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Journal Of Soft Skills In Management

Aims and Scope

Journal of Soft Skills in Management is a Peer Reviewed Journal The journal focuses on the application of various concepts of communication and behavioral aspects of personal effectiveness. The journal will address all issues of soft skills in Management. It would also address issues on stress and attitudes. The journal aims to be a medium of expression and exchange of ideas among soft skills trainers that would be of interest to academicians and industry professionals. It would also be a medium for industry professionals to share their best practices.

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Contents

Perceptions of University Students Towards The Causes of Traffic Accidents in Northern Cyprus

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A B S T R A C T

The main of the study is to research the perceptions of Turkish students studying in a university of Northern Cyprus about the causes of traffic accidents. According to main findings of the research the most important causes of traffic accidents are "availability of the drivers not complying with the traffic rules", "the technical and physical disruption of highways", "the lack of traffic signs and warnings", "insufficient control", "the lack of training of drivers", "the fact that drivers do not know traffic rules", "the lack of maintenance and repairs of the vehicles" and "other factors such as weather conditions and environmental factors. While drivers are stated as the most important cause of traffic accidents, respondents are undecided about the influence of pedestrians on the traffic accidents

Keywords: Traffic Accidents, University students, Perceived Causes, Northern Cyprus

INTRODUCTION

According to "Global Status Report on Road Safety 2015" 5 key risk factors for road traffic injuries are speed, drink–driving, and the failure to use helmets, seat-belts and child restraints (World Health Organization, 2015; Aktüel, 2013).

When a total of 210,498 faults that caused mortal injured traffic accidents in Turkey in 2015 were examined; 89.3% of the defects were found to come from drivers, 8.8% from pedestrians, 0.9% from roads, 0.6% from vehicle and 0.4% from passenger borne (TÜİK, 2016).

Depending on the specific conditions of countries the importance of the 5 risk factors for road traffic injuries will naturally vary. However, measures have to be planned and implemented by authorıties and hence human being whatever the dimension of each risk factor is. Hence, main causes of traffic accidents should be perceived and realized as perquisite for the successful implementation of these measures.

Very limited number of literature is found in relation to perceived causes of traffic accidents. These can be summarised as follows:

- According to study of Machado-León et al (2016) drivers are estimated to contribute an overwhelming proportion to the burden of traffic crashes, as factors that increase crash risk are frequently due to unsafe driving behaviours.
- Survey of Smith & Smith (2017) examined risk perception with the focus being on driver behavior, risk taking and fatigue.
- Zhang et al (2016) termed fatigue driving as “silent killer” necessitating a thorough study of traffic accidents and the risk factors associated with fatigue-related casualties that is of utmost importance.
- The study of Nordfjærn et al (2014) aims to examine differences in cultural road traffic symbol exchange, risk propensity personality traits, risk perception, attitudes towards traffic safety and driver behaviour in a Turkish and Iranian sample. The results showed that Iranian drivers were more likely to conduct rule violations and speeding, and were less likely to use seat belts than drivers in the Turkish sample. The Iranian sample also estimated a lower probability of road traffic accidents and also less severe health consequences of road traffic accidents.
- The study of Şimşekoğlu et al (2013) examined traffic and non-traffic risk perception, fatalism and driver behaviors in Turkey and Iran. Results showed that Turkish respondents perceived greater risk both in traffic and non-traffic domains, such as environmental hazards. The Turkish respondents also reported safer driver behaviors and less fatalistic attitudes than Iranian respondents. In both samples traffic risk perception was correlated with non-traffic risk perception.
- The study of Şimşekoğlu et al (2012) investigated differences in road safety attitudes, driver behavior, and traffic risk perception between Turkey and Norway. The results show that Turkish respondents perceived traffic risk to be higher than Norwegian respondents. Turkish respondents reported safer attitudes towards drinking and driving than Norwegian respondents, while Norwegians reported safer attitudes towards speeding. Turkish respondents reported a lower frequency of speeding behaviors than Norwegian respondents, whereas Norwegian respondents reported a lower frequency of drinking and driving.
- The study of Yılmaz and Çelik (2006) reveals that drivers are not able to read the road and to take precautions relating to it and most of the respondents saw traffic accidents as a result of fate.
- Sümer and Özkan (2002) found that drivers who had two or more accidents experienced more traffic errors and violations than drivers who did not have any accidents. Furthermore, low-safe driving skill, high sensation-seeking psychological tendency and aggressive attitudes were determined as the characteristics of these drivers.
- According to the results of the research conducted within the context of the SARTRE 4 (2011) project covering drivers and other persons in 19 European countries, the risk perceptions of the people toward traffic are mainly related to alcohol use, speeding and lack of education.
- The study of Özen et all (2014) reported the most important perceived causes of traffic accidents as

“drivers not complying with the traffic rules”, “untrained driver” and “drivers not knowing the traffic rules”

Any work on traffic perception in Cyprus has not been observed. Therefore, considering brief literature above, the causes of traffic accidents perceived by Turkish students studying in a university of Northern Cyprus were investigated in this study.

METHODOLOGY:

The study was conducted at the European University of Lefke in Northern Cyprus. Turkish students numbered as 8000 in this university is selected as target population. Before starting the research pilot tests were performed in order to test its validity (Pallant, 2005, pp. 6-7). The study was conducted in December 2016 using the convenience sampling method, and 298 valid surveys were collected. This number is well above the minimum sufficient sample count as explained below. The sample size was calculated using the following formula when the target population number is known (Kalıpsız, 1981; Akten, 2003, p. 119).

$$n = \frac{Z^2NPQ}{NQ^2 + Z^2 PQ} \Rightarrow n = \frac{1.96^2 \times 8000 \times 0.95 \times 0.05}{8000 \times 0.05^2 + 1.96^2 \times 0.95 \times 0.05} = 72$$

n= sample size

Z= trust coefficient

P= Probability of measured feature to be in population (determined as 95% in the study)

Q= 1−P

N= size of population (8000)

The questions used in the survey were in two sections. The first section was designed to gather demographical information about subjects through three questions. The second section was intended to determine perceptions of students about the causes of traffic accidents through 11 questions. The scale related to causes of traffic accidents is taken from the study of Özen et all (2014).

The SPSS software package was used to obtain statistical data in the study.

Percentage analysis was applied to interpret demographic characteristics while a five-point Likert scale was used in order to determine perceptions of students about the causes of traffic accidents (1=strongly disagree, 2=disagree, 3=undecided, 4=agree, 5=strongly agree). In accordance with the Likert scale, final average score represents overall level of accomplishment or attitude toward the subject measured.

Cronbach's alpha test was taken as a reference to measure reliability of the scale. It is the most common measure of internal consistency ("reliability") being the degree to which the items that make up the scale are all measuring the same underlying attribute. The “single-group t-test” was conducted on the Likert-scale averages of student attitudes to traffic accidents. According to this test, highest averages show the most important causes of traffic accidents (Altunışık et al. 2012, pp. 183-186). A factor analysis was also applied to eleven variables of the scale in order to reduce the number of factors and to determine the extent to which they measure reasons of traffic accidents (Field, 2005, p. 731). Finally, One –Way ANOVA test was conducted to determine if perceptions of students differentiate according to demographics.

FINDINGS AND ANALYSIS:

Demographic Characteristics of Respondents:

As detailed in Table 1 demographic data of respondents can be summarised as follows:

- From a total of 298 respondents 99 persons (33.2 %) are female while 199 persons (66.8 %) are male.
- The vast majority of respondents are in the age range of 19-21(54.7%) and 22-24 (18.1%).
- Percentages for the number of years students lived in Northern Cyprus are categorized as 1, 2, 3 and 4 and above are 45.3, 24.5, 9.7 and 20.5 respectively.

Table 1: Data about Demographic Characteristics

Characteristic	Category	Frequency	Percent (%)
Gender	Female	99	33,2
	Male	199	66,8
Age	18 and below	43	14,4
	Between 19-21	163	54,7
	Between 22-24	54	18,1
	25 and above	38	12,8
Number of years lived in Northern Cyprus	1	135	45,3
	2	73	24,5
	3	29	9,7
	4 and above	61	20,5

Perceived Causes of Traffic Accidents:

As a first step, Cronbach's alpha test was taken as a reference to measure reliability of the scale related to students' perceptions toward the causes of traffic accidents. Cronbach's alpha is the most common measure of internal consistency ("reliability") being the degree to which the items that make up the scale are all measuring the same underlying attribute. According to reliability analysis of scale with 11 items Cronbach's alpha vaule is .791 that is over the acceptable value of 0.7 (George and Mallery, 2001).

A five-point Likert scale was used in order to determine students' perceptions toward the causes of traffic accidents (1=strongly disagree, 2=disagree, 3=undecided, 4=agree, 5=strongly agree). The final average score represents overall level of perception or attitude toward the subject matter. By utilizing the five-point Likert scale "The one-sample t-test" was applied to measure students' perceptions toward the cause of traffic accidents. The aim was to detect whether or not the averages calculated according to the Likert scale of 1–5 were statistically different from indecisive (3). As seen in Table 2, all variables have a weighted average 3 or above. This means that 8 out of 11 items had been found as effective on traffic accidents. Respondents are undecided about last 3 items. Accordingly, the most important causes of traffic accidents are "Availability of the drivers not complying with the traffic rules. (4.00)", "The technical and physical disruption of highways (3.75)", "The lack of traffic signs and warnings (3.73)", "Insufficient control (3.72)", "the lack of training of drivers (3.55)", "the fact that drivers do not know traffic rules (3.48)", "the lack of maintenance and repairs of the vehicles (3.43)" and "Other factors such as weather conditions and environmental factors (3.34). As understood from the table respondents are undecided about the causal effect of pedestrians on traffic accidents.

Table 2: "The One-Sample T-Test" (Test Value=3) for students' perceptions toward the causes of traffic accidents

S.NO	VARIABLE	AVERAGE
1	Traffic accidents are caused by the drivers not complying with the traffic rules.	4,00
2	Traffic accidents are caused by the technical and physical disruption of highways.	3,75
3	Traffic accidents are caused by the lack of traffic signs and warnings.	3,73
4	Traffic accidents are caused by insufficient control.	3,72
5	Traffic accidents are caused by the lack of training of drivers.	3,55
6	Traffic accidents are caused by the fact that drivers do not know traffic rules.	3,48
7	Traffic accidents are caused by the lack of maintenance and repairs of the vehicles.	3,43
8	Traffic accidents are caused by a number of factors such as weather conditions and environmental factors.	3,34
9	Traffic accidents are caused by the inattentiveness of pedestrians.	3,13*
10	Traffic accidents are caused by the fact pedestrians do not know the traffic rules	2,95*
11	Traffic accidents are caused by the lack of education of pedestrians.	2,94*

Scale: (1=strongly disagree, 2=disagree, 3=undecided, 4=agree, 5=strongly agree)

*It is statistically equal to 3 since p is greater than 0.05.

CONCLUSION:

There are 5 factors that can be effective on the occurrence of a traffic accident. These are mainly driver, pedestrian, vehicle, road defects and climate conditions. In general, driver mistakes are the most important factor, but the weight of these five factors may change depending on the unique conditions of the country. Therefore, while taking measures for traffic the importance of each factor should be emphasized according to specific conditions of the country. However, the success of traffic planning and hence implementation depends on the human factor consisting of authority, driver and pedestrian. We as the citizens should perceive and realize the crucial causes of traffic accidents for effective road safety measures. In this respect, the causes of traffic accidents perceived by Turkish students studying in a university of Northern Cyprus were researched in this study.

According to the research, the most important causes of traffic accidents are “availability of the drivers not complying with the traffic rules”, “the technical and physical disruption of highways”, “the lack of traffic signs and warnings”, “insufficient control”, “the lack of training of drivers”, “the fact that drivers do not know traffic rules”, “the lack of maintenance and repairs of the vehicles” and “other factors such as weather conditions and environmental factors.

The critical finding of the study reveals that most important cause of the traffic accidents is driver oriented. This overlaps with the existing literature.

The most interesting remark of the study is undecided perception of respondents on the impact of pedestrians on the traffic accidents.

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Examine The Causes and Effects of Exchange Rate Volatility on Economic Growth

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ABSTRACT

Stock market volatility is an important idea for understanding the financial specialists' responsiveness, and along these lines, it encourages taking a shot at investment strategy. This research inspects the volatility in Indian stock market of day by day and month to month return for the period from January 1996 to December 2005 with three distinct purposes of perspectives volatility of day by day return in a year, volatility of day by day return in a month, and volatility of month to month return in a year regarding economic growth. For the examination, a balanced opening and shutting cost of the Bombay Stock Exchange recorded index BSE 100 have been inspected. The examination period shows a blended arrangement of economic condition, wherein the Indian economy has watched three particular economic stages progressively decay, subsidence, and growth. The investigation includes understandings and testing of volatility in the domain of various economic conditions, which has wide running ramifications for policymakers and financial specialists. It likewise endeavours to perceive the factors in charge of creating volatility. The investigation additionally looks at volatility pattern of both every day and month to month returns in cutting edge situation.

INTRODUCTION

The Indian economy has experienced a notable turnaround in recent years. Growth has rebounded, inflation has moderated, and the budget and trade deficits have narrowed. The Indian Government has also initiated policies and reforms aimed at encouraging investment, strengthening productivity and ensuring fiscal sustainability. Stronger growth in domestic demand has led to a recovery in India's imports, including from Australia. The recent volatility in foreign exchange markets and the recovery in oil prices pose upside risks to inflation and the current account deficit.

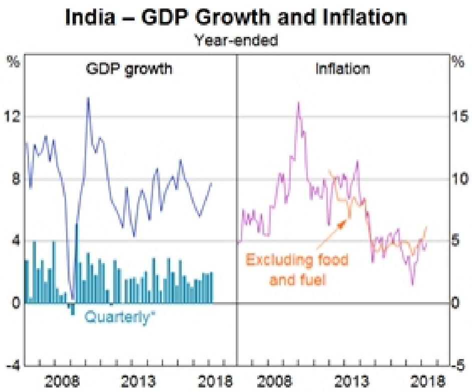

Figure 1: Economic Trends in India

The rapid pace of growth in recent years has seen India become the third largest economy in the world on purchasing power parity (PPP) basis. While India's importance in global trade has grown over the past few decades, its share remains modest at less than 2 percent. Nonetheless, the resurgence in domestic demand in recent years has underpinned a rebound in India's imports. Consequently, after declining in importance as a trading partner for Australia between 2009 and 2014, more recently, India has grown in significance as a source of demand for a range of Australian goods and services exports.

Volatility in the stock market involves extraordinary worry for policy producers and financial specialists. Large changes in the stock costs, which show volatility, acquire variety the estimation of the financial specialists' portfolio. The stock market does not perform reliably in every economic circumstance. Therefore, portfolio estimation of financial specialists likewise experiences changes relying on the economic conditions. Speculators' desires as for unmistakable and immaterial economic essentials tend them to inflow/outpouring of their assets from the stock market' which results in volatility various exact investigations look at stock market volatility resultant to change in economic and financial factors, and Point out that financial specialists are largely delicate to these factors.'

The long pattern of volatility, fundamentally, ought to be related to economic growth. Financial specialists will in general change the hazard premium return of their portfolios concerning changing macroeconomic essentials like expansion, loan fee, exchange rate, and industrial production, which develop the long haul pattern of volatility. Large inconstancy in market essentials, which results in long haul volatility in stock market presents a hazard to those financial specialists who keep their store put resources into the marketable securities like common stocks for the significant lot.

The Causes and Effects of Exchange Rate Volatility on Economic Growth

The forerunners to the breakdown of the Bretton Woods were driven by large U.S. equalization of instalment shortages, noteworthy gold outpourings, and the reluctance of real exchanging accomplices to realign money esteems. The one-sided end of convertibility of the US dollar to gold by the Nixon organization along these lines pushed the Bretton Woods experiments to the brink of collapse. In this way, various monetary forms started to be unreservedly dictated by market powers.

The discussion concerning the general benefits of fixed as opposed to skimming exchange rates keep on overwhelming talks in international money and finance, and it stays disrupted after more than four many years of the post-Bretton Woods age. Advocates of fixed exchange rate have frequently contended that adaptable exchange rate increases trade vulnerability and may in reality decrease trade volumes as it opens merchants to more serious dangers by changes. Without a doubt, there is proof that hard exchange rate pegs advance trade receptiveness and economic reconciliation. Past increases from trade, hard exchange rate pegs could improve monetary establishments consequently impelling sounder budgetary management as governments lose influence to print money to finance spending.

In both created and creating economies, worries about exchange rate vacillations have advanced amazingly largely on its effect on fares, employment growth; expansion; investment, and all the more for the most part economic action and growth. In India, the coming of the Financial Sector Adjustment Program (FINSAP) a segment of the Economic Recovery Program (ERP) presented real changes in the financial sector including the discard of the fixed exchange rates for the free gliding routine during the 1980s. Among others, this change was done under the reason that adaptable exchange rates would check the boom and bust disorder just as turn the nation towards a direction of growth with the growth improving impact exuding from the exchange rate pass-through on customer prices, terms of trade, trade volumes and investments.

Since the adoption of the adaptable exchange rate routine in India, the India Cedi has deteriorated against real monetary forms particularly the US Dollar (US$), though, not monotonically, as the India Cedi recorded a small amount of solidness somewhere in the range of 2002 and 2007. India re-denominated her cash on first July 2007 where US$1 was exchanged for 93 pesewas. This move saw a deterioration of the Cedi additional time, and before the finish of July 2009, the US$ was exchanged for GH¢1.49. Notwithstanding, between August 2009 to March 2010, the Credit imperceptibly valued by 3% and was like this exchanged for US$= GH¢1.49 in April 2010. Most recently, the Cedi has been unpredictable. For example, toward the start of January 2014, a US$ was exchanged for GH¢2.21, and before the finish of September 2014, the Cedi– Dollar exchange rate remained at GH¢3.20 – meaning about 44.65% deterioration.

Seemingly, this dimension of devaluation added to an ascent in customer price swelling which remained at 17% in December 2014 from 13.8% in January 2014. Gross domestic product growth which remained at 15.0% in 2011 dropped to 8.8% in 2012 and further to 7.6% in 2013. GDP growth rate for 2014 was 4.2% down from a reconsidered starting focus of 7.1%. While episodically the volatility of the exchange rate has been connected to macroeconomic shakiness, next to no endeavour has been made to inspect the factors behind it and the effect it has for both inward and outer dependability.

Over the long haul, exchange rate volatility is essentially impacted by government consumption and money supply growth, and terms of trade stun. Stuns to the real exchange rate are observed to be mean returning. We report a somewhat U–molded relationship between real exchange rate change and long–term growth proposing that impact on the growth of volatility isn't constantly harmful.

EXCHANGE RATE VOLATILITY AND ECONOMICS GROWTH

The theoretical literature on the effect of exchange rate volatility on the economy is still a matter of great debate among economist. At the theoretical level, while some studies posit that large swings in exchange rates can be costly to the domestic economy, studies such as Devereux and Engel (2003)[84] contend that the welfare effects of exchange rate volatility are conditional upon the manner in which prices are set. The empirical literature is equally unsettled regarding the effects of exchange rate volatility on economic growth. In this brief review we survey the literature with the view to disentangle the various factors documented in the literature as important in driving the exchange rate volatility-growth nexus. Following the liberalization of global foreign exchange markets, identify two compelling areas of particular interest for exchange rate dynamics:

1. Significant long–run relationship between real exchange and fundamentals and
2. Relative significance of shocks in total exchange rate volatility.

Generally, the causes of exchange rate volatility can be grouped into domestic real shocks affecting supply, domestic real shocks affecting demand, external real shocks and nominal shocks reflecting changes in money supply. Unanticipated monetary policy shocks generate large variations in the exchange rate. Here, nominal shocks affect real exchange rate but only in the short-run. Because real exchange rate deviates from its long-run equilibrium path, extant studies on the cause of the deviations and results are largely torn between two schools. The first documents significant relationship between real exchange rate fundamentals including supply and demand factors where the former largely relate to the level of output capacity and expected to follow the Balassa Samuelson hypothesis.

Experimentally, they utilize the general balance model on the presumption that vulnerability emerges just from monetary and financial policy. A fascinating finding from their examination demonstrate that the monetary upgrade in a nation that causes devaluation of its money might not have much effect on its trade as deterioration of the exchange rate, on one hand, lessens imports however then again, the increase in domestic demand identifying with the monetary boost may increase imports in a similar greatness.

This has welfare suggestions and ought to be a policy concern. Changes in the real exchange rate should be guided by adjusting the exchange rate with basics. This in actuality keeps up outer aggressiveness and domestic dependability. In this investigation, we endeavour to intently recognize the reasons for exchange rate volatility and the dynamic linkages between exchange rate volatility and economic growth in India. The impact of yield remains vigorously negative and huge (at 1%) recommending that volatility diminishes (increases) in light of higher (lower) productivity. The outcomes likewise demonstrate a negative and critical relationship between terms of trade and real exchange rate volatility. The suggestion is that an improvement as far as trade lessens volatility.

Conceivable thinking for this is because of progress in outer obtaining power limit which decreases import prices. The coefficient of FDI is certain and measurably noteworthy inferring that mix into the international financial market increases long-run volatility. The impact of government use is sure and noteworthy at 1% recommending that development of government utilization use increases exchange rate volatility. Here, demand factor government consumption has a comparable impact as real impact. Ostensible stun, for example, growth in money supply is decidedly connected with long-run exchange rate developments.

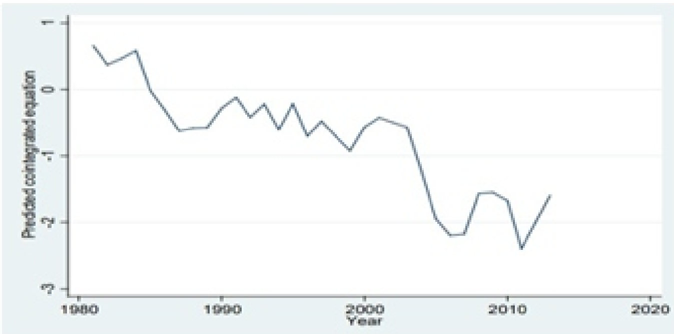

Figure 2: Predicted cointegrating equation

The graph shows that large shocks are apparent and have visible effects on the predictions from the cointegrating equation. Notable are the significant negative trends between 1983-1987 and 2003-2006. These we respectively attribute to the effect of the gradual devaluation of the currency in 1983 as part of the ERP, the subsequent adoption of the “managed” floating regime in 1986 and the 2004 general elections. Also clear is the apparent sharp rise n the volatility in 2007–2008 emanating from the effect of the cedi redenomination in 2007? Notwithstanding this, the graph generally reveals a negative trend.

Policy Implications of The Causes and Effects of Exchange Rate Volatility

It has been underestimated in the international macroeconomics writing that a high connection between the ostensible and real exchange rate is proof in help of the overshooting model which underlines monetary stuns and sticky prices. In any case, stuns to taste, innovation, financial and trade may even easily compare to monetary stuns especially for creating nations. This announcement holds independent of the exchange rate routine a nation operates. The most important driver of exchange rate volatility in India is changing in yield. We especially found a reverse relationship among yield and real exchange rate volatility, proposing that diminishes in yield elevate volatility in real exchange rates.

From the traditional monetary adaptation of exchange rate volatility, one ought to anticipate that these stuns should show in ostensible exchange rates as the experts endeavour to settle the price level.

In any case, we don't see this in the Indian case. Or maybe we report that yield vacillations to reflect in debilitating economic basics, incorporating wide developments in exchange rates. In the time of adaptable routines, yield variances ought to be moderated by changes in the ostensible exchange rate, since that is most likely the most grounded intrigue of drifting exchange rates in any case. To this end, intercessions, whatever their inspirations to short-run yield variances, first might be excessively expensive, and second may not yield the expected advantages. In the light of our discoveries, hence, the ideal policy ought to be one that centerson the wellspring of the yield vacillations as opposed to interceding in the foreign exchange market.

A change to increasingly steady international money, for example, the US dollar by domestic specialists may result if volatility is over the top. One important ramification of our outcomes on the financial sector is the finding that portfolio streams aren't an important driver of exchange rate volatility in the short run. Rather than large developing markets where hot money inflows will result in general reason large swings in the exchange rate, India's moderately small and illiquid financial sector appear to be protected from the desolates of hot money streams.

We demonstrate that stun to the terms of trade influence volatility of exchange rate over the long haul. Government spending additionally influences the exchange rate just over the long haul. Reliable with a hypothesis, a stun to the exchange rate will in general mean return. Our evaluations demonstrate that about 6.9% deviation is amended per annum. What's more, this takes around 14.5 years for all disequilibrium to realign completely to the long-run balance. Albeit adaptable exchange rate enables relative prices to alter through changes in the ostensible exchange rate, the fairly significant lot and moderate modification procedure could have extreme welfare suggestions for makers and shoppers as the impacts of large swings in the exchange rate sway on information prices, intensify investment vulnerabilities and effect on utilization choices.

Terms of trade (1.7%) and money supply (0.7%) represent the rest of the volatility of real exchange rates. Over the long haul accordingly, both real and monetary factors are important in clarifying exchange rate volatility. India's electioneering and government use nexus merit nuanced consideration. From the fourth Republic to date, the four– year political cycle has seen wonderful spending over abundances in every decision year. India's experience in decision years has been nevertheless transcendently financial indiscipline prompting intemperate large monetary shortfalls coming full circle in exchange rate devaluation. The leftovers of the previous three races (2004, 2008 and 2012) were set apart by an intemperate consumption – largely intermittent – as wages and sponsorships. It is accordingly not astonishing that these periods saw the gigantic devaluation of the money. The overabundances of government in the 2008 decision prompted a continued deterioration of the Cedi from the second 50% of 2008 until July 2009 which followed an age of sombreness measures. Experience in 2012 was not unique. Government consumption as an extent of GDP was up from 16.64% in 2011 to 20.98% in 2012. The resultant impact was a fairly high exchange rate volatility largely determined by monetary weights.

Specifically, FDI inflows to the country reduced from US$ 3.293 billion in 2012 to US$ 3.226 billion in 2013. Given that India already receives less FDI this may be detrimental to growth. Assuming it was possible to diversify currency risk; domestic policy would still have to adjust to accommodate this risk. This may reflect in domestic tax concessions and rebates, among other incentives that are typically put in place to attract FDI. The long run consequences of these on growth performance are always negative. The consequences of exchange rate volatility also hold lessons for debt. A strong depreciation of the Cedi against the US dollar, for example, implies a higher cost of servicing an external debt that is mainly denominated in dollars.

For instance, recent data from World Bank's International Debts Statistics reveals that India's external debt amounted to US$ 7.17 billion in 2005 and decreased to US$ 3.68 billion in 2007. Because exchange rate was relatively stable during this period, interest payments amounted to US$ 112.7 million and US$ 103.3 million respectively. It is needful to note that after 2007, India's external debt position continued to rise annually. In 2009, the external debt which stood at US$ 7.2 billion increased by US$ 2.1 billion in 2010 with total debt accumulating to US$ 15.8 billion in 2013.

The rise in debt stock was accompanied by higher debt servicing. While the interest payments on external debt was US$ 139.6 million in 2009, the total amount of interest paid on the debt increased to US$ 335.7 million in 2013 up from US$ 128.7 million and US$ 219.9 million in 2011 and 2012 respectively. Arguably, this higher cost of servicing external debts and the growing size of the debt leave painful consequence of reduced spending on social protection programmes and other developmental commitments with its preeminent effect on welfare. Exchange rate volatility has also proven crucial in the real estate sector particularly on mortgage financing.

The uncertainty generated by the high volatility does not only disrupt timely repayments but also negatively affects access to mortgages quoted in foreign currencies especially the US Dollar. Apart from decreasing the welfare gains of existing mortgages in the form of higher financing, depreciation of the Cedi denies would be property owners from accessing and owning mortgage house(s) on account of rather high pricing. The net effect of our study establishes that excessive volatility is detrimental to growth. But is this always the case? If indeed the answer was in the affirmative, the consequences could be dire.

CONCLUSION

So it is concluded that exchange rate volatility– economic growth nexus is U– shaped. In other words, real exchange rate volatility is detrimental to growth up to a certain threshold where it begins to positively influence longterm growth. Thus higher volatility does not always hurt growth. For instance, greater exchange rate fluctuations could lead to a more efficient resource allocation thus propelling growth. Furthermore, excessive volatility could promote firm innovation and productivity as domestic firms cannot fully rely on the undervalued exchange rates and intervention in foreign exchange market in order to maintain international competitiveness. The real challenge is whether Indian firms can receive the rewards emerging from the unstable exchange rate condition, specifically if this collaborates with inconsistent power supplies and other related expenses of working together.

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The Challenges of Achieving Millennium Development Goals in Nigeria: Small and Medium Scale Enterprises: An Option

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ABSTRACT

The declaration of Millennium Development Goals in Nigeria in 2000 led to the systematic implementation of several policies and programs to help attain the different targets set for Millennium Development Goals (MDGs) latest by the year 2015. Stakeholders over the years have modified a few targets and refocused them to reflect local peculiarities as well as target more specific and measureable problems. Despite these efforts, there are still challenges to be surmounted. Small and medium scale enterprises therefore become an option or strategy for contributing to the economic development of Nigeria towards surmounting the challenges of MDGs. The paper attempts to examine the role of SMEs in surmounting the challenges of MDGs. An attempt is also made to ascertain the state of funding of SMEs in Nigeria with particular reference to Benue State, which is the food basket of the nation. The levels of funding were found to be low and operation of SMEs has fallen below expectation. Accordingly, strategies of improving operations of SMEs have been made. These include encouraging people to save and, setting up SMES in rural areas.

Keywords: Millennium development goals, Small and medium scale enterprises

INTRODUCTION

The Millennium Development Goals (MDGs) are eight based on the international development goals the world leaders endorsed at the UN Summit held in September 2000. The MDGs represent an agenda setting for transforming the living conditions of people at the turn of the third millennium.

It is an attempt to reclaim the world for all people by expanding the opportunities and eliminating barriers. In effect, the MDGs envisage a new world that is working hard to find effective solutions to human deprivation and misery. The eight goals of millennium development set to be achieved by 2015 are:

To eradicate extreme poverty and hunger, to achieve universal primary education, to promote gender equality and empower women, to reduce child mortality, to improve maternal health, to combat HIV and AIDS, malaria and other diseases, to ensure environmental sustainability, to develop global partnership for development.

These goals are to be viewed as instrument for reducing poverty in all its ramifications.

As laudable as the efforts and the goals are, according to Oluleye (2010) the concern is about the sincerity of the developed countries in assisting the underdeveloped countries to get out of underdevelopment and the readiness of underdeveloped countries considering the state of their infrastructure. To Tadaro and Smith, (2009) the goals are indeed ambitious. There is the fear that the most anticipated MDGs may amount to not more than just another UN proclamation of worthy goals. Looking at Nigeria as an underdeveloped country, are there institutions, enterprises, and quality infrastructural facilities augured to permit achievement of these goals?

2. AIMS AND OBJECTIVES OF THE STUDY

The aim and objective of this survey are to examine the capital formation needs of small start-up firms in Makurdi metropolis. In order to do this, the following specific objectives were pursued.

I. To identify the types of small firms that is operational in Makurdi.
ii. To determine the ownership profile of the small firms operating in Makurdi.
iii. To ascertain the various sources of funding of the firms for the first 24 months.
iv. To determine the adequacy or otherwise of these capital formation needs of the start-up firms.
v. To determine the general problems faced by these firms.

3. LITERATURE REVIEW

3.1 Concept of Small and Medium Enterprises (smes) and Capital

The investments categories in Nigeria can be both large and small scale. However, the discussion here is limited to small and medium scale firms. The small-scale business has its origin from the Structural Adjustment Program. This program created a new concept called small and Medium Scale Enterprises (SMEs).

The industrial unit of the Obafemi Awolowo University, Ife-Ife, recognizes SMEs as business whose asset in capital, plant and equipment capital are less than N 50,000 and which employ fewer than 50 full time workers.

In Nigeria, the investment ceiling in machinery and equipment alone has raised several times over the years. The limit was set at N 50,000 in 1973/75 Development Plan, rise to N 60,000 during the 3rd National Development Plan. (1975-1980). It was again raised to N150,000 in 1981/82, the Nigeria Bank for Commerce and Industries, for the purpose of revolving loan scheme for SMEs defined SMEs as those investing more than N500,000 excluding the cost of land but including working capital.

3.2 Classification of Enterprises

Defining a classification of enterprises requires an understanding of international practices, combined with an assessment of the national character of the enterprises sector (ILO/UNDP 2000). In most countries, enterprises are usually classified into four categories: micro enterprises, small enterprises, medium enterprises and large enterprises. The classification reflects the way enterprises are clustered according to selected criteria and ensures grouping of enterprises with similar characteristics.

3.3 Classification Criteria

Selected quantitative and/or qualitative criteria can be used for classifying enterprises. The most frequently used quantitative criteria are: the number of workers, value of fixed assets and turnover, (Allal, 1999). Selected criteria should ensure that enterprises classified within a certain range of values have similar characteristics. For this reason therefore, many countries use two classifications jointly (Allal 1999). The most commonly used pairs are:

- For the manufacturing sector, the number of employees and value of fixed assets.
- For the trade and services sector, number of employees and turnover (that is yearly value of gross receipts or sales for enterprises in the trading sector, and yearly value of fees for services rendered in the services sector).

3.4 Classification of Enterprises in Africa

Statistics about African countries are not easily available, but table 1 shows definitions of SMEs in Nigeria.

Table 1: Definition of SMEs in Nigeria

	Asset Exec. Real Estate		**Annual Turnover**		**Number of Employees**	
In million Naira	Medium	Small	Medium	Small	Medium	Small
Central Bank	>50	<1	<150	<1	<100	<50
NERFUND		<10				
NASSI		<40	<40			
Ministry of Industry	<200	<50				
Arthur Anderson			<500	<50		

Source: The Nigeria Investment Climate (undated).

3.5 Classification of Enterprises in The Caribbean

Classifications of enterprises are similar in the Caribbean countries

Table 2: Classification of SMEs in Trinidad and Tobago

Micro-enterprises	Small Enterprises	Medium Enterprises
Over managed 1-5 employees	6-25 employees	26-50 employees
Assets – up to US$15,873	US$15,874 - $47,619	US$47,620-$238.095
Sales – up to US$15,714	$15,873-$119,047	Above $119,048- US$952,2380

Source: ILO, 2000, Small Enterprises Development in the Caribbean

3.6 The Role of Small and Medium Scale Enterprises in Surmounting The Challenges of Mdgs

The argument has been that SMEs promotion is justified on the ground of the job creation powers of the SMEs of their greater efficiency and growth. Attempts have been made to draw a causal correlation between small and medium scale industries and poverty alleviation so as justify policies and subsidies in small and medium scale industries.

To Kirshin (2000), Khanka (2002), the real reason those governments of developing countries should be interested in micro-enterprises and SMEs is that they account for a large share of firms and generate immediate employment. In other words because they are there, searching for further justification to promote smallness as an instrument of poverty alleviation is not necessary, it is enough to recognize that small and medium scale industries are emerging private sector in poor countries, and thus form the base for private sector led growth. To Khanka (2002), Social, Political and equity justifications: small and medium enterprises are often said to contribute to a more equal distribution of increased wealth.

Oyekanmi (2005) and lsemin (1983) opined that while there are many expectations to the basic pattern, the weight of audience suggests that larger employers offer bett er jobs in terms of wages, firm benefits, working conditions and opportunities for skill enhancement as well as job security (Daws, Haltuiranger and Schuh, 1993). With good wages, citizens can have access to good medical services, education and access to quality food.

Researches on SMEs, notably those of Sine (1986) Ahmed (1987) Isemin (1988), Kpelai (2009), Osagie (2008), Peters (1990), Olagunju (2004) and Ikpe (1988) have agreed on some features of SMEs to include, but not restricted to the following areas:

They are capital intensive, the supervision of the whole operation is in the hand of the owner, and these operations include financing, production, and marketing, the proprietors of such businesses usually rely on personal savings and loans from friends, relations or from informal money markets rather than from organized financial markets because they are usually unable to provide the required securities, the level of education of the owner managers is usually low and this does not make for efficient management, the growth of these firms is not rapid because of the low capital base while the mortality rate is high due to poor management. These firms employ simple technology with low import content both in capital and structure and raw materials, hence they are said to have greater inter-sector linkages, Small firms confine themselves to local markets and thus ignore wider distant markets, and invariably reduce the quality of goods and hence the profit made,(OchoIi,2001).

The foregoing theoretical and conceptual framework has thus provided the much needed foundation for the survey of capital formation needs of small start-up firms in Makurdi metropolis.

4. METHODOLOGY

The procedure adopted in conducting this study was desc riptive research design. The study was conducted among 25 25 small firms distributed throughout Makurdi metropolis. Questionnaire was used to collect data from a randomly selected sample of 25 small firms distributed throughout Makurdi metropolis.

Instrument: questionnaire was used as the main instrument for data collection. The information sought also related to sources of funds and how these funds are used. Official documents of the State Ministry of Commerce, Industry and Co - operatives were examined. Similarly, the branch of Corporate Affairs Commission located along Barracks Road, now at Abu King Shuluwa Road, was visited and officials interviewed.

Procedure for Data Collection

The researcher identified the available SMEs operational in town, visited them and administered the questionnaire to both the management and employees of these outfits.

Oral interviews were used as supplementary device for obtaining additional information from the staff of the State Ministry of Commerce, Industry and Cooperatives and the branch office of the Corporate Affairs Commission.

5. RESULTS AND DISCUSSION

The results/findings are organized around the objectives of the study. The results are presented as follows:

Research question 1: What types of business firms are in operation in Makurdi metropolis? The result of the survey has identified the following types of SMEs in Makurdi metropolis

Table 3: Types of Small firms in Makurdi metropolis:

S/n	Firm	Category/type	Ownership
1	Bakery	Production	Sole-proprietor
2	Restaurant	Service	Sole-proprietor
3	Hotel	Service	Sole-proprietor
4	Carpentry	Production	Partnership
5	Poultry	Production	Sole-proprietor
6	Fishing	Production	Sole-proprietor
7	Piggery	Production	Cooperative

8	Tailoring	Production	Sole-proprietor
9	Weaving	Production	Sole-proprietor
10	Retail trade	Service	Sole-proprietor
11	Bricks and block-making	Production	Sole-proprietor
12	Construction, welding, metal work	Service	Sole-proprietor
13	Distribution business (Pepsi, coca-cola goods)	Service	Sole-proprietor
14	Pottery, ceramics	Production	Sole-propitiator
15	Transport	Service	Sole-proprietor
16	Wood and metal work	Production	Sole-proprietor
17	Animal husbandry	Production	Sole-proprietor
18	GSM/Accessories	Service	Sole-proprietor
19	Bookshops	Service	Sole-proprietor
20	Printing	Production	Partnership
21	Vulcanizers	Service	Sole-proprietor
22	Laundry services	Service	Sole-proprietor
23	Electricians/electronics	Service	Sole-proprietor
24	Sachet water	Production	Sole-proprietor

Source: field survey 2011

Results from table 3 show that 13 (52%) of the firms covered by the survey are productive firms, while 12 (48%) are service firms. In terms of ownership of the firms, 22 (88%) of the firms are owned by single or sole proprietors.

Researches Question 2; what are the sources of funding for small firms in Makurdi metropolis?

In order to address this question, data was collected from the management of small and medium scale firms covered by the study. The results are presented in table 4.

Table 4: distribution of sources of capital of firms in Makurdi metropolis

Source	N	%
Personal savings	6	24
Loans from local		
Financial organizations	14	56
Loans from government agencies	5	20
Source: field survey 2011		

The results from table 4 show that 56% of the source of funding came as loans obtained from financial organizations while 20% of the sources of funds came from government agencies.

On the adequacy of the start-up capital, majority of the firms covered by the study confirmed that the funds were inadequate. When further interviewed, they alleged that the cost of machinery and acquisition of buildings and staff was rather high. The inadequacy of funds tended to affect the growth of the business.

More capital was needed over time for investment. Thus the input raw materials, personnel, etc. in most of the businesses tendered to be on increase with time. This is typical with the life cycles of projects as presented in figure 1

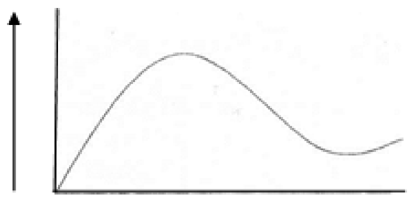

Figure 1: Typical pattern of Lifecycle of most Small Scale Enterprises in Makurdi

Further examinations of the data from the Benue Stale Ministry of Commerce and Industries at 2008 show the following capital formation needs of the corresponding firms.

Table 5: Capital Formation needs of Corresponding firms

S/n	Firm	Capital	Percentage
1	Bakery	10,000	0.60
2	Restaurants	20,000	1.20
3	Hotel	30,000	4.81
4	Carpentry	25,000	1.50
5	Poultry	40,000	2.41
6	Fishing	35,000	.2.10
	Piggery	50,000	3.01
8	Tailoring	60,000	3.61
9	Weaving	55,000	3.3 1
10	Retail trade	1,30,000	7.82
11	Bricks and block-making	98,000	5.89
12	Construction, welding, metal work	1,45,000	8.72
13	Distribution business (Pepsi, coca-cola goods)	1,10,000	6.61
14	Pottery, ceramics	1,00,000	6.01
15	Transport	1,40,000	8.42
16	Wood and metal work	75,000	4.51 '
17	Animal husbandry	1,20,000	7.22
18	G SM/ Accessories	1,50,000	9.02
19	Contracting	1,50,000	9.02
20	Mechanic workshops	1,25,000	7.52
21	Ceramics	95,000	5.71

Source: Ministry of Commerce and Industry, SSB Annual Report, 2008

The figure from table 5 compares with the results of the survey.

6. DISCUSSION OF FINDINGS

Results of the survey show that all start- up firms are on the increase in operation in Makurdi metropolis; these firms are essentially owned by single individuals.

These firms have teething problems confronting them. The key problem is lack of capital. Small-scale enterprises in Makurdi do not have adequate capital for their day to day operations as revealed by our survey.

What are the causes of this gross lack of capital, which has prevented the inducement of economic activities in our state? The survey shows that:

1. Low Propensity for saving: in this great country, we lack the spirit of saving. We tend to have the spirit of spending more. If there is low saving, invariably, the capital requirement of small startup firms cannot be met. This is in agreement with First Bank newsletter (2003).

2. Lack of collateral security: this is also one of the deaths of capital which has tended to hamper the business operation of small start-up firms in Makurdi metropolis in particular, and Nigeria in general. Therefore, raising loans in Makurdi metropolis and elsewhere for the capital formation needs of SMEs becomes pretty difficult because these firms cannot offer the required collateral security usually demanded by financial institutions. According to Stoner et al,(2003:166)' capital is even harder for women to come by, because women often start businesses in the service sector, where, although start-up costs are lower, banks make smaller money on the smaller loans'.

3. Discrimination: it is disheartening to bring to the notice of our readers that some SMEs are discriminated against in matters concerning the advancement of loans in Makurdi metropolis and elsewhere. This is affirmed by Stoner et al (2002) as they assert 'women borrowers also complain about discrimination, especially among venture capitalists'.

4. Penury: that there is poverty in Benue State is indisputable. This is evident in the low tempo of economic activities witnessed by small start- up firms in Makurdi metropolis. Even the few small scale businesses that are found are owned by non- indigenes of the state.

7. CONCLUDING REMARKS

SMEs can be enterprises in the agriculture, industry or service sectors with a possible investment of more than millions of naira on fixed assets. For the past few years, we notice that some of our Small and Medium - Scale Enterprises (SMEs) are closing down due to various problems of finance and the bad state of our infrastructure. One of the current method of solving this dire problem is to offer incentives for setting up of enterprises for the production of goods and services and the removal of disincentives laced by existing ones. A new legislation may be required for SMEs and the government should encourage such enterprises also as a means to combat poverty as well as eradicate it, improve the health sector.

The rural/ peasant farming areas of this countr y are often neglected areas, where high unemployment and underemployment are endemic. It is about time that the government found a way that new enterprise developments whether small or medium are brought to these deprived areas as part of our industrial re volution. It would give incentives to people of rural areas to show their hidden talents by creating their own designs and inventions.

8. RECOMMENDATION

Government and venture capitalists should continue to encourage the propagation of SMEs. Our country Nigeria urgently needs the existence of Small and Medium - Scale Enterprises not only to enable the resolution of the challenges of achieving the millennium development goals but also resolved the problem of unemployment, and underemployment of people living in rural areas, to boost their purchasing power, so that the additional demand created could push the country's entire economy to grow at a faster pace.

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Socio Economic Conditions of Female Tailors in Amritsar

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A B S T R A C T

In India, the National Commission on labour has endorsed the ILO's definition and observed "Social security envisages that the members of the community shall be protected by collective action against social risks causing undue hardship and privation of individuals, whose prime resources can seldom be adequate to meet them". In current scenario, social security covers various programs of protection related with old and handicapped people. It includes survivors insurance, health and maternity insurance, workmen compensation, unemployment insurance, family allowances and so on. Its traditional constituents were social insurance and social assistance but with the completion of industrial revolution, the traditional sources have become inadequate. Current paper aims to discuss social security provisions for female tailors segment of unorganized sector. Broad objectives of the current study are to find how far social security legislations are helpful to raise standard of living of female tailors in urban Amritsar city. For this, her social economic condition and validity of current social security measures have been discussed.

Keywords: Assistance, Hardship, Insurance, social security, Tailors

The concept of Social Security introduced by Bismark, got official recognition in USA in 1935. It was first of all systematically defined by ILO as the "Security that society furnishes through appropriate organizations against certain risks to which its members are exposed". In India, the National Commission on labour has endorsed the ILO's definition and observed "Social security envisages that the members of the community shall be protected by collective action against social risks causing undue hardship and privation of individuals, whose prime resources can seldom be adequate to meet them".

As far as, social security needs of unorganized sector are concerned, they have grown like anything but funds available to meet these needs are limited. But the matter of the fact is that workers belonging to this sector are main contributors to the wealth of the nation and if, will not be provided with social security benefits, their productivity as well as purchasing power will suffer, thereby increasing the pace of economic problems. As the structural adjustments proceeds, the need for social security system is becoming more urgent for both organized and unorganized sector.

The main obstacle in extending these benefits to unorganized sector is the inadequate coverage of such workers in tiny establishments as they lack identification and registration. Things are becoming more difficult in case of small artisans, landless agricultural labourers and other unprotected groups. Their number is increasing much due to LPG but social security measurements are constraints due to factors like in adequate linkage between employer and employee, low and unstable wages, and lack of continuity in employment, casual nature of employment, weak economic capacity due to illiteracy and ignorance and above all insincere attitude of administration towards them.

To make this point clear, we have randomly selected 100 female tailors from urban Amritsar. These females work from their homes and get orders directly from customers as well as from big boutiques.

1. REVIEW OF LITERATURE AND OBJECTIVES

Mohiuddin et al. (1996) analyses the socio economic conditions of women engaged in tailoring in the states of Andhra Pradesh and Karnataka. Findings revealed that most of the women were illiterate. They were engaged in tailoring in order to earn their livelihood or to supplement their family income. Their working conditions were unsatisfactory. Their wage rate range from 50 paisa to Rs. 6/- based upon the expertise of the tailor, size of dress, design and type of raw material used.

Mitra (2005) raised concern about health problems of female workers engaged in tailoring. The study indicated that their wages were very low and they were facing great uncertainty regarding their work.

Broad objectives of the current study are to
1) Analyze living and working conditions of female tailors,
2) Analyzing the availability of social security provision for them,
3) Suggest various policy implications.

2. FINDINGS

A) Income Status

It is clear from the following table that 55% of these female tailors earn Rs.0-1500 per month, 40% earn Rs.1500-3000 per month and 5% earn Rs.3000-4500 per month respectively. Further 31% of the beneficiaries are having household income between Rs.0-6500, 62% between Rs. 6500-13000 and 7% between Rs.13000-19500 respectively.

MONTHLY INCOME OF FEMALE TAILORS

Income (in Rs.)	Percent
0-1500	55.0
1500-3000	40.0
3000-4500	5.0
Total	100.0

MONTHLY HOUSEHOLD INCOME OF FEMALE TAILORS

Income (in Rs.)	Percent
0-6500	31.0
6500-13000	62.0
13000-19500	7.0
Total	100.0

Source: Primary survey 2012-13

B) Calorie Intake

One thing is very much clear that monthly as well combined monthly household income of the beneficiaries is not enough to provide with decent calorie intake. In other words, they are highly malnourished. However, degree of malnutrition somewhat fall with the increase of household income. To prove our point, calorie intake of each of 100 beneficiaries is measured as percentage of minimum calorie requirement of 2250 per day as suggested by Rath and Dandedkar. Percentage so derived is scale into 0-35%, 35-70% and 70% and above respectively indicating highly malnourished, modestly malnourished categories corresponding to house hold income of Rs.0-6500, Rs.6500-13000 and Rs. 13000-19500. Result of Chi-square depicts that 8%and 23% of beneficiaries falling in the income range of Rs.0-6500 are modestly malnourished and malnourished respectively, 1% and 61% of beneficiaries falling in income range of Rs.6500-13000 are modestly malnourished and malnourished respectively, whereas 7% of female tailors having household income of Rs.13000- 19500 are malnourished. Pearson's Chi-Square value is 15.515 with 2 degrees of freedom with exact significance (1-sided) 0.000 thereby indicating that household income collectively has highly significant bearing on calorie intake of the female tailors and if social security benefits are properly being accrued to these families, their calorie intake will definitely improve from status of being malnourished to nourished.

Association Between Monthly Household Income & Caloire Intake As A Percentage of Minimum Calorie Requirement

		CALOIRE INTAKE AS A PERCENTAGE OF MINIMUM CALORIE REQUIREMENT		
Income (in Rs.)		MODESTLY MALNOURISHED	MALNOURISHED	Total
MONTHLY	0-6500	8	23	31
HOUSEHOLD INCOME	6500-13000	1	61	62
	13000-19500	0	7	7
Total		9	91	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1- sided)	Point Probability
Pearson Chi-Square	15.515[a]	2	.000	0.002		
Likelihood Ratio	14.866	2	0.001	0.001		
Fisher's Exact Test	12.959			0.001		
Linear-by-Linear Association	12.787[b]	1	.000	.000	.000	.000
N of Valid Cases	100					

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .63.

b. The standardized statistic is 3.576.

Source: Primary survey 2012-13

C) Housing Facilities

Our findings clearly reveal that 68% of beneficiaries live in their own houses, whereas 32% live in rented houses. However, in the both cases, they are not living in very good condition. To find association, household income and housing facilities, we have taken total of variable like type of house, wall, floor, cooking device etc. Total so obtained is recoded into 0-7, 7-14 and 14-21 scale corresponding to household income of Rs.0-6500, Rs.6500-13000 and Rs.13000-19500 respectively, depicting highly poor, modestly poor and poor categories. Results depict that 5% and 21% of females corresponding to household income level Rs.0-6500 are having modestly poor and poor housing facilities, 6% and 56% females corresponding to household income level Rs. 6500-13000 are having modestly poor and poor housing facilities whereas 7% females corresponding to household income level of Rs.13000-19500 are having poor housing facilities. Pearson's Chi-square value is 1.809 with 2 degrees of freedom with exact significance (1-sided) 0.147 depicting that households of the beneficiaries are already rotating at minimum of basic facilities level so their household income has insignificant bearing on their housing facilities.

Association Between Monthly Household Income and Housing Facilities

Income (in Rs.)		HOUSING FACILITIES: MODESTLY POOR HOUSING FACILITIES	HOUSING FACILITIES: POOR HOUSING FACILITIES	Total
MONTHLY HOUSEHOLD INCOME	0-6500	5	26	31
	6500-13000	6	56	62
	13000-19500	0	7	7
Total		11	89	100

Chi-Square Tests

	Value	Df	Asymp. Sig. (2- sided)	Exact Sig. (2-sided)	Exact Sig. (1- sided)	Point Probabilit y
Pearson Chi-Square	1.809[a]	2	0.405	0.447		
Likelihood Ratio	2.487	2	0.288	0.341		
Fisher's Exact Test	1.284			0.501		
Linear-by-Linear Association	1.747[b]	1	0.186	0.261	0.147	0.095
N of Valid Cases	100					

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .77.

b. The standardized statistic is 1.322.

Source: Primary survey 2012-13

D) Health

To find association between monthly household income and health condition of FEMALE TAILORS, firstly we take the total of her health, number of times she fall sick, and source where from she get her treatment etc. Total such taken as then recorded into 0-3, 3-6 and 6-9 scales thereby indicating highly poor, modestly poor and poor health. Chi-square results depict that Pearson's Chi-square value is 2.628 with 4 degrees of freedom with exact significance (1-sided) 0.170. This clearly indicates that household income of these randomly selected female tailors is not enough to provide them with good health facilities.

Association Between Household Income and Health of Female Tailors

Income (in Rs.)		HEALTH OF FEMALE TAILORS			Total
		HIGHLY POOR HEALTH	MODESTLY POOR HEALTH	POOR HEALTH	
MONTHLY HOUSEHOLD INCOME	0-6500	1	24	6	31
	6500-13000	2	53	7	62
	13000-19500	0	7	0	7
Total		3	84	13	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2- sided)	Exact Sig. (2-sided)	Exact Sig. (1- sided)	Point Probability
Pearson Chi-Square	2.628[a]	4	0.622	0.621		
Likelihood Ratio	3.619	4	0.460	0.553		
Fisher's Exact Test	2.34			0.675		
Linear-by-Linear Association	1.384[b]	1	0.239	0.264	0.170	0.091
N of Valid Cases	100					

a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is.21.

b. The standardized statistic is -1.176. Source: Primary survey 2012-13

E)Education

A glance at following table indicates that 24% of these females are illiterate, 18% just know to write their names,15%, 13% and 20% have attended school up to primary, middle and high level respectively, whereas 8% and 2% have studied up to intermediate and graduation level.

Education Of The Female Tailors

EDUCATION	Percent
ILLITERATE	24.0
LITERATE	18.0
PRIMARY	15.0
MIDDLE CLASS	13.0
HIGH SCHOOL	20.0
INTERMEDIATE	8.0
GRADUATE	2.0
Total	100.0

Source: Primary survey 2012-13

3. STATUS OF SOCIAL SECURITY

From our findings, one thing is very much clear that these females are not able to access reasonably even the basic facilities of their lives. In such case, various social security measures can be of great help to improve their lifestyle. But it is really disheartening that when they were asked about social security measures, none of them was aware of these as clear from following table.

Status of Social Security To The Female Tailors

DO YOU GET ANY SOCIAL SECURITY/MATERNITY BENEFIT/INSURANCE/PENSION BENEFIT	Percent
NO	100.0

Source: Primary survey 2012-13

So far as existing social security legislations for unorganized sector are concerned, a glance at facts reveal:

1) The Factories Act, 1948, The Minimum Wages Act, 1948 are applicable only to the workers who are working in scheduled employments whereas the segment of female tailors to which we are concerned, are outside the purview of these Acts.
2) The unorganized sector workers bill, 2003, although aims at providing umbrella legislations via covering large segment of workers, including even those working from homes, by setting objectives, constituting various central and state level boards, providing registration number and Identity cards to workers, providing them with social security, opportunity of skill up gradation etc., practically fails to provide even uniform national floor level minimum wages. The provisions of social security are just false promises. In practice, no responsibility was fixed on the Govt., to contribute for their social security.
3) Similarly, the unorganized sector worker's bill, 2003, which aims at covering self-employed females via workers facilitation centers, is unable to cover vast categories of home based and self-employed workers.
4) The unorganized sector social security bill 2005, drafted by NCEUS, provides a model by demarcation responsibilities of central and state governments, but it also suffers on the account of heterogeneous character of unorganized sector, its financial implications, poor implementation and corruption.

4. CONCLUSION

To conclude, the only way to equip this unorganized segment of female tailors with decent standard of living is proper implementation and execution of existing social security legislations. For this, need of the hour is to create awareness among them about these legislation and to do the same, we all are to join hands together.

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The Application of IFRS Between The Accounting Professionals in The Republic of Benin and Nigeria using The Concept of Uncertainty Avoidance

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A B S T R A C T

The incomparability of financial statements around the world is an obstacle to the effective and efficient running of the integrated global financial markets. This study examined cultural difference in the application of the IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance. The study surveyed accounting professionals in the Republic of Benin and Nigeria to obtain their perception of application of IFRS using the concept of uncertainty avoidance. The population covers accounting professionals that have skills and expertise needed to prepare and present financial statements. The sample size of two hundred (200) respondents, 100 each was randomly selected from accounting professionals in both Republic of Benin and Nigeria. The data collected by structured questionnaires were analyzed using descriptive statistics, while two sample t-Test were employed as statistical tools to test the hypothesis. At 0.05 significant level and 198 degree of freedom, the estimated t-value was 10.97. Thus, there was a significant difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of power distance. The research findings implied that the accounting professionals with similar cultural values apply IFRS similarly, while those differ in cultural values apply IFRS differently. The research findings also indicated that the chosen countries' former colonial masters' cultural values influenced the accounting professionals' decision making process. Implications of the study were discussed. Recommendations for future research were provided.

Keywords: Accounting, Professionals, International Financial Reporting Standards, African Countries

INTRODUCTION

The pervasiveness of national culture in all activities of individual countries, including accounting and financial reporting systems, has intensified the calls and the need for more cross-cultural study in accounting (Chanchani & MacGregor, 1999; Doupnik &Tsakumis, 2004).It is a fact that the globalization of economy and integration of global financial markets are evolving, and these changes are here to stay (Boerner, 2007). The wave of changes in the global stage is removing a lot of obstacles among countries (Boerner, 2007; Gray & Roberts, 1991). Despite these changes, the differences in the various countries' cultural values (power distance, uncertainty avoidance, individualism and masculinity) continue to prevent consistencies in the application of the accounting rules even among more than 100 countries that have adopted IFRS (Nobes & Zeff, 2008). Uncertainty avoidance is an indicator of how much members of a society are comfortable in uncomfortable or unknown situations.

The adoption of IFRS is expected to provide a solution to the inconsistencies in the application of accounting rules, yet there remained discrepancies in the quality of information in financial statements or financial information around the world.

Researchers have identified accounting and financial reporting system of a country as culture specific. The accounting and financial reporting system of a country would very much reflect the cultural values held in such a country (Askary, 2006; Doupnik& Richter, 2004; Gray, 1988; Marremo & Brinker, 2007; Nobes &Zeff, 2008; Robinson &Venieris, 1996; Zarzeski, 1996). Researchers have also found that application of the accounting rules IFRS by the professional accountants in various countries is not free from the societal values held by those accounting professionals (Doupnik & Richter, 2004; Gray, 1988). In other words, the societal values held by the professional accountants in various countries influence their application of the accounting rules. This has led to inconsistencies in the treatment of the same accounting issues and has made it impossible to have comparable financial statements around the world.

Researchers have also shown that the national culture and uncertainty avoidance have a great influence on the interpretations and the applications of the provisions of the IFRS. This has resulted in different interpretations and applications for the same provision of the IFRS in various countries (Doupnik & Richter, 2004; Tsakumis, 2007; Tsakumis, Campbell, & Doupnik, 2009). Uncertainty avoidance is an indicator of how much members of a society are comfortable in uncomfortable or unknown situations. For scoring purposes, a country with a high score in uncertainty avoidance indicates a strong uncertainty avoidance society. On the other hand, a country with a low score in uncertainty avoidance is a weak uncertainty society (Hofstede, 1983). A strong uncertainty avoidance society does not feel comfortable with unknown circumstances. This society believes that future unforeseen or unknown circumstances should be guarded against.

These have been a major obstacle for the IASB to achieve its mission of providing quality uniform international accounting standards that can produce comparable financial statements around the world (Choi & Meek, 2008; Fritz & Lammle, 2003). That is, the same accounting issues would be treated differently in those countries even when IFRS is employed in preparing financial statements, due to the influence of national culture.

The issue of incomparability of financial statements around the world due to the influence of national culture has been recognized for many decades. But this issue is still very much alive in today's global business environment. How long this issue has been recognized as a problem to global business community depends on the person you ask. Newman (2009) argues that the issue of different accounting standards that leads to inconsistencies in financial information around the world has been known since 1960s. He indicates that for the first time in 1967, the U.S. Securities and Exchange Commission (SEC) paid special attention to and treated the issue of inconsistencies in financial statements being prepared under foreign accounting standards. He argues that the SEC recognized and believed at that time that something needed to be done about the inconsistencies in the financial statements around the world.

The adoption of IFRS has not delivered its anticipated results. The inconsistencies in the application of IFRS in the countries that have adopted it, due to the influence of national culture, may prevent the realization of the comparability of financial statements around the world. The task before the IASB is a difficult one. The IASB is the accounting standards-setter for the global constituents, but it has no power to force any country to use its accounting pronouncements or rules. Even in the countries that use IFRS, it has no power to check for compliance. It has to work with the accounting professionals in various countries to carry out its mission of minimizing, if not eliminating, the diversity in the accounting and financial reporting systems around the world. Despite the fact that more than 100 countries have adopted IFRS and more are deliberating about its adoption, including the U.S. The issue of cultural influence on the accounting and financial systems around the world is still relevant.

The adoption of IFRS in more than 100 countries does not guaranty its consistent application by professional accountants in those countries (Tsakumis et al., 2009). That is, the same accounting issues would be treated differently in those countries even when IFRS is employed in preparing financial statements, due to the influence of national culture. The countries using IFRS standards have had their culture established before the introduction of the IFRS, and they will still have their culture if the internationalization of the accounting and financial reporting system does not work. Then the issue of the influence of the national culture on the interpretation and application of the provisions of IFRS will remain relevant in the present cross-cultural study in accounting. Accordingly, this present research examined the cultural difference in the interpretation and application of the IFRS by accounting professionals in two nations. The accounting professionals in the Republic of Benin and Nigeria were the participants in this study.

STATEMENT OF THE PROBLEM

The quality of the information in financial statements would determine the quality of the decisions made by the users of such financial statements (Mueller & Walker, 1976; Zarb, 2006).The confidence that the users of financial statements have in those financial statements would then later reflect in the effectiveness and efficiency of the global financial markets and globalization of economic transaction. Thus researchers have shown that running efficient and effective global financial markets greatly depends on the quality of financial statements (Boerner, 2007; Radig & Loudermilk, 1998). Given the fact that national culture has been identified as an influential environmental factor on accounting and financial reporting systems of a country, then the application of accounting rules IFRS is expected to vary among various countries (Tsakumiset al., 2009; Zarzeski, 1996).

The inconsistencies in the application of the IFRS worldwide would result in different treatments for the same accounting issue in various countries. This would prevent the comparability of financial statements worldwide (Tsakumis et al., 2009). The incomparability of financial statements worldwide is a problem to the participants creditors, investors, stock exchanges, and others in the global financial markets and globalization of economy. This is a problem because the incomparability of financial statements worldwide would prevent cross-border investors and other participants in the global financial markets from employing accurate information from such financial statements in making business and other decisions (Tsakumis et al., 2009).

Despite the good intention of the IFRS and its adoption in more than 100 countries, the goal of comparable and consistent financial statements is not close to reality. The different interpretations and applications of the provisions of the IFRS due to the influence of the national culture are obstacles to the achievement of consistent and comparable financial statements that can be accepted globally (Choi & Meek, 2008; Fritz & Lammle, 2003; Tsakumis et al., 2009). The influence of national culture on the interpretation and application of the provisions of the IFRS makes it difficult, if not impossible, the preparation and presentation of the financial statements that are consistent, comparable, and reliable around the world For example, this problem is making it impossible to compare financial statements prepared in the U.K. under IFRS as prescribed by IASB to the ones prepared in France in accordance with the IFRS as prescribed by the IASB. Despite the fact that these two countries used the same provisions of the IFRS as prescribed by the IASB, the comparability of financial statements in these two countries would not produce useful information due to the influence of the national culture on the interpretation and application of the provisions of the IFRS by the accounting professionals in these countries. In this type of situation, when one is comparing the financial statements from these two countries, it would be like comparing apples to oranges rather than comparing apples to apples.

In addition, the researchers have not provided evidence to support those within the IFRS who indicated that its adoption would be a solution to the incomparability of financial statements around the world. Instead, researchers have provided evidence that differences exist even among the countries that adopted IFRS, due to the influence of culture on its application (Doupnik &Tsakumis, 2004; Nabar & Boonlert-U-Thai, 2007; Tsakumis et al., 2009).This study presents the understanding of cultural difference in the interpretations and applications of the provisions of the IFRS by the accounting professionals in these countries.

Therefore, understanding and acknowledgment of differences in various countries' cultural values and how these cultural values affect the application of the provisions of the IFRS by accounting professionals worldwide is the most realistic way to enhance the quality of financial statements. Knowing the cultural differences in the application of IFRS between the accounting professionals' interpretation and application of IFRS from various countries enhances the understanding of the financial statements as well as helping their users in making informed business and other decisions worldwide.

OBJECTIVE OF THE STUDY

The objective of the study was to examine the cultural difference in application of IFRS between accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance.

RESEARCH QUESTION

Research question for this study is: What is the cultural difference the interpretation and application of the International Financial Reporting Standards (IFRS) using the concept of uncertainty avoidance?

HYPOTHESIS

H0: There is no significant cultural difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance.

LITERATURE REVIEW

The financial statements play a significant role in the effective and efficient running of global financial markets (Boerner, 2007; Moustafa, Slaubaugh, & Wang, 2008; Tsakumis et al., 2009). Financial statements serve as communication links between the organization and its stakeholders. Organizational stakeholders such as investors, creditors, employees, suppliers, governmental agencies, and others get their information from financial statements. The advancement in technologies (especially communication and internet technologies), the expansion of international trade, and the globalization of economic ventures have made it possible for the integration ofglobal financial markets. Given the differences in the accounting systems in various countries, which result in different financial statements, comparability of financial statements would be difficult, if not impossible. Researchers have proven that a country's cultural values influence its accounting and financial reporting systems, accounting values, accounting professions, and accounting professionals (Gray, 1988; Tsakumis, 2007; Tsakumis et al., 2009). Since each individual country's culture is unique, then various countries' accounting and financial reporting systems differ.

To minimize differences in various countries' accounting and financial reporting systems, internationalization of accounting and financial reporting systems was proposed.

The proponents of the internationalization of accounting argue that it would produce quality accounting standards that would produce quality financial statements that are consistent, reliable, useful, and comparable around the world. They argue that it would facilitate the process of globalization of economy and financial markets, though others disagree. One thing is for sure, globalization of economy and financial market is evolving. The obstacle imposed on the globalization of economy and financial markets by various countries' national borders has been replaced by those countries' cultural values (Moustafa, Slaubaugh, & Wang, 2008; Nabar & Boonlert-U-Thai, 2007).

Uncertainty avoidance is an indicator of how much members of a society are comfortable in uncertain or unknown situations. The future is full of uncertain circumstances, and human beings have established ways to manage these uncertainties. How a society manages its unknown future depends on its level on this cultural dimension and uncertainty avoidance. This society believes that future unforeseen or unknown circumstances should be guarded against and also this society does not like surprises, as a result, it has established rules and regulations that members of the society must follow (Soetan, 2011). This society believes in sincerely and honestly following the established rules and regulations in its organizations and institutions. Deviation from the established rules and regulations is not encouraged or accepted. This society worries about unknown circumstances, as they regard this as a threat to their security. It does not encourage its members to take risks. This society does not like failure. Its members take failures personally as they believe they should have done more to prevent such circumstances (Hofstede, 1983; Richardson, 2007).

A low uncertainty avoidance society worries less about unknown circumstances. This society believes that unknown circumstances are parts of life. The managers and subordinates believe that unknown circumstances are normal parts of business activities. Therefore, they should be dealt with as they occur. This society encourages its members to take risks in finding solutions to job- related problems. Its members can deviate from the established rules and regulations in order tofind solutions to job-related problems. That is, the rules and regulations in this society are flexible, not rigid. The managers and subordinates in this society take risks. This society allows the managers to design compensation packages to reflect level of risks undertaken by the individual employees (Hodgetts & Luthans, 1993; Hofstede, 1980).

Uncertainty Avoidance in Nigeria and West African Countries

The uncertainty avoidance dimension points for West African countries are 54. These points grouped West African countries into a strong uncertainty avoidance society. Based on these points, West Africa society is not expected to feel comfortable with unknown or unforeseen circumstances. This society is expected to have the belief that future unforeseen or unknown circumstances should be guarded against. West African society does not expect to like surprises. As a result, in West African society, managers and subordinates are expected to have established rules and regulations they must follow. This society is expected to believe in sincerely and honestly following the established rules and regulations in its organizations and institutions. Deviation from the established rules and regulations is not expected to be encouraged or accepted.

Gray's Framework of Accounting Subculture

Gray (1988) theorizes that national culture influences the individual countries' accounting systems and values, and he is the first known researcher to do so. He employs Hofstede's (1980) cultural variables to develop a framework indicating that cultural values influence national accounting values and, accounting values influence financial reporting. The framework linked Hofstede's (1980) cultural dimensions—power distance, uncertainty avoidance, individualism, and masculinity—with Gray's (1988) accounting values—professionalism, uniformity, conservatism, and secrecy. Gray's (1988) accounting values include (a) professionalism, indicating a preference for individual judgment as well as self-regulation; (b) uniformity, indicating a preference for uniform accounting practices; (c) conservatism, indicating accounting professionals' willingness to take cautious approach in recognizing items that would increase assets and incomes; and (d) secrecy, indicating the accounting professionals' preference for confidentiality and willingness to disclose the information to a third party or an outsider only on a need-to-know basis. He argues that information sharing is low in large power distance societies. He argues that the values of a society would affect its accounting directly and indirectly through its institutional characteristics such as the type of capital markets, legal systems, and corporate ownership structure. Gray (1988) indicates that because societal values influence accounting values, then, “the value systems or attitudes of accountants may be expected to be related to and derived from societal values with special reference to work-related values” (Gray, 1988, p. 5).

Empirical Evidences

Hofstede (1980) carried out a cross-cultural study and produced supporting evidence to group 40 countries into four cultural dimensions or variables power distance, uncertainty avoidance, individualism, and masculinity. Gray (1988) indicates that uniformity can be connected to uncertainty avoidance and individualism dimensions. He indicates that a strong uncertainty avoidance society preference for established rules and regulations is in line with conformity. This would allow accounting standards to be applied universally. He also identified connection between conservatism and uncertainty avoidance. Conservative measurements of profit and items that increase assets are in line with strong uncertainty-avoidance society's preference for security and a cautious approach to manage unforeseen future events.

Gray (1988) extended Hofstede's (1980) study and theorized that national culture influences the individual countries' accounting systems and values. He was apparently the first researcher to do so. He employed Hofstede's cultural variables to develop a framework indicating that cultural values influence national accounting values and, furthermore, that accounting values influence financial reporting. The framework linked Hofstede's cultural dimensions power distance, uncertainty avoidance, individualism, and masculinity with Gray's (1988) accounting values professionalism, uniformity, conservatism, and secrecy.

Gray (1988) connected professionalism with individualism and uncertainty avoidance. He indicates that professionalism's preference for professional judgment and independent attitudes of accounting professional around the world are in line with high individualism society's preference for individual independence, decisions, and performance. He also indicates that a weak uncertainty-avoidance society's preference for fewer rules and regulations, and where professional judgments would more likely be welcomed, may make the accounting value of professionalism acceptable in a weak uncertainty avoidance society.

Noravesh, Dilami, & Bazaz (2007) examined the associations between Hofstede's (1980) cultural values and Gray's (1988) accounting values in Iran. They collected financial information for a period of 10 years from 247 firms listed in the Tehran Stock Exchange. The sources for the data include an economics magazine, the Iran statistical yearbook, financial statements, and auditors' reports of firms listed in Tehran Stock Exchange.

They used confirmatory factor analysis (CFA) to test the measurement model in linear structural relationship (LISREL). Their results indicated that there is negative significant association between uncertainty avoidance and professionalism, negative significant association between uncertainty avoidance and conservatism, negative significant association between uncertainty avoidance and uniformity.

Gray (1988) connected secrecy with uncertainty avoidance, power distance, and individualism dimensions. He indicates that preference for secrecy is in line with strong uncertainty avoidance for restriction of information disclosures in order to prevent conflict and competition, as well as to maintain security. Nabar and Boonlert-U-Thai's (2007) examination of samples from 30 countries indicates that national culture has an influence on accounting and financial reporting systems in various countries. They indicate that the international accounting standards setter and those who will be enforcing IFRS should consider the influence of national culture on the choice of accounting. The results of their study found strong support for investor protection in common-law countries, which operate equity market systems, and weak investor protection in code-law countries, where debt-market systems exist.

Ding, Jeanjean and Stolowy (2004) indicate that “divergence is significantly positively correlated with individualism, negatively correlated with power distance, and positively correlated with uncertainty avoidance”. But the results of their study also indicate that national cultural dimensions cannot satisfactorily explain certain instances where the IAS had accounting treatments for certain accounting issues, and the national GAAP did not have accounting treatments for such accounting issues. They argue that this situation is more likely to be linked with economic development and capital market issues. Ding et al. (2004) employed a quantitative research method in their study. They used data from a study conducted by several international accounting firms in 2001 known as GAAP. They used correlation and regression statistics in analyzing the results of their research.

Zarzeski (1996) employed descriptive statistics and regression model to examine 256 corporate annual reports in seven countries France, Germany, Hong Kong, Japan, Norway, U.K., and U.S. in order to determine the effects of culture and market forces on accounting disclosure practices. The findings of her study indicate that disclosure practices of the companies that operate locally are in accordance with the local accounting rules and regulations. On the other hand, disclosure practices of the companies that operate both nationally and internationally deviate from those of the companies that operate locally. She attributed these findings to deviations based on the source of funds. She argues that to conform to the same international standards, companies that operate at the global market would be forced to adopt disclosure practices that differ from the local disclosure practices. She indicates that companies that want to raise funds in the international markets would have to provide more information in their financial statements. She then concludes that culture and market forces both affect accounting disclosure practices.

METHODOLOGY

Design: The study employed a survey research design. A field survey research design normally employs self-administered questionnaires to collect data from the respondents. A researcher is not required to be present during the data collection period. Also, since this researcher cannot be present during the data collection period, and it may not be possible to gain permission to manipulate the independent variables in the real-life settings, survey research design is appropriate for this study.

Population: A population, according to Kothari (2008) is considered to be any group of people, events, or items that are of interest to the researchers that they wish to investigate. Borg and Gall (2009) described the target population as a universal set of study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The population for this study is the accounting professionals in the Republic of Benin and Nigeria. The targeted population was accounting professionals that have skills and expertise needed to prepare and present financial statements. The accounting professionals without the skills and expertise needed to prepare and present financial statements were excluded from participating in this study. The participants are working in different organizations such as multinational companies (MNCs), national corporations, regional corporations, large companies, medium and small-sized companies, and different sizes of accounting firms; 200 respondents participated in the study. Of these, 100 survey questionnaires were delivered to the accounting professionals in Republic of Benin, and 100 survey questionnaires were delivered to the accounting professionals in Nigeria.

Instrumentation: The instrument for data collection was a questionnaire constructed by the researchers. Two categories of questionnaire were used together, the English version as well as the French version. The English version of the questionnaire was sent to accounting professionals in Nigeria and the French version of the questionnaire was sent to accounting professionals in the Republic of Benin. The English version of the research instrument was translated into the French language. The English-French translation was performed by a linguistic professor and a chairperson over a university department of humanities whose native language is French. The content validity was verified by the linguistic experts in both English and French. This ensures that the contents in both versions are the same. A five-point Likert-type scale (with 1 = very unlikely and 5 = very likely) was used to solicit respondents' information. This researcher sent preliminary or pre-notice letters to accounting professionals in the Republic of Benin and Nigeria seeking their help to participate in the study. Survey questionnaires were delivered by hand to the participants in the Republic of Benin and Nigeria 1 week after pre-notice letters were sent.

Pre-test of Instrument: To assess the research instrument used in this study, a Cronbach's alpha statistic was calculated. The result of reliability testing produced Cronbach's alpha value of 0.73, which supports the reliability of the research instrument used in this study. Cronbach's alpha values of 0.70 or higher are considered to indicate acceptable reliability for research instruments. In other words, the Cronbach's alpha value of 0.73 for this instrument means a reliable research instrument was used to collect data for this study.

Operationalization: Hofstede's (1980) cross-cultural study has made it easier to operationalize culture in cross-cultural studies. The independent variables in this study were Hofstede's (1980) scores of cultural dimensions power distance. In other words, the cultural scores allocated to West Africa by Hofstede's study were operationalized as independent variables in this study.

Data Analysis Procedure: In order to test the hypothesis for each of Hofstede's cultural dimension, this study examined the difference between Republic of Benin and Nigerian participants' responses to questions designed for each of the Hofstede's cultural dimension of power distance. That is, the answers collected from the Republic of Benin and Nigerian participants about their decisions on their application of IFRS for the question designed for power distance were examined to see if any significant difference exists between the two countries' scores. Descriptive statistics and t-test were employed in analyzing the research data and Statistical Package for the Social Sciences (SPSS® Version 17.0) was used to calculate the statistics. The t-test was chosen for this study because it is the statistic needed to examine whether significant difference exists between two variables. This study examines whether significant cultural difference exists between the Republic of Benin and Nigerian participants' decisions on how to apply IFRS. The alpha for the test was set at p = .05.

RESULTS AND DISCUSSION

Descriptive Analysis of Participants' Bio-data

Table 1: Percentage Distribution of Respondents Personal Characteristics

S/N	*Personal Characteristics*	*Frequency*	*Percentage (%)*
	Republic of Benin		
1	**Sex**		
	Female	33	33
	Male	67	67

2	**Age**		
	25-35 years	24	24
	36-45 years	30	30
	46+ years	46	46
3	**Position**		
	Director	26	26
	Partner	24	24
	Manager	19	19
	Senior Staff	31	31
	Others	-	-
4	**Years of Experience**		
	4-8 years	44	44
	9+ years	56	56
Nigeria			
1	**Sex**		
	Female	41	41
	Male	59	59
2	**Age**		
	25-35 years	29	29
	36-45 years	44	44
	46+ years	27	27
3	**Position**		
	Director	11	11
	Partner	14	14
	Manager	31	31
	Senior Staff	41	41
	Others	3	3
4	**Years of Experience**		
	4-8 years	46	46
	9+ years	54	54

Source: Field survey (2018)

ANALYSIS OF RESEARCH QUESTION

Question: If you are 90% convinced that you should disclose the pending litigation in the notes to the financial statements, how likely is your superior preference will influence your decision?

Table 2: Distribution of Responses on the Survey Answer for Republic of Benin Participants

Responses	*Frequency*	*Percent*	*Cumulative Percent*
Very unlikely	8	8.00	8.00
Unlikely	8	8.00	16.00
Undecided	4	4.00	20.00
Likely	28	28.00	48.00
Very likely	52	52.00	100.00

Source: Field survey (2018)

Table 2 indicates 16 (16%) of the Republic of Benin participants decided that it is very unlikely 8(8%)

or unlikely 8(8%) that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to the financial statements, 80 (80%) believed that it is likely 28 (28%) or very likely 52 (52%) that their superior's preference would influence their decisions on disclosing a pending lawsuit in the notes to the financial statements, and 4 (4%) were undecided whether their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to the financial statements. Most Republic of Benin participants 80 (80%) believed that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements.

Table 3: Distribution of Responses on the Survey Answer for Nigerian Participants

Responses	*Frequency*	*Percent*	*Cumulative Percent*
Very unlikely	40	40.00	40.00
Unlikely	33	33.00	73.00
Undecided	6	6.00	79.00
Likely	16	16.00	95.00
Very likely	5	5.00	100.00

Source: Field Survey (2018)

Table 3 indicates 73 (73%) of the Nigerian participants believed that it is very unlikely 40 (40%) or unlikely 33 (33%) that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements, 21 (21%) believed it is likely 16 (16%) or very likely 5 (5%) that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements, and 6 (6%) were undecided whether their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements. Most Nigerian participants, 73 (73%), believed their superior's preference would not influence their decisions on disclosing pending lawsuit in the notes to financial statements. This is contrary to the Republic of Benin participants' perception, as 80 (80%) of them believed their superior's preference would influence their decisions.

HYPOTHESIS TESTING AND INTERPRETATION OF RESULTS

The hypothesis states that there is no significant difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance. Data collected for the study was analyzed using inferential statistics of t-test to test the only hypothesis stated for the study and was tested for significance at the 0.05 level of significance.

Table 4: Two Sample t-Test difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria

Nationality	N	Mean (*M*)	Std. Deviation (*SD*)	Degree of freedom (*df*)	Test statistic (t)	*P*-value (2-tailed)
Republic of Benin	100	4.03	1.12	198	9.23	.000
Nigeria	100	2.37	1.41			

Source: Field Survey (2018)

variable like uncertainty avoidance is a determining factor in the application of accounting rules IFRS in various countries. This means the accounting professionals in various countries will treat the same accounting issues differently, due to cultural dimensions of uncertainty avoidance. The result indicates that participants in both countries were on the opposite side regarding the application of IFRS using the concept of cultural dimension of power distance. In other words, the paper findings indicate that countries with different cultural values will treat the same accounting issues differently. Treating the same accounting issues differently in various countries will produce incomparable financial statements. This works against the aims of the IASB, which is trying to prescribe international accounting rules IFRS that can produce comparable financial statements around the world.

RECOMMENDATIONS

Following the findings of this study, the below recommendations were made:

- The IASB can present the findings of this study to the accounting professionals among its constituents in order to garner support for the establishment of a compliance committee. This committee would monitor the compliance of the accounting professionals regarding the application of the IFRS worldwide. In addition, this committee can also have an enforcement subcommittee. The compliance committee would refer any issues of non-compliance to the enforcement subcommittee.
- IASB can use the results of this study to garner support for the development of educational programs aimed at reducing inconsistencies in the application of IFRS worldwide. The educational program would be in form of de-educating and re-educating accounting professionals worldwide. Application of accounting rules IFRS is about making sound and consistent decisions by the accounting professionals. Therefore, de-educating accounting professionals worldwide would focus on how the accounting professionals worldwide can change their present way of reasoning when applying accounting rules.

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