

## **The Impact of IFRS Adoption on Value Relevance of Accounting Information: Empirical evidence from Listed Commercial Banks in Colombo Stock Exchange**

Hallala, D.S.L.<sup>1</sup> and Wijekoon, W.M.H.N.<sup>2</sup>

<sup>1,2</sup>*Department of Accountancy, University of Kelaniya*

<sup>1</sup>*slakshitha6996@gmail.com*; <sup>2</sup>*nisansala@kln.ac.lk*

### **Abstract**

The study examines the impact of IFRS adoption on value relevance of accounting information by comparing the association between accounting measures and market values of listed commercial banks in Colombo Stock Exchange. This study employs data from ten commercial banks for both pre-IFRS (2007-2011) and post-IFRS (2012-2016) periods. Data were analyzed using panel data regression method and Pearson correlation analysis. An analysis of literature reveals limited research that examines the value relevance of accounting information and effect of financial statements in the context of developing countries and Sri Lanka in particular. This study contributes to the existing literature by focusing on the dimension of value relevance of accounting information and act as references and encourage the interest among academicians and researcher to further research on impact of IFRS adoption in Sri Lanka. Findings of the study are useful to other developing countries those who have not yet adopted the accounting standard IFRS and to local and global accounting standard setters in determining the value relevance of the accounting information prepared under IFRS.

**Key words:** *Colombo Stock Exchange, IFRS adoption, Value relevance of accounting information*