determine the extent of the use of management in companies listed in Palestine Stock Exchange of accounting information in the rationalization of the decisions of capital spending, and constraints that limit this use, and to identify ways to evaluate decisions in capital spending by companies listed on the stock exchange. The study showed many of the most important results: facing the management of companies listed on the Palestine Exchange constraints lead to poor use of accounting information in the rationalization of the decisions of the capital expenditure which, according to the viewpoint of the study sample. The study recommended the need to strengthen the culture of the use of accounting information when making a decision and planning of capital spending, and the need to develop a strategic plan for capital investment projects, and attention to control the outcome of decisions in capital spending after the implementation of the resolution.

Abu Armelh's study (2008) entitled: "Capital Budgeting and planning budgets in the industrial and service companies at Jordanian public shareholding." The aim of this study was to identify the extent of the use of capital budgets and planning budgets in the industrial and service companies Jordanian public shareholding and determine the advantages and difficulties in the use of these types of budgets and to achieve these goals questionnaire was designed and distributed to (60) as finance director and head of the Department of Accounting and accountant in the industrial and service companies to contribute to the public Jordanian, and the percentage of responding (% 85.7) and was used in the statistical analysis program statistical package for social sciences, the results showed that most companies are using methods developed based on the discounted cash flow which takes into account the time value of money. The study recommended the need to enhance the experience of theoretical views that evaluates capital projects to familiarize them with the views theory that covers various aspects of the resolutions of capital spending, and the need to increase the use of methods of evaluating investment projects advanced.

Hamza's study, (2007) entitled: "The role of accounting information in the rationalization of investment decisions in the market Amman Stock Exchange." The aim of this study was to test the extent of the benefit of the information accounting for the decision makers of the investment companies listed on the Amman Financial Market, and test the homogeneity in accounting reports that have been disclosed by these companies, and have the researcher extrapolating the analytical results of previous studies to consolidate the scientific aspects of research from (2003 -1995), and quantitative analysis of the quality of each of the reports and the information disclosed by these companies and relied upon by investors to rationalize their investment decisions, and the study found a discrepancy between the companies in the quality of accounting information disclosed, and the quality of accounting reports are used, the study recommended requiring that companies disclose the appropriate information, and sufficient to rationalize investment decisions in this market.

Bennouna, et al, study (2010) entitled "Improved capital budgeting decision making: evidence from Canada." The purpose of this study is to evaluate current techniques in capital budget decision making in Canada, including real options, and to integrate the results with similar previous studies. A mail survey was conducted, which included 88 large firms in Canada. Trends towards sophisticated techniques have continued; however, even in large firms, 17 percent did not use discounted cash flow (DCF). Of those which did, the majority favoured net present value (NPV) and internal rate of return (IRR). There is an overall between one in ten, to one in three were not correctly applying certain aspects of DCF. Only 8 percent used real options. One limitation is that the survey does not indicate why managers continue using less advanced capital budgeting decision techniques. A second is that choice of population may bias results to large firms in Canada. The main area for management focus is real options. Other areas for improvement are administrative procedures, using the weighted average cost of capital (WACC), adjusting the WACC for different projects or divisions, employing target or market values for weights, and not including interest expenses in project cash flows. A small proportion of managers also need to start using DCF. The evaluation shows there still remains a theory-practice gap in the detailed elements of DCF capital budgeting decision techniques, and in real options. Further, it is valuable to take stock of a concept that has been developed over a number of years. What this paper offers is a fine-grained analysis of investment decision making, a synthesis and integration of several studies on DCF where new comparisons are made, advice to managers and thus opportunities to improve investment decision making.

Khamees, et al, study (2010) entitled "Capital budgeting Practices in the Jordanian industrial corporations." The purpose of this paper is to provide additional empirical evidence about capital budgeting practices in an emerging economy. The study utilizes a questionnaire and interview to collect data from respondents. The results show that the JIC give almost equal importance to the discounted and undiscounted cash flow methods in evaluating capital investment projects. It appeared also that the most frequent used technique is the profitability index followed by the payback period. Based on these results, the researchers recommend putting a great attention to apply the concepts and techniques of capital budgeting in an appropriate manner. The corporations should also consider importance of information technology and its applications in capital budgeting. This is the first study applied on the capital budgeting practices and its related issues in the JIC.

IV. Study Instrument

After the completion of the study to determine the problem and questions and hypotheses, the researcher prepared a questionnaire study and develops a way that covers all variables model study, which included a questionnaire study in its final form to the following parts:

Personal and occupational characteristics: These are characteristics (sex, and scientific specialization, and educational qualification, position and career, and the number of years of experience, and professional certification).

Independent variables: The accounting information, namely, (Cash inflows and outflows, the annual cash outflows, expected cash flows at the end of the term of the asset investment, operating cash flows beyond the (tax)).

Dependent variable: The dependent variable b (Decisions Capital expenditure) for industrial companies listed at Amman Stock Exchange.

a) Study Instrument scale

Five points Likert scale has been selected, for being one of the most metrics used to measure the opinions and responses, due to its ease of understanding , indicates where the study sample under test for the extent of their agreement for each paragraph of the questionnaire as follows:

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
5	4	3	2	1

Has been the adoption of a measure of the degree evaluation of the study sample with the principles of accounting information, is divided into three levels, where the calculated cut-off grade and by dividing the product of the difference between the highest value of the scale (5) and the lowest value in it (1) at three levels, namely, that the cut-off grade are as follows: {(5-1) / 3 = 1.33}

Thus, the three levels as follows:

A. Low degree of agreement (1 - 2.33).
B. The degree of agreement Medium (2.34 - 3.67).
C. A high degree of agreement (3.68 - 5).

Test standard was identified amounting of (3) through dividing the sum of the highest value for the scale (5) and the lowest value in which (1) over (2), that is (5 +1) / 2 = 3 , and for the purpose of diagnosis of positive and negative responses to the study sample , and as follows:

Limit of the response negative are (1 - 2.99).
Limit of the response positive are (3 - 5).

Therefore, study instrument which is directed to study sample subjects in industrial companies operating in Jordan is consisted of (50) items. As described in Appendix 1.

b) Instrument Validity

Face validity has been verified through a group of experts and referees who had experience and knowledge in accounting and methodology of scientific research and applied statistics to take advantage of their expertise and their stocks of knowledge, making the tool more accurate and objective measurement. It has reached the number of (10). The purpose behind questionnaire was to verify the affiliation of paragraphs to the variables of the model, and the paragraphs language formulation accuracy. It has been taking into account all the observations of experts and referees, where been reworded some paragraphs of questionnaire and delete others of them, and add some of the other paragraphs of the dimensions of the variables of the model, so that the questionnaire was prepared in its final form contained in Appendix (1).

c) Instrument Reliability

To check the reliability of study tool, the researchers were using Cronbch Alpha instrument variables reliability coefficients (to measure the internal consistency of the questionnaire paragraphs). The percentage of stability of the instrument overall was ((89.5%), which is very high in order to approve study results, the mean percentage that the internal consistency of the vertebrae high, since the acceptable percent to generalize Humanities and Social Research results are (60%) or more, and as shown in Table (2) as follows:

Table 2 : Results of study tool reliability test (internal consistency of the questionnaire paragraphs)

Variables model study	Number of paragraphs	Cronbach's alpha Reliability) (coefficient	The proportion of stability
Cash inflows and outflows	10	0.849	%84.9
Cash outflows annual	10	0.744	%74.4
Expected cash flows at the end of the original investment	10	0.759	%75.9
Operating cash flows beyond the (tax)	10	0.802	%80.2
Share price	10	0.822	%82.2
The tool as a whole	50	0.895	%89.5

d) Statistical Techniques

After he had finished a researcher from the process of collecting data on variables model study, have been entered for Computer -mail for the purpose of extracting statistical results needed, where it was drawing on some statistical methods available in software packages Statistical Social Sciences (SPSS), in order to process the data that have been obtained through the study field of the surveyed sample, specifically the researcher used statistical methods the following:

Cronbach's alpha coefficient: was used to test the reliability tool to study under which the data were collected, in other words, is used to test (internal consistency of the paragraphs of the questionnaire).

Frequencies and percentages: they are used to identify the characteristics of the study sample of accountants and auditors in industrial companies operating in Jordan contribution listed on the ASE.

Mean: it is used to identify the level of severity of the answer to the sample of the study on the principles of corporate governance in industrial corporations operating in Jordan.

Standard deviation: it is used to determine the dispersion of the study sample answers from the values of the arithmetic average.

Test (VIF) Variance Inflation Factors: This test is used to verify the existence of the problem of overlapping multiple linear (Multicollinearity) between the independent variables, the lack thereof.

Test Kolmukrov - Samir Nov: (One-Sample K-S Test) was used to verify that the data variables of the study are subject to the normal distribution (Distribution Normal) or not.

Simple linear regression analysis: has been used to measure the role of accounting information each separately on the capital expenditure decisions in the industrial corporations listed in Amman Stock Exchange.

Multiple linear regression analysis of the progressive (Stepwise): was used to measure the impact of the accounting information on the capital expenditure decisions in the industrial corporations listed in Amman Stock Exchange.

V. Results

a) Results of the main test the hypothesis

No statistically significant effect at the level of significance ($\alpha \leq 0.05$), accounting information to make decisions in Capital expenditure in industrial corporations listed on the Amman Stock Exchange. The results of testing the hypothesis major general, to have a statistically significant effect at the level of significance ($\alpha = 0.05$), for the three types of accounting information and of b (About the expected cash flows at the end of the term of the asset investment, and information cash inflows and outflows, and cash flow information operational outflows (tax)), the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from the previous result to increase awareness of the departments of industrial companies contribute about accounting information, will contribute significantly to the advancement of the process of making decisions Capital expenditure in the company's mentioned.

b) Test results of the first sub- hypothesis

The results of the first sub-test the hypothesis, the presence of statistically significant effect at the level of significance ($\alpha = 0.05$), for the information of the cash inflows and outflows on the decision-making process Capital expenditure in industrial corporations in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table 3 : the results of the first test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
18.627	1.96	0.000	Reject	3.93

c) Test results of the second sub- hypothesis

The results of the second sub-test the hypothesis, the presence of statistically significant effect at the level of significance ($\alpha = 0.05$), for the information of annual cash outflows on the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table 4 : the results of the second test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
12.221	1.96	0.000	Reject	4.14

d) Test results of the third sub- hypothesis

The results of the second sub-test the hypothesis, the presence of statistically significant effect at the level of significance ($\alpha = 0.05$), for the information of the cash flows at the end of the term of the asset at the annual investment decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table 5 : the results of the third test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
17.553	1.96	0.000	Reject	4.16

e) Test results of the fourth sub- hypothesis

The results of the second sub-test the hypothesis, the presence of statistically significant effect at the level of significance (α = 0.05), information flows, operating cash outflows (tax) on the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table 6 : the results of the fourth test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
17.553	1.96	0.000	Reject	4.16

VI. Recommendations

1. The study recommends the need to provide accounting information with a high degree of credibility and objectivity to increase reliability in capital spending decisions and thus earn the trust of dealers in the Amman Stock Exchange.
2. The study recommends requiring companies listed in Amman Stock Exchange to publish all the financial information in a timely manner, as well as the introduction of a range of new financial instruments that are not used in the Amman Stock Exchange.
3. The study recommends the need to identify the nature of the information that you need in each category and the administrative account for the different categories of information used and the multiplicity of their needs, as well as providing the necessary information for decision-making models, so as to raise the efficiency and effectiveness of accounting information.
4. The study recommends the need for future studies similar in other companies, which is the study of other variables related to other types of accounting information so that different variables addressed in this study, with the need to measure the impact of such information on the decision-making process in capital spending in the companies under study, and study the impact of accounting information on each of the financial and operational performance.

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Appendix 1

Questionnaire

Dear Respondent:

Greetings:

The researchers have conducted a study tagged (An investigation of the accounting information and its role in capital expenditure decisions in the industrial companies listed in Amman Stock Exchange), a field study on industrial companies in Jordan listed in Amman Stock Exchange,

Kindly requested to answer all the questions you deem fit and that through Department

1. General manager
2. Managing Director
3. Financial Director
4. Internal Audit Manager

We are confident that the best source to gain access to the required information, the fact that you people of experience and competence. Please kindly answer the questions attached, note that they will be dealing with these answers confidentially, and that use will be for research purposes only, hoping to return the results of this study benefit industrial companies listed in Amman Stock Exchange and scientific institutions together, with our sincere thanks and appreciation to you for your effort in order to accomplish this study.

Section I: personal information and functional

- Please kindly put signal (X) at the appropriate choice:

Gender: Male Female

Scientific specialization: Accounting Business Administration Financial and other banking

Qualification: Diploma Bachelor Masters Doctorate

Job title: General manager - Managing Director - Financial Director - Internal Audit Manager

Years of Experience: Less than 5 Years 6-10 Years 11-15 years 16 + years

Professional Certificate: CPA CMA JCPA CIA

Section II : Accounting Information

1- Accounting information related to the cash flows from inflows and

Paragraphs		5	4	3	2	1
1	The company relies on information the cash inflows and outflows while doing various activities in making their investment decisions.					
2	Contributes to the use of information related to increased specificity degree of certainty about the decision alternatives.					
3	Is available at the company's management information about the quality of the cash inflows and outflows characterized by a high degree of clarity.					
4	Available to the management of the company sufficient information regarding the purchase of fixed assets, which may take place over several years.					
5	Available to the management of the company sufficient information regarding the automatic increase in current assets.					
6	Available to the management of the company sufficient information regarding the expenses of installation of machinery and prepared for the run.					
7	The company relies on the ability of accounting information with predictive Department assists in the formulation of plans for the future and design.					
8	The Company's management to carry out studies on the economic feasibility of projects for the purposes of decision-making capitalism.					
9	Based on the company's management processes capitalism relevant fixed assets for projects.					
10	Depend on the company's operations banknotes and commercial paper that is released to the order of others.					

2- Accounting information related to the cash flows beyond the annual

	Paragraphs	5	4	3	2	1
11	The management of the company sales activity of the most important annual cash outflows within her.					
12	The company is the burden and expense of cash for operations as a cash flow beyond them over the economic life of the asset investment.					
13	Take into account the company's management anticipated changes in current assets during the period of circulation.					
14	Can be classified as capital expenditures as fixed assets (tangible and intangible).					
15	Should be on the management of the company to know the nature and purpose of the alimony granted by the annual capital services.					
16	Should be on the management of the company not to repeat the exchange capital expenditure during normal activity cycle has.					
17	Enjoy the Company's management of capital expenditures for more than a year.					
18	Classification of capital expenditure in the company by type of activity and nature.					
19	The company operates 19 to provide the necessary liquidity and guarantee to cover emergency situations that may face the production process.					
20	The company seeks to provide the liquidity needed to cover the requirements of the work and the production process.					

3 - Accounting information relating to the expected cash flows at the end of the term of the asset

	Paragraphs	5	4	3	2	1
21	Company is interested in entering the cash flows related to assets.					
22	Company is interested in accounting information relating to the expected cash flows at the end of the term of the asset investment.					
23	Company has the capacity to assess the assets before they are sold as scrap.					
24	Take the company's management decisions at the wrong neglect value of the asset.					
25	Recognizes the company's management expenses scrapping parent and not be overlooked.					
26	Is the registration of all expenses related to assets appropriate for decision-making capitalism?					
27	Are a commitment download depreciation costs and expenses, appropriate to take the appropriate decisions?					
28	The company seeks to preserve the value of the assets of the truth by conducting feasibility studies.					
29	Contains accounting information on the adequacy of information to make decisions suitable capitalism.					
30	Insurance accounting information for people stakeholders in a timely manner helps to take the appropriate decisions.					

4 - Accounting information related to the cash flows from operating beyond the (tax)

Paragraphs		5	4	3	2	1
31	Is tax accounting information in making decisions affecting capital expenditure?					
32	Defines the way the company ownership permitted use of the tax rate that would maximize savings.					
33	The company is the amortization of assets within the period allowed by the tax, even if the value of the asset at the end of the period.					
34	The company operates to add the expected changes in reserves undeclared (stock).					
35	Recognizes the company's tax imposed on gains after the expected depreciation of an asset accounting.					
36	Should be available in the accounting information sufficient amount of objectivity, for the purpose of achieving an adequate return for the investor.					
37	The need for the accounting information neutrality and impartiality, in order to make good decisions.					
38	Should be displayed in honest accounting information in order to reflect the financial position of the company.					
39	Company avoids taxes by privileges granted to them through new investments.					
40	Should be on the company's management commitment to a policy of consistency with the principles and methods of accounting.					

Section III : Paragraphs relating to the dependent variable (Capital expenditure decisions)

Paragraphs		5	4	3	2	1
41	The process of Capital expenditure decisions by senior management in the company.					
42	The company relies on scientific foundations in the process of making investment decisions and decisions taken in order to be rational.					
43	The company is based in making decisions related to capital expenditure forecasts.					
44	Affects decision-capitalist financial structure of the company, it should take into account the relationship between return and risk.					
45	Should be the decision of the capitalist taken by the company in line with its objectives and its policy.					
46	Should be on the company's decision to take the capital in a measured way and not inconsistent with its goals.					
47	Is an investment decision taken in the company of the most dangerous decisions, cannot be undone when taken.					
48	8 includes a decision to invest huge financial closely for a long time in order to get a return in the future.					
49	Should be the decision-maker to adopt an appropriate strategy serve the company and the investor alike?					
50	Depend on the company's expenses (replacement, expansion, improvement, strategic, and contractual) in the decision-making capitalism.					

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Assessment of the Contribution of Internal Generated Revenue (IGR) to the Total Tax Revenue of Kogi State before the Introduction of Taxpayers Identification Number (TIN) (2003- 2007)

By Ezugwu, C.I. & Agbaji, J.
Kogi State University, Nigeria

Abstract- The study was carried-out to assess the contribution of internally generated revenue before (TIN) on total tax revenue in Kogi State. The related literatures were reviewed. The population of study comprises the Total Tax Revenue Before TIN (TRBT) and Internally Generated Revenue Before TIN (IGRBT). A number of statistical tools including tables and Regression were used to analysed the data and test the hypothesis formulated. Our analysis of data revealed that, the internally generated revenue (IGR) before the introduction of TIN within (2003-2007) was not significant. We recommended that a holistic tax education should be carried out in order to keep the teeming taxpayers abreast of the need to pay their taxes to the state and the enforcement unit of the State Revenue Board should be properly empowered to monitor, enforce and prosecute any errant tax defaulters who fail to comply with tax authority.

Keywords: contribution; internally; generated; revenue; total; tax.

GJMBR-D Classification : JEL Code: M40, M41

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Strictly as per the compliance and regulations of:

Assessment of the Contribution of Internal Generated Revenue (IGR) to the Total Tax Revenue of Kogi State before the Introduction of Taxpayers Identification Number (TIN) (2003-2007)

Ezugwu, C.I. [α] & Agbaji, J. [σ]

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Keywords: contribution; internally; generated; revenue; total; tax.

I. Introduction

a) *Background to the Study*

Taxpayer Identification Number (TIN) is a 10 (ten) digit number that is unique to each taxpayer in Nigeria, for every individual and corporate organization i.e. taxable entities that earn a steady income. The Taxpayer Identification Number (TIN) is a platform which will harmonize taxpayer identification and registration in Nigeria; it will create closer linkage between the various tax authorities in Nigeria and, will aid corporation, information sharing and increase revenue generation accruing to all tiers of the governments (JTB Bulletin, 2011).

Taxpayer Identification Number (TIN) is an initiative of the Joint Tax Board (JTB) in collaboration with the Federal Inland Revenue Service (FIRS) and the 36 State Boards of Internal Revenue (SBIR). It is an electronic system of taxpayers' registration, which would uniquely identify all taxpayers and would be available nationwide.

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The Joint Tax Board (JTB) is provided with the responsibility (as amended in section 8(q) (d) of the Personal Income Tax Act and section 8(q) of the Federal Inland Revenue Service Establishment Act 2007), to ensure collaboration in the issuance and administration of Taxpayer Identification Number (TIN) to all taxable entities. The TIN is aimed to have reliable and centralized data of information of all taxpayers in the country, which would allow the sharing of information among all tax authorities. It equally creates a national platform for the registration and allocation of an identification number to all taxpayers to aid effective tax administration process. And also to automate tax registration activities for all levels of government and therefore facilitate a sustainable platform for internally generated revenue in Kogi State.

It is expected that tax bases would be widen through the registration of all eligible taxpayers. This would enhance greater compliance and returns as the available information of each taxpayer would enable proper tracking and more collection processes. This would lead to an increase in internally generated revenue. Internally generated revenue on the other hand connotes monies collected by the government through imposition of taxes and levies on facilities, incomes, and consumptions, transfer of properties and other domestic transactions as opposed to monies collected from duties imposed on import and other international transactions (JTB Bulletin, 2011).

It is crucial for effective tax administration that every individual and business taxpayer has a unique tax identification number. Measures and controls must be in place to ensure that only one tax number is assigned to each taxpayer (Agbonika 2012). To avoid or eliminate multiplicity of taxes across the country, the Taxes and Levies (approved list for collection) Decree no 21 of 1998 clearly defined which taxes are collectible by each tier of Government in Nigeria. The list has since been published and distributed by the exclusive list or concurrent list for collection.

However, it is a well known fact that tax administration in Nigeria has been faced with issues and challenges ranging from non- identification, registration and compliance of taxpayers. This inherent problem is also associated with the implementation of tax policies in our tax system.

Registering businesses in the informal economy could pose a challenge. This might be done by auditing registered taxpayers in order to detect their unregistered suppliers or customers or by actually sending tax Officials to conduct a tax survey in a particular geographical area to ensure that all persons and businesses are properly registered (Agbonika 2012)

b) Statement of the Problem

One of the problems of tax administration in the three tiers of government in Nigeria is the improper identification of tax bases by the three tiers of government.

The constitution of the Federal Republic of Nigeria 1999 as amended 2010, provides an approved list of taxes and levies accruable to the three ties of governments respectively, but there are several court cases in respect of some tax bases often between the Federal and some State governments for instance, the case between the Federal and Lagos State government on consumption tax. The problem of improper tax identification has caused some taxpayers to pay the same tax to two or more tax authorities, hence, leading to multiple taxations which have negative effects on the economy.

The challenge of improper tax education by the authorities has occasioned a low compliance from the taxpayers which have affected the internally generated revenue because few taxpayers are brought into the tax net.

c) Research Question

1. What is the contribution of internally generated revenue of Kogi State to the total tax revenue before the introduction of TIN programme?

d) Objectives of the Study

The broad objective of this study is to assess the contribution of internally generated revenue to the total tax revenue in Kogi State.

The specific objective of this study includes the following:-

1. To determine how Internally Generated Revenue contributes to Kogi State total tax revenue before the introduction of TIN programme

e) Statement of Hypotheses

Ho_1: Internally generated revenue does not contribute significantly to the total tax revenue before the introduction of TIN programme in Kogi State.

f) Scope of the Study

This research was concerned with the types of revenue accruable to the state, (Kogi State Board of Internal Revenue). The study covers the period 2003-2007 and considered the different sources of revenue to the state government, such as Personal Income Tax, Withholding Taxes of Individual, Pay As You Earn, Road Taxes, Business Registration etc. the ways and manner in which the revenues are collected and also the problem encountered and the possible solutions will be considered.

g) Significance of the Study

The findings will not only assist Revenue Boards but also Individual Taxpayers and Corporations who are stakeholders in the tax administration.

The significant of the study is not far fetch. Judging from the fact that internally generated revenue is a stable source of revenue to the government.

II. Literature Review and Theoretical Frame Work

a) Empirical Review of Taxpayer Identification Number (TIN)

Taxpayer Identification Number (TIN) is a unique sequential number that is generated electronically as part of the tax registration process and assigned to a taxpayer whether company, enterprise or individual for the purpose of identification. TIN is therefore, a number that is unique to all corporate and individual taxpayers (JTB, 2011).

Section 8(9) of the FIRS (Establishment) Act 2007 mandated the FIRS to issue a Tax Payer Identification Number (TIN) to every company, enterprise and individual in collaboration with the State Boards of Internal Revenue and the Local Governments Councils.

According to a Government notice dated 25th May 2007, all existing current account holders to obtain a Taxpayer Identification Number (TIN) to be issued by FIRS in collaboration with States and Local Governments. The use of TIN became mandatory from 1st February, 2008 for all taxpayers dealing with FIRS and for all transactions with financial institutions in accordance with the order contained in the Government notice.

The State Internal Revenue Service was established by the Personal Income Tax Decree of 1993 as updated 2004 and now the principal Legislation is Personal Income Tax Amendment Act 2011 as the state tax authority. The operational arm of the board is the state internal revenue service Board. The Personal Income Tax Decree of 1993 section 85A (1) provided a uniform composition for the boards in all the states of the federation.

The composition of the board is as follows:

1. The executive head of internal revenue service who shall be designated as the Chairman of the board.

He shall be a person experience in tax matters and be appointed by the State governor from with in the service.

2. Three person nominated by the commissioner of finance of the state on their personal merits.
3. All the directors from head of the state internal revenue service
4. A director from the state ministry of finance.
5. A legal adviser to the board.
6. The secretary to the board who shall be an ex-official member appointed by the board from within SIRSB.

The Federal Inland Revenue Service (FIRS) and the Nigeria Customs Service (NCS) have introduced an inter-connectivity project, importers' Taxpayer's Identification Number (TIN) platform, to stakeholders at the nation's ports.

According to the FIRS Chairman the launch of the platform was done under the "project FACT" initiative of the FIRS which had been implemented successfully from inception till date.

According to FIRS boss TIN is a unique sequential number of predetermined digits electronically generated to all corporate and individual taxpayers. The inter-connectivity, which took immediate effect, was for the purpose of tax registration and would be used for the purpose of identifying a taxpayer.

The TIN must be quoted in all relevant transactions by the taxpayers, especially when paying taxes. The FIRS boss recalled that prior to the introduction of Inter-connectivity (TIN) the mechanism in place for the reconciliation of collections and other information was purely manual. The Custom Service will usually send paper copies of detail tax payments collected on imports and other relevant information.

The FIRS will thereafter be left to review, analyze and, if possible reconcile this information with it own records. She said the old record had its own inherent problems including difficulty in tracking or linking of importers' actual remittances.

The Taxpayer Identification Number program is to develop a national single window for harmonizing and standardizing the taxpayers' information and as well improve exchange of information among the stakeholders.

Accordingly, the FIRS and NCS integration project therefore, seeks to establish a data exchange interface between FIRS and NCS in real time. With this in place, details (name, taxpayer's identification number, and address) from the FIRS portal are transported through an electronic link to NCS. The launch would bring about increase revenue, greater efficiency, accountability, transparency and better management of records and information on the part of both FIRS and NCS

However, there is a lot of confusion surrounding Individual Taxpayer Identification Numbers (ITIN) what they are, who has them, and the purposes for which they are used, immigration restrictionists take advantage of this confusion and often bring up Individual Taxpayer Identification Number (ITIN) in an effort to make it seem as if undocumented immigrants are receiving special benefits or quasi-legal immigration status. The fact is that ITIN is used to pay taxes.

The Individual Taxpayer Identification Number (ITIN) was created by the Internal Revenue Services (IRS) in July 1996 so that foreign nationals and other individuals who are eligible for social Security number can pay the taxes they are legally required to pay. The TIN program was introduced on the 12th December, 2012 and came into effect in May 2013. However the period we shall be considering will be from May, 2013 till date.

Therefore, in a bid to address the negative effects of multiple taxations, the Joint tax Board (JTB) introduced the Taxpayer Identification Number (TIN), an initiative that is expected to address the issues of multiplicity of taxes and also help to bring more taxpayers into the tax net.

According to some experts, multiplicity of taxes is having a negative effect on the competitiveness of the Nigerian economy, making the country's tax system highly inefficient.

b) Legal Provisions Mandating the Issuance of the Taxpayer Identification Number

Section 8(9) of the FIRS (Establishment) Act, 2007 mandates the FIRS to issue a Taxpayer Identification Number (TIN) to every company, enterprise and individual in collaboration with State Boards of Internal Revenue and the Local Government Councils.

c) Definition of Revenue

Abubakar (2007), defines revenue as a "general term for the monetary receipts accruing to the government from both tax and non-tax sources.

The Oxford Dictionary also defined the word "revenue" as the money that is earned by a company or money that the government receives from tax.

Imam (2006) defines revenue as the total income that accrues to the government of a country from various sources.

The Federal Republic of Nigeria Guidelines for Local Government reform (2007) on it part described revenue as a general term used for all monetary receipts accruing to the government from both tax and non-tax sources.

Asuku (2006) also defined revenue as the income derived from any sources to ascertain a specific or general interest of the people either by individual or government agency.

Revenue is a term primary used in the United States to describe the amount of money a company generates in a set period of time through the sale of products and/ or services.

d) Sources of Revenue to State Government

According to Decree No 21 of 1998 LFN, the revenue available to the state governments are:-

1. Federal Government Statutory Allocation: This is the major source that constitutes large portion of income to the state government to aid recurrent and capital expenditures, due to the problem of inadequate revenue in the state. The allocation is given on a monthly basis.
2. Loans from Bank: This is yet another source of revenue to the state government. It is normally collected when there is delay in the release of the Federal statutory allocation to carry-out developmental services or non-capital expenditure.
3. Internally Generated Revenue: This is the total amount of revenue a State government is able to generate within its own resources i.e., both human and natural resources.
4. Taxes: Is a compulsory contribution imposed by a public authority irrespective of the exact amount of services rendered to the tax payer in return and not imposed as a penalty for any states offences.

Other Taxes and Levies to be collected by the state governments are:-

a) Pay As You Earn: These are taxes that are deducted from the income of a taxpayer before arriving at the net pay of an individual for people in a paid employment.
b) Direct Taxation or Self Assessment: These are taxes paid by people who are self employed, they file returns to the revenue authority at the commencement of the tax year.
c) Capital Gains Tax of Individuals: Capital gains accruing to individual from the sale of a capital asset is payable to the state government.
d) Stamp Duties on instruments executed by individuals
e) Pools betting and lotteries, gaming and casino taxes.
f) Road Taxes
g) Business Premises registration fee in respect:
   i. Urban areas as defined by each State, maximum of #10,000 for registration and #5,000 per annum for renewal of registration
   ii. Rural areas: #2,000 for registration, and #1,000 per annum for renewal of registration.
h) Withholding Tax of individuals chargeable at 10%.

e) Benefits of the Taxpayer Identification Number (TIN) Program

According to JTB Bulletin (2011), the Taxpayer Identification Number (TIN) aims at identifying and registering all taxable Nigerians, thereby providing a sustainable platform for revenue generation to enable the country have adequate funds for execution of laudable program for its citizenry.

It is a well known fact that tax administration in Nigeria has been faced with issues and challenges ranging from non identification, registration and compliance of taxpayers. The TIN was designed primarily to address these and many problems in the country's tax administration procedures in order to bring it in line with global best practices.

Therefore benefits derivable from TIN program include:

i. Filling of existing loopholes in the Country's tax system.
ii. Enhancement of taxpayer identification and registration thereby bringing more taxpayers in to the tax net.
iii. Minimization of errors and mistakes associated with manual registration.
iv. Reduction in the issues of multiple taxations which have been major challenges for taxpayers and administrators.
v. Enhancing of information sharing among relevant agencies in the country.
vi. Minimizing or eliminating cost of tax compliance as a result of greater accuracy in capturing data of taxpayers; with the electronic system, tax authorities will be able to effectively access, collate, analyze and retrieve data with ease.
vii. The TIN will facilitate a more efficient system of tax assessment and collection as well as tax audit and investigation.
viii. Enhancement of voluntary compliance thereby allowing tax authorities to focus on review and verification of claims by taxpayers.
ix. The system will block all leakages in tax collection, eliminate corruption in tax system and enable tax authorities ascertain the actual income and taxes of all registered taxpayers.
x. Enhancement of ICT literacy and capacity building among the SBIR staff.
xi. Provision of basis for planning and budgeting purposes.
xii. Widening and deepening of taxpayer date base.

f) Theoretical Framework

Various tax policies have been put in place by the government to increase the internally generated revenue for the State. Given the chance, a lot of taxpayers may not pay taxes unless there is a motivation or coercion to do so. Tax policy theories can be broadly classified into two. These are: Economic based theory; and Psychological based theory. Therefore, both theories are examined below however; this study is guided by the "Economic Based Theory".

g) Economic Based Theory

This is also known as deterrent theory and they place emphasis on incentives. The theory suggests that taxpayers are amoral utility maximizers- they are influenced by economic motives such as profit maximization and probability of detection. As such they analyzed alternative compliance paths for instance, whether or not to evade tax. The likelihood of been detected and the resulting repercussions and then select the alternative that maximizes their expectations after tax returns after adjusting for risk (Smatrakalev, 2006). Therefore, according to this theory, in other to improve internally generated revenue, audit and penalties for non-compliance should be increased.

h) Psychological Theory

Psychological theory on the other hand postulates that taxpayers are influenced to comply with their tax obligations by psychological factors. The theory suggests that a taxpayer may comply even when the probability of detection is low. As opposed to the economic theory that emphasize increased audit and penalties as solutions to compliance issues, psychological theory placed emphasis on changing individual attitudes towards tax systems.

III. Research Methodology

a) Research Design

This study entails analytical research in which the historical study method was used in collecting the data. The method of data collection was determined by such factors such as the research topic and purpose.

b) The Population of the Study

The population of the study consists of the draft estimates of Kogi State government of Nigeria with particular reference to the State Internally Generated Revenue behavior in the context of total tax revenue accruable to the State. Parameters like internally generated revenue before TIN (IGRBT), total tax revenue before TIN (TRBT) for various years (2003-2007) would be used to capture the contribution of internally generated revenue of Kogi State to total tax revenue before the introduction of TIN.

c) Determination of Sample Size

Sampling is the act of selecting and observing only a specified subset of the population (Ugwu, 2003). The sample size (n) comprises of internally generated revenue before TIN (IGRBT) and total tax revenue before TIN (TRBT) data covering a period of 5 years, i.e. (2003-2007). The study used historical data in respect of IGRBT and TRBT. Data were obtained from Annexture of Kogi state budget estimates from (2004-2008) as published by Kogi State Ministry of Budget and Planning, Lokoja.

d) Sources and Method of Data Collection

Data were sourced from the secondary sources otherwise known as secondary data from the Budget estimates of Kogi State Government as published by the Kogi State Ministry of Budget and Planning Lokoja (2004-2008) with specific focus on actual internally generated revenue, statutory allocation from federation account, excess crude oil account and VAT pool account.

e) Method of Data Analysis

Specific packages for social scientists (SPSS) version 15.0 will be employed to analyze the data while F-test shall be used to test the hypotheses. Correlation test was also conducted to examine the extent to which Internally Generated revenue before the introduction of Tax payer Identification Number (TIN) programme in Kogi State contribute to the total tax revenue.

f) Variable of the Study

For this study, internally generated revenue before TIN (IGRBT) is the independent variable while total tax revenue (TRBT) is the dependent variable.

Independent variable: IGRBT is the parameter influencing the behavior of total tax revenue (TRBT) in the model. IGRBT is internally generated revenue before Taxpayer Identification Number (2003-2007).

Dependent variable: this is the subjective variable of the study. In this study total tax revenue (TRBT) is subject to the interplay between the independent variable IGRBT parameter at a given period of time.

Total Tax Revenue before TIN (TRBT) is the sum of all tax revenue within (2003-2007), this is meant to be as TRBT=IGRBT as given respectively. By assuming linear relationship on account of the time series data involved in this research, effort shall be made to examine the independent variable i.e. IGRBT as regards the contribution on the dependent variable i.e. TRBT.

Thus:

$TRBT = f\,(IGRBT)$

$TRBT = B_o + B_1 IGRBT_i + \mu_i$ ....[Internally Generated Revenue before TIN]

Where:

TRBT = an indicator representing Total Tax Revenue before TIN (Dependant Variable)

b_o = Constant;

$b_1 IGRBT_i$ = Co efficient of the Independent Variable;

$IGRBT_i$ = a predicator representing Independent Variable (Internally Generated Revenue before TIN);

μ_i = Stochastic error term.

The error term is captured because there are other factors that affect total tax revenue which are not included in the models.

IV. Data Presentation, Analysis and Discussion of Findings

a) Presentation of Results

The data collected were regressed on SPSS 15.0; the following results were obtained to depict the behavior of IGR before the introduction of TIN programme in Kogi State.

Result of Internally Generated Revenue before TIN (IGRBT) on total tax revenue before TIN (TRBT).

Model	Co-efficient	Standard Error	t- Statistic	Sig
Constant	11212277.1	9913771.76	1.131	0.34
IGRBT	3.98	5.736	0.694	0.538

R	R^2	R^{-2} Adjusted
.372[a]	0.138	-0.149

Df_1	Df_2	$F_{computed}$	Durbin watson
1	3	0.481	1.1

b) Model Presentation

TRBT=1121277.1+3.980IGRBT+μ_i .... 3 [IGRBT Model]

Where; TRBT =Total tax Revenue before TIN and IGRBT =Internally Generated Revenue before TIN

c) Interpretation of Result

The R value is a correlation co-efficient that helps to detect the strength of the relationship between the TRBT i.e. the dependent variable and IGRBT i.e. the independent variable.

Model 2 [IGRBT Model] presents how internally generated revenue before TIN contributes to total tax revenue before TIN for the period covered (2003-2007). Thus; R =.372 translates to 37.2%. This affirms that the dependent variable TRBT have a positive linear correlation though very weak with the independent variable (IGRBT). The co-efficient of determination being R^2 =.138. That is, 13.8% of the change in the dependent variable is caused by the change in the independent variable.

d) Test of Hypotheses

To determine how Internally Generated Revenue contributes to Kogi State total tax revenue before the introduction of TIN programme (2003-2007), the hypothesis was examined using F-test. Model 2 is the model that captured the parameter from which our Ho1 will be decided.

e) F-test

At 5% level of significance F_{tab} i.e. $F_{(1)\ (3)}$ =10.13, $F_{computed}$= .481. From Model 2, when $F_{computed} < F_{tabulated}$. Thus;.481< 10.13, we accept null hypothesis that Internally generated revenue does not contribute significantly to the total tax revenue before the introduction of TIN programme in Kogi State.

f) Discussion of Findings

Based on the analysis, the following findings were arrived at:

As much as statutory allocation from federation account is the major source of revenue to Kogi State Government, the internally generated revenue contributes to the total tax revenue of the State.

The internally generated revenue before TIN (IGRBT) does not contributes significantly to the total tax revenue before TIN in Kogi State. As indicated by R of .372 i.e. 37.2%.

The result also shows that before total tax revenue before TIN in Kogi State can increase the internally generated revenue must be increase by 398% as indicated by the co-efficient of internally generate revenue of 3.980

V. Summary, Conclusion and Recommendations

a) Summary

This study assesses the contribution of Internally Generated Revenue to total tax revenue before TIN in Kogi State.

The findings are as summarized below: That;

The internally generated revenue before TIN (IGRBT) has a weak positive correlation with the total tax revenue before TIN (TRBT) as indicated by R value at .372.

b) Conclusion

The study revealed that the internally generated revenue (IGR) before the introduction of TIN within (2003-2007) was not significant. Therefore, authorities and governments at all levels should collaborate to ensure proper tax education as this will boost the internally generated revenue of Kogi State.

VI. Recommendations

Consequence upon several evidences from the research conducted; there is the need to make the following recommendations:

1. A holistic tax education should be carried out in order to keep the teeming taxpayers abreast of the need to pay their tax due to the State Government.
2. There should be incentives for the Tax Officials that are involve in the collection of taxes to boost their productivity
3. The State Board of Internal Revenue should be properly equipped to be able to carry-out their statutory function in the State.
4. The enforcement unit of the State Revenue Board should be properly empowered to monitor, enforce and prosecute any errant tax defaulters who fail to comply with tax authority.

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Fellows

FELLOW OF ASSOCIATION OF RESEARCH SOCIETY IN BUSINESS (FARSB)

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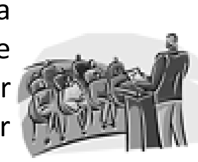
- The "FARSB" is a dignified title which is accorded to a person's name viz. Dr. John E. Hall, Ph.D., FARSB or William Walldroff, M.S., FARSB.

FARSB accrediting is an honor. It authenticates your research activities. After recognition as FARSB, you can add 'FARSB' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, and Visiting Card etc.

The following benefits can be availed by you only for next three years from the date of certification:

FARSB designated members are entitled to avail a 40% discount while publishing their research papers (of a single author) with Global Journals Incorporation (USA), if the same is accepted by Editorial Board/Peer Reviewers. If you are a main author or co-author in case of multiple authors, you will be entitled to avail discount of 10%.

Once FARSB title is accorded, the Fellow is authorized to organize a symposium/seminar/conference on behalf of Global Journal Incorporation (USA).The Fellow can also participate in conference/seminar/symposium organized by another institution as representative of Global Journal. In both the cases, it is mandatory for him to discuss with us and obtain our consent.

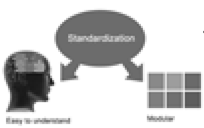


You may join as member of the Editorial Board of Global Journals Incorporation (USA) after successful completion of three years as Fellow and as Peer Reviewer. In addition, it is also desirable that you should organize seminar/symposium/conference at least once.

We shall provide you intimation regarding launching of e-version of journal of your stream time to time.This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.

The FARSB can go through standards of OARS. You can also play vital role if you have any suggestions so that proper amendment can take place to improve the same for the benefit of entire research community.

As FARSB, you will be given a renowned, secure and free professional email address with 100 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders,Auto-Responders, Email Delivery Route tracing, etc.



The FARSB will be eligible for a free application of standardization of their researches. Standardization of research will be subject to acceptability within stipulated norms as the next step after publishing in a journal. We shall depute a team of specialized research professionals who will render their services for elevating your researches to next higher level, which is worldwide open standardization.

The FARSB member can apply for grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A. Once you are designated as FARSB, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria. After certification of all your credentials by OARS, they will be published on your Fellow Profile link on website https://associationofresearch.org which will be helpful to upgrade the dignity.

The FARSB members can avail the benefits of free research podcasting in Global Research Radio with their research documents. After publishing the work, (including published elsewhere worldwide with proper authorization) you can upload your research paper with your recorded voice or you can utilize chargeable services of our professional RJs to record your paper in their voice on request.

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The “MARSB” is a dignified ornament which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., MARSB or William Walldroff, M.S., MARSB.

MARSB accrediting is an honor. It authenticates your research activities. After becoming MARSB, you can add 'MARSB' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, Visiting Card and Name Plate etc.

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We shall provide you intimation regarding launching of e-version of journal of your stream time to time.This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.

The MARSB member can apply for approval, grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A.

Once you are designated as MARSB, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria.

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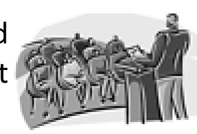
The IFOARS institution is entitled to form a Board comprised of one Chairperson and three to five board members preferably from different streams. The Board will be recognized as “Institutional Board of Open Association of Research Society”-(IBOARS).

The Institute will be entitled to following benefits:

The IBOARS can initially review research papers of their institute and recommend them to publish with respective journal of Global Journals. It can also review the papers of other institutions after obtaining our consent. The second review will be done by peer reviewer of Global Journals Incorporation (USA)
The Board is at liberty to appoint a peer reviewer with the approval of chairperson after consulting us.
The author fees of such paper may be waived off up to 40%.



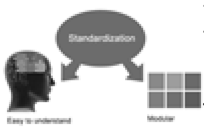
The Global Journals Incorporation (USA) at its discretion can also refer double blind peer reviewed paper at their end to the board for the verification and to get recommendation for final stage of acceptance of publication.

The IBOARS can organize symposium/seminar/conference in their country on behalf of Global Journals Incorporation (USA)-OARS (USA). The terms and conditions can be discussed separately.

The Board can also play vital role by exploring and giving valuable suggestions regarding the Standards of “Open Association of Research Society, U.S.A (OARS)” so that proper amendment can take place for the benefit of entire research community. We shall provide details of particular standard only on receipt of request from the Board.

The board members can also join us as Individual Fellow with 40% discount on total fees applicable to Individual Fellow. They will be entitled to avail all the benefits as declared. Please visit Individual Fellow-sub menu of GlobalJournals.org to have more relevant details.

We shall provide you intimation regarding launching of e-version of journal of your stream time to time. This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.



After nomination of your institution as “Institutional Fellow” and constantly functioning successfully for one year, we can consider giving recognition to your institute to function as Regional/Zonal office on our behalf.

The board can also take up the additional allied activities for betterment after our consultation.

The following entitlements are applicable to individual Fellows:

Open Association of Research Society, U.S.A (OARS) By-laws states that an individual Fellow may use the designations as applicable, or the corresponding initials. The Credentials of individual Fellow and Associate designations signify that the individual has gained knowledge of the fundamental concepts. One is magnanimous and proficient in an expertise course covering the professional code of conduct, and follows recognized standards of practice.

Open Association of Research Society (US)/ Global Journals Incorporation (USA), as described in Corporate Statements, are educational, research publishing and professional membership organizations. Achieving our individual Fellow or Associate status is based mainly on meeting stated educational research requirements.

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We shall provide print version of 12 issues of any three journals [as per your requirement] out of our 38 journals worth $ 2376 USD.

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- In addition to above, if one is single author, then entitled to 40% discount on publishing research paper and can get 10%discount if one is co-author or main author among group of authors.
- The Fellow can organize symposium/seminar/conference on behalf of Global Journals Incorporation (USA) and he/she can also attend the same organized by other institutes on behalf of Global Journals.
- The Fellow can become member of Editorial Board Member after completing 3yrs.
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- • This individual has learned the basic methods of applying those concepts and techniques to common challenging situations. This individual has further demonstrated an in–depth understanding of the application of suitable techniques to a particular area of research practice.

Note :

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- In future, if the board feels the necessity to change any board member, the same can be done with the consent of the chairperson along with anyone board member without our approval.
- In case, the chairperson needs to be replaced then consent of 2/3rd board members are required and they are also required to jointly pass the resolution copy of which should be sent to us. In such case, it will be compulsory to obtain our approval before replacement.
- In case of "Difference of Opinion [if any]" among the Board members, our decision will be final and binding to everyone.

"

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The Author can submit the paper either online or offline. The authors should prefer online submission.Online Submission: There are three ways to submit your paper:

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(II) Choose corresponding Journal.

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1. General,

2. Ethical Guidelines,

3. Submission of Manuscripts,

4. Manuscript’s Category,

5. Structure and Format of Manuscript,

6. After Acceptance.

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To avoid postal delays, all transaction is preferred by e-mail. A finished manuscript submission is confirmed by e-mail immediately and your paper enters the editorial process with no postal delays. When a conclusion is made about the publication of your paper by our Editorial Board, revisions can be submitted online with the same procedure, with an occasion to view and respond to all comments.

Complete support for both authors and co-author is provided.

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Based on potential and nature, the manuscript can be categorized under the following heads:

Original research paper: Such papers are reports of high-level significant original research work.

Review papers: These are concise, significant but helpful and decisive topics for young researchers.

Research articles: These are handled with small investigation and applications

Research letters: The letters are small and concise comments on previously published matters.

5.STRUCTURE AND FORMAT OF MANUSCRIPT

The recommended size of original research paper is less than seven thousand words, review papers fewer than seven thousands words also.Preparation of research paper or how to write research paper, are major hurdle, while writing manuscript. The research articles and research letters should be fewer than three thousand words, the structure original research paper; sometime review paper should be as follows:

Papers: These are reports of significant research (typically less than 7000 words equivalent, including tables, figures, references), and comprise:

(a)Title should be relevant and commensurate with the theme of the paper.

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Authors should very cautiously consider the preparation of papers to ensure that they communicate efficiently. Papers are much more likely to be accepted, if they are cautiously designed and laid out, contain few or no errors, are summarizing, and be conventional to the approach and instructions. They will in addition, be published with much less delays than those that require much technical and editorial correction.

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Abbreviations supposed to be used carefully. The abbreviated name or expression is supposed to be cited in full at first usage, followed by the conventional abbreviation in parentheses.

Metric SI units are supposed to generally be used excluding where they conflict with current practice or are confusing. For illustration, 1.4 l rather than 1.4 × 10-3 m3, or 4 mm somewhat than 4 × 10-3 m. Chemical formula and solutions must identify the form used, e.g. anhydrous or hydrated, and the concentration must be in clearly defined units. Common species names should be followed by underlines at the first mention. For following use the generic name should be constricted to a single letter, if it is clear.

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Key Words

A major linchpin in research work for the writing research paper is the keyword search, which one will employ to find both library and Internet resources.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy and planning a list of possible keywords and phrases to try.

Search engines for most searches, use Boolean searching, which is somewhat different from Internet searches. The Boolean search uses "operators," words (and, or, not, and near) that enable you to expand or narrow your affords. Tips for research paper while preparing research paper are very helpful guideline of research paper.

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- One should start brainstorming lists of possible keywords before even begin searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in research paper?" Then consider synonyms for the important words.
- It may take the discovery of only one relevant paper to let steer in the right keyword direction because in most databases, the keywords under which a research paper is abstracted are listed with the paper.
- One should avoid outdated words.

Keywords are the key that opens a door to research work sources. Keyword searching is an art in which researcher's skills are bound to improve with experience and time.

Numerical Methods: Numerical methods used should be clear and, where appropriate, supported by references.

Acknowledgements: Please make these as concise as possible.

References

References follow the Harvard scheme of referencing. References in the text should cite the authors' names followed by the time of their publication, unless there are three or more authors when simply the first author's name is quoted followed by et al. unpublished work has to only be cited where necessary, and only in the text. Copies of references in press in other journals have to be supplied with submitted typescripts. It is necessary that all citations and references be carefully checked before submission, as mistakes or omissions will cause delays.

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Before start writing a good quality Computer Science Research Paper, let us first understand what is Computer Science Research Paper? So, Computer Science Research Paper is the paper which is written by professionals or scientists who are associated to Computer Science and Information Technology, or doing research study in these areas. If you are novel to this field then you can consult about this field from your supervisor or guide.

TECHNIQUES FOR WRITING A GOOD QUALITY RESEARCH PAPER:

1. Choosing the topic: In most cases, the topic is searched by the interest of author but it can be also suggested by the guides. You can have several topics and then you can judge that in which topic or subject you are finding yourself most comfortable. This can be done by asking several questions to yourself, like Will I be able to carry our search in this area? Will I find all necessary recourses to accomplish the search? Will I be able to find all information in this field area? If the answer of these types of questions will be "Yes" then you can choose that topic. In most of the cases, you may have to conduct the surveys and have to visit several places because this field is related to Computer Science and Information Technology. Also, you may have to do a lot of work to find all rise and falls regarding the various data of that subject. Sometimes, detailed information plays a vital role, instead of short information.

2. Evaluators are human: First thing to remember that evaluators are also human being. They are not only meant for rejecting a paper. They are here to evaluate your paper. So, present your Best.

3. Think Like Evaluators: If you are in a confusion or getting demotivated that your paper will be accepted by evaluators or not, then think and try to evaluate your paper like an Evaluator. Try to understand that what an evaluator wants in your research paper and automatically you will have your answer.

4. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

5. Ask your Guides: If you are having any difficulty in your research, then do not hesitate to share your difficulty to your guide (if you have any). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work then ask the supervisor to help you with the alternative. He might also provide you the list of essential readings.

6. Use of computer is recommended: As you are doing research in the field of Computer Science, then this point is quite obvious.

7. Use right software: Always use good quality software packages. If you are not capable to judge good software then you can lose quality of your paper unknowingly. There are various software programs available to help you, which you can get through Internet.

8. Use the Internet for help: An excellent start for your paper can be by using the Google. It is an excellent search engine, where you can have your doubts resolved. You may also read some answers for the frequent question how to write my research paper or find model research paper. From the internet library you can download books. If you have all required books make important reading selecting and analyzing the specified information. Then put together research paper sketch out.

9. Use and get big pictures: Always use encyclopedias, Wikipedia to get pictures so that you can go into the depth.

10. Bookmarks are useful: When you read any book or magazine, you generally use bookmarks, right! It is a good habit, which helps to not to lose your continuity. You should always use bookmarks while searching on Internet also, which will make your search easier.

11. Revise what you wrote: When you write anything, always read it, summarize it and then finalize it.

12. Make all efforts: Make all efforts to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in introduction, that what is the need of a particular research paper. Polish your work by good skill of writing and always give an evaluator, what he wants.

13. Have backups: When you are going to do any important thing like making research paper, you should always have backup copies of it either in your computer or in paper. This will help you to not to lose any of your important.

14. Produce good diagrams of your own: Always try to include good charts or diagrams in your paper to improve quality. Using several and unnecessary diagrams will degrade the quality of your paper by creating "hotchpotch." So always, try to make and include those diagrams, which are made by your own to improve readability and understandability of your paper.

15. Use of direct quotes: When you do research relevant to literature, history or current affairs then use of quotes become essential but if study is relevant to science then use of quotes is not preferable.

16. Use proper verb tense: Use proper verb tenses in your paper. Use past tense, to present those events that happened. Use present tense to indicate events that are going on. Use future tense to indicate future happening events. Use of improper and wrong tenses will confuse the evaluator. Avoid the sentences that are incomplete.

17. Never use online paper: If you are getting any paper on Internet, then never use it as your research paper because it might be possible that evaluator has already seen it or maybe it is outdated version.

18. Pick a good study spot: To do your research studies always try to pick a spot, which is quiet. Every spot is not for studies. Spot that suits you choose it and proceed further.

19. Know what you know: Always try to know, what you know by making objectives. Else, you will be confused and cannot achieve your target.

20. Use good quality grammar: Always use a good quality grammar and use words that will throw positive impact on evaluator. Use of good quality grammar does not mean to use tough words, that for each word the evaluator has to go through dictionary. Do not start sentence with a conjunction. Do not fragment sentences. Eliminate one-word sentences. Ignore passive voice. Do not ever use a big word when a diminutive one would suffice. Verbs have to be in agreement with their subjects. Prepositions are not expressions to finish sentences with. It is incorrect to ever divide an infinitive. Avoid clichés like the disease. Also, always shun irritating alliteration. Use language that is simple and straight forward. put together a neat summary.

21. Arrangement of information: Each section of the main body should start with an opening sentence and there should be a changeover at the end of the section. Give only valid and powerful arguments to your topic. You may also maintain your arguments with records.

22. Never start in last minute: Always start at right time and give enough time to research work. Leaving everything to the last minute will degrade your paper and spoil your work.

23. Multitasking in research is not good: Doing several things at the same time proves bad habit in case of research activity. Research is an area, where everything has a particular time slot. Divide your research work in parts and do particular part in particular time slot.

24. Never copy others' work: Never copy others' work and give it your name because if evaluator has seen it anywhere you will be in trouble.

25. Take proper rest and food: No matter how many hours you spend for your research activity, if you are not taking care of your health then all your efforts will be in vain. For a quality research, study is must, and this can be done by taking proper rest and food.

26. Go for seminars: Attend seminars if the topic is relevant to your research area. Utilize all your resources.

27. Refresh your mind after intervals: Try to give rest to your mind by listening to soft music or by sleeping in intervals. This will also improve your memory.

28. Make colleagues: Always try to make colleagues. No matter how sharper or intelligent you are, if you make colleagues you can have several ideas, which will be helpful for your research.

29. Think technically: Always think technically. If anything happens, then search its reasons, its benefits, and demerits.

30. Think and then print: When you will go to print your paper, notice that tables are not be split, headings are not detached from their descriptions, and page sequence is maintained.

31. Adding unnecessary information: Do not add unnecessary information, like, I have used MS Excel to draw graph. Do not add irrelevant and inappropriate material. These all will create superfluous. Foreign terminology and phrases are not apropos. One should NEVER take a broad view. Analogy in script is like feathers on a snake. Not at all use a large word when a very small one would be sufficient. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Amplification is a billion times of inferior quality than sarcasm.

32. Never oversimplify everything: To add material in your research paper, never go for oversimplification. This will definitely irritate the evaluator. Be more or less specific. Also too, by no means, ever use rhythmic redundancies. Contractions aren't essential and shouldn't be there used. Comparisons are as terrible as clichés. Give up ampersands and abbreviations, and so on. Remove commas, that are, not necessary. Parenthetical words however should be together with this in commas. Understatement is all the time the complete best way to put onward earth-shaking thoughts. Give a detailed literary review.

33. Report concluded results: Use concluded results. From raw data, filter the results and then conclude your studies based on measurements and observations taken. Significant figures and appropriate number of decimal places should be used. Parenthetical remarks are prohibitive. Proofread carefully at final stage. In the end give outline to your arguments. Spot out perspectives of further study of this subject. Justify your conclusion by at the bottom of them with sufficient justifications and examples.

34. After conclusion: Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print to the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects in your research.

Informal Guidelines of Research Paper Writing

Key points to remember:

- Submit all work in its final form.
- Write your paper in the form, which is presented in the guidelines using the template.
- Please note the criterion for grading the final paper by peer-reviewers.

Final Points:

A purpose of organizing a research paper is to let people to interpret your effort selectively. The journal requires the following sections, submitted in the order listed, each section to start on a new page.

The introduction will be compiled from reference matter and will reflect the design processes or outline of basis that direct you to make study. As you will carry out the process of study, the method and process section will be constructed as like that. The result segment will show related statistics in nearly sequential order and will direct the reviewers next to the similar intellectual paths throughout the data that you took to carry out your study. The discussion section will provide understanding of the data and projections as to the implication of the results. The use of good quality references all through the paper will give the effort trustworthiness by representing an alertness of prior workings.

Writing a research paper is not an easy job no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record keeping are the only means to make straightforward the progression.

General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear

· Adhere to recommended page limits

Mistakes to evade

- Insertion a title at the foot of a page with the subsequent text on the next page
- Separating a table/chart or figure - impound each figure/table to a single page
- Submitting a manuscript with pages out of sequence

In every sections of your document

· Use standard writing style including articles ("a", "the," etc.)

· Keep on paying attention on the research topic of the paper

· Use paragraphs to split each significant point (excluding for the abstract)

· Align the primary line of each section

· Present your points in sound order

· Use present tense to report well accepted

· Use past tense to describe specific results

· Shun familiar wording, don't address the reviewer directly, and don't use slang, slang language, or superlatives

· Shun use of extra pictures - include only those figures essential to presenting results

Title Page:

Choose a revealing title. It should be short. It should not have non-standard acronyms or abbreviations. It should not exceed two printed lines. It should include the name(s) and address (es) of all authors.

Abstract:

The summary should be two hundred words or less. It should briefly and clearly explain the key findings reported in the manuscript--must have precise statistics. It should not have abnormal acronyms or abbreviations. It should be logical in itself. Shun citing references at this point.

An abstract is a brief distinct paragraph summary of finished work or work in development. In a minute or less a reviewer can be taught the foundation behind the study, common approach to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Yet, use comprehensive sentences and do not let go readability for briefness. You can maintain it succinct by phrasing sentences so that they provide more than lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study, with the subsequent elements in any summary. Try to maintain the initial two items to no more than one ruling each.

- Reason of the study - theory, overall issue, purpose
- Fundamental goal
- To the point depiction of the research
- Consequences, including definite statistics - if the consequences are quantitative in nature, account quantitative data; results of any numerical analysis should be reported
- Significant conclusions or questions that track from the research(es)

Approach:

- Single section, and succinct
- As a outline of job done, it is always written in past tense
- A conceptual should situate on its own, and not submit to any other part of the paper such as a form or table
- Center on shortening results - bound background information to a verdict or two, if completely necessary
- What you account in an conceptual must be regular with what you reported in the manuscript
- Exact spelling, clearness of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else

Introduction:

The **Introduction** should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable to comprehend and calculate the purpose of your study without having to submit to other works. The basis for the study should be offered. Give most important references but shun difficult to make a comprehensive appraisal of the topic. In the introduction, describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will have no attention in your result. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here. Following approach can create a valuable beginning:

- Explain the value (significance) of the study
- Shield the model - why did you employ this particular system or method? What is its compensation? You strength remark on its appropriateness from a abstract point of vision as well as point out sensible reasons for using it.
- Present a justification. Status your particular theory (es) or aim(s), and describe the logic that led you to choose them.
- Very for a short time explain the tentative propose and how it skilled the declared objectives.

Approach:

- Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done.
- Sort out your thoughts; manufacture one key point with every section. If you make the four points listed above, you will need a least of four paragraphs.

- Present surroundings information only as desirable in order hold up a situation. The reviewer does not desire to read the whole thing you know about a topic.
- Shape the theory/purpose specifically - do not take a broad view.
- As always, give awareness to spelling, simplicity and correctness of sentences and phrases.

Procedures (Methods and Materials):

This part is supposed to be the easiest to carve if you have good skills. A sound written Procedures segment allows a capable scientist to replacement your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt for the least amount of information that would permit another capable scientist to spare your outcome but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section. When a technique is used that has been well described in another object, mention the specific item describing a way but draw the basic principle while stating the situation. The purpose is to text all particular resources and broad procedures, so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step by step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

- Explain materials individually only if the study is so complex that it saves liberty this way.
- Embrace particular materials, and any tools or provisions that are not frequently found in laboratories.
- Do not take in frequently found.
- If use of a definite type of tools.
- Materials may be reported in a part section or else they may be recognized along with your measures.

Methods:

- Report the method (not particulars of each process that engaged the same methodology)
- Describe the method entirely
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures
- Simplify - details how procedures were completed not how they were exclusively performed on a particular day.
- If well known procedures were used, account the procedure by name, possibly with reference, and that's all.

Approach:

- It is embarrassed or not possible to use vigorous voice when documenting methods with no using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result when script up the methods most authors use third person passive voice.
- Use standard style in this and in every other part of the paper - avoid familiar lists, and use full sentences.

What to keep away from

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings - save it for the argument.
- Leave out information that is immaterial to a third party.

Results:

The principle of a results segment is to present and demonstrate your conclusion. Create this part a entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Carry on to be to the point, by means of statistics and tables, if suitable, to present consequences most efficiently.You must obviously differentiate material that would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matter should not be submitted at all except requested by the instructor.

Content

- Sum up your conclusion in text and demonstrate them, if suitable, with figures and tables.
- In manuscript, explain each of your consequences, point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation an exacting study.
- Explain results of control experiments and comprise remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or in manuscript form.

What to stay away from

- Do not discuss or infer your outcome, report surroundings information, or try to explain anything.
- Not at all, take in raw data or intermediate calculations in a research manuscript.
- Do not present the similar data more than once.
- Manuscript should complement any figures or tables, not duplicate the identical information.
- Never confuse figures with tables - there is a difference.

Approach

- As forever, use past tense when you submit to your results, and put the whole thing in a reasonable order.
- Put figures and tables, appropriately numbered, in order at the end of the report
- If you desire, you may place your figures and tables properly within the text of your results part.

Figures and tables

- If you put figures and tables at the end of the details, make certain that they are visibly distinguished from any attach appendix materials, such as raw facts
- Despite of position, each figure must be numbered one after the other and complete with subtitle
- In spite of position, each table must be titled, numbered one after the other and complete with heading
- All figure and table must be adequately complete that it could situate on its own, divide from text

Discussion:

The Discussion is expected the trickiest segment to write and describe. A lot of papers submitted for journal are discarded based on problems with the Discussion. There is no head of state for how long a argument should be. Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implication of the study. The purpose here is to offer an understanding of your results and hold up for all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of result should be visibly described. Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved with prospect, and let it drop at that.

- Make a decision if each premise is supported, discarded, or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."
- Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work
- You may propose future guidelines, such as how the experiment might be personalized to accomplish a new idea.
- Give details all of your remarks as much as possible, focus on mechanisms.
- Make a decision if the tentative design sufficiently addressed the theory, and whether or not it was correctly restricted.
- Try to present substitute explanations if sensible alternatives be present.
- One research will not counter an overall question, so maintain the large picture in mind, where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

- When you refer to information, differentiate data generated by your own studies from available information
- Submit to work done by specific persons (including you) in past tense.
- Submit to generally acknowledged facts and main beliefs in present tense.

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Topics	Grades		
	A-B	**C-D**	**E-F**
Abstract	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form Above 200 words	No specific data with ambiguous information Above 250 words
Introduction	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
Methods and Procedures	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
Result	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
Discussion	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

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