The Relevance of IFRS Accounting Information: Evidence from a Pure IFRS Environment

ملاءمة المعلومات المحاسبية: دليل من بيئة نقية للمعايير الدولية لإعداد التقارير المالية

Muiz Abu Alia¹, khairieh Amarneh² & Islam Abdeljawad³ معز أبو عليا¹، وخيرية عمارنة²، وإسلام عبد الجواد³

¹Accounting Department, Faculty of Business and Communication, An-Najah National University, Palestine. ²Universidad de Granada, Granada, Spain. ³Finance Department, Faculty of Business and Communication, An-Najah National University, Palestine

 1 قسم المحاسبة، كلية الأعمال و الاتصال، جامعة النجاح الوطنية.، نابلس، فلسطين. 2 جامعة غرناطة، غرناطة، اسبانيا. 5 قسم التمويل، كلية الأعمال و الاتصال، جامعة النجاح الوطنية، نابلس، فلسطين

Corresponding author: muizabualia@najah.edu

Received: (11/2/2023), Accepted: (26/7/2023), Published: (1/5/2024)

DOI: 10.35552/0247.38.5.2193

Abstract

The International Financial Reporting Standards (IFRS) are supposed to raise the value relevance of accounting information and thus ensure its usefulness for users. Most of the studies on the relevance of IFRS-based accounting information were conducted in countries that had previous accounting standards before the adoption of IFRS. However, the relevance of accounting information is influenced by the accounting traditions inherited from previous practices. This study provides distinctive evidence on the relevance of IFRS accounting information by examining the association between accounting information prepared by Palestinian companies and share prices. Palestine represents a pure IFRS environment since IFRS is its first financial reporting framework. The study estimates the impact of accounting information, including book value of equity per share, earnings per share, and operating cash flow per

share, on the market value of the share. Totally, the results show that the accounting numbers prepared by Palestinian companies are relevant. Precisely, earnings per share and book value of equity per share are the important variables in determining the share market value. Notwithstanding, no significant impact of operating cash flow per share has been observed. Moreover, evidence supporting the existence of conformity and predictive relevance is obtained, but the overall predictive relevance is higher. To enhance the relevance of IFRS information, this paper recommends local regulators and policymakers to work on improving the readiness of the Palestinian environment to fully benefit from the adoption of IFRS. On the other hand, the International Accounting Standards Board should adequately consider circumstances prevailing in underdeveloped countries when issuing its standards. For future research, larger samples from several countries with different prevailing factors should provide insights into the mechanisms of the relationship between book and market values.

Keywords: Value Relevance, IFRS, Conformity Value, Predictive Value, The Palestine Exchange.

ملخص

تعتبر الملاءمة احدى الخصائص النوعية التي يفترض أن تتوفر في المعلومات المحاسبية المعدة وفقا للمعايير الدولية لإعداد التقارير المالية (IFRS). معظم الدراسات التي فحصت ملاءمة المعلومات الناتجة عن استخدام هذه المعايير طبقت في دول كانت تطبق معايير مختلفة قبل تبني IFRS، الأمر الذي قد يؤدي الى تأثر ملاءمة المعلومات المحاسبية بالمعالجات الموروثة من المعايير السابقة. هذه الدراسة تسعى الى فحص ملاءمة المعلومات التي تعدها الشركات المدرجة في بورصة فلسطين وفق IFRS من خلال فحص العلاقة بين المعلومات المحاسبية (ربحية السهم، القيمة الدفترية للسهم، ونصيب السهم من التدفقات النقدية التشغيلية) وسعر السهم. تعتبر فلسطين بيئة نقية لاختبار ملاءمة المعلومات المحاسبية الناتجة عن تطبيق ال الدراسة الى أن المعلومات المحاسبية التي تعدها الشركات المدرجة في بورصة فلسطين تتصف الدراسة الى أن المعلومات المحاسبية التي تعدها الشركات المدرجة في بورصة فلسطين تتصف بالملاءمة. حيث بينت النتائج أهمية كل من ربحية السهم والقيمة الدفترية للسهم في تحديد القيمة السوقية للسهم. بالمقابل لم يكن هناك تأثير كبير لنصيب السهم من التدفقات النقدية التشغيلية على سعر السهم. كذلك أثبتت النتائج وجود قيمة تنبؤية وأخرى تأكيدية في المعلومات المحاسبية بالعمل سعر السهم. كذلك أثبتت النتائج وجود قيمة تنبؤية وأخرى تأكيدية في المعلومات المحاسبية بالعمل المدرجة في بورصة فلسطين. أوصت الدراسة بضرورة قيام الجهات النتظيمية بالعمل

على تحسين جاهزية البيئة الفلسطينية لتطبيق هذه المعايير وبالتالي الاستفادة الكاملة من تبنيها. كذلك أوصت الدراسة بأن يتم أخذ الظروف السائدة في جميع دول العالم بعين الاعتبار من قبل مجلس معايير المحاسبة الدولية عند اصدار معايير IFRS. بالنسبة للدراسات المستقبلية، يفترض فحص ملاءمة المعلومات المحاسبية بالتطبيق على عينات أكبر ومن بيئات مختلفة لكي يتم الوقوف على العلاقة بين المعلومات المحاسبية والقيمة السوقية للسهم بشكل دقيق.

الكلمات المفتاحية: الملاءمة، المعايير الدولية لإعداد التقارير المالية، القيمة التأكيدية، القيمة التنبؤية، بورصة فلسطين

Introduction

International accounting convergence has become a necessity following the globalization of economic activities. Extensive efforts have been exerted to harmonize accounting practices in a way that ensures the usefulness of financial information internationally. These efforts culminated in the issuance of the International Financial Reporting Standards (IFRS) by the International Accounting Standards Board (IASB). IFRS-based financial reporting aims at preparing high-quality information useful in decision-making on local and international levels (Khanagha, 2011). According to the IASB framework, information usefulness is realized if several qualitative characteristics, including relevance to decision-making, are attained (IASB, 2010). Thus, IFRS are supposed to raise the quality of information in a manner that makes the accounting-based performance a reflection of the market-based performance, or value relevance (VR) (Devalle, Onali, & Magarini, 2010).

To be relevant, financial information must have predictive value, conformity value, or both (IASB, 2010). Predictive value represents the information's ability to predict future results, while conformity value implies its ability to deliver feedback related to prior estimates. Conformity value is measured by connecting accounting information with the market price of the firm's share during the months preceding year-end, while predictive value is measured by the association between accounting numbers and the share price during the months following year-end (Holthausen & Watts, 2001).

The IASB has achieved notable success as the majority of jurisdictions around the world require or permit IFRS use. Furthermore, many studies, such as Aharony, Barniv and Falk (2010), have confirmed an improvement in the quality of IFRS-based financial information. Notwithstanding, the quality of the information produced is still questionable, especially in underdeveloped countries (Gaston, *et al.* 2010). As many studies (e.g., Ampofo & Sellani, 2005; Bowrin, 2007; Dahawy, 2009; Abdeljawad & Alia, 2022; Alia & Barham, 2022; Alia & Awwad, 2022) indicate, these countries are unable to provide the setting needed to produce high-quality accounting information.

We address the quality of the IFRS-based information in Palestine. As a first step, the study examines the association between accounting numbers, represented by earnings per share (EPS), book value of equity per share (BV), and operating cash flow per share (OCF), and the share price at the reporting date. Next, this association is examined for the months preceding the reporting date (conformity value) and the months subsequent to the reporting date (predictive value). In other words, our study demonstrates how Ohlson's model parameters vary when the share price is considered in different months around the reporting date.

Our study extends the existing literature to an underdeveloped country with a unique context. Addressing the extent to which IFRS information is relevant in Palestine provides a distinctive evidence on IFRS quality. Unlike the vast majority of IFRS adopters, there was no financial reporting framework before the adoption of IFRS in Palestine. Given the Israeli occupation, there were no real businesses, corporations, investments, or institutional management until the mid-1990s. Many companies began their operations following the creation of the Palestinian Authority (PA) subsequent to the Oslo agreement in 1993. The Palestine Exchange (PEX), which was established later in 1997, required listed firms to adopt IFRS as a financial reporting framework (Alia, Abdeljawad, & Yaaqbeh, 2020; Alia & Mardawi, 2021; Abdeljawad & Alia, 2023). The distinctiveness of the expected evidence is enhanced given the lack of political stability and rule of law (Abu Alia, et al. 2024; Alia, Abdeljawad, Jallad, & Rashid, 2022; Alia & Abu

Sarees, 2023). Furthermore, considering this issue in Palestine would provide evidence relevant for a wide set of countries that have similar settings. As established by Gray (1988) and confirmed by many studies, including Paglietti (2009), Alia (2010), Alia and Branson (2011a), Garanina and Kormiltseva (2013), Cormier (2013), and Pascan (2015), the institutional environment, which is a product of cultural dimensions, is the determinant of the accounting system's characteristics. Country characteristics may still have a considerable influence on the VR of accounting data despite the common use of IFRS (Sahut, Boulerne, & Frédéric, 2011; Chebaane & Othman, 2014). Soderstrom and Sun (2007) added that quality diversity in financial reporting is likely to continue despite IFRS adoption since it is a function of the prevailing institutional setting of the country. Thus, the study's importance is enhanced, and the reliability of its results would be strengthened because Palestine has many features in common with other Arab, Islamic, and developing countries in which a lack of adequate studies that address VR exists. So, the recommendations of the study may be of special usefulness for policymakers in such countries in a way that increases the benefits of IFRS adoption. Furthermore, the results may enhance the possibility of attaining the IASB objectives related to increasing the quality of financial reporting internationally.

Literature review, theoretical background and hypotheses development

A value relevance study examines if accounting numbers are related to market values (Khanagha, 2011; Trabelsi & Trabelsi, 2014). Accounting literature has addressed VR as the ability of financial information to reflect the firm's value and explain the determinants of its share price (Kargın, 2013; Hail, 2013; Elbakry, Nwachukwu, Abdou & Elshandidy, 2017; Erin, Olojede, & Ogundele, 2017). Pascan (2015) attributed the wide use of the association between financial information and firm value in measuring VR to the emphasis on investors as the principal users of financial statement information.

Many studies have been conducted to estimate the VR of accounting outputs for decision makers, especially in European Union (EU)

countries and other developed countries. Interest has been oriented toward investigating VR following the adoption of IFRS. The findings of these studies are very mixed since some of them showed improvement in VR after the transition to IFRS, others reported contrary evidence, and the rest found no conclusive evidence.

According to Hillier, Hodgson and Ngole (2016), IFRS adoption induces a clearer mapping between financial information and share valuation. An improvement in the VR of financial information has been shown by many studies conducted in countries after joining the international accounting harmonization trend. Sahut, et al. (2011) and Clarkson, Hanna, Richardson and Thompson (2011) reported that the use of IFRS has increased the relevance of accounting data for European companies. In turn, Dimos (2011) asserted the significance of the disclosures made by the European banks after switching to IFRS in explaining market values. Likewise, the results of Mulller (2014) showed an increase in the relevance of consolidated financial statement information for firms listed in the largest markets once IFRS were adopted. Moreover, the results of Siekkinen (2016) suggested a positive association between the VR of fair values and investor protection. Consistently, Larsson and Bogstrand (2012) revealed that VR in Scandinavian earnings information and book values has significantly increased following the use of IFRS.

The relevance of IFRS-based information was also confirmed by several studies conducted in individual countries. For example, the relevance of accounting information prepared by French companies has improved following the implementation of IFRS (Cormier, Demaria, Lapointe-Antunes, & Teller, 2009). Baboukardos and Rimmel (2014) indicated that Greek firms that are highly compliant with the disclosure requirements of IFRS are more likely to generate relevant accounting information. Consistently, Karampinis and Hevas (2009) reported an improvement in the VR of net income and book value following the adoption of IFRS in Greece. Steadily, Jarva and Lantto (2012) reported that IFRS information is more relevant than Finnish Accounting Standards (FAS) to predict future cash flows. The same findings were

obtained by Gjerde, Knivsfla and Saettan (2008) in Norway, Paglietti (2009) and Azzali, Fornaciari and Pesci (2010) in Italy, Tsoligkas and Tsalavoutas (2011) in the UK, Pascan (2014), and Mironiuc, Carp and Chersan (2015) in Romania, indicating an enhancement in the relevance of the financial information after the adoption of IFRS.

On the other hand, other studies reported a decline in the VR of the information after moving to IFRS. Results from Abu Ghazaleh, A-Hares and Haddad (2012) and Elbakry, et al. (2017) demonstrated that VR has decreased after German and UK firms adopted IFRS. Consistently, Gaston, et al. (2010) indicated that the first-time adoption of IFRS reduced the relevance of financial information in the UK and Spain. Similarly, Schiebel (2007) showed that German GAAP produces more relevant information than IFRS. In turn, Lin, et al. (2012) found that the accounting numbers prepared by German firms under IFRS exhibit less VR compared to those under U.S. GAAP. Paananen (2008) showed that the quality of financial reporting (including VR) has declined after the implementation of IFRS in Sweden. Likewise, Clarkson, et al. (2011) and Ji and Lu (2014) indicated that the VR of Australian companies has declined during the period of IFRS adoption. In Italy, Morricone, Oriani and Sobrero (2010) reported a reduction in the VR of intangible assets following the application of IFRS.

Notwithstanding, many studies failed to reach conclusive evidence showing an effect on VR after the introduction of IFRS. For example, Chalmers, et al. (2011) found no significant change in the VR of the Australian firms' book value as a result of using IFRS. Kouki (2018) noticed that the VR of accounting information has not improved after requiring IFRS use in Germany, France, and Belgium. Although Agostino, Drago and Silipo (2011) showed that IFRS adoption improved the information content of earnings per share and book value per share for highly transparent European banks, the VR of book value has not increased in less transparent banks. Depending on the data belonging to a sample of companies listed on the main European exchanges, Devalle, et al. (2010) provided little evidence on VR's increase. Likewise, no change in the relevance of the information was identified by Kousenidis, Ladas,

& Negakis, (2010) and Tsalavoutas, André and Evans (2012) after the adoption of IFRS by Greek listed companies. Consistent results were obtained by Vafaei, Taylor and Ahmed (2011) in Britain, Australia, Hong Kong, and Singapore; Callao, Jarne and La ' mez (2007) in Spain; and BoliBok (2014) in Poland.

The relevance of IFRS information is also examined in some less developed countries. However, insufficient evidence has been obtained in these countries, with the same mixed results. Qu, et al. (2012) showed that accounting information was a stronger explanatory factor of the market return in the pre- and post-2007 IFRS convergence periods in China. Similarly, Liu, Yao, Hu and Liu (2011) confirmed the improvement of VR since 2007. In Turkey, Turel (2009) and Suadiye (2012) reported an increase in the VR following the adoption of IFRS. Likewise, Kim (2013) documented that Russian firms that use IFRS produce more relevant information in comparison with firms that use the Russian Accounting Standards. However, Garanina and Kormiltseva (2013) failed to prove an increase in VR after adopting IFRS in Russia. Subsequent to the mandatory application of IFRS in Indonesia, the value relevance of accounting information has increased (Arum, 2013). The same results were obtained by Lestari and Takada (2015), who reported more VR in large companies and those experiencing a higher level of corporate governance before and after the use of IFRS. However, Kadri, Aziz and Ibrahim (2009) concluded that both book value (BV) and earnings per share (EPS) were relevant before the change from Malaysian standards to IFRS. After the change, only book value per share is relevant.

Hillier, et al. (2016) noticed an increase in the VR after the adoption of IFRS in African countries. The study added that the nexus between accounting information and share prices is stronger in African countries with a secrecy culture. In South Africa, Ames (2013) reported changes in the VR after adopting IFRS. While Baboukardos and Rimmel (2016) found an increase in the VR of earnings of companies listed on the Johannesburg Stock Exchange, a decline in the VR of net assets was demonstrated. In Nigeria, Mohammed and Lode (2015) did not provide

sufficient evidence to support the VR excess of IFRS over Nigerian GAAP. Notwithstanding, Alkali and Lode (2016) showed an improvement in the VR of assets and liabilities after adopting IFRS. As well, Erin, *et al.* (2017) suggested that the VR of information prepared by Nigerian firms is more pronounced in the IFRS era. To benefit from the advantages of IFRS adoption in Nigeria, Odia and Ogiedu (2013) called for learning the lessons from already-adopted IFRS.

Focusing on several emerging countries, including Arab countries, Chebaane and Othman (2014) reported an improvement in the level of VR of EPS and the book value of equity per share. Although few, other studies have addressed the VR of IFRS-based accounting information in Arab countries. While Mousa and Desoky (2014) suggested that the adoption of IFRS improved the VR of financial reporting in Bahrain, no change was observed in Oman. The same results for Bahrain were observed by Khanagha (2011); however, no improvement was observed in the UAE. The study concluded that conducting reforms in accounting standards does not necessarily improve the relevance of financial reporting information. Notwithstanding, Trabelsi and Trabelsi (2014) reported an improvement in VR for the accounting information of the UAE banks. Likewise, Alfaraih (2009) noticed a significant association between the compliance level of Kuwaiti companies with IFRS requirements and the VR of earnings and BV to market participants.

As we established earlier, this study examines the relevance of IFRS-based accounting information at the reporting date as a first stage. When doing so, we follow many studies, such as Paglietti (2009), Kim (2013), Garanina and Kormiltseva (2013), and Trabelsi and Trabelsi (2014), which consider the share price at the reporting date. Therefore, the following hypothesis was investigated:

H1: Accounting numbers are associated with market value at the reporting date.

Specifically;

- **H1.1:** Earnings per share is associated with market value at the reporting date.
- **H1.2:** The book value of equity per share is associated with the market value at the reporting date.
- **H1.3:** Operating cash flow per share is associated with market value at the reporting date.

Next, the study examined conformity value and predictive value. Conformity relevance represents the ability to predict share prices using information related to the period preceding the reporting date. Information is relevant if it is reflected in accounting numbers at year-end. Thus, the conformity and relevance of accounting numbers decline in the absence of such information. On the other hand, predictive value is the accounting number's ability at the reporting date to predict the share price in the following periods. Predictive value declines when information obtained after year-end is reflected in the market value (Francis & Schipper, 1999). Accordingly, we hypothesize the following:

- **H2:** Accounting numbers (EPS, BV, and OCF) are associated with market value subsequent to the reporting date.
- **H3:** Accounting numbers (EPS, BV, and OCF) are associated with market value preceding the reporting date.

Methodology

Data

We examine the nexus between accounting numbers and share prices in the Palestinian context. Prior studies (e. g., Bae & Jeong, 2007; Jamaluddin, Mastuki & Ahmad, 2009; Tsalavoutas & Dionysiou, 2014) have widely used both EPS and BV as representatives for accounting information. EPS and BV were also used to examine VR after introducing IFRS within a country (e. g., Callao, *et al.* 2007; Kadri, *et al.* 2009; Alfaraih, 2009; Karampinis & Hevas, 2009; Qu, *et al.* 2012;

Suadiye, 2012; Kargn, 2013; Ji & Lu, 2014; Mousa & Desoky, 2014; Kouki, 2018) or cross-country (Aharony, *et al.* 2010; Devalle, *et al.* 2010; Escaffre & Sefsaf, 2011; Clarkson, *et al.* 2011; Liao, Sellhorn and Skaife, 2012; Elbakry, *et al.* 2017).

In addition, several studies (e.g., Khanagha, 2011; Larsson & Bogstrand, 2012; Pouraghajan, Emamgholipour, Niazi, & Samakosh, 2012; Bepari, Rahman, & Mollik, 2013; Erin, *et al.* 2017) used cash flows and/or operating cash flows to examine the relevance of accounting numbers in different areas. Therefore, EPS, BV, and cash flows are used in this study to represent accounting information.

As shown in Table 1, 48 companies classified into five sectors are listed on the PEX. The 15 most active trading companies from all sectors are included in the PEX index (AL-Quds Index). All the index companies are considered in our study, which covers the period from 2006 to 2016. The annual reports of the companies and the PEX publication available on their websites are the sources of the study data.

Table (1): The Sample of the study (AL-Quds Index companies).

Sector	No. of companies of each sector	No. of companies of AL-Quds Index	Percentage of entire sector		
Investment	10	4	40%		
Banking & finance	7	5	71%		
Insurance	7	1	14%		
Services	11	3	27%		
Manufacturing	13	2	15%		

Source: the PEX (2019)

Research Model and Variables

While several approaches have been used in previous studies to examine the relevance of accounting information, the measurement approach is the most common (Francis & Schipper, 1999). According to Devalle, *et al.* (2010), it assesses the strength the of relationship between

market information and related accounting numbers. Thus, value relevance embodies accounting's ability to produce information that impacts share price (Paglietti, 2009; Eloff & de Villiers, 2015).

Regression analyses are mainly employed in the measurement approach. Ohlson (1995) is the most popular valuation model used; it links the company's market value with its accounting numbers (Isidro, Ohanlon & Young, 2006). In coherence with the extant literature (e.g., Bae & Jeong, 2007; Jamaluddin, et al. 2009; Pervan & Vasilj, 2009; Gamerschlag, 2013; Trabelsi & Trabelsi, 2014), this study applies the Ohlson model (1995) to identify the relevance of the accounting information of the Palestinian companies. It makes a comparison between the regression coefficients of accounting information to determine which is more relevant. Following the existing literature, variations in market value are explained by BV, EPS, and OCF per share. R-square is the statistical indicator used to measure the explained variations in the market price of shares. It illustrates the value content of the accounting numbers and identifies their ability to reflect data incorporated in the share price.

The study model is represented as follows:

$$MV_{i,tm}=a_{it}+B_1BV_{it}+B_2EPS_{it}+B_3OCF_{it}+u_{it}....$$
 (1)

where MV represents the average share price for each month. In order to decrease disruption from daily fluctuations, the study uses the average daily close prices of each month to estimate the share market value. The average share price for each month (t) is calculated as follows:

Average share price_t= sum of share prices_t/ number of days_t

BV, EPS, and OCF are respectively the book value of equity per share, earnings per share, and operating cash flow per share at the reporting date (year end). t_m reflects timing as a moderator variable: the 6 months prior to the year end (July to December) and the 6 months following the year end (January to June).

Hypotheses were tested using a panel regression analysis to examine the association between the market value of the share and accounting numbers at the reporting date and to investigate the conformity and predictive values of accounting numbers during months before or after the year end. The coefficients of accounting numbers at the reporting date and for each month of the year are compared to identify the impact of the sampling month on the results. We follow the extant literature (e.g., Klimczak & Szafranski, 2013) method by using the first 6 months of the year to measure predictive relevance and the last 6 months to measure conformity relevance. This setting allows the market value to vary with the sampling month, while the independent variables vary only from year to year. Later, the two periods regression results are compared to identify the impact of accounting numbers on the year-end share value in the two periods. Regression coefficients embody the strength of each variable's effect on the market price of the share. The coefficients of each independent variable are compared in standardized terms, where the variables with a higher standardized coefficient value have a greater impact on share price.

In other words, this study uses the price model, which measures the impact of accounting data on market valuation (Khanagha, 2011; Lestari & Takada, 2015). According to Paananen (2008), the model implicitly assumes that the usefulness of accounting numbers for investors increases when a stronger association exists between them and the share price. Using this model is significant and based on a proven accounting theory (Ji & Lu, 2014).

Table (2): Definition of variables

Variables	Abbrevi ation	Definition	Reference					
Dependent variable								
Market value	MV	Average share prices over each month = sum of share prices _t / number of days _t	Bepari, <i>et al</i> . (2013), Kargın (2013), Klimczak & Szafranski (2013)					
Independent var	riable							
Book value per share	BV	Book value per share at the reporting date = the book value of equity/the number of shares outstanding	Shamy & Kayed (2005); Suadiye (2012), Kargin (2013), Staff (2015), Kouki (2018), Mousa & Desoky (2014)					
Earnings per share	EPS	Earnings per share at the reporting date= net income / the number of shares outstanding	Suadiye (2012), Kargın (2013), Mousa & Desoky (2014), Kouki (2018), Erin, <i>et al</i> . (2017)					
Operating cash flow per share.	OCF	Operating cash flow per share at the reporting date, measured by the amount of cash available for company's operation	Bepari, et al. 2013, Erin, et al. (2017)					

 continue	table	(2)

Variables	Abbrevi ation	Definition	Reference	
Moderating var	iable			
Timing	t _m	Six months before reporting date (July to December) and six months after reporting date (January to June)	Klimczak & Szafranski (2013), Kouki (2018)	
Error term	u _{it}			

Results

Table 3 represents the panel data regression results with robust standard errors. The model has an R² of 84% and a highly significant Fstatistic, meaning that the model is fitting well and the independent variables (EPS, BV, and OCF) explain 84% of the market value variation. This meets the results obtained by Collins, et al. (1997), Escaffre and Sefsaf (2011), and Klimczak and Szafranski (2013). Moreover, the results revealed that market value is significantly affected by BV and EPS, as their coefficients are almost 0.44 and 5.47, respectively, indicating that they are value relevant at the year end. The influence of EPS on MV is stronger than that of BV, as its standardized coefficient of 0.689 is higher compared with 0.284 for BV. The results meet the findings observed by many prior studies (e.g., Shamy & Kayed, 2005; Prevan & Vasilj, 2009; Jamaluddin, et al. 2009; Gamerschlag, 2013). However, OCF per share has an insignificant influence on VR. This result supports the results of Daraghma (2010), Qu, et al. (2012), and Pouraghajan, et al. (2012).

While the results of EPS and BV suggest high usefulness for these two accounting numbers, OCF is of low usefulness to investors in the Palestinian context. Overall, our results reported that accounting information prepared by the Palestinian companies is associated with the share's market value, indicating that IFRS-based information is value-relevant.

Dependent variable: MV at reporting date						
standardized coefficient	Coefficients	Variables				
0.689	5.463	EPS				
	(13.582)***	T-Statistic				
0.284	0.4349	BV				
	(5.405)***	T-Statistic				
0.035	0.079	OCF				
	1.049	T-Statistic				
	0.390	C				
	3.220***	T-Statistic				
	144	Observations				
	0.842	R-Square				
	249.28***	F-Statistic				

Table (3): Regression results at the reporting date.

T-Statistic is based on robust standard errors. ***, ** & * with T-statistic and F-Statistic indicating significance at 0.01, 0.05 and 0.10, respectively.

The results of the predictive relevance models are shown in Table 4. The explanatory power of models varies from 77% to 81% for each month, and the F-statistic is significant for all models, implying an existence of forecast relevance of accounting information prepared under IFRS. Palestinian investors can rely on the accounting information to make useful evaluations in their future decisions. Our results correspond with the results of Harris, *et al.* (1994), Francis and Schipper (1999), and Gregoriou (2010), suggesting that accounting information has predictive value.

In Table (5), the results of the conformity relevance models are illustrated. The explanatory power of the models varies from 59.9% to 81% for each month, and the F-statistic is significant for all models supporting the coincident relevance hypothesis. These results match Hellström (2006) since coincidental relevance exists between the share market price and accounting numbers. Although R² for the July to December period increases gradually, it is still low when compared with

the January to June period. These results indicate that the predictive relevance of accounting data is higher than its conformity relevance.

As shown in Tables (4) and (5), in agreement with Klimczak and Szafranski (2013), the coefficients of the independent variables for subsequent and preceding months, respectively, indicate that the VR of the independent variables vary across months; however, variations are not significant. Obviously, EPS affects the share price for the whole period, as coefficient amounts range from 4 in July to 5.79 in March. Additionally, the predictive value of EPS is higher than its conformity value, implying that the share price is highly influenced by EPS in the period following the reporting date. On the contrary, the conformity value of BV exceeds its predictive value, as its coefficients during the January–June period range from 0.36 to 0.48, while they vary between 0.49 and 0.57 in the July–December period. The third accounting information, OCF, explains the share price significantly only in December. However, the OCF's ability to explain changes in share price is weak.

When comparing the accounting numbers (BV, EPS, and OCF) in terms of their ability to influence MV, coefficients reveal that EPS vary from 42% to 67%, BV ranges from 22% to 34%, and OCF vary from 0.7% to 9% over the months. These results imply that EPS has the strongest influence on MV, followed by BV, and then OCF with an insignificant influence. According to Paglietti (2009), the above results would mean that EBS is more informative, compared with BV and OCF, for investors. OCF is the least informative accounting number for Palestinian investors since it shows weaker explanation power for share price variation. This result signals that the Palestinian investors base their decisions mainly on the company's profitability.

0.806

173.23***

R-square

Dependent variable: MV at each month Variable standardized standardized standardized standardized standardized standardized 1 2 3 5 coefficient coefficient coefficient coefficient coefficient coefficient EPS 5.151 5.353 5.484 5.798 5.277 5.23 0.624 0.676 0.642 0.641 0.671 0.659 7 7905** 7 4203*** 7 0278* 8 6665** 9 4881*** 9 6975*** BVPS 0.487 0.468 0.361 0.469 0.438 0.445 0.315 0.292 0.225 0.304 48820*** 4.4682* 4.0879** 4.3116*** 4.6748** OCFPS 0.199 0.218 0.224 0.093 0.033 0.077 1.9346 1.0983 0.5517 0.9178 0.3906 0.8393 0.2966 0.3064 0.4253 0.3326 0.3064 0.366 1.967*** 2.190*** 2.171*** 1.859*** t-Statistic 1.918** 2.149*** 0.087 0.015 0.035 0.092 0.095 0.040 NO. of 128 129 128 128 129 127 observations

0.792

0.814

0.814

Table (4): Regression results for subsequent months.

Notes: T-Statistic is based on robust standard errors. ***, **, and * with T-statistic and F- Statistic indicate significance at 0.01, 0.05, and 0.10, respectively.

Table (5): Regression results for preceding months.

0.807

Dependent va	Dependent variable: MV at each month											
		Month										
Variable	7	standardized coefficient	8	standardized coefficient	9	standardized coefficient	10	standardized coefficient	11	standardized coefficient	12	standardized coefficient
EPS	4.001	0.401	4.697	0.534	4.734	0.521	4.823	0.552	4.654	0.522	4.640	0.5233
t-Statistic	5.6644***	0.421	7.2597***	0.524	7.3808***	0.531	8.8782***		9.231***	0.532	9.7308***	
BVPS	0.572	0.346	0.516 4.2116***	0.333	0.504	0.220	0.495	0.220	0.520	0.245	0.526	0.2400
t-Statistic	4.5519***	0.340		0.555	4.2637***	0.330 4.3359***	0.329	4.7752***	0.345	4.9350***	0.3488	
OCFPS	0.1313		0.1133		0.0928		0.0538	0.0951 1.16808		0.168		
t-Statistic	1.0227		1.1031		0.9207		0.6043		1.16808	0.0253	2.0250***	0.0569
С	0.354	1	0.290		0.305		0.311		0.274		0.268	
t-Statistic	1.755**	0.0362	1.798**	0.0317	1.954**	0.0243	2.084***	0.0076	1.894**		1.861**	
NO. of observations	129	0.0302	127	0.0317	128	0.0243	129	0.0070	129	0.0233	129	0.0309
R-square	0.599		0.755		0.758		0.789		0.803		0.814	
F-statistic	62.35		126.20		129.30		154.86		170.28		180.949	

Notes: T-Statistic is based on robust standard errors. ***, **, and * with T-statistic and F- Statistic indicate significance at 0.01, 0.05, and 0.10, respectively.

Conclusions and recommendations

Since Palestine is under occupation, no real economic or business environment existed before the establishment of the Palestinian Authority in 1994. Thus, no prior financial reporting system existed before the adoption of IFRS by the Palestine Exchange in 1997. Accordingly,

An - Najah Univ. J. Res (Humanities). Vol. 38(5), 2024

Palestine represents a pure IFRS environment with no previous financial reporting traditions.

In this study, we investigate whether IFRS-based information prepared by Palestinian companies is relevant. Our aim is to estimate the impact of accounting information, including book value of equity per share (BV), earnings per share (EPS), and operating cash flow per share (OCF), on the market value of the share.

Our results report that the relevance of IFRS information is evident in Palestine. However, local setting factors may hinder the perfect relevance of all used accounting numbers to some extent. In the details, the results show that EPS and BV are the important variables in determining market value. These accounting numbers are included in Ohlson's (1995) model as cornerstones. No obvious evidence showing the relevance of OCF is obtained. Furthermore, it is observed that EPS is the dominant determinant of the share price in the PEX.

Moreover, the effect of accounting information is investigated for a six-month period preceding the yearend and a six-month period following the yearend. In general, results indicate that the VR of the accounting numbers varies from month to month. This variation can be attributed to predictive and conformity values. The findings provide evidence supporting the existence of conformity and predictive relevance, but the overall predictive relevance is higher.

The study findings are useful for all parties related to accounting practice, including companies, investors, local regulators, and international organizations involved in the process of accounting harmonization. The importance of our results is not restricted to Palestine; it also extends to other countries that have similar cultural, economic, political, and institutional conditions. These factors help to determine the characteristics of accounting systems, as Alia (2010) and Alia and Branson (2011b) have shown. Also, Ball, *et al.* (2003) argued that the properties and quality of the financial statements are driven by the institutional setting rather than the financial reporting standards. In turn, Pascan (2015) indicated that the quality of accounting information

is affected by macro and micro influences in addition to accounting standards. Examining the influence of IFRS on the quality of accounting information is necessary but not enough. Although the sample includes the companies that experience continuous change in their market value as they are relatively subject to high levels of exchange, the study sample is limited since it includes only the companies composing the AL-Quds Index. It is mysterious how the rest of the companies are actually influenced by accounting numbers. For future research, the sample needs to be expanded to other firms. Moreover, a comparison with other similar countries may provide insights into the mechanisms of the relationship between book and market values. Furthermore, future research should use other accounting information to examine its relevance and market value. Finally, cultural, institutional, and other prevailing factors should be considered.

Disclosure Statement: The authors affirm that they have no conflicts of interest or relevant financial disclosures concerning this research.

Ethical approval and consent to participate: As this study utilized secondary data, it was exempt from requiring ethical approval.

Availability of data and materials: All data and materials underpinning the findings of this study are accessible upon reasonable request from the corresponding author.

Conflict of interest: The authors affirm the absence of any conflict of interest.

Funding: This research was conducted without external funding support.

Acknowledgments: The authors extend their sincere appreciation to An-Najah National University (<u>www.najah.edu</u>) for their support of this study.

References

- Abdeljawad, I., & Alia, M. A. (2023). The impact of earnings management on unexpected stock returns: Palestinian evidence. In International Conference on Business and Technology (pp. 650–659). Springer.
- Abu Alia, M., Abdeljawad, I., Rashid, M. and Frehat, R.A., 2024.
 Small firm auditing using the analytical procedures (APs) in a politically challenging context. *International Journal of Islamic and Middle Eastern Finance and Management*, 17(2), 328-344.
- Abu Ghazaleh, N. M., A-Hares, O. & Haddad, A. (2012). The Value Relevance of Goodwill Impairments: UK Evidence. *International Journal of Economics and Finance*, 4(4), 206-216.
- Agostino, M., Drago, D., & Silipo, D. B. (2011). The value relevance of IFRS in the European banking industry. *Review of Quantitative Finance and Accounting*, 36(3), 437–457.
- Aharony, J., Barniv, R., & Falk, H. (2010). The Impact of Mandatory IFRS Adoption on Equity Valuation of Accounting Numbers for Security Investors in the EU., *European Accounting Review*, 19(3), 535-578.
- Alfaraih, M. (2009). Compliance with International Financial Reporting Standards (IFRS) and the Value Relevance of Accounting Information in Emerging Stock Markets: Evidence from Kuwait, Doctoral Dissertation, Queensland University of Technology.
- Alia, M. (2010). The impact of environmental factors on the adoption of international financial reporting standards (IFRSs) in the Arab world (Unpublished PhD Thesis). Vrije University of Brussels.
- Alia, M. A., Abdeljawad, I., Jallad, S. E., & Rashid, M. (2022).
 Voluntary disclosure-cost of equity nexus and the moderating role of corporate governance: Evidence from an extremely politically unstable context. International Journal of Islamic and Middle Eastern Finance and Management, 15, 1035–1052

- Alia, M. A., Abdeljawad, I., & Yaaqbeh, M. (2020). Depressing earnings management in Palestinian corporations: The role of audit quality, audit committee, and accounting conservatism. International Journal of Revenue Management, 11(3), 213–236.
- Alia, M. A., & AbuSarees, A. K. (2023). Reducing Cost of Capital.
 Do Voluntary Disclosure and Accounting Conservatism Contribute?. FIIB Business Review, 23197145221145753.
- Alia, M. A., & Awwad, O. (2020). The effect of corporate governance and disclosure quality on information asymmetry in the PEX. An-Najah University Journal for Research-B (Humanities), 36(3), 519-554.
- Alia, M. A., & Barham, O. (2020). The Effect of Earnings Management and Corporate Governance on the Relationship between Corporate Social Responsibility Disclosure of Companies Listed on Palestine Exchange (PEX) and the Value of the Company. *An-Najah University Journal for Research-B (Humanities)*, 36(11), 2313-2358.
- Alia, M. & Branson, J. (2011a). The effect of environmental factors on accounting diversity—A literature review. Accountancy & Bedrijfskunde, 31(2). 23-34.
- Alia, M. & Branson, J. (2011b). Environmental Obstacles Associated with the Adoption of IFRS in the Arab World: Evidence from Jordan. World of Accounting Science (Muhasebe Bilim Dünyası Dergisi). 13(1), 23-85.
- Alia, M. A., & Mardawi, Z. (2021). The impact of ownership structure and board characteristics on corporate social responsibility disclosed by Palestinian companies. Jordan Journal of Business Administration, 17(2), 254–277.
- Alkali, M. Y., & Lode, N. A. (2016). The value relevance of accounting disclosures among listed Nigerian firms: IFRS adoption. *Iranian Journal of Management Studies*, 9(4), 707.

- Amarneh, K. M. A. (2018). The Relevance of Accounting Information Issued by Palestinian Listed Companies in Palestine Exchange (Master dissertation, An-Najah National University).
- Ames, D. (2013). IFRS adoption and accounting quality: The case of South Africa. *Journal of Applied Economics and Business Research*, 3(3): 154- 165.
- Ampofo, A. A., & Sellani, R. J. (2005). Examining the differences between United States Generally Accepted Accounting Principles (U.S. GAAP) and International Accounting Standards (IAS): implications for the harmonization of accounting standards. *Accounting Forum*, 29, 219–231.
- Arum, E. D. P. (2013). Implementation of International Financial Reporting Standards (IFRS) and the Quality of Financial Statement Information in Indonesia. *Research Journal of Finance and Accounting*. 4(19), 200-209.
- Azzali, S., Fornaciari, L., & Pesci, C., (2010). The Value Relevance of the Performance of Listed Italian Companies Following the Introduction of the -IAS/IFRS. Paper Presented at the 4th Edition of the Annual International Conference Globalization and Higher Education in Economics and Business Administration (GEBA), Alexandru Ioan Cuza University, Iasi, Romania, October 21-23.
- Baboukardos, D., & Rimmel, G., (2014). Goodwill under IFRS:
 Relevance and disclosures in an unfavorable environment. *Account. Forum.* 38(1), 1-17.
- Baboukardos, D., & Rimmel, G. (2016). Value relevance of accounting information under an integrated reporting approach: a research note. *Journal of Accounting and Public Policy*, 35(4), 437-452.
- Bae, K., & Jeong, S. W. (2007). The Value-relevance of Earnings and Book Value, Ownership Structure, and Business Group Affiliation: Evidence from Korean Business Groups. *Journal of Business Finance & Accounting*, 34(5-6), 740-766.

- Ball R., Robin A. and Wu J.S. (2003), Incentives versus Standards:
 Properties of Accounting Income in Four East Asian Countries,
 Journal of Accounting and Economics, 36.235-270.
- Bepari, K., Rahman, S. F., & Mollik, A. T. (2013). Value relevance of earnings and cash flows during the global financial crisis. *Review of Accounting and Finance*, 12(3), 226-251.
- BoliBok, P. (2014). The impact of IFRS on the value relevance of accounting data of banks listed on the Warsaw stock exchange.
 Copernican Journal of Finance and Accounting, 3, 33-43.
- Bowrin, A. (2007). International accounting standards and financial reporting uniformity: the case of Trinidad & Tobago. Advances in International Accounting, 20, 27-53.
- Callao. S, Jarne, J. I. & La ' mez, J. A. (20017). Adoption of IFRS in Spain: Effect on the Comparability and Relevance of Financial Reporting. *Journal of International Accounting, Auditing and Taxation*, 16, 148–178.
- Chalmers, K., Clinch, G., & Godfrey, J. M. (2011). Changes in value relevance of accounting information upon IFRS adoption: Evidence from Australia. Australian Journal of Management, 36(2), 151–173.
- Chebaane, S., & Othman, H. B. (2014). The Impact of IFRS Adoption on Value Relevance of Earnings and Book Value of Equity: The Case of Emerging Markets in African and Asian Regions. *Procedia Social and Behavioral Sciences*, 145, 70-80.
- Clarkson, P., Hanna, J. D., Richardson, G. D., & Thompson, R. (2011). The impact of IFRS adoption on the value relevance of book value and earnings. *Journal of Contemporary Accounting & Economics*, 7(1), 1-17.
- Collins, D. W., Maydew, E. L., & Weiss, I. S. (1997). Changes in the value-relevance of earnings and book values over the past forty years. *Journal of Accounting and Economic*, 24, 39-67.

- Cormier, D., Demaria, S., Lapointe-Antunes, P., & Teller, R. (2009).
 First-Time Adoption of IFRS, Managerial Incentives and Value-Relevance: Some French Evidence. *Journal of International Accounting Research*, 8 (2), 1-22.
- Cormier, D. (2013). The Incidence of Corporate Governance and IFRS on Information Asymmetry and the Value Relevance of Earnings: Some Canadian Evidence. *Chaire d'information financiere* et organisationnelle ESG UQAM. 1. 1-24
- Dahawy, k. (2009). Company characteristics and disclosure level: the case of Egypt. *International Research Journal of Finance and Economics*, 34, 194-208.
- Daraghma, Z. M. (2010). The Relative and Incremental Information Content of Earnings and Operating Cash Flows: Empirical Evidence from Middle East, the Case of Palestine. *European Journal of Economics, Finance and Administrative Sciences*, 22, 123-135.
- Devalle, A., Onali, E., & Magarini, R. (2010). Assessing the value relevance of accounting data after the introduction of IFRS in Europe. *Journal of International Financial Management and Accounting*, 21(2), 85–119.
- Dimos, A. A. (2011). IFRS and European Commercial Banks: Value Relevance and Economic Consequences. A thesis submitted to the University of Birmingham, UK for the degree of Doctor of Philosophy
- Elbakry. A. E., Nwachukwu, J. C. Abdou, H. A. & Elshandidy, T. (2017). Comparative evidence on the value relevance of IFRS-based accounting information in Germany and the UK. *Journal of International Accounting, Auditing and Taxation*, 28, 10-30.
- Eloff, A. M. & de Villiers, C. (2015), The value-relevance of goodwill reported under IFRS 3 versus IAS 22, South African Journal of Accounting Research, 29 (2).162-176.

- Erin, O., Olojede, P., & Ogundele, O. (2017). Value relevance of accounting data in the pre- and post-IFRS era: Evidence from Nigeria. *International Journal of Finance and Accounting*, 6(4), 95-103.
- Escaffre, L., & Sefsaf, R. (2011). Comparing the value relevance of earnings and book value in IFRS and GAAP standards. Bankers Markets & Investors: an academic & professional review, GroupeBanque, 4-18.
- Francis, J., & Schipper, K. (1999). Have Financial Statements Lost Their Relevance? *Journal of Accounting Research*, *37*(2), 319.
- Gamerschlag, R. (2013). Value relevance of human capital information. *Journal of Intellectual Capital*, 14(2), 325-345.
- Garanina, T. A. & Kormiltseva, P. S. (2013). The effect of international financial reporting standards (ifrs) adoption on the value relevance of financial reporting: a case of Russia. Research in Accounting in Emerging Economies, 13, 27-60.
- Gaston, S. C., Garcia, C. F., Jarne, J. I., & Gadea, J. A. L., (2010).
 IFRS adoption in Spain and the United Kingdom: Effects on accounting numbers and relevance. Advances in Accounting, Incorporating Advances in International Accounting, 26, 304–313.
- Gjerde, O., Knivsfla, K. H., & Saettan, F., (2008). The value relevance of adopting IFRS: evidence from 145 NGAAP restatements. *Journal of International Accounting, Auditing and Taxation*, 17, 92–112.
- Gray, S. J., (1988). Towards a Theory of Cultural Influence on the Development of Accounting Systems Internationally. *Abacus*. 1-15.
- Gregoriou, A. (2010). Corporate Valuation and Dividends: UK Evidence from Panel Unit Root and Cointegration Tests. *Atlantic Economic Journal*, 38, 15-22.

- Hail, L. (2013). Financial Reporting and Firm Valuation: Relevance Lost or Relevance Regained? Accounting and Business Research, 43 (4), 329-358.
- Harris, T. S., Lang, M., & Moller, H. P. (1994). The Value Relevance of German Accounting Measures: An Empirical Analysis. *Journal of Accounting Research*, 32(2), 187.
- Hellström K. (2006). The value relevance of financial accounting information in a transition economy: the case of Czech Republic. European Accounting Review, 15(3), 325-349.
- Hillier, D., Hodgson, A., & Ngole, S. (2016). IFRS and secrecy: assessing accounting value relevance across Africa. *Journal of International Financial Management & Accounting*, 27(3), 237-268.
- Holthausen, R. W., & Watts, R. L. (2001). The relevance of the value-relevance literature for financial accounting standard setting. *Journal of Accounting and Economics*, 31(1-3), 3-75.
- IASB. (2010). The Conceptual Framework for Financial Reporting.
 International Accounting Standard Board.
- Isidro, H., Ohanlon, J., & Young, S. (2006). Dirty surplus accounting flows and valuation errors. *Abacus*, 42(3-4), 302-344.
- Jamaluddin, A., Mastuki, N., & Ahmad, A. E. (2009). Corporate Governance Reform and the Value Relevance of Equity Book Value and Earnings in Malaysia. *Journal of Financial Reporting and Accounting*, 7(2), 41-59.
- Jarva, H., & Lantto, A. (2012). Information Content of IFRS versus Domestic Accounting Standards: Evidence from Finland. The Finnish Journal of Business Economics, 2, 141-177.
- Ji, X., & Lu, W. (2014). The value relevance and reliability of intangible assets: Evidence from Australia before and after adopting IFRS. Asian Review of Accounting, 22(3), 182-216.

- Kadri, M. H., Aziz, A. R., & Ibrahim, M. K. (2009). Value Relevance of Book Value and Earnings: Evidence from Two Different Financial Reporting Regimes. *Journal of Financial Reporting and Accounting*, 7(1), 1-16.
- Karampinis, N. I., & Hevas, D. L. (2009). The Effect of the Mandatory Application of IFRS on the Value Relevance of Accounting Data: Some Evidence from Greece. *European Research* Studies, 12(1), 73-100.
- Kargin, S. (2013). The Impact of IFRS on the Value Relevance of Accounting Information: Evidence from Turkish Firms. *International Journal of Economics and Finance*, 5(4), 71-80.
- Khanagha, J. B. (2011). International Financial Reporting Standards (IFRS) and Value Relevance of Accounting Information: Evidence from Bahrain and United Arab Emirates Stock Markets. *African Journal of Social Sciences*, 1(1), 101-114.
- Kim, O. (2013). Russian accounting system: value relevance of reported information and the IFRS adoption perspective. *The International Journal of Accounting*, 48(4), 525-547.
- Klimczak, K. M., & Szafranski, G. (2013). Coincident and forecast relevance of accounting numbers. *Accounting Research Journal*, 26(3), 239-255.
- Kouki, A. (2018). IFRS and value relevance: A comparison approach before and after IFRS conversion in the European countries. *Journal* of Applied Accounting Research, 19(1), 60-80.
- Kousenidis, D. V., Ladas, A. C., & Negakis, C. I., (2010). Value Relevance of Accounting Information in the Pre- and Post-IFRS Accounting Periods. *European Research Studies*, 13 (1), 143-152.
- Larsson, E. & Bogstrand, O. (2012). Have IFRS contributed to an increased value-relevance? The Scandinavian evidence.
 Scandinavian Journal of Management, 7(2), 6-33.

- Lestari, T. and Takada, T. (2015). Value Relevance of Accounting Information During IFRS Convergence Process in Indonesia. *The Indonesian Journal of Accounting Research*, 18(1). 96-116.
- Liao, Q., Sellhorn, T., & Skaife, H. A. (2012). The Cross-Country Comparability of IFRS Earnings and Book Values: Evidence from France and Germany. *Journal of International Accounting Research*, 11(1), 155-184.
- Lin, S., Riccardi, W., & Wang, C. (2012). Does accounting quality change following a switch from US GAAP to IFRS? Evidence from Germany. *Journal of Accounting and Public Policy*, 31, 641-657.
- Liu, C., Yao, L. J., Hu, N., & Liu, L. (2011). The impact of IFRS on accounting quality in a regulated market: An empirical study of China. *Journal of Accounting, Auditing & Finance*, 26(4), 659–676.
- Mironiuc, M., Carp, M. & Chersan, I. C. (2015). The relevance of financial reporting on the performance of quoted Romanian companies in the context of adopting the IFRS. *Procedia Economics and Finance* 20, 404-413.
- Mohammed, Y. A., & Lode, N. A. (2015). The Value relevance of accounting disclosures among Nigerian financial institutions after the IFRS Adoption. *Mediterranean Journal of Social Sciences*, 6(1), 409–418.
- Morricone, S., Oriani, R., & Sobrero, M. (2010). The value relevance of intangible assets: evidence of mandatory adoption of international accounting standards (IAS/IFRS). In: Proceedings of the 33rd EAA Annual Congress, Istanbul.
- Mousa, G.A. and Desoky, A. M. (2014). The Value Relevance of International Financial Reporting Standards (IFRS): The Case of the GCC Countries. *Journal of Accounting, Finance and Economics*, 4 (2). 16-28.

- Mulller, O. V. (2014). The impact of IFRS adoption on the quality of consolidated financial reporting. *Social and Behavioural Sciences*, 109, 976-982.
- Odia, J. O. & Ogiedu, K. O. (2013). IFRS Adoption: Issues, Challenges and Lessons for Nigeria and other Adopters. Mediterranean Journal of Social Sciences, 4(3), 389-399.
- Ohlson, J. A., (1995). Earnings, book values and dividends in equity valuation. *Contemporary Accounting Research*, 11(2), 661-788.
- Paananen, M. (2008). The IFRS adoption's effect on accounting quality in Sweden. Available at SSRN 1097659.
- Paglietti, P. (2009). Investigating the effects of the EU mandatory adoption of the IFRS on accounting quality: evidence from Italy. *International journal of business and management*, 4(12), 3-18.
- Pascan I. D. (2014). Measuring the effects of IFRS adoption in Romania on the value relevance of accounting data. *Annales Universitatis Apulensis Series Oeconomica*. 16(2), 263-273.
- Pascan I. D. (2015). Measuring the effects of IFRS adoption on accounting quality: a review. *Procedia Economics and Finance*, 32, 580-587.
- Palestine Stock Exchange PSE (2016), https://www.pex.ps.
- Pervan, I., & Vasilj, M. (2009). The Value Relevance of Book Value and Earnings Empirical Analysis on Croatian Corporations from Zagreb Stock Exchange. *Economic Research-Ekonomskalstraživanja*, 22(4), 41-51.
- Pouraghajan, A., Emamgholipour, M., Niazi, F., & Samakosh, A.
 (2012). Information Content of Earnings and Operating Cash Flows:
 Evidence from the Tehran Stock Exchange. *International Journal of Economics and Finance*, 4(7).
- Qu, Wen, Fong, Michelle & Oliver, Judy (2012). Does IFRS convergence improve quality of accounting information? Evidence

- from the Chinese stock market. *Corporate ownership and control*, 9(4), 187-196.
- Sahut, J. M., Boulerne, S., & Frédéric, T. (2011). Do IFRS provide better information about intangibles in Europe. *Review of Accounting* and Finance, 10(03), 267-290.
- Schiebel, A. (2007). Empirical value relevance of German GAAP and IFRS. *Journal of Economic and Financial Sciences*, 1(2), 141-170.
- Shamy, M. A., & Kayed, M. A. (2005). The value relevance of earnings and book values in equity valuation: An international perspective-The case of Kuwait. *International Journal of Commerce and Management*, 15(1), 68-79.
- Siekkinen, J. (2016). Value relevance of fair values in different investor protection environments. *Accounting Forum*, 40(1), 1-15.
- Suadiye, G. (2012). Value Relevance of Book Value & Earnings under the Local GAAP and IFRS: Evidence from Turkey. Ege Akademik Review, 12(3), 301-310.
- Tsalavoutas, I., & Dionysiou, D. (2014). Value relevance of IFRS mandatory disclosure requirements. *Journal of Applied Accounting Research*, 15(1), 22-42.
- Trabelsi, N & Trabelsi, M. (2014). The value relevance of IFRS in the UAE banking industry: Empirical evidence from Dubai financial market, 2008-2013. *International Journal of Accounting, Finance* and Management Sciences, 4(4), 60-71.
- Tsalavoutas, I., André, P., & Evans, L. (2012). The transition to IFRS and the value relevance of financial statements in Greece. British Accounting Review, 44(4), 262-277.
- Tsoligkas, F. & Tsalavoutas, I. (2011). Value relevance of R & D in the UK after IFRS mandatory implementation. *Applied Financial Economics*, 21, 957–967.

- Turel, A. (2009). The value relevance of IFRS: The case of Turkey. *Acra Universitatis Danubius, Oeconomica, 5*(1),119-128.
- Vafaei, A., Taylor, D. & Ahmed, K. (2011). The value relevance of intellectual capital disclosures. *Journal of Intellectual Capital*, 12(3), 407-29.