

THE EFFECT OF IDENTIFICATION OF ENVIRONMENTAL COST ON QUALITY OF DISCLOSURE: A CRITICAL ANALYSIS OF SHIPPING LINES IN NIGERIA

Lawal Babatunde Akeem¹, Florence Memba (PhD.)², Willy Muturi (PhD)³

¹Department of Economics, Accounting and Finance, Jomo Kenyatta University of Agriculture and Technology
Juja, Nairobi, KENYA

² Department of Business Administration, Jomo Kenyatta University of Agriculture and Technology, Juja
Nairobi, KENYA

³Department of Economics, Accounting and Finance, Jomo Kenyatta University of Agriculture and Technology
Juja, Nairobi, KENYA

ABSTRACT

This paper establishes the effect of identification of environmental cost on quality of disclosure on shipping lines. This study adopts both descriptive design and correlation analysis and the population of the study is the registered shipping lines in Nigeria. The target population of this study was restricted to the legal department, finance and account department, and technical and marine department of the shipping companies. This study makes use of primary data. Primary data was collected through administering of questionnaires to the staff of the shipping lines in Nigeria. Simple regression model was used to establish the relationship between the dependent variable and the independent variable. Data analysis was done using Statistical Package for Social Sciences (SPSS) generating both descriptive and inferential statistics like Pearson's correlation. Descriptive statistics include; frequencies, mean and standard deviation. The findings show that identification of environmental cost influences quality of disclosure on shipping lines in Nigeria. Based on the findings of this study, it is highly recommended that companies are to decide in their discretion which expenditure or cost should be included under the environmental expenses or cost. Operating expenses have defined expenses associated with environmental measures to primarily include production related costs and product research and development expenses that are solely incurred for environmental protection as distinct from product improvement. This process will create or enhance quality of disclosure on shipping lines in Nigeria.

Keywords: Quality of disclosure, environmental cost, environmental expense, operating expenses, and shipping lines.