

Title of Articles: Determinants of Creative Accounting

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Abstract: The resurgence of creative accounting has become an issue of concern globally. The conflicts of interest among different interest groups amongst others represent the real causes of creative accounting. This study focused on determinants of creative accounting to determine whether the identified causes such as employees and top management compensation package tied to performance, loophole in GAAP, flexibility in accounting standard, agency rating, shareholders' demand for regular dividend and improved earning, actually encourage creative accounting or that they are a product of intuition that have no empirical basis. The study made use of primary survey data sourced through the administration of questionnaires on 200 respondents using random sampling. Three hypotheses were tested using Chi square test statistic. The three null hypotheses were rejected. The researchers therefore conclude that the identified factors actually correlate with creative accounting. It is recommended amongst others that the policy makers and regulators should ensure that bridging of the gap and loopholes inherent in GAAP and accounting standards. Investing public should also be enlightened to frown at creative accounting under any guise because of its remote consequences on their investments.