ACCOUNTING VARIABLES AND SHARE PRICE: AN EMPIRICAL STUDY ON QUOTED DEPOSIT MONEY BANKS IN NIGERIA

Peter Sunday DARAMOLA
Babcock University, Ilishan Remo, Ogun State, Nigeria.
daramola0293@pg.babcock.edu.ng

Tunji SIYANBOLA
Babcock University, Ilishan Remo, Ogun State, Nigeria
siyanbolat@babcock.edu.ng

Abstract

Share price shows the strength of a business enterprise in the stock market and reflects investors' perception to earn income in the future. Accounting variables have an impact on share price, however studies on accounting variables and share price have produced conflicting findings, necessitating additional empirical research. This study examined the relationship between accounting variables and share price of Deposit Money Banks (DMBs) quoted in Nigeria. *Ex-post facto* research design was employed in the study. The population of the study consisted of twenty-two (22) DMBs quoted on the Nigerian Exchange Group (NGX) as at December, 2019. Ten listed DMBs were selected using judgmental sampling technique. Data were collected from audited financial reports of the selected quoted DMBs for 10 years from 2010 to 2019. The study used descriptive and inferential statistics to analyse data. The results indicated that accounting variables without moderating effect of age and firm size impact market share price (MSP) with Adjusted R^2 of 0.698, F -Statistic of 46.661 and p-value of 0.000. It was also revealed that with moderating effect of age and firm size, accounting variables significantly affect market share price with Adjusted R^2 of 0.699, F-statistic of 33.896 and p-value of 0.000. The study concluded that accounting variables have significant impact on MSP of DMBs. The study recommended that Directors of DMBs in Nigeria should ensure prompt payment of dividends to shareholders and investors should use dividend per share (DPS) to predict MSP of DMBs quoted on the NGX.

Keywords: Accounting variables, financial statements, market share price, ohlson model, value relevance.
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1. INTRODUCTION

Investors' primary objective in securities in the stock market is to obtain income in the form of dividends. Santoso and Astuti (2018) opined that stock prices can indicate performance of a company. If there is an increase in stock prices of a company, investors will rush to buy shares of the company because they

expect to obtain dividends and on the other hand, persistent decrease in the stock prices indicate that the company is not performing well. Stock prices can be used to ascertain whether a business is making profit or not and it can also be used to measure the returns accumulating to various stakeholders, hence value of stock prices motivates investors in the stock market (Osundina, Jayeoba & Olayinka, 2016). According to Uduak, Emmanuel and Sunny (2017), stock prices exhibit upward and downward movements like every other product in the market. Accounting variables affect share price and accounting variables are widely used by investors to make decisions.

According to Bankole and Ukolobi (2020), accounting information, if properly prepared, is anticipated to help investors make wise investment choices that will ultimately result in a higher return on investment and lower investment risk. Bassey, Idaka and Godwin (2016) observed that the performance of a firm as indicated by its performance measures will affect the decision to purchase the shares of the firm. In the stock market, accounting variables determine share prices. According to Shahida (2019), value relevance of accounting variables examined the relationship between accounting variables and share price and value relevance means stock prices, returns and accounting variables are related.

Tochukwu, Alphonso and Nwanneka (2017) opined that value relevance of accounting information will have an impact on financial statements' capacity to give investors timely information to make decisions about investing in company shares. The relationship between accounting variables and stock prices have been investigated in developed Stock Exchanges. In Indonesia, Santoso and Astuti (2018) in their research work found that earnings per share (EPS) and dividend payout ratio had positive and significant impact on stock prices. Ivica and Marijana (2014) research found that earnings and book value have significant effect on share prices in South European countries. Also, Mogonta and Pandowo (2016) in their research work in Indonesia, found that ROE has positive and significant effect on MSP.

In Africa, Ali, Maher and Abdelfettah (2018) observed that earnings, book value and cash flow affect share price of Tunisian banks. Samuel and Pradeep (2016) studied the factors that determined share prices in quoted firms in Johannesburg stock exchange and concluded that EPS and price earnings had positive and significant correlation to share prices. In Nigeria, Bankole and Ukolobi (2020) observed that accounting variables have a negative relationship with share price. Amahalu, Abiahu, Obi and Nweze (2018) further revealed that DPS, ROE and EPS had impact on market share price. Furthermore, Okuns and Peter (2015) studied value relevance of accounting information and share price. The study found that accounting variables (dividends, cash flow and earnings) have a more significant influence on share price. There is contradicting opinion about influence of accounting variables on share price. This gap in literature provides an avenue for this study. In addition, most studies on value relevance of accounting information

focused on the past. This study was conducted to close the current gap in our understanding of how accounting variables affect share price due to changing nature of accounting. Furthermore, very few studies used five or more accounting variables as measures of value relevance of financial information to explain share price behavior in the NGX, this study examined the relationship between accounting variables and share price of DMBs quoted on the NGX by using five accounting variables thus taking a departure from the previous studies. This study addressed the issue as to whether accounting variables can explain the information that affects share prices of listed DMBs in Nigeria. This research is crucial because predicting the direction of stock price changes is important to investors and other stakeholders to assist them make economic decisions. Hypothesis tested was: H_0: There is no significant relationship between Accounting variables and share price of quoted DMBs in Nigeria.

2. LITERATURE REVIEW

2.1. Conceptual Review

Market share price: This is the amount in naira that must be paid by investors for a unit of a firm's stock (Amahalu, Abiahu, Obi & Nweze, 2018).

Value relevance of Accounting information: Accounting information, if properly prepared, is anticipated to help investors make wise investment choices that will ultimately result in a higher return on investment and lower investment risk (Bankole & Ukolobi, 2020). The ability of the accounting variables disclosed in the financial statement to explain market share price is known as value relevance (Muhammad, 2017). Accounting variables used in this study include:

Dividend per share (DPS): This is amount of dividend paid to ordinary shareholder in a period divided by outstanding number of shares (Mwila & Meena, 2018).

Earnings per share (EPS): This is the profit of a company divided by the number of ordinary shares issued by the company.

Cash flow from Operating Activities (CFOA)

This is the cash flow generated by a firm from its principal activities. It can be shown in the financial statements by using Direct method or Indirect method**.**

Return on Assets (ROA)

According to Hesty, Wedi and Gusni (2017), ROA can be derived using the formula below

Return on Assets = $\dfrac{\text{Earning After Tax}}{\text{Total Assets}}$

According to Fatmasari, Imam, Fuad, Abdul and Nurcahyono (2021), one fundamental factor affecting stock prices is ROA. A high ROA shows that a firm has a solid performance regarding operation and finance of the firm.

Book Value Per Share (BVPS): The Book value divided by outstanding shares of a firm is known as the BVPS while the book value known as carrying amount is the difference between the cost and accumulated depreciation of a non-current assets.

2.2 Theoretical Framework

The study is based on Ohlson Clean Surplus theory. This theory holds that market value of a firm is related to numbers in the financial statements (Akileng, 2013). Shih-Cheng, Jiun-Lin and Ming-Shann, (2014) observed that assumptions of this theory are fulfillment of dividend discount model and the clean surplus accounting relationship.

Holthausen and Watts (2001) criticized the theory due to the fact that it is based on a linear valuation model not on non- linear valuation model However, This current study used Ohlson Clean Surplus theory as the theoretical framework because the theory relates accounting variables to market value of shares and the theory was used in the studies of Ali, Maher & Abdelfettah (2018), Ngoc, Manh & Thi (2018), Rosikah, Dwi, Dzulfikri, Muh & Miswa (2018) and Vijitha & Nimalathasa (2014). The Ohlson model (1995) holds that company value is made up of two components: Book value and earnings thus market value is expressed as a function of book values and earnings (Rocío, Arturo, & Humberto, 2007). Shih-Cheng, Jiun-Lin and Ming-Shann (2014) further said that Ohlson model has better ability to predict future market price.

2.3 Empirical Review

The impact of accounting variables on share price has been investigated in prior research studies and different accounting variables have been used by past studies. Some of these research studies include: Ali, Maher and Abdelfettah (2018) studied the value relevance of EPS, book value and cash flow of banks in Tunisia and found that they were relevant in determining the share price. The study further revealed that investors used book value for investment decision more than EPS and cash flow.

Aboubakar, Mazrah and Mohammed (2018) studied the relationship between accounting variables and stock price in Malaysian stock market and discovered a favorable link between earnings and book value and share price. Santoso and Astuti (2018) in their research work found that EPS had positive relationship with stock prices. Nashwa and Hani (2018) in their study also revealed that operating cash flows influence share price of quoted banks in Egyptian Stock Market and Beirut Stock Market. Dang, Hoang, and Dang (2018) studied the effect of accounting variables on stock prices of quoted energy companies in Vietnam

stock market. The dependent variable was share price and return on assets was used as one of the explanatory variables. The study found that ROA has positive influence on share price of energy companies. Amahalu, Abiahu, Obi and Nweze (2018) also revealed that accounting variables (DPS, ROE and EPS) influence MSP of listed companies in Nigeria during 2010 to 2016.periods

Oladutire and Agbaje (2019) studied the relationship between ROA and stock price. The study obtained secondary data from the financial reports of ten Banks. Stock price was the dependent variable while ROA was the explanatory variable. The study revealed that ROA has an insignificant impact on stock price of DMBs listed in Nigeria. Sarifudeen (2016) also found that accounting variables (EPS, DPS and net asset value per share) affect stock prices in Sri Lanka Stock Exchange. Yazan, Islam and Tunku (2017) research found also that cash flows influence share price of quoted companies on Amman Sock Exchange.

Mkmu (2017) in his own study found that accounting variables (EPS, ROE and net asset value per share) affect market share price. Adetula, Obigbemi, Owolabi and Nwobu (2016) examined how accounting variables affect stock prices in selected companies on the NGX. The study found that accounting variables (EPS, Dividends and net asset value) have significant relationship with share price. Uwuigbe, Uwalomwa, Jimoh, Ebeguki and Olufemi (2016) also revealed that accounting variable (EPS) influence share price of banks in Nigeria between 2010 -2014 periods. However, they observed that there was negative and significant influence of BVPS on share price.

Philip and John (2016) examined value relevance of accounting variables on share price. They reported that accounting variables (BVPS, EPS and DPS) have influence on MSP.

The study of Osundina, Jayeoba and Olayinka (2016) also found that EPS, BVPS and DPS influence stock price of selected five firms in Nigeria during 2005 - 2014 periods. Edirin and Godsday (2015) in their study also found that DPS influence stock prices of listed companies in Nigeria. Ngoc, Manh and Thi (2018) studied the impact of accounting EPS, BVPS, CFOA and size of companies on stock price of listed firms in Vietnam between 2006 and 2016 and reported that the accounting variables and size of companies influence stock price. Fatmasari, Imam, Fuad, Abdul and Nurcahyono (2021) in their study also reported that Net profit margin, equity debt ratio and ROA influence stock price of one hundred and thirty-six listed manufacturing firms in Indonesia between 2014 to 2018 periods while firm size has no influence on stock price. Fouzan, Asem and Mustafa (2016) studied determinants of share price in twenty selected insurance companies in Amam stock exchange from 2011 to 2015 and revealed that ROA, age and size of companies affect MSP. On the contrary, Bankole and Ukolobi (2020) studied the relationship between accounting information and stock price in financial services firms in Nigeria between 2012-2018 periods and found that the price of shares of financial services companies in Nigeria did not correlate with

accounting variables (DPS, BVPS, ROE, CFOA and return on net worth). They further stated that accounting variables may not necessarily affect share price and companies should be mindful of other factors that may affect share price, such as social responsibility and sufficient disclosure of non-financial information. This was in agreement with the studies of Anthony, Adefemi, Mary & Grace (2018), Wiwi & Aditio (2015), Mwila (2015) and Manisha (2014).

Anthony, Adefemi, Mary and Grace (2018) examined the influence of DPS and EPS on stock price of fifteen listed DMBs in Nigeria from 2000 - 2014 and found that EPS has no significant impact on share price. Wiwi and Aditio (2015) reported that ROA has no significant impact on share price of listed firms in Indonesia during the periods 2009 to 2013. Mwila (2015) also found that BVPS and ROE had negative and insignificant relationship with share price of listed banks in Bombay Stock Exchange during 2007 - 2018 periods. Manisha (2014) using a sample of listed firms in Bombay Stock Exchange, revealed that there was a decline in value relevance of accounting variables (EPS and BVPS). There are mixed results regarding the influence of accounting variables on share price.

3. METHODOLOGY

The research design was *ex post facto*. Twenty-two (22) DMBs on NGX, as listed in the NGX fact book as at December 2019, made up the study's population.

The study used Judgmental sampling technique to select ten DMBs listed in Nigeria. The secondary data which include accounting variables i.e EPS, DPS, ROA, BVPS and net cash flow from operating activities were obtained from the financial statements of the selected DMBs listed on the NGX for 2010 - 2019 accounting periods and MSP data were derived from the NGX Factbook for the stated periods. The financial statements of the selected DMBs are reliable because the financial statements were prepared in accordance with regulating requirements and are valid as they have been subjected to statutory audit by professional accountants. Descriptive and multiple regression were used to analyse data.

Operationalisation of Variables

Y = f (X)

where

Y = Dependent variable (share price)

X = explanatory variable (Accounting variables)

Y= share price proxy by market share price (MSP)

X= accounting variables measured by

$x_1 =$ Earnings per share (EPS)

$x_2 =$ Dividend per share (DPS)

$x_3 =$ Return on assets (ROA)

$x_4 =$ Book value per share (BVPS)

$x_5 =$ Net cash flow from operating activities (NCFOA).

C= Control variable measured by

$c_1 =$ Size of the banks (SIZ)

$c_2 =$ Age of the banks (AG)

MSP = f (EPS, DPS, ROA, BVPS, NCFOA)-------------------------- Equation 1(without controlling variables)

MSP = f (EPS, DPS, ROA, BVPS, NCFOA, SIZ, AG)----------------Equation 2(with controlling variables)

Model 1

$MSP_{it} = ß_0 + ß_1 EPS_{it} + ß_2 DPS_{it} + ß_3 ROA_{it} + ß_4 BVPS_{it} + ß_5 NCFOA_{it} + e_{it}$ (without controlling variables)

Model 2

$MSP_{it} = ß_0 + ß_1 EPS_{it} + ß_2 DPS_{it} + ß_3 ROA_{it} + ß_4 BVPS_{it} + ß_5 NCFOA_{it} + ß_6 SIZ_{it} + ß_7 AG_{it} + e_{it}$

(with controlling variables)

where

MSP= Market share price of Bank$_i$ at year end t

EPS it = Earnings per share of Bank i at year end t

$DPS_{it} =$ Dividend per share of Bank $_i$ at year end t

$ROA_{it} =$ Return on assets of Bank $_i$ at year end $_t$

BVPSit = Book value of equity per share of Bank $_i$ at year end t

$NCFOA_{it}$ = Net cash flow from operating activities per share of Bank $_i$ at year end t

AG = Age of the Bank

SIZ = Size of the Bank (log of total assets)

$β_0$ = Intercept

$β_1, β_2, β_3, β_4, β_5$ = Partial slope coefficients of EPS, DPS, ROA, BVPS and NCFOA while $β_6, β_7$ are the partial slope coefficients of control variables (size and age of the Banks)

$μit$ = Bank i error term at year end t

4 RESULTS AND DISCUSSION OF FINDINGS

4.1; Descriptive Statistics

TABLE 1. DESCRIPTIVE STATISTICS

	MSP	EPS	DPS	ROA	BVPS	NCFOA	SIZ	AG

Mean	9.4228	1.3996	0.5254	1.9095	9.8720	2.6157	6.0516	26.2000
Median	7.4250	0.8500	0.2000	1.5300	9.9500	1.7550	6.1951	22.5000
Maximum	40.7500	8.7400	2.8000	6.1500	24.810	15.5200	6.8001	51.000
Minimum	0.5200	-0.6800	0.0000	0.0100	0.0100	-12.730	3.1829	6.0000
Std. Dev.	8.3237	1.6239	0.7163	1.4296	5.1803	5.3018	0.5202	14.2581
Skewness	1.3069	1.9354	1.6815	0.9849	0.3874	0.1855	-2.0226	0.3690
Kurtosis	4.5892	7.2456	5.0689	3.4689	3.1358	3.5189	10.6626	1.6775
Jargue Bera	38.989	137.53	64.957	17.082	2.5778	1.6951	312.83	9.5573
Probability	0.0000	0.0000	0.0000	0.0002	0.2756	0.4285	0.0000	0.0084
Observation	100	100	100	100	100	100	100	100

Source: Researcher's Computation (2022).

Table 1 presents the descriptive statistics findings for the explanatory, dependent, and control variables. Mean value of market share price is N9.42 while its standard deviation is 8.3237 thus the difference between the standard deviation and the mean is less than 2. This indicates less variation in the MSP of the selected DMBs in the selected years.

The minimum amount of 0.52 shows that the least MSP of all the sampled DMBs is ₦0.52 while the maximum amount of 40.75 shows that the maximum value of MSP of the sampled DMBs for the sampled period is ₦40.75. EPS, DPS, ROA, BVPS, NCFOA, size and age of the banks averaged 1.3996, 0.5254, 1.9095, 9.8720, 2.6157, 6.0516 and 26.2000 and varied from a minimum of -0.6800, 0.0000, 0.0100, 0.0100, -12.7300, 3.1829 and 6.0000 to a maximum of 8.7400, 2.8000, 6.1500, 24.810, 15.5200, 6.8001 and 51.0000 respectively. The kurtosis values of MSP = 4.5892, EPS= 7.2356, DPS = 5.0689, ROA= 3.4689, BVPS= 3.1358, NCFOA= 3.5189 and SIZ= 10.6626 and indicated that these variables have leptokurtic distribution due to the fact that their kurtoses are more than the threshold value of 3. However, age has platykurtic structure because its value (1.6775) is lower than the threshold value of 3. The skewness analysis indicates that all the variables used in this study are positively skewed except size which is negatively skewed because its skewness value is lower than zero. Lastly, the Jarque-Bera statistics indicates that at 5% significance level, BVPS and NCFOA have normal distribution because their p-values are 0.2756 and 0.4285 respectively while the probability values of the remaining variables (MSP, EPS, DPS, ROA, SIZ and Age) are statistically significant at 5% hence their distribution are not normal

4.2 Test of Hypothesis One

$H_0$1: Accounting variables have no relationship with share price of listed DMBs in Nigeria

TABLE 2. ACCOUNTING VARIABLES AND MARKET SHARE PRICE

Variables	Coefficient	Std. Error	T-test	Prob.
Constant	-0.615	0.637	-0.966	0.337
EPS	0.067	0.276	0.244	0.808
DPS	4.985	0.993	5.020	0.000*
ROA	0.621	0.328	1.895	0.061
BVPS	0.478	0.076	6.322	0.000*
NCFOA	0.094	0.074	1.272	0.207
R-squared	0.713			
Adjusted R-squared	0.698			
F-statistic	46.661			
Prob(F-statistic)	0.000			
Hausman Test	4.657			
Prob. Hausman	0.459			
Breusch-Pagan LM test	23.12			
Prob. Breusch-Pagan	0.000			
Heteroscedasticity Test	2.410			
Prob. Heteroscedasticity	0.042			
Breusch- Godfrey Serial Correlation LM Test	24.882			
Prob. Serial Correlation	0.000			
Observations	100			

Source: Researchers' computation (2022)   * significant at 5%

Table 2 reports feasible generalized least Square (FGLS) of the results of regression of influence of accounting variables on MSP of DMBs quoted in Nigeria.

The diagnostic tests were performed in order to know the appropriate estimation method for the model. To decide whether to utilize Fixed Effect or Random Effect, the Hausman test was conducted. Specifically, the Hausman test p value = 0.459 which is greater than 5% significance level, this result means that Random effect is more suitable than fixed effect model

Heteroscedasticity test was conducted and the result showed probability value of 0.042 which is significant at 5%, the null hypothesis was not accepted which implies there is heteroscedasticity. Also, Breusch -Godfrey serial correlation test was conducted and the p value = 0.000 which is significant at 5%,

the null hypothesis of no serial correlation was not accepted. Therefore, there is presence of serial correlation. Breusch- Pagan LM test was also performed to test for heteroscedasticity, the T stat = 23.121 and significant at 1% thus the null hypothesis of homoscedasticity was not accepted. Therefore, there is heteroscesdasticity. To correct for the presence of serial correlation and heteroscedasticity, Feasible Generalised Least Square was used

Model 1

$MSP_{it} = ß_0 + ß_1 EPS_{it} + ß_2 DPS_{it} + ß_3 ROA_{it} + ß_4 BVPS_{it} + ß_5 NCFOA_{it} + e_{it}$

$MSP_{it} = -0.615 + 0.067 EPS_{it} + 4.985 DPS_{it} + 0.621 ROA_{it} + 0.478 BVPS_{it} + 0.094 NCFOA_{it} + e_{it}$

Interpretation

The adjusted R^2 of 69.8% indicates that the independent variables (EPS, DPS, ROA, BVPS and NCFOA) can jointly explain 69.8% of variations in market share price while the balance 30.2% can be explained by other factors outside the regression model. The coefficient of EPS is positive (0.067) and insignificant at 5% significance level used in this study. This indicates that with 1unit change in EPS, market share price (MSP) will increase by 0.067. The coefficient of DPS is positive (4.985) and significant at 5%. This indicates that with 1unit change in DPS, MSP will rise by 4.985. The coefficient of ROA is positive (0.621) and insignificant at 5%. This indicates that with 1-unit change in ROA, MSP will increase by 0.621. The coefficient of BVPS is positive (0.478) and significant at 5%. This indicates that with 1-unit change in BVPS, MSP will rise by 0.478. The coefficient of NCFOA is positive (0.094) and insignificant at 5%. This indicates that with 1-unit change in NCFOA, MSP will increase by 0.094. However, the model is statistically significant at 5% due to the fact that the F statistic is 46.661 and the p value = 0.000. Since F-statistic p value is significant at 5%, the null hypothesis is therefore not accepted. Therefore, accounting variables have significant positive relationship with market share price of listed DMBs

4.3 Test of Hypothesis Two

H_02: Size and firm age have no significant effect on the relationship between Accounting variables and share prices of listed DMBs in Nigeria

TABLE 3. IMPACT OF SIZE AND AGE ON RELATIONSHIP BETWEEN ACCOUNTING VARIABLES AND MARKET SHARE PRICE

Variables	Coefficient	Std. Error	T-test	Prob.
C	2.538	6.290	0.403	0.688
EPS	0.023	0.269	0.086	0.932
DPS	5.945	1.095	5.429	0.000*
ROA	0.554	0.347	1.597	0.114

BVPS	0.453	0.095	4.789	0.000*
NCFOA	0.091	0.073	1.256	0.213
SIZ	-0.799	1.129	-0.708	0.481
AG	0.058	0.027	2.151	0.034*
R-squared	0.721			
Adjusted R-squared	0.699			
F-statistic	33.896			
Prob(F-statistic)	0.000			
Hausman Test	6.070			
Prob. Hausman	0.532			
Breusch- Pagan LM test	23.405			
Prob. Breusch-Pagan	0.000			
Heteroscedasticity Test	1.788			
Prob. Heteroscedasticity	0.099			
Breusch- Godfrey serial	23.894			
correlation LM test				
Probability of serial correlation	0.000			
Observations	100			

Source: Researcher's computation (2022).

The results of feasible generalized least Square (FGLS) of the extent to which size and firm age control the relationship between accounting variables and market share price of DMBs are shown in the previous Table 3. The diagnostic tests were performed in order to know the appropriate estimation method for the model. The Hausman test was performed to ascertain whether to use fixed effect or random effect. Specifically, the Hausman test p value = 0.532 which is greater than the 5%, this indicates that random effect model is more appropriate than fixed effect model. Also, Heteroscedasticity test was also performed and the p value = 0.099 which is greater than the 5% thus, the null hypothesis was not rejected which implies no evidence of Heteroskedasticity, However, the result of Breusch- Godfrey serial correlation test revealed that there is serial correlation in our data with statistic value of 23.894 and significant at 5%, p value= 0.000. In order to correct for serial correlation, Feasible Generalized least Square was used.

Model 2

MSP = f (EPS, DPS, ROA, BVPS, NCFOA, SIZ, AG)

$MSP_{it} = ß_0 + ß_1 EPS_{it} + ß_2 DPS_{it} + ß_3 ROA_{it} + ß_4 BVPS_{it} + ß_5 NCFOA_{it} + ß_6 SIZ_{it} + ß_7 AG_{it} + e_{it}$

$MSP_{it} = 2.538 + 0.023 EPS_{it} + 5.945 DPS_{it} + 0.554 ROA_{it} + 0.453 BVPS_{it} + 0.091 NCFOA_{it} - 0.799 SIZ_{it} + 0.058 AG_{it} + e_{it}$

Interpretation

The regression analysis results of the influence of moderating variables (size and firm age) on relationship between accounting variables and market share price of DMBs in Nigeria are shown in Table 3. Adjusted R^2 of 69.9 % indicates that the explanatory variables (EPS, DPS, ROA, BVPS and NCFOA) and control variables can jointly explain 69.9% of variations in MSP while the balance 30.1% is caused by other factors outside the regression model. EPS coefficient is positive (0.023) and insignificant at 5% This indicates that with 1 unit increase in EPS, market share price (MSP) will increase by 0.023. The coefficient of DPS is positive (5.945) and significant at 5%. This indicates that with 1 unit increase in DPS, MSP will rise by 5.945. The coefficient of ROA is positive (0.554) and insignificant at 5%. This means that with 1 unit increase in ROA, MSP will rise by 0.554.

The coefficient of BVPS = 0.453 and significant at 5%. This shows that with 1 unit increase in BVPS, MSP will rise by 0.453. The coefficient of NCFOA is positive (0.091) and insignificant at 5%. This indicates that with 1unit increase in NCFOA, MSP will rise by 0.091. The coefficient of firm size is negative (-0.799) and insignificant at 5%. This indicates that with 1% increase in firm size, MSP will decrease by 0.00799. The coefficient of age is positive (0.058) and significant at 5%. This means that with 1 unit increase in age, MSP will rise by 0.058. From the analysis, the F-statistic= 33.896 and the p-value = 0.000. since the p value of F-statistic is significant at 5%, the null hypothesis is therefore not accepted. Therefore, size and firm age have significant impact on the relationship between accounting variables and market share price of DMBs listed in Nigeria

4.4 Discussion of Findings

Model 1 is good and can be used to ascertain the future market share price because the coefficient of all explanatory variables (EPS, DPS, ROA, BVPS and NCFOA) are positive. Model 2 is also good and can be used to ascertain future market share prices because all the coefficient of explanatory variables and control variables are positive except size that has negative coefficient. Generally, the inclusion of size and age in the study has a positive influence on the value of adjusted R^2, In Model 1, before the inclusion of size and age the value of adjusted R^2 was 69.8% while in Model 2 with the inclusion of size and age , the value of adjusted R^2 increased to 69.9%. This finding agrees with the findings of Ali, Maher & Abdelfettah (2018), Santoso & Astuti (2018), Nashwa & Hani (2018), Dang, Hoang, & Dang (2018), Amahalu, Abiahu, Obi & Nweze (2018), Oladutire & Agbaje (2019), Ngoc, Manh and Thi (2018),

Sarifudeen (2016), Yazan, Islam & Tunku (2017), Mkmu (2017) Philip & John (2016), Osundina, Jayeoba & Olayinka (2016), Adetula, Obigbemi, Owolabi & Nwobu (2016) and Edirin & Godsday (2015). The results of this study differ from the findings of Bankole and Ukolobi (2020), Anthony, Adefemi, Mary & Grace (2018), Fouzan, Asem and Mustafa (2016), Wiwi & Aditio (2015), Mwila (2015) and Manisha (2014).

5. CONCLUSION AND RECOMMENDATIONS

This study concludes that earnings per share, dividend per share, return on assets, book value per share and net cash flow from operating activities have significant positive relationship with market share price of DMBs listed on the NGX. Therefore, it is recommended that

management of DMBs should ensure prompt payment of dividends to their shareholders because DPS affects market share price and they should provide additional information on BVPS in the financial statements to assist investors that are not accountants. Also, management of DMBs in Nigeria should make sure that financial reports are free of creative accounting and that there are transparent earnings reports in order to increase earnings and thereby increase their value relevance. In addition, investors should use DPS and BVPS to predict MSP of DMBs quoted in Nigeria when making investment decisions since it was found that these accounting variables (DPS and BVPS) affect market share price. Also, the Directors of DMBs should provide complete and timely accounting information available to users of financial statements and pay attention to additional factors that may affect market share price, such as complete disclosure of financial and non-financial information like age of the DMBs. This present study contributed to policy due to the fact that it revealed the key variables of accounting information that predict future trends in market share price of DMBs listed in Nigeria, thus this will. enable financial analysts and investors to be aware of the accounting variables they will be focusing on when making investment decision. This research made a contribution to accounting practice by showing that, in order to avoid information overload, Directors of DMBs must prepare financial statements in a straightforward manner with relevant notes to the accounts. The study added to theory since it showed that the Ohlson Clean Surplus theory, as modified for this study, is more accurate at predicting future stock prices for DMBs quoted on the NGX.

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