

AN IMPACT OF AUDIT QUALITY ON FIRM'S EARNINGS: EVIDENCE FROM THE SELECTED PHARMACEUTICAL FIRMS LISTED IN THE NIGERIA STOCK MARKET

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ABSTRACT

The study examines the impact of audit quality on the firm's earnings. It adopts audit quality as the independent variable, and scales firm' earnings to be the dependent variable. The audit fee, Big 4 auditors, auditor's independence and audit tenure were variables used to proxy the independent variable while cash flow was used to proxy firm's earnings (dependent variable).The study adopted descriptive research design using pool data. The study was carried out in Nigeria. The population of the study is eleven pharmaceutical firms and the sample size is nine firms. Purposeful sampling was used based on the availability of data from those firms. The study employed regression statistical data in analysing the result. The findings of the study reveal that audit fee, auditor's independence and auditor's Big 4 have significant impact on the firm's earnings, while audit tenure has no significant impact on the firm's earnings.

KEYWORDS: *Audit Quality, Independent Variable, Nine Firms*