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ECONOMIC POLICY, CORRUPTION AND ACCOUNTING PROBLEMS OF FOREIGN ORGANIZATIONS IN NIGERIA: AN EMPIRICAL ANALYSIS

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ABSTRACT

Corruption has become an issue of maier political and economic significance in recent years, The impacts of corruption affect the national currency of a country and the operations of foreign firms in that country, We show in this empirical investigation the relationship between government policy and the impacts on national currency of the country and the operations of foreign firms, We conclude that democratic government can offer a positive role in addressing corruption in a developing country using Nigeria as a case study.

INTRODUCTION

Economic policy of any government impacts greatly on the socio-economic life of the individuals and co-operations where the policy is implemented. In recent years, corruption has become an issue of major economic and political significance in many countries across the globe, including a number of developed western states (Robinson, 1971). It is difficult to generalize about the form that corruption assumes in different country contexts. There are differences between the form assumed by corruption in developing countries as compared to developed countries, and between forms of corruption that are growth-retarorng or threaten political stability and those that are more benign and do not undermine the economic or political viability of nations states (Johnson, 1996; Hutchcroft, 1997), Although there may exist many delinition of corruption, the definition by Klitgard which derives from principal

-agent theory, namely that corruption *is* "monopoly plus discretion minus accountability (Goudie, A and Stasavage, D. 1997) offer great illumination. Johnston (1996) also explain that corruption could be viewed as "the abuse of public roles or resources for private benefit, In Africa. as elsewhere, corruption often has a 'Robin Hood in reverse character the losers are likely to be the exceptionally poor. female and marginalised. whilst the winners are' already wealthy and part of an inefficient, smoothen state. Most African corruption rewards the already wealthy usually, it is a form of redistribution from those in poverty to the office holding and consequently relatively or extremely rich. This corruption misallocation of resources happens where poverty is a product of unequal wealth distribution and where it is also a consequence of the social exclusion of the poor (UNDP. J977, Ward. 1989. World Bank, 1997a.).

When corrupt government implement policy which they feel will offer huge financial rewards. they are often sold to the citizens. The expected advantages of the policy are often aired in the radio and reported in the papers to sell the policy. Such was the case with the introduction of Structural Adjustment programme (SAP) in Nigeria. The introduction of Structural Adjustment Programme (SAP) in June 1986 by the Federal Government of Nigeria brought with it fundamental changes in various spheres of the economy. SAP was built on the following plants;

J. The establishment of the second tier foreign exchange market (SFEM) with the sole objective of re-aligning the external value of the Naira.

2. Privatization/communication of public sector enterprises and parastatals - a measure aimed at overcoming the observed public expenditure control programs.

3. The rationalization and restructuring of the tariff structure with a view to promote industrial diversification.

4. Initiating and adopting concrete measure that would ease the debt burden, as well as provide incentives that will attract a net inflow of foreign capital. while keeping a lid on foreign loans. (CBN 1986).

The expected benefits from these laudable policies were marred by persistent corruption among successive regimes in Nigeria. The anticipated boost on non-oil export became a mirage as funds meant for agricultural commodities and other infrastructures were diverted to private hands. Revenue accruable from currency devaluation was grossly mismanaged leading to persistent depletion of the country's infrasturucutral facilities. The cost of the business operation in Nigeria became unbearable leading to massive retrenchments in both public and private enterprises. The value of the Naira (the National currency of the country) fell from an official rate of NJ,5535 to one Dollar at the inception of the second-tier Foreign Exchange market (SFEM) in 1986 to NII a to one Dollar as at 3rd April 200l. (This day, 200I). Apart from currency devaluation and unstable rate of exchange, there had been so many inconsistencies in monetary and fiscal policies. Interest rates have been largely unstable over the years.

This scenario impacts negatively on the accounting practice of foreign firms operating in Nigeria in many ways especially in the areas of currency measurement and conversion. International operations consist solely of trading activity (imports or exports) (Griffin, et al, 1980). In the case of Nigeria, the existence of oil and other solid minerals provide high attraction for foreign investment. These firms established foreign branches or subsidiaries, either to engage in production or to serve as sales outlet to both. Such foreign transactions may include a spot sale or purchase, a forward contract sale or purchase, or a currency swap. Foreign exchange rate volatility creates accounting problems in almost all categories of these transactions. In this study, we present an empirical investigation of accounting problems of selected foreign firms in Nigeria due partly to influence of corruption among policy makers.

Conceptual Framework

The major plank on which structural adjustment programmes in Nigeria was built is in the establishment of the second tier foreign exchange market (SFEM) with the sole objective of re-aligning the external value of the Naira. Today, despite the merging of the autonomous and parallel markets the Naira has been finding it extremely difficult to appreciate in value when compared with other currencies basically because of the endemic corruption in the system. Despite the spirited effort by the current democratic government and the anti-corruption crusade with its draconian law to curtail corruption, some banks still obtain foreign currency through fraudulent bidding which are not backed by Naira deposits. The definition of corruption as "the violation of the formal rules governing the allocation of public resources by officials in response to offers of financial gain or political support (Nye, 1967, Khan, 1996) offer great illumination in explaining the scenario in Nigeria. The central bank officials connive with corrupt commercial/mercham banks officials to corruptly usc their customers' balances to bid for foreign currency without the knowledge of their customers. As a consequence the official price of the Naira continue to fall due to excessive bidding by these unpatriotic individuals.

The fall in the official price of the Naira due to the corrupt practices of e BN/Banks officials has great impact on multinational accounting practices in Nigeria. It is generally expected that firms with international operations will have foreign currency denominated assets and "abilities, revenues and expenses. But every foreign firm registered in Nigeria is also expected to report its financial statement in Naira. This is because investors in Nigeria and indeed the entire financial community are interested in home currency values. The major accounting problems of foreign firms in Nigeria revolve around the problem of foreign currency exchanges. Especially how to assign the foreign currency balance sheet accounts and income statement with home currency values.

If currency values change, then foreign exchange translation gains or losses may result. Assets and liabilities which are translated at the current (Post-change) exchange rate are considered to be exposed, while those translated at a historical (pre-change) exchange rate will maintain their historic home currency value and hence are regarded as not exposed. Translation exposure is just the difference between exposed assets and exposed liabilities (Shapiro, 1986).

The primary objective of the translation process is to obtain valuations (in Naira terms) that are essentially consistent with the pronouncements of the Nigerian Accounting Standard Board (NASB) which constitute the domestic accounting principles on the valuations of the specific accounts being translated. Although, there exist a wide range of controversies among accountants on which assets and liabilities are exposed and when accounting derived foreign exchange gains and losses should be recognized i.e. reported on the income statement, the fact remains that no cash flows are involved. Four translation methods are espoused in accounting literature. These are current/non current method, the monetary/non monetary method, the temporal method and the current rate method.

Current/Non Current Method

The underlying theoretical basis of this method is maturity. With this method, all the foreign subsidiaries' current assets and liabilities are translated into home currency at the current exchange rate. Each non-current asset or liability is translated at its historical rate; that is the rate in effect at the time the asset was acquired or the liability incurred. Hence a foreign subsidiary with positive local currency working capital will give rise to a translation loss from a devaluation as is the case in Nigeria due to Naira devaluation while a translation gain will occur from a revaluation. The income statement is translated at the average exchange rate of the period, except for those revenues and expense items associated with non-current assets or liabilities. This method allows the possibility of different revenue and expense items with similar maturities being translated at different rates. The method had been criticized on several grounds, including the arbitrariness of the current-non-current accounting classification and the resulting dissimilar treatment given to inventory and other long-term debt (Griffin, et al 1980).

MonetarylNon-monetary Method

This method differentiates between monetary assets and liabilities. Monetary items are those items that represent a claim to receive or an obligation to pay, a fixed amount of foreign currency units (e.g. cash, accounts payable and receivable, and long term debt) while non-monetary are physical assets and liabilities (e.g. inventory, fixed assets, and long term investments). The method espoused that monetary items should be translated at the current rate, while non-monetary items be translated at historical rates. This method failed to recognize the volatile nature of assets stated at replacement cost.

Temporal Method

Under this method, assets and liabilities arc translated in a manner that retains the accounting principles that have been applied to them. For instance, if an asset is measured at original transaction cost, a historical transaction rate would be used. This method appears to be a modified/non monetary method, inventory is normally translated at the historical rate, while under the temporary method, and inventory could be translated at the current rate if the inventory is shown on the balance sheet at market values.

Current Rate Method

Under this method, all balance sheet and income items are translated at the current rate. If a firm's foreign currency - denominated assets exceed its foreign currency – denominated liabilities, devaluation must result in a loss and a revaluation in a gain. The four currency translation methods discussed above can lead to a wide variation in results. To avoid such variation the Financial Accounting Standard Board (FASB) issued a ruling (statement of Financial Accounting Standards No. 8) that established uniform standards for the translation into dollars of foreign currency - denominated financial statements and transactions for U.S. based multinational companies.

FASB - 8 was based on the temporal method, and became effective on January, 1976. The major provision of this statement was that balance sheet items be valued (translated) according to their underlying measurement basis, that is, current or historical. The method was roundly criticized by corporation on account of its ruling that all reserves for currency losses be disallowed. In 1981, a new translation standard known as statement of financial accounting standards No. 52 (FASB - 52) was introduced to replace FASB - 8 with effect from December 15, 1982. Under its guidelines, firms were mandated to use the current – rate method to translate foreign currency - denominated assets and liabilities into dollars. All foreign currency revenue and expense items on the income statement were to be translated at either the exchange rate in effect on the date these items are recognised, or at an appropriately weighted average exchange rate for the period. The new method allows translation gains and losses to by pass the income statement and is accumulated in a separate equity account on the parent's balance sheet. FASB-52 differentiates for the first time between the functional currency and reporting exchange currency (Shapiro, 1986). In Nigeria, the National Accounting Standard Board (NASB) issues pronouncements in forms of Financial Accounting Standard (FAS-7) to provide guidelines on domestic accounting principles on the valuations of the specific accounts being translated.

CAUSES OF EXCHANGE FLUCTUATION

Structural Adjustment Programme of the Federal Republic of Nigeria (SAP) started in 1986 created a lot of structural changes. Consequently, exchange rate fluctuations in Nigeria can be attributable to high inflationary trend, low interest rates, on investment, and low earnings expectations. High inflationary trend led to exchange rate fluctuation in Nigeria. The fact that the rate of inflation in Nigeria grows much faster than the rate of inflation in some other industrialized parts of the world, compels a drastic shift of demand to those countries where inflation rate grows much slower, hence the demand for Naira by foreigners' fall and this forces further depreciation of the Naira in the foreign exchange market. There is therefore a link between the rate of inflation and the strength of a currency and vice-versa such that exchange rates change to compensate for differences between two countries (Buckley, 1986).

Low interest rates is also identified as a cause of exchange fluctuation, in that when the interest rates on invested capital shrink, foreign investors withdraw their investment from the country. causing the value of the Naira to depreciate. This is because short-term loans are normally lent in those markets where interest rates are highest. Thus, if one major country's short-term rate of interest rises above the rates in most other countries, there will be a large inflow of short-term capital into that country to take advantage of high rates and this will tend to appreciate the currency of the country. Low earning. expectations is also another possible cause of exchange fluctuation. Long term expectations about another country's earnings and the long-run value of its currency determine the level of investments in the country and hence affect the country's rate of exchange (Lipsey and Steiner 1981). The low dividend received by investors in Nigeria attests to this expectation.

Translation impacts are known to influence investors' decision (Evans, T.G. et al 1978). But such impacts can be reduced if the capital market is efficient. In such as market knowledgeable investors should be able to understand detailed financial statements and properly interpret various accounting conventions behind corporate balance sheets and income statements. Thus, the existence of sophisticated traders should preclude a firm's ability to change its market value purely by manipulating accounting information. In Nigeria, the capital markets arc grossly inefficient. The unstable political environment couple with youths' restiveness in oil producing communities scared away high stake investors. The excessive demands by the host communities in the oil producing areas of the country contributed greatly to astronomical cost of operation in these areas. Years of unchecked corruption among the ranks and files of military government officials led to neglect of basic social facilities. In effect, the multinational companies operating in these regions are expected to resuscitate these basic facilities in addition to paying their mandatory taxes to the government. Importation of spare parts from abroad further increased the cost of operation for foreign firms due to high devaluation of the Naira and lack of local alternatives. All these factors contribute greatly to Naira fluctuation.

METHODOLOGY

This study provided answers to the following questions:

I. Is there any significant relationship between translation of foreign firms operating in Nigeria and the depreciation of the Naira?

2. Is there any significant relationship between accounting problems of foreign firms operating in Nigeria and the depreciation of the Naira?

3. Can anti-corruption crusade contribute positively to the appreciation of the value of the Naira in Nigeria?

Three null hypotheses were formulated and tested as a guide to answering our research questions: These are:

1. There is no significant relationship between accounting problems of foreign firms operating in Nigeria and the depreciation of the Naira.

2. There is no significant relationship between translation problem of foreign firms operating in Nigeria and the depreciation of the Naira.

3. There is no significant relationship between anti-corruption, crusade and the appreciation of the value of the Naira.

We identified 35 firms that have relationship with foreign organizations. Thirty-five questionnaires were distributed to these selected international-related companies based in Nigeria. Out of this number, thirty (30) questionnaires were successfully retrieved for the analysis. 13 or 43% of the retrieved questionnaires were from firms that are branches to their foreign offices, 8 or 27% were subsidiaries, 7 or 23% were parents to their foreign syndicates, while 2 or 7% were associates.

Data Analysis

The method of analysis employed in the study enabled us relate the accounting and translation problems of foreign firms operating in Nigeria to the depreciation of the Naira. We used the chi-square statistics to analyse the data. To analyse the translation problems that confront foreign firms in Nigeria, three factors were identified. These are: (I) currency use in reporting the company's foreign account; (2) adherence to appropriate rate re-measuring current assets and liabilities; and (3) adherence to suitable conversion rate for long-term financial items.

To analyse the Accounting problems that confront foreign firms in Nigeria, we also identified the following factors: (I) foreign exchange and taxation problems confront by the firm; (2) edging against exchange rate fluctuations; and (3) treatment of how expenses not yet incurred on forward exchange contract are treated currently. To analyse the impact of anti-corruption crusade in Nigeria we identified the following factors, adherence to CBN guidelines; the acceptance of bid based on stipulated rules; and influx of foreign investments due to elimination of sharp practices.

Our aim was to ascertain if there is a significant relationship between these factors and Naira depreciation/appreciation as they affect the operation of foreign firms in Nigeria. Chi-square statistic was used to analyse these relationships because the data are discrete and are frequency counts. It tests how observed frequencies fit into the expected frequencies. (The computation procedure for Chi-square is presented in appendix 1-9). The results of our Chi-square test show that the computed values of Chi-square of 13.37 and 13.8 for accounting and translation problems respectively and Naira depreciation are greater than the critical value of Chi-square at 0.05 significance level and 2 degrees of freedom of 5.991 (see appendix 3 and 6). Based on these results we reject the null hypotheses of no significant relationship between accounting translation problems of foreign firms operating in Nigeria and the depreciation of the Naira. The results confirmed that there is actually a significant relationship between accounting and translation problems of foreign firms operating in Nigeria and the Naira depreciation.

Also, the calculation of the Chi-square statistics to test the relationship between the impact of anti-corruption campaign and the appreciation of the Naira shows that, the calculated chi-square statistics of 17.21 is greater than the critical values at 5 percent level of significance and 2 degree of freedom of 5.99. With this result we reject the null hypotheses of no significant relationship and accept the alternative hypotheses that there is a significant relationship between the impacts of Anti-corruption campaign and the appreciation of the aira in Nigeria.

Discussion of the Findings

From the findings of this study, we conclude that foreign firms operating in Nigeria are engaged in different trades. 50 percent of the 30 films studied are engaged in services, 17 percent in manufacturing, while 33 percent are in merchandising. It was also discovered that 70 percent of companies studied were either branches or subsidiaries to their foreign offices while 23 percent were parent. Most of the companies were owned and controlled by foreign investors. The problem of corruption in the country in the past had impacted negatively on the operation environment making the cost of production prohibitive for these firms. Besides, the study reveals that foreign firms operating in Nigeria envisaged accounting problems ranging from foreign currency exchanges to taxation. For example 63 percent of the 30 firms studied faced the problem of foreign exchanges. While 17 percent faced taxation difficulties while only 20 percent claimed not to have any accounting problems.

It was also discovered that 67 percent of the companies studied do business on credit, thereby creating payables and receivables. All companies who make credit transactions recognized such transactions on date of delivery of goods and services. The study reveals that only 30 percent indigenously owned foreign firms report their final accounts in the domestic currency, 70 percent of the organizations report their affairs in foreign currencies. These companies enjoy autonomy in the preparation of their final accounts. All companies recorded their transaction in the Naira, even though their final accounts were presented in the currencies of the parents by the parent firms themselves. About 77 percent of the companies studied which embarked on long term monetary contract, recognize exchange differences by adjusting owners interest or deferred same until realized.

RECOMMENDATION

Based on the findings of this study, we recommend that foreign firms operating in Nigeria should integrate into the content of their accounting policies acceptable method of managing foreign exchange rate fluctuations. Capital reserve aCCOUnlS as well as revenue reserve account should be created into which the effects of transaction at historical rate, and current and average rates, respectively, should be transferred periodically. A consistent system of control of the foreign exchange and accounting policies should also be maintained. Also foreign firms operating in Nigeria should employ competent staffs who are versed in international accounting to assist them in solving accounting problems associated with currency devaluation. Finally, management foreign firms should discontinue with corrupt practices of bribing influential members of the community to sideline the views of the majority as a conflict management strategy since such approach only encourages greater conflict.

CONCLUSION

Exceptional political and managerial determination and courage is necessary to enable African States to promote and maintain reform and reduce public sector corruption (Riley, S.P. 1998: 129). No one can start this better than a political leader of any nation. This underscores the silver lining that adorns the firmament in Nigeria due to the anti-corruption crusade of the current democratic government led by Chief Olusegun Obasanjo. The economic liberalization of the government is a step in a right direction as is capable of reducing the level of corrupt practices in some government parastatals. The various Port reforms have already begun to yield great dividends. as there are recorded reduction in customs fraud and the related corruption. When all these are combined with institutional reforms and relatively high salaries currently paid to civil servants in Nigeria the necessary impacts of anti-corruption would begin to have its tool on the appreciation of Naira value.

The privatization campaign of the federal government is also gathering momentum. With the granting of operational licences to 28 independent firms to break the monopoly of National Electric Power Authority (NEPA there is hope that the corruption prune corporation would be eventually sanitized. The National Petroleum Corporation (NNPC) is also to be privatised. The corruption of the officials of this institution in form of connivance with independent marketers to direct refined petroleum products to neighbouring countries have been a ease of great eoncern to the government in particular and the public in general. Several corruption prune economic policies of the past military governments in Nigeria had worked against the stability of the national currency. Some foreign firms were forced to close shops and relocate their businesses in other part of Africa due to hostile investment environment characterized by epileptic power supply. lack of functional public utilities and youths restiveness.

The emergence of democracy and introduction of anti-corruption campaign in Nigeria appear to reverse the trend. Policies that do not offer prospect of growth and dividends are forcefully resisted by the various institutions, such as labour. students unions, market women association, democratic lawyers' associates and several human right organizations. A case in point is the reversal of pump price of refined crude (petrol and kerosene) last year from N32 and N30 respectively to the current price of N22 and N18 respectively. With the commissioning of Niger-Delta development commission to address the problems of Niger-Delta region of Nigeria, the rampant youth restiveness which has paralysed the exploration activities of multinational companies will be a thing of the past. Several poverty alleviation projects all over the country are gradually creating employment to the vast unemployed youths. The concept of accountability in public service is gradually restoring confidence and financial stability in the system. All these efforts are positive steps that will impact on the appreciation of the Naira and which will lessen the problems of foreign firms operating in Nigeria.

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APPENDIX 1

ACCOUNTING **PROBLEM** OF **FOREIGN** FIRMS IN **NIGERIA AND NAIRA DEPRECIATION** DUE TO **CORRUPTION**

Accounting Problem	**Naira Depreciation**		
	Hiah	**Low**	Total
Foreign exchanee **and taxation problem**	4	26	30
Edging azai nst **loss on** forward **contract**	7	23	30
Treatment of expenses of unperformed **position of the forward** exchange **contract**	16	14	30
Total	27	63	90

APPENDIX 2

CALCULATING EXPECTING FREQUENCY

Accounting Problem	**Naira** Deoreetatlon					
	High		**Low**			
	Fa	**Fe**	Fa	Fe	Tolal	% **of** Total
Foreign exchange and taxation problem	4	9	26	21	30	33.33%
Edging against loss on forward contract	7	9	23	21	30	33.33%
Treatment of expenses of unperformed position of the forward exchange contract	16	9	14	21	30	33.33%
Total	27	27	63	**63**		100%

APPENDIX 3

CALCULA**TION** OF **CHI-SQUARE** FOR **ACCOUNTING PROBLEMS** OF **FOREIGN** FIRMS **AND** 'AIRA DEPRECIA**TION DUE** TO I **IFLUENCE** OF **CORRUPTION** IN **NIGERIA**

Accounting Problem	**Naira** Denreciation					
		Fo	Fe	(fo-Fe)	**$(Fo-Fe)^2$**	**$(Fo-Fe)^2/fe$**
Foreign exchange and taxation Problem	High	4	9	-5	25	2.78
Edging against loss on forward Contract	High	7	9	-2	4	0.44
Treatment of expenses of unperformed position of the forward **exchange** contract	High	16	9	7	49	5.44
Foreign exchange and **taxation**	Low	26	2\	5	25	1.19
Edging against loss on forwarding contact	Low	23	2\	2	4	0.19
Treatment of expenses on unperformed portion of the forward exchange contract	**Low**	14	2\	-7	49	2.33
Total				0	156	12.37

$X^2_{0.05}$ (degree of freedom) = (3-\) (2-1) = 2

Critical value =5.991.

APPEN DIX **4**
TRA NSACTION **PROBLEM** OF FO RE IGN **FIRMS OPERATING IN** NIGERIA AND NAIRA DEPRECAT ION

Accounting Proble m	Naira Denreciation		
	Hil!h	Low	Total
Reporting in foreign rather than domestic currency by foreign firms operating in Nigeria	5	25	30
Use of Non appropriate rate for re-rneasuring current asset and liabilitv	8	22	30
Non adherence to standard accounting format to adjust for impact of currency loss	17	13	30
Tota l	30	60	90

APPEN IlIX 5
CALCU LATING THE EXPE CTING FR EQ UENCY

Accounting Problem	Naira Depreciation					
	High		Low			
	Fo	Fe	Fo	Fe	Total	% of Total
Reporting to foreign rather than domestic currency by foreign firms operating in Nigeria	5	10	25	20	30	
Use of Non appropriate rate for re-measuring current asset and liabilities	8	10	22	20	30	
Non adherence to standard accounting format to adjust for impact of currency loss	17	10	13	20	30	
Total	30	30	60	60	90	

AIPENDIX 6

CALCULATING TilE CHI-SQUARE FOR TESTING TIIE TRANSLATION **PROBLEM** OF FOREIGN **FIRMS** OPERATING **IN** NIGERIA AND NAIRA DEPRECIATION DUE TO INFLUENCE OF CORRUPTION

Accounting Problem	Naira Denreciation					
		Fo	Fe	(fo-Fe)	IFo_Fe)'	$(Fo-Fe)^2/fe$
Reporting in foreign rather than domestic **currency** by foreign firms operating in Nigeria	High	5	10	-5	25	2.5
Use of Non appropriate **rate** for re-measuring current asset and liability	High	8	10	-2	4	0.4
Non adherence to standard accounting format to adjust for impact of currency loss	High	17	10	7	49	7
Reporting in foreign rather than domestic **currency** by foreign firms operating in Nigeria	Low	25	20	5	25	1.25
Appropriate rate for re- measuring current asset and liabilities	Low	**22**	20	2	4	0.20
Non adherence to standard accounting format 10 adjust for impact of currency loss	Low	13	20	-7	49	2.45
Total		90	90	0	156	13.8

$X^2_{0.05}$ - 13.8

APPENDIX 7

IMPACT OF ANTI-CORRUPTION CAMPAIGN IN NIGERIA AND THE APPRECIATION OF TIIE NAIRA

Accounting Problem	Appreciation of the Naira		
	High	Low	Total
Adherence to operation to CBN guidelines	18	12	30
Acceptance of bid based on stipulated rules	20	10	30
Influx of foreign investment due to elimination of **sharp** practices among operators	23	7	30
Total	65	25	90

Source: quesnonnarre response, March 200I.

APPENDIX 8
CALC LA**TING** EXPECTI 'G **FREQUENCY**

Accounting Problem	Appreciation of Naira					
	Fo	fe	fo	fe	Total	% of Total
Adherence to operation to CBN guidelines	16	22	12	8	30	33.33
Acceptance of bid based on stipulated rules	18	21	12	8	30	33.33
Influx of foreign investment due to elimination of sharp practices among operators	15	22	15	8	30	33.33
Total	**49**	66	39	**24**	90	100%

APPENDIX 9
CALCULATION Cm-SQUARE FOR **ANTI-CORRUPTION IMPACTS AND**
APPRECIATION **IN** TIlE VALUE OF TIlE NAIRA

Accounting Problem	Annreciation of the Value of the Niaria					
		fo	Fe	(fo-Fe)	(Fo-Fer	(Fo-fel'/fe
Adherence of the operators to the CBN guideline	High	16	22	-6	36	1.636
Acceptance of bid based on stipulated rules	High	18	22	-4	16	0.727
Influx of foreign investment due to elimination of sharp practices among operators	High	15	22	-7	49	2.227
Adherence of the operators to the CBN guidelines	Low	14	8	6	36	4.5
Acceptance of bid based on stipulated rules	Low	14	8	4	16	2
Influx of foreign investment due to elimination of sharp practices among operators	Low	15	8	7	49	6.125
Total		90	90	0	202	**17.21**

Calculated X^2 - 17.21