THE IMPACT OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTION AS ACCOUNTING REGULATIONS ON THE ACCOUNTING INFORMATION EFFECTIVENESS OF LISTED SAUDI COMPANIES

Ahmed Zakaria Zaki Osemy *

* Department of Accounting, College of Business Administration, King Saud University, Riyadh, Saudi Arabia
Contact details: Department of Accounting, College of Business Administration, King Saud University, P. O. Box 71115, Riyadh 11587, Saudi Arabia

OPEN ACCESS

How to cite this paper: Osemy, A. Z. Z. (2025). The impact of International Financial Reporting Standards adoption as accounting regulations on the accounting information effectiveness of listed Saudi companies. *Journal of Governance & Regulation, 14*(3), 8–18. https://doi.org/10.22495/jgrv14i3art1

ISSN Print: 2220-9352
ISSN Online: 2306-6784

Received: 18.08.2024
Revised: 28.11.2024; 14.04.2025; 12.06.2025
Accepted: 08.07.2025

JEL Classification: G10, M40, M41
DOI: 10.22495/jgrv14i3art1

Abstract

This research aims to assess the impact of the International Financial Reporting Standards (IFRS) adoption on the accounting information effectiveness of listed firms in the Kingdom of Saudi Arabia (KSA). To achieve this aim, the researcher used a price-modified model to test market value per share (MVPS), equity book value per share (EBVPS), and earnings per share (EPS) (Ohlson, 1995). The data were obtained from the annual reports of 25 firms that applied IFRS in 2017 for the period from 2015 to 2019 from the Saudi Exchange (Tadawul) database. Sampled firms are from different sectors such as energy, communication, health care, industry, utilities, and materials. There were no financial enterprises, such as banks and insurance firms, within the research sample as they were applying different reporting requirements. The research sample consists of 127 observations. The results of this research discovered that the IFRS application has a positive result on the accounting information effectiveness measured by MVPS, EBVPS, and EPS in the KSA. This result was observed after the IFRS applying period (2017–2019) in determining MVPS, the EBVPS, and EPS. These findings are consistent with some previous studies.

Keywords: IFRS, Effectiveness of Accounting Information, Market Value per Share, Equity Book Value per Share, Earnings per Share, Kingdom of Saudi Arabia (KSA)

Authors' individual contribution: The Author is responsible for all the contributions to the paper according to CRediT (Contributor Roles Taxonomy) standards.

Declaration of conflicting interests: The Author declares that there is no conflict of interest.

1. INTRODUCTION

Under market globalisation, capital markets are becoming more homogeneous. Reducing uncertainty and information asymmetry will attract investors to the capital market, which consequently supports market liquidity and increases capital market efficiency (Zaidi & Paz, 2015). According to (Lee, 1987), advanced assembly is required for efficient capital market development, which is the backbone of a nation's economic development. The International Financial Reporting Standards (IFRS) provide a harmonisation of accounting standards across nations (Bukhammas, 2020).

Efficient capital markets enhance the economic progress of nations, so the application of IFRS helps to achieve the development of the economy (Lee, 1987; Al-Refiay et al., 2023; Cheikh Rouhou et al., 2021; Elbolok et al., 2022). The principal benefit of harmonising accounting standards is to offer comparable and reliable financial reports to users of these statements (Bukhammas, 2020). IFRS improves disclosure and transparency in financial reporting, enhances financial statement comparability and reliability, and reduces uncertainty and information asymmetry.

The majority of developed nations adopt generally accepted accounting principles (GAAP) or derive their standards from GAAP. However, developed nations have an advantage over developing nations in applying IFRS because of the similarities between their domestic standards and IFRS. The Saudi Organisation for Chartered and Professional Accountants (SOCPA) was following international best practices as set forth in the USA, the UK, and international standards (Nurunnabi, 2017). SOCPA adopted all IFRS standards (as well as interpretations) and added disclosure needs to some standards to primarily consider Shari'ah or local laws (Nurunnabi et al., 2020). The main challenges in KSA's IFRS application process include the nation's unique national applications and the development of qualified Saudi accountants.

It is worth noting that GAAP, also denoted as the USA GAAP; this set of guidelines is set by the Financial Accounting Standards Board (FASB) and followed by the majority of the USA firms. These principles are verbalized by the International Accounting Standards Board (IASB) and adopted in several nations external the USA.

Previous researches recommend that the application of IFRS boosts the level of disclosure and transparency in financial reporting. IFRS improves the comparability and reliability of financial reports, decreases uncertainty and information asymmetry, and supports the efficacy and quality of financial statements. This will promote economic development, more efficient investment decisions, minimise the cost of capital, and increase market efficiency (Zeghal & Mhedhbi, 2006).

Financial reports are the main provider of financial information for investors in developing and developed nations, and consequently, it is necessary to increase the effectiveness of accounting information (Zeghal & Mhedhbi, 2006). Although the implementation of IFRS is very costly, developed nations do not lack financial resources, unlike developing nations, although they are limited like all other nations. According to Desoky (2013), developing nations need the inflow of foreign investment to increase their economic growth. Accounting harmonisation under IFRS is beneficial to developing nations as it provides the best effective and quality accounting information for investors. This will lead to an inflow of foreign investment in order to increase their economic development.

Hung and Subramanyam (2007) inspected the influences of international accounting standards (IAS) application on the financial reports of a sample of German entities through the period from 1998 to 2002. They found that total assets (TAs), equity book value, and income variability are significantly higher according to IAS compared to German GAAP.

Some previous studies have studied the relevance of earnings value and/or equity book value and other flow indicators in diverse situations. Alali and Foote (2012) used monthly market data for companies traded on the Abu Dhabi Securities Exchange (ADX) from 2000 until 2006 to investigate the accounting information value relevance under IFRS. They found that earnings are positively and significantly associated with the accumulated returns when scaled by the opening of the period price; earnings per share (EPS) and book value per share (BVPS) are also positively and significantly associated with price per share. Iatridis and Rouvolis (2010) tested the associated factors with the provision of voluntary disclosures to IFRS before the formal period of approval, the earnings management degree according to IFRS, and the IFRS-based accounting figures value relevance to investigate the conversion from Greek GAAP to IFRS effects on a sample of 254 Greek listed entities' financial statements. The researchers found fluctuations in the main measures of the income statement and balance sheet of the Greek entities after the application of IFRS. Glezakos et al. (2012) assessed a sample of 38 firms listed in the Athens Stock Exchange from 1996 until 2008 in order to examine the impact of earnings and book value on share price formulation. The researchers found evidence that the joint explanatory power increases over time for earnings and book value in share price establishment. El Shamy and Kayed (2005) studied the earnings value relevance and book values resulting from the Kuwaiti accounting system declaring IFRS compliance. They found that earnings and book values are significantly and individually connected to share prices and earnings.

Given the importance of the application of IFRS for achieving the effectiveness of accounting information, it is necessary to assess this relationship among listed companies in the KSA. There is a shortage of studies related to this issue generally and in the KSA, in particular.

The aim of this research is to evaluate the impact of implementing IFRS on the effectiveness of accounting information in publicly traded companies in the KSA.

The problem of this research was summarised by answering the following research questions:

RQ: What effect does the adoption of International Financial Reporting Standards have — positive or negative — on the Kingdom of Saudi Arabia's market value per share as a measure of the effectiveness of accounting information?

The current research pursues to make the following contribution to the current literature: First: assessing the impact of IFRS adoption on the accounting information effectiveness in the KSA. Measurements of market value per share (MVPS), equity book value per share (EBVPS), and EPS for some listed companies in various sectors in the KSA during the period before and after IFRS adaptation will help to achieve this contribution. Second: comparing the conclusions of the current research with the consequences of other research in the same field in order to find the similarities and differences, and consequently to find the reasons and present suggestions.

The rest of the paper proceeds as follows. Section 2 provides a literature review. Section 3 describes the research methodology. Section 4 presents the results and discussion, and Section 5 ends the paper with conclusions.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Advantages and disadvantages of International Financial Reporting Standards adoption

The IFRS offer a comprehensive framework of accounting standards and practices that enhance the efficiency and dependability of accounting information (De George et al., 2016). Ball (2006) states that the application of IFRS has the capacity to improve cross-border comparisons, improve the openness of financial reporting, decrease the costs associated with obtaining information, mitigate information imbalances, and consequently enhance liquidity, competitiveness, and market efficiency (Nulla, 2014). The IFRS offer dependable and standardised financial statements that assist overseas investors and other users of these statements in the decision-making process. Implementing standardised regulations like IFRS helps to avoid the negative effects caused by the lack of comparability in financial information (Ball, 2006). External investors want accurate, timely, reliable, and comparable information in order to help in making investment decisions (Zaidi & Paz, 2015). Ball (2006) proposes that IFRS decreases the cost for investors to process financial statement information by providing them with comparable, accurate, comprehensive, and timely information and by eliminating cross-border variances in accounting standards and standardising reporting formats, thus reducing cross-border variances in accounting standards for investors in attainments and liquidating assets.

IFRS achieves more transparency in financial statements (Desoky, 2013). Increasing the transparency of financial reports decreases agency costs among managers and stockholders, which supports corporate governance (Ball, 2006). As stated by Francis and Schipper (1999), value relevance is known as the statistical association between financial information and share prices or returns. Researchers argue that large companies' financial statements are more effective than those of small companies. The financial information value relevance of large companies may be greater than that of small companies (Chandrapala, 2013). The chief aim of the financial statements is to provide a true and fair opinion of the company's operations and financial condition. If there is no association between the value of the entity and the figures in the financial reports, then there is no relevance to these statements (Chandrapala, 2013). The main advantages of adopting IFRS are time, cost, and effort savings and increased financial statement reliability for the listed companies (Mir & Rahaman, 2005).

IFRS ignores differences in culture. Also, the adoption of IFRS negatively affects the economic progress of developing nations resulting in their diverse accounting requests and variances in their cultural, political, social, and economic environments from those of developed nations (Hove, 1989, as cited in Zaidi & Paz, 2015). IFRS adoption has major challenges, such as the shortage of education, skills, and knowledge of IFRS. Continual training is essential to study more regarding this composite set of accounting standards (Zaidi & Paz, 2015).

Some studies assessed the IFRS adoption consequences and the impact of IAS application on nations from certain regions or levels of economic development. While other studies were limited to the voluntary and compulsory application of IFRS (Zaidi & Paz, 2015), the adoption of IFRS by developing nations has been debated because IFRS is considered developed standards that need a high level of economic growth for their successful implementation (Chebaane & Othman, 2014). Hung and Subramanyam (2007) explored the effects of the IAS application on the financial statements of a sample of German entities during the period from 1998 until 2002. They found that TAs and equity book value, as well as book value and income variability, are significantly greater according to IAS compared to German GAAP. Barth et al. (2008) examined the association of IAS implementation with higher accounting quality and, consequently, its effectiveness. They found that companies that apply IAS revealed less earnings management, more timely recognition of losses, and greater relevance in general than do identical sample firms that apply domestic GAAP. The USA has a well-developed GAAP. Most developed nations track the USA GAAP or stem their standards from the USA GAAP. Developed nations have an advantage over developing nations in applying IFRS because of the similarities between their domestic standards and IFRS. So, the transition of developed nations from domestic accounting standards to IFRS is less expensive. Foreign investors need trustworthy information from financial reports prepared according to IFRS to make investment decisions. Therefore, a great figure of developing nations have applied IFRS to improve the quality and the effusiveness of accounting information (Bukhammas, 2020).

2.2. International Financial Reporting Standards adoption in the Kingdom of Saudi Arabia

The Saudi Organisation for Chartered and Professional Accountants has run under the direction of the Saudi Ministry of Commerce to assess, develop, and approve accounting and auditing standards since its founding in 1992. SOCPA issued accounting and auditing standards, several accounting and auditing interpretations, and professional opinions until 2015. SOCPA was following international best practices as set forth in the USA, the UK, and international standards (Nurunnabi, 2017). Since the KSA joined the Group of Twenty in 2009, IFRS has been considered a milestone in the future economic growth of KSA (Nurunnabi et al., 2020). SOCPA requested the adoption of IFRS in 2017. A convergence plan for IFRS was initiated in 2012 to ensure its relevance to the KSA environment through SOCPA's independent standard-setting process. On January 1, 2017, SOCPA applied all IFRS standards (including interpretations) and added disclosure needs to some standards to primarily reflect Shari'ah or local law (Nurunnabi et al., 2020).

The Central Bank in KSA required IFRS standards adoption by all banks and insurance companies as of 2017. Firms other than banks and insurance firms are compulsory to follow the IFRS standards approved in KSA by SOCPA as of 2017 for all listed firms. The IFRS standards adopted in KSA in 2018 apply to all other publicly accountable firms, whether listed or unlisted (Nurunnabi et al., 2020). It is worth noting that SOCPA adopted the IFRS version for small and medium-sized enterprises (SMEs) in 2015 with the addition of some disclosures around the application of IFRS in KSA to reflect Shari'ah or local law to be effective in 2018 for use by all units that are not publicly accountable, and SMEs that are part of a listed assembly are allowed for primary application in 2017. The conjunction of local GAAP with IFRS aims to provide high-effectiveness, transparent, and comparable information to investors and other users of accounting information in making optimal decisions (Nurunnabi et al., 2020).

2.3. The previous studies

Several earlier studies (Chandrapala, 2013; Ohlson, 1995; Kargin, 2013) have looked at the relevance of earnings value and/or equity book value and other flow indicators in diverse situations. Collins et al. (1997) also looked at how time affects value relevance. Based on models developed by Ohlson (1995), Alali and Foote (2012) used monthly market data for companies traded on the ADX from 2000 until 2006 to investigate the accounting information value relevance under IFRS. The study's findings demonstrated that earnings, scaled by the period's beginning price, are positively and significantly regarding accumulated returns. EPS and EBVPS are also positive and significant regarding the price per stock. In addition, they found that accounting information value relevance has changed since the market started in 2000. On the contrary, Khanagha (2011) examined the accounting information value relevance of a sample of the UAE companies in the following periods of IFRS adaptation. The findings revealed that the accounting information is of relevant value in the UAE share market, but there is a reduction in its relevance after the IFRS adaptation. Dobija and Klimczak (2010) looked at the changes in financial reporting rules from 1994 (when IFRS and corporate governance codes were adopted) until the disaster of 2007–2008 on the Warsaw Stock Exchange in Poland. They then tested how these changes affected the value of listed companies by looking at their earnings from 1997 to 2008. The results revealed that there was a weak efficiency of the stock exchange during this period, and there was positive proof of this relevance, but there was no upgrading in the strength of the association over time.

Other previous studies provide evidence to enhance the harmonisation of accounting standards across European nations and the high effectiveness of financial standards when analysing the alteration from local GAAP to IFRS in these nations (Capkun et al., 2008). Armstrong et al. (2006) found a positive market reaction in Europe to actions that raise the probability of IFRS application. Iatridis and Rouvolis (2010) studied the associated aspects with the provision of voluntary disclosures to IFRS prior to the formal period of approval, the earnings management degree according to IFRS, and the IFRS-based accounting figures value relevance to investigate the conversion from Greek GAAP to IFRS effects on a sample of 254 Greek listed firms' financial statements. They found fluctuations in the main measures of the income statement and balance sheet of the Greek companies after the adaptation of IFRS. Karampinis and Hevas (2011) explored two prominent accounting income characteristics (value relevance and conditional conservatism) affected by IFRS adoption and found slight improvements after the implementation of IFRS in both of them. The findings show only minor enhancements in both of them after IFRS application.

El Zoubi (2017) showed that the start of IFRS in the KSA will lead to a sum of important advantages for an extensive variety of stakeholders, as it provides proof of the potential opportunities and encounters of adopting IFRS in the KSA. Companies will experience advantages by adopting a single, uniform reporting standard for their subsidiaries in several nations. Likewise, investors will gain increased trust in the financial reports, which they can comprehend and utilise. The implementation of IFRS would enhance the ability to tap into universal capital markets and establish a more rigorous level of financial transparency for national regulators, policymakers, and other stakeholders. This will result in improved reporting and comprehensive information on all areas of business operations, benefiting all involved parties. According to Nurunnabi et al. (2020), adding disclosures or removing a choice from the standard does not usually prevent a company from confirming compliance with IFRS. The requirement modification mostly prevents a company from reporting compliance with IFRS if the modification has a substantial impact. The main challenges in KSA's IFRS application process comprise the nation's unique national applications and developing qualified Saudi accountants.

The use of local standards in preparing the financial statements of a legal unit is still required by a number of European nations for combined financial statements by listed firms even after the adoption of IFRS.

Macías and Muiño (2011) investigated whether the interpretation of this requirement is through the high quality and effectiveness of financial reports, reduced demand, and accounting orientation towards meeting regulatory needs in these nations. They used accounting quality and effectiveness as indicators to compare nations that allow and prohibit IFRS usage in individual financial statements to focus on the requirements of capital providers. They found that nations that need the usage of domestic standards in preparing the financial statements of a legal firm show a much lower level of accounting quality and effectiveness before and after IFRS adoption. Iatridis and Rouvolis (2010) absorbed the application of IFRS in the conversion from the UK GAAP to IFRS. The consequences showed that the earnings management scope was reduced due to more timely recognition of losses and was associated with more accounting measures that were relevant after IFRS adoption. Glezakos et al. (2012) examined a sample of 38 firms listed in the Athens Stock Market from 1996 to 2008 to study the impact of earnings and book value on stock price formulation. They found evidence that the joint illustrative influence increases over time for earnings and book value in stock price formation. Chebaane and Othman (2014) found that EPS value relevance and EBVPS are positively related to the IFRS mandatory adoption in African and Asian regions emerging markets. The legal system positively affects the value of relevance as it rises in common-law nations compared to civil-law nations. With a high level of exterior economic openness, strong investor guard, and complete guard of shareholders' minority, firms' value relevance is more evident in an emerging economy in developed capital markets.

Clarkson et al. (2011) considered the influence of IFRS application on the relevance of earnings and book value in a sample of 3,488 European and Australian companies applying IFRS in 2005. A cross-product term equal to the product of EPS and BVPS was introduced in traditional linear pricing models; the cross-product term projected coefficient was negative and statistically significant.

Oraby (2017) investigated the value of accounting information according to IFRS and determined which specific accounting information holds greater value in the situation of KSA. The study employed a quantitative method to examine a sample of 11 banks that were listed on the Saudi Stock Exchange from 2006 to 2015 years. Three regression models are conducted using panel data to examine the study hypotheses. The first model incorporates both EPS and BVPS as independent variables, with MVPS serving as the dependent variable. The findings demonstrate that the adjusted R-squared (R^2) value accounts for approximately 0.2660 of the variations observed in both share prices and EPS, signifying their statistical significance. However, it is worth noting that BVPS does not exhibit statistical significance. When examining the impact of EPS as a standalone variable in regression Model 2, it is discovered that EPS have a considerable effect and accounts for around 0.272 of the share prices. Upon comparing the outcomes of Models 1 and 2, it was determined that EPS alone hold greater significance than both EPS and BVPS in the Saudi banking sector. Furthermore, when examining BVPS as a standalone variable in regression Model 3, it is shown that BVPS is statistically significant and accounts for only approximately 0.061 of the stock prices. Upon comparing the outcomes of Models 1 and 3, it was discovered that both EPS and BVPS exhibit greater value relevance than BVPS alone in the Saudi banking sector.

Herath and Alsulmi (2017) aimed to emphasise the alignment of local regulations in the KSA with IFRS. This article investigates the impact of implementing IFRS on external investments in KSA. Additionally, it investigates the extent to which environmental factors are influential in the choice to adopt IFRS. The study also examines KSA's transitional plan for adopting IFRS. This work employs a methodology that involves conducting a comprehensive review of published publications and journals. All the data cited in this paper was collected within the past six years, except for areas where research was restricted. The findings of this paper prove that the advantages derived from the proper implementation of IFRS outweigh the associated expenses.

Alshetwi (2020) investigated the potential correlation between the application of IFRS and an upgrade in the quality of financial reporting. The study, directed at a sample of 465 non-financial listed companies, found no significant correlation between the application of IFRS and improved the quality of financial reporting. The research indicates that cost aspects may have an important role in the improper implementation of IFRS, which subsequently diminishes the quality of financial reporting. Furthermore, the incentives provided by management and the instruments put in place for enforcement may have had a synergistic impact, resulting in a symbolic adjustment of IFRS.

Bakr and Napier (2020) investigated the attitudes and views surrounding the application of the IFRS for SMEs in KSA. The study employed an interpretive methodology, utilising a novel institutional theory framework and incorporating the ideas of institutional isomorphism and institutional logic. The paper was conducted through comprehensive interviews with business proprietors, executives, accountants, auditors, regulators, and other relevant individuals. The study employed snowball sampling to identify interviewees, and the research examines the suitability of this approach for doing research in the field of management in Middle Eastern and North African (MENA) nations. The paper concluded that KSA's implementation of IFRS, particularly IFRS for SMEs, can be interpreted as a clear instance of mimetic isomorphism. This is because many of the people who answered the survey thought that the nation did this to fit in with other G20 and Gulf Cooperation Council nations. The study looked at problems with IFRS adoption for SMEs in an emerging economy where international financial institutions weren't forcing adoption.

Alomair et al. (2021) examined the fluctuations in the book value of equity and earnings throughout several time periods: before (2015–2016), after (2017–2018), and during the year (2016) when the IFRS were implemented in the KSA. Alomair et al. (2021) study demonstrated that both accounting information provided according to Saudi GAAP and IFRS had equal value-relevance (R^2), with no significant difference between them. Furthermore, Alomair et al. (2021) study observed a favourable shift in the comparative significance of the book value of equity following the implementation of IFRS, mostly ascribed to the incorporation of fair value assessment. Furthermore, variations in company characteristics were observed to have a conclusion on the significance of value relevance.

Nurunnabi et al. (2022) investigated the potential correlation between the use of IFRS by firms operating under an Islamic accounting outline and the enlarged comparability and relevance of their financial reporting. According to Alomair et al. (2021), the application of IFRS enlarged the perceived relevance of the reports. Transparency was enhanced in the financial reporting process with the use of IFRS, as seen by the increased number of pages and instructive notes. The results validate that the application of IFRS can take place across diverse accounting systems and yield favourable outcomes for capital markets and their accounting framework.

Chehade and Procházka (2023) presented empirical findings that demonstrate the influence of IFRS implementation on the worth and significance of accounting data in the developing Saudi market. The research sample comprises 98 non-financial listed entities that were active in the KSA between 2014 and 2019. This period encompasses two years before and two years after the implementation of IFRS. The authors utilise fundamental and expanded price models to analyse the worth and significance of certain accounting numbers. The study findings demonstrate that accounting information is mostly beneficial to the KSA capital market. Nevertheless, there are varying outcomes for specific accounting variables. Earnings and cash flows are both significant in terms of value before and after the implementation of IFRS. However, only equity becomes meaningful in the time following the application of IFRS. Furthermore, the application of IFRS significantly enhances the ability of earnings to provide clear explanations. The value relevance of cash flows is negatively impacted by a growth in the value relevance of earnings and equity. The utilisation of leverage and the implementation of dividend policies serve to mitigate the impact.

According to the above-mentioned studies, some previous studies dealt with the influence of IFRS adaptation on the quality of accounting information. However, it is worth noting that the current paper will contribute to the literature by presenting and explaining the influence of IFRS adoption on the accounting information effectiveness of listed companies in KSA.

The research seeks to examine the following research hypotheses:

H1: International Financial Reporting Standards adoption has no significant statistical impact on the accounting information effectiveness measured by equity book value per share.

H2: International Financial Reporting Standards adoption has no significant statistical impact on the accounting information effectiveness measured by earnings.

3. RESEARCH METHODOLOGY

3.1. Sample

The research sample is selected arbitrarily from the biggest and most active listed KSA firms. The study sample contains listed KSA firms that applied IFRS in 2017 and represents the population to assess the impact of IFRS adoption on accounting information effectiveness. To test the effectiveness of accounting information, the collected data covered the period from 2015 to 2019. The period was divided into two periods. The first period is before applying IFRS (2015–2016) and the second period is after applying IFRS (2017–2019). The two periods are necessary in order to find an increase in the effectiveness of accounting information after applying IFRS.

3.2. Data collection

The data was obtained from the annual reports of 25 firms that applied IFRS in 2017 for the period from 2015 to 2019 in the Saudi Exchange (Tadawul) database. *MVPS* or stock price, *EBVPS, EPS* and *TAs* as a measure of company size were extracted from these companies' annual reports obtained from the stock market of the KSA (Tadawul) database.

The initial sample consisted of 125 observations; 23 observations were influential, so they were omitted from the sample of the study. The final sample contains 106 observations that are normally distributed; 108 of them reported positive *EPS*, as shown in Panel A of Table 1. Firms are operating in different sectors such as energy, communication, health care, industry, utilities, and materials. As presented in Panel B of Table 1, the largest percentage of 28% was for firms operating in the materials industry, 20% was for health care companies, followed by 16% equally for each energy and industrial company, communication companies represent 12% of the sample, and the smallest percentage was 8% for the utilities industry. There were no firms operating in the financial and insurance sectors within the sample, as they were applying different reporting requirements.

Table 1. Sample selection and industry distribution

Panel A: Sample selection				*Panel B: Industry distribution*	
Year	*Initial sample (25 companies)*	*Sample after excluding influential observations*	*Reported positive EPS observations*	*Industry*	*Percentage of sample*
Pre-IFRS				Energy	16%
2015	25	23	19	Communication	12%
2016	25	22	18	Health care	20%
Post-IFRS				Industry	16%
2017	25	21	20	Utilities	8%
2018	25	21	19	Materials	28%
2019	25	19	15		
Total observations	125	106	91		

3.3. Research model

The emphasis of this paper is on the price model, which was broadly used in prior value-relevant investigations with several formations. Following previous studies that applied the Ohlson (1995) model (Chandrapala, 2013; Kargin, 2013) to recognize the value and relevance of accounting data, the Ohlson model tells the market value of a company to accounting data (earnings, equity book values, and dividends). The modified model presented in Figure 1 has been tested by many studies in many nations from four approaches. The first method is to assess the value and relevance of accounting information that does not comprise influential observations. The second method is to investigate the value and relevance of accounting information for the company that reported positive earnings. The third method is to test the value and relevance of pooled accounting data for the given time period. Finally, the Ohlson (1995) model is applied to get the increase in the value relevance of accounting information before and after the IFRS application (Kargin, 2013). Musthafa and Jahfer (2013) investigated the accounting information value relevance using a sample of 310 observations over a fixed year from the five largest industrial sectors in Sri Lanka. They used Ohlson's (1995) price model and another model with operating cash flow per share. They found that *BVPS, EPS,* and operating cash flow per share each have a positive and statistically significant association with the *MVPS*. This shows that accounting information is valuable in Sri Lanka; both models are relevant to data in Sri Lanka. Value relevance is to form a relation between the market values of equity and accounting variables.

The data was analysed using the Statistical Package for the Social Sciences (SPSS) for quantitative data. Statistically analysed quantitative data will be presented through the use of tables for easy comprehension (Majama & Magang, 2017); the research model variables are included in the following Figure 1.

Figure 1. Research model variables

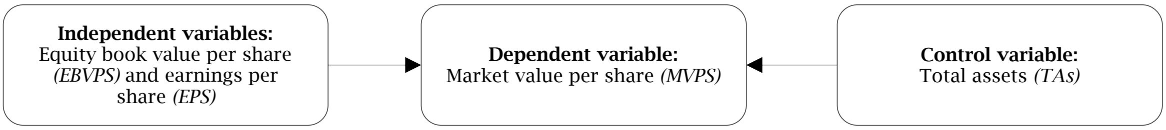

Table 2. Variables definitions

Variables	*Definitions*
MVPS	Market value per share for a firm (*i*) at the close of the financial year (*t*) — the dependent variable
EBVPS	Equity book value per share for a firm (*i*) at the close of the financial year (*t*) —- the first independent variable
EPS	Earnings per share for a firm (*i*) at the close of the financial year (*t*) — the second independent variable
TAs	Total assets as a company size measure for a firm (*i*) at the close of financial year (*t*) — the control variable
YEAR	The years from 2015 to 2019
INDUSTRY	The industry classification in the Tadawul database
DEBVPS	The dummy variable to identify equity book value per share year was given a value of 0 for years 2015–2016 (pre-IFRS) and a value of 1 for years 2017–2019 (post-IFRS)
DEPS	The dummy variable to identify earnings per share year was given a value of 0 for years 2015–2016 (pre-IFRS) and a value of 1 for years 2017–2019 (post-IFRS)

The study variables are presented in Table 2; the *MVPS* close of the financial year (*t*) is the dependent variable, the *EBVPS* close of the financial year (*t*), the *EPS* close of the financial year (*t*) and the control variable employed in this paper is the *TAs* as a measure of the company size to control for size in the regression analysis to avoid any compounding effect of company size, as it was adopted by other researchers (Chandrapala, 2013; Chebaane & Othman, 2014; Ohlson, 1995; Capkun et al., 2008). Year (*YEAR*) to identify the year from 2015 to 2019 and industry (*INDUSTRY*) to identify the industry classification in the Tadawul database. As with other studies like Ohlson (1995), two dummy variables were added to test Model 4. These are (*DEBVPS*) to find the *EBVPS* year given a value of 0 for years 2015–2016 (pre-IFRS) and a value of 1 for years 2017–2019 (post-IFRS) and (*DEPS*) to find the *EPS* year given a value of 0 for years 2015–2016 (pre-IFRS) and a value of 1 for years 2017–2019 (post-IFRS). The research model is as follows:

Panel A: Model 1

$$MVPS_{it} = \beta_0 + \beta_1 EBVPS_{it} + \beta_2 EPS_{it} + \varepsilon_{it} \tag{1}$$

Panel B: Model 2

$$MVPS_{it}^{+} = \beta_0^{+} + \beta_1^{+} EBVPS_{it}^{+} + \beta_2^{+} EPS_{it}^{+} + \varepsilon_{it} \tag{2}$$

Panel A: Model 3

$$MVPS_{it} = \beta_0 + \beta_1 EBVPS_{it} + \beta_2 EPS_{it} + \beta_3 DEBVPS_{it} + \beta_4 DEPS_{it} + \varepsilon_{it} \tag{3}$$

Panel B: Model 4

$$MVPS_{it}^{+} = \beta_0^{+} + \beta_1^{+} EBVPS_{it}^{+} + \beta_2^{+} EPS_{it}^{+} + \beta_3^{+} DEBVPS_{it}^{+} + \beta_4^{+} DEPS_{it}^{+} + \varepsilon_{it}^{+} \tag{4}$$

4. RESULTS AND DISCUSSION

Multiple regression analysis tests were conducted to analyse the collected data, following previous studies that applied the Ohlson (1995) model (Chandrapala, 2013) with modifications. The *MVPS*, or common share price (*MVPS*), is the dependent variable in all models. Model 1 tested *EBVPS* and *EPS* value relevance for whole sample data after excluding influential observations from 2015 to 2019.

Table 3. Study variables descriptive statistics

Variables	*N*	*Minimum*	*Maximum*	*Mean*	*Std. error*	*Std. dev.*	*Variance*
All sample							
MVPS	127	7.44	107.40	37.85	2.08	23.42	548.28
EBVPS	127	6.10	37.96	18.80	0.60	6.79	46.15
EPS	127	-4.32	132.57	6.53	1.87	21.02	441.99
Companies that reported positive earnings							
MVPS	108	7.44	107.40	41.00	2.26	23.46	550.30
EBVPS	108	6.10	37.96	19.78	0.64	6.61	43.69
EPS	108	0.02	132.57	7.87	2.17	22.54	508.08

Table 3 shows the variables and descriptive statistics for the whole sample and the companies that reported positive earnings only. It provides the number of final observations, minimum and maximum value, mean and standard error of the mean, standard deviation, and variance for the *MVPS*, *EBVPS*, and *EPS*. The companies that reported positive earnings only represent 85% of the whole sample. *EBVPS* for the whole sample and the companies that reported positive earnings only is good according to standard error, standard deviation and variance. This reflects positive indicators as a consequence of the IFRS application.

Table 4. MVPS cross-sectional regression results on EBVPS and EPS — Panel A: Model 1

Year	β_0	β_1*EBVPS*	*p-value EBVPS*	β_2*EPS*	*p-value EPS*	R^2	R^{2d}	*F-stat.*	*p-value*	*VIF*
2015	16.54	1.29	0.054	-0.12	0.302	0.23	0.15	2.94	0.076	1.01
2016	6.85	1.12	0.089	6.80	0.003	0.77	0.70	25.19	0.000	2.13
2017	-0.68	1.10	0.023	7.94	0.000	0.79	0.76	33.35	0.000	1.71
2018	-7.02	1.67	0.001	6.45	0.002	0.80	0.78	35.39	0.000	1.58
2019	3.40	1.29	0.005	6.60	0.002	0.77	0.73	26.26	0.000	1.39

Note: VIF — variance inflation factor.

Multiple regression analysis results for Model 1 are presented in Table 4, which shows the *MVPS* cross-sectional regression on *EBVPS* and *EPS*, it represents the variables' coefficients and their significance level (p-value) for example, the *EBVPS* coefficients were positive and significant at 1% in the years 2018–2019 (p = 0.001 and 0.005, respectively); *EBVPS* coefficient was positive and significant at 5% for the year 2017 (p = 0.023). The *EPS* coefficients were positive and significant at 1% in the years 2016–2019 (p = 0.003, 0.000, 0.002, and 0.002, respectively). The adjusted R^2 ranged from 77% to 77% during the years 2016–2019; (R^{2d} = 0.70, 0.76, 0.78 and 0.73, respectively) giving an indicator of the goodness of the model fit and a strong linear association. F-stat. test values were significant at 1% for the years 2016–2019 (F = 0.000 from 2016–2019 and 0.000 for the year 2019). VIF values were less than 10; indicating no multi-collinearity issues. Consistent with El Shamy and Kayed (2005) who studied the earnings value relevance and book values derived from the Kuwaiti accounting system declaring IFRS compliance, where they found that earnings and book values are jointly and separately related significantly to share prices and earnings add more than book values to the general interpretation of the valuation model for financial institutions, where book values display superiority for the manufacturing sector only.

Model 1 and Model 2 multiple regression analysis results presented in Table 5 investigated the pooled data accounting value relevance for the whole sample in Panel A compared to the companies that reported positive earnings only in Panel B for the periods from 2015 to 2019.

Table 5. MVPS cross-sectional regression results on EBVPS and EPS for pooled and positive earnings reported data

Variables	*Panel A: Model 1*		*Panel B: Model 2*	
	Coefficient	*p-value*	*Coefficient*	*p-value*
β_0	-5.08	0.271	-3.17	0.570
$\beta_1 EBVPS$	2.31	0.000	2.27	0.000
$\beta_2 EPS$	-0.07	0.363	-0.09	0.273
F-stat.	50.57	0.000	37.63	0.000
R^{2d}	0.44		0.41	

Panel A of Table 5 shows the *EBVPS* coefficient, which was positive and significant at 1% (2.31, p = 0.000), while the *EPS* coefficient was negative and insignificant (-0.07, p = 0.363) meaning that *EBVPS* has a significant effect on *MVPS*. The *EBVPS* and *EPS* together explain 44% of the cross-sectional variation in *MVPS* in the period from 2015 to 2019. Panel B of Table 5 shows the companies that reported positive earnings *EBVPS* coefficient, which was positive and significant at 1% (2.27, p = 0.000), while the *EPS* coefficient was negative and insignificant (-0.09, p = 0.273) meaning that *EBVPS* has a significant effect on *MVPS*. The *EBVPS* and *EPS* together explain 41% of the cross-sectional variation in the *MVPS* period for companies that reported positive earnings from 2015 to 2019. Both Table 4 and Table 5 reveal the positive conclusion of equity book value on the share price.

Previous literature such as Ohlson (1995) and Majama and Magang (2017) found *EPS*, *EBVPS*, and share price estimated correlations are statistically significant and positively correlated. Model 4 was used to see the effect on the value and relevance of accounting information after IFRS application. The Chow test was applied to see the structural break in the model for both the pooled and the companies that reported positive earnings data. The test result was significant at 1% with an F-stat. value of 6.38, representing a statistically significant structural break. *DEBVPS* and *DEPS* coefficients represent accounting information value relevance changes or improvements in *EBVPS* and *EPS* after IFRS adoption. Positive coefficient differences mean increased value relevance, while negative coefficient differences mean decreased value relevance.

Table 6. The effect on accounting information value relevance after IFRS adoption

Variables	*Panel A: Model 3*		*Panel B: Model 4*	
	Coefficient	*p-value*	*Coefficient*	*p-value*
β_0	-0.15	0.974	-0.12	0.983
$\beta_1 EBVPS$	2.10	0.000	2.21	0.000
$\beta_2 EPS$	-0.09	0.223	-0.12	0.135
$\beta_3 DEBVPS$	-0.42	0.040	-0.68	0.005
$\beta_4 DEPS$	4.80	0.000	6.38	0.000
F-stat.	30.25	0.000	24.34	0.000
R^{2d}	0.48		0.47	

As revealed in Table 6, the pooled *DEBVPS* negative coefficient is significant at 5% (-0.42, p = 0.040), but it is negative and significant at 1% (-0.68, p = 0.005) for the companies that reported positive earnings. This means that the value of relevance is decreasing. Both the pooled and companies that reported positive earnings *DEPS* coefficients are positive (4.80 and 6.38, respectively) and significant at 1% (p = 0.000 for both), noting that it is higher for the companies that reported positive earnings, which means there is an enhancement in value relevance. The *EBVPS* and *EPS* for the pooled and the companies that reported positive earnings data explain 48% and 47%, respectively, of the cross-sectional variation in *MVPS* for the period from 2015 to 2019. Results reveal that *EBVPS* relevance has decreased after the IFRS application for the selected Saudi companies. Nevertheless, *EPS* value relevance has increased after the IFRS application for the selected Saudi companies; consistent with some previous studies, the earnings response coefficient noticeably increased after the IFRS mandate (El Shamy & Kayed, 2005).

The study outcomes show a growth in the accounting information value relevance period post-IFRS application (2017–2019) taking into account the *EPS*, which rejects *H2* that indicates; the IFRS application has no significant statistical influence on the accounting information effectiveness measured by earnings. The reached results also reject *H1* that indicates; IFRS application has no significant statistical consequence on the accounting information effectiveness measured by equity book value; consistent with different previous studies (Alali & Foote, 2012; Glezakos et al., 2012; Musthafa & Jahfer, 2013; Elbolok et al., 2022) and in contrast with Kargin (2013) only where the *EBVPS* has a positive effect on *MVPS* or stock price.

5. CONCLUSION

This study aims to assess the impact of IFRS adoption on the accounting information effectiveness of listed firms in the KSA. To achieve this aim, the researcher used Ohlson's (1995) price-modified model to test MVPS, EBVPS, and EPS. The data will be extracted from the annual reports in the stock market of KSA (Tadawul) database for 25 companies that implemented IFRS in 2017 for the period from 2015 to 2019. The study applied Ohlson's (1995) price model, which was modified and tested by many studies in many nations (Chandrapala, 2013; Kargin, 2013).

The main findings show that the EBVPS and EPS are significantly affecting value relevance in determining market value or stock price. Evidence of the positive and significant statistical role of earnings value besides the negative and significant statistical role of equity book value was observed after the IFRS application period (2017–2019) in defining market value or share price. The study conclusions are consistent with some previous studies for example (Alali & Foote, 2012; Iatridis & Rouvolis, 2010; Glezakos et al., 2012; El Shamy & Kayed, 2005; Kargin, 2013; Iatridis, 2010) that tell an increase in the accounting information value relevance after IFRS application. Therefore, the IFRS application has a positive effect on the accounting information effectiveness of listed firms in the KSA. However, the study conclusions are in contrast with some previous studies for example (Al-Refiay et al., 2023).

Accordingly, the hypothesis that IFRS adoption has no significant statistical impact on the accounting information effectiveness measured by equity book value is rejected. In addition, the hypothesis that IFRS adoption has no significant statistical impact on the accounting information effectiveness measured by earnings is rejected. Therefore, the alternative hypotheses are accepted. This means that IFRS adoption has a significant statistical impact on the accounting information effectiveness measured by equity book value and earnings. This impact has a positive impact on the accounting information effectiveness of listed firms in the KSA, and consequently on the quality of accounting information. This conclusion is consistent with some previous studies for example (Cheikh Rouhou et al., 2021).

A major limitation is the lack of data regarding IFRS in KSA. We obtained the data from the Tadawul database, a unique and previously unavailable dataset. Furthermore, temporal and financial constraints exacerbated the data deficiencies (Al-Faryan, 2021, 2024).

Our research holds implications for both domestic and international investors, particularly institutional investors, by highlighting the influence of IFRS adoption on the effectiveness of accounting information in Saudi-listed firms. Domestic investors ought to regard enhanced IFRS in KSA as a positive signal — one they may utilize when investing in Saudi-listed firms, especially as the Saudi economy aims for diversification and growth in accordance with the Vision 2030 project (Al-Faryan & Alokla, 2023).

The recommendation for future research might be extended to study the accounting information value relevance for firms operating in other sectors in KSA, like the financial and insurance sectors, or during other periods. Also, it might be extended to study the accounting information effectiveness in the KSA compared to the accounting information effectiveness in other Gulf nations.

REFERENCES

Alali, F. A., & Foote, P. S. (2012). The value relevance of International Financial Reporting Standards: Empirical evidence in an emerging market. *The International Journal of Accounting, 47*(1), 85–108. https://doi.org/10.1016/j.intacc.2011.12.005

Al-Faryan, M. A. S. (2021). The effect of board composition and managerial pay on Saudi firm performance. *Review of Quantitative Finance and Accounting*, *57*, 693–758. https://doi.org/10.1007/s11156-021-00959-4

Al-Faryan, M. A. S. (2024). Firm-level factors influencing CEO turnover in Saudi Arabia. *Cogent Business & Management*, *11*(1), Article 2262710. https://doi.org/10.1080/23311975.2023.2262710

Al-Faryan, M. A. S., & Alokla, J. (2023). Do publicly listed insurance firms in Saudi Arabia have strong corporate governance? *Economies*, *11(*1), Article 21. https://doi.org/10.3390/economies11010021

Alomair, A., Farley, A., & Yang, H. H. (2021). The impact of IFRS adoption on the value relevance of accounting information in Saudi Arabia. *Accounting & Finance*, *62*(2), 2839–2878. https://doi.org/10.1111/acfi.12902

Al-Refiay, H. A. N., Al-Shaikh, S. S. K., & Abdulhussein, A. S. (2023). The International Financial Reporting Standards (IFRS) adoption and value relevance. *Corporate & Business Strategy Review, 4*(1), 69–86. https://doi.org/10.22495/cbsrv4i1art7

Alshetwi, M. (2020). The effect of adoption of IFRS on financial reporting quality in Saudi nonfinancial listed firms. *Academy of Accounting and Financial Studies Journal*, *24*(4), 1–13. https://surl.li/rfassf

Armstrong, C., Barth, M. E., Jagolinzer, A., & Riedl, E. J. (2006). *Market reaction to events surrounding the adoption of IFRS in Europe* (Working Paper No. 1937). Stanford Graduate School of Business. https://www.gsb.stanford.edu/faculty-research/working-papers/market-reaction-events-surrounding-adoption-ifrs-europe

Bakr, S. A., & Napier, C. J. (2020). Adopting the International Financial Reporting Standard for small and medium-sized entities in Saudi Arabia. *Journal of Economic and Administrative Sciences*, *38*(1), 18–40. https://doi.org/10.1108/JEAS-08-2018-0094

Ball, R. (2006). International Financial Reporting Standards (IFRS): Pros and cons for investors. *Accounting and Business Research, 36*(1, special issue), 5–27. https://doi.org/10.1080/00014788.2006.9730040

Barth, M. E., Landsman, W. R., & Land, M. H. (2008). International accounting standards and accounting quality. *Journal of Accounting Research, 46*(3), 467–498. https://doi.org/10.1111/j.1475-679X.2008.00287.x

Bukhammas, A. S. A. (2020). *International Financial Reporting Standards and comparability of financial information: Evidence from GCC nations* [Unpublished master's thesis, University of Bahrain].
Capkun, V., Jeny, A., Jeanjean, T., & Weiss, L. A. (2008). *Earnings management and value relevance during the mandatory transition from local GAAPs to IFRS in Europe*. https://doi.org/10.2139/ssrn.1125716
Chandrapala, P. (2013). The value relevance of earnings and book value: The importance of ownership concentration and firm size. *Journal of Competitiveness*, *5*(2), 98–107. https://doi.org/10.7441/joc.2013.02.07
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. https://doi.org/10.1016/j.sbspro.2014.06.012
Chehade, S., & Procházka, D. (2023). Value relevance of accounting information in an emerging market: The case of IFRS adoption by non-financial listed firms in Saudi Arabia. *Journal of Accounting in Emerging Economies*, *14*(1), 220–246. https://doi.org/10.1108/JAEE-06-2022-0165
Cheikh Rouhou, N., Ben Mrad Douagi, F. W., Hussainey, K., & Alqatan, A. (2021). The impact of IFRS mandatory adoption on KPIs disclosure quality. *Risk Governance and Control: Financial Markets & Institutions*, *11*(3), 55–66. https://doi.org/10.22495/rgcv11i3p4
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. https://doi.org/10.1016/j.jcae.2011.03.001
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 Economics*, *24*(1), 39–67. https://doi.org/10.1016/S0165-4101(97)00015-3
De George, E. T., Li, X., & Shivakumar, L. (2016). A review of the IFRS adoption literature. *Review of Accounting Studies*, *21*, 898–1004. https://doi.org/10.1007/s11142-016-9363-1
Desoky, A. M. (2013). An empirical investigation of international accounting harmony — Evidence from Egypt, Jordan and GCC nations. *Journal of Accounting, Finance and Economics, 3*(1), 77–101. https://doi.org/10.2139/ssrn.3950852
Dobija, D., & Klimczak, K. M. (2010). Development of accounting in Poland: Market efficiency and the value relevance of reported earnings. *The International Journal of Accounting*, *45*(3), 356–374. https://doi.org/10.1016/j.intacc.2010.06.010
El 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. https://doi.org/10.1108/10569210580000188
El Zoubi, J. R. (2017). Expected benefits and challenges of adopting IFRS — A focus on Saudi Arabia. *International Journal of Novel Research in Humanity and Social Sciences*, *4*(4), 19–25. https://www.coursehero.com/file/47104872/Expected-benefits-and-challenges-1114pdf/
Elbolok, R., Elghateet, S., & ElHawary, E. (2022). Does IFRS convergence affect earnings quality and market volatility? *Corporate & Business Strategy Review, 3*(1), 64–84. https://doi.org/10.22495/cbsrv3i1art7
Francis, J., & Schipper, K. (1999). Have financial statements lost their relevance? *Journal of Accounting Research, 37*(2), 319–352. https://doi.org/10.2307/2491412
Glezakos, M., Mylonakis, J., & Kafouros, C. (2012). The impact of accounting information on stock prices: Evidence from the Athens Stock Exchange. *International Journal of Economics and Finance*, *4*(2), 56–68. https://doi.org/10.5539/ijef.v4n2p56
Herath, S. K., & Alsulmi, F. H. (2017). International Financial Reporting Standards (IFRS): The benefits, obstacles, and opportunities for implementation in Saudi Arabia. *International Journal of Social Science and Business*, *2*(1), 1–18. https://www.ijssb.com/images/vol2.no.1/1.pdf
Hung, M., & Subramanyam, K. R. (2007). Financial statement effects of the adoption of international accounting standards: The case of Germany. *Review of Accounting Studies*, *12*, 623–657. https://doi.org/10.1007/s11142-007-9049-9
Iatridis, G. (2010). International Financial Reporting Standards and the quality of financial statement information. *International Review of Financial Analysis*, *19*(3), 193–204. https://doi.org/10.1016/j.irfa.2010.02.004
Iatridis, G., & Rouvolis, S. (2010). The post-adoption effects of the implementation of International Financial Reporting Standards in Greece. *Journal of International Accounting, Auditing and Taxation*, *19*(1), 55–65. https://doi.org/10.1016/j.intaccaudtax.2009.12.004
Karampinis, N. I., & Hevas, D. L. (2011). Mandating IFRS in an unfavorable environment: The Greek experience. *The International Journal of Accounting, 46*(3), 304–332. https://doi.org/10.1016/j.intacc.2011.07.001
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. https://doi.org/10.5539/ijef.v5n4p71
Khanagha, J. B. (2011). Value relevance of accounting information in the United Arab Emirates. *International Journal of Economics and Financial Issues*, *1*(2), 33–45. https://dergipark.org.tr/en/download/article-file/362635
Lee, C.-W. J. (1987). Accounting infrastructure and economic development. *Journal of Accounting and Public Policy*, *6*(2), 75–85. https://doi.org/10.1016/0278-4254(87)90007-x
Macías, M., & Muiño, F. (2011). Examining dual accounting systems in Europe. *The International Journal of Accounting*, *46*(1), 51–78. https://doi.org/10.1016/j.intacc.2010.12.001
Majama, N. S., & Magang, T. I. (2017). Strategic planning in small and medium enterprises (SMEs): A case study of Botswana SMEs. *Journal of Management and Strategy*, *8*(1), 74–103. https://doi.org/10.5430/jms.v8n1p74
Mir, M. Z., & Rahaman, A. S. (2005). The adoption of international accounting standards in Bangladesh: An exploration of rationale and process. *Accounting, Auditing & Accountability Journal, 18*(6), 816–841. https://doi.org/10.1108/09513570510627720
Musthafa, S. L., & Jahfer, A. (2013). Value relevance of accounting information: Evidence from Sri Lanka. *Proceedings of Third International Symposium, 1,* 21–30. https://surl.li/ndowbu
Nulla, Y. M. (2014). IFRS impact on accounting quality in telecommunications industry. *IBSS Working Papers, 4*, 3–26 https://doi.org/10.2139/ssrn.2442329
Nurunnabi, M. (2017). IFRS and Saudi accounting standards: A critical investigation. *International Journal of Disclosure and Governance*, *14*, 191–206. https://doi.org/10.1057/s41310-017-0020-0

Nurunnabi, M., Donker, H., & Jermakowicz, E. K. (2022). The impact of mandatory adoption of IFRS in Saudi Arabia. *Journal of International Accounting, Auditing and Taxation*, *49*, Article 100509. https://doi.org/10.1016/j.intaccaudtax.2022.100509
Nurunnabi, M., Jermakowicz, E. K., & Donker, H. (2020). Implementing IFRS in Saudi Arabia: Evidence from publicly traded companies. *International Journal of Accounting & Information Management*, *28*(2), 243–273. https://doi.org/10.1108/ijaim-04-2019-0049
Ohlson, J. A. (1995). Earnings, book values, and dividends in equity valuation. *Contemporary Accounting Research*, *11*(2), 661–687. https://doi.org/10.1111/j.1911-3846.1995.tb00461.x
Oraby, S. A. (2017). IFRS and accounting information relevance: The case of Saudi Arabia. *Journal of Business & Economic Policy*, *4*(1), 145–155. https://jbepnet.com/journals/Vol_4_No_1_March_2017/16.pdf
Zaidi, S., & Paz, V. (2015). The impact of IFRS adoption: A literature review. *Journal of Theoretical Accounting Research, 10*(2), 116–141. https://hdl.handle.net/10211.3/211145
Zeghal, D., & Mhedhbi, K. (2006). An analysis of the factors affecting the adoption of international accounting standards by developing countries. *The International Journal of Accounting*, *41*(4), 373–386. https://doi.org/10.1016/j.intacc.2006.09.009