INTERNATIONAL JOURNAL OF RESEARCH AND SCIENTIFIC INNOVATION (IJRSI)
ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue IV April 2025

Impact of Accounting Information and Market Shareprices of Deposit Money Banks in Nigeria

Ajagun Olusegun Peter, Adeyemi Babatunde Sulaiman, Odukoya Olaniyi Olalekan

Accounting, Lagos State University, Ojo

DOI: https://doi.org/10.51244/IJRSI.2025.12040063

Received: 25 March 2025; Accepted: 29 March 2025; Published: 10 May 2025

ABSTRACT

This study examined the effect of Predictability of accounting information on share prices of quoted deposit money banks in Nigeria. Ex-post facto research design was employed for the study. The population of the study was Ten (10) Deposit Money Bank listed on the Nigerian Stock Exchange (NSE). The study adopted total enumeration. Data were obtained from published annual reports of the sampled banks. The data were analyzed using descriptive and inferential (Regression) statistics. However, the results of the descriptive analysis showed negative minimum values of the performance indices. The result of the regression analysis showed the positive effect of Book Value (BV) on market share price (MSP) of selected deposit money banks in Nigeria ($\beta_{1=}$1.03>0, t= 6.94, P=**0.000, R^2**= 0.13). ROA has positive effect on MSP. This result is consistent with *a priori* expectations that ROA have positives effect on MSP. The study concluded that, Book Value (BV) have a positive effect on share price meanwhile return on assets have a negative effect on share price. However, the study recommended that investors and other stakeholders should be cognizance of the negative impact of return on asset as it affect share price.

Keywords: Accounting information, Market share price, Predictability

INTRODUCTION

The world witnessed at the end of the second millennium, the manifestations of important events such as globalization, the consequent dominance of the market economy and the spread of the knowledge economy, the removal of barriers to cross-border express including goods, services and investments as well as the evolution of financial markets and interdependence. These events resulted in economic developments, appearance of new products such as financial instruments (shares of companies, bonds, certificates of deposit and other items of the assets and liabilities of the other variety (Capkun, Collins & Jeanjean, 2012). This may require expansion in the use of financial instruments, develop ways to manage financial risk in order to mitigate their effects and a rethinking of the traditional accounting concepts and measurement accounting on the basis of the cost of a number of assets, in revenue recognition, and the principle of conservatism that are essential assumptions and Postulates generally accepted accounting across periods of time (Iatridis, 2010).

Similarly, Eromosele (2015) posits that in Nigeria precisely October 2006, the board of directors of Cadbury Nigeria Plc. discovered "overstatement" in its accounts, which spanned for many years. The company lost N15 billion as a result of the financial manipulation. According to Chiejine (2010),on August 14, 2009, the Governor of the Central Bank of Nigeria (CBN) in exercising his powers as contained in Sections 33 and 35 of the Banks and Other Financial Institutions (BOFI) Act 1991, as amended, announced the firing of the Chief Executive Officers (CEOs) and the board of directors of five commercial banks. Forty-eight days later, on October 2, 2009 to be precise, the CBN announced additional sack of three bank CEOs and their respective boards of directors and in their stead placed CBN-appointed CEOs and directors due to non-adherence to corporate governance codes and distortion of the financial statements. Sequel to the aforementioned challenges, the study is motivated to examine whether predictability of accounting information has produced information on share price of deposit money bank after the adoption of IFRS, which is able to reduce manipulative and creative accounting. In total, eight bank CEOs and their respective board of directors were fired from their jobs. The affected banks were Afribank Plc, Platinum Habib Bank (PHB) Plc, Equatorial Trust Bank Plc, Finland Plc, Intercontinental Bank

Plc, Oceanic Bank Plc, Spring Bank Plc and Union Bank Plc.

Although there has been research on Predictability of Accounting Information and Value in other parts of the world, but very little research on this topic has been done in Nigeria. Bessong and Charles (2012) carried out a comparative examination of the effect of fair value accounting and historical cost accounting on the reported profits, concentrating on manufacturing companies in Nigeria. Based on their findings, they concluded that the profit measurement method (i.e. method of accounting) adopted directly influences the amount calculated as depreciation, determines the amount charged as taxes and stipulates the amount paid as dividend from the reported profit of a given period. In the light of this, this study aimed at investigate the effects of Predictability on share price of quoted Deposit Money Banks in Nigeria (with international status) listed on the Nigerian Stock Exchange (NSE).

Statement of the Problem

This shift in measurement paradigms has occurred due to the presumed belief relating to higher quality and decision relevance associated with market-based measures as opposed to cost based measures. Omoyele (2010); Fodio, Ibikunle and Oba (2013); Ogbonna and Ebimobowei (2012) agreed that as Nigeria progresses in her vision to keep maintaining the leading economy in Africa and one of the biggest in the world at large, one prevailing issue that remains on the front flame has been the failure to build investors' confidence in the national economy through ethical accounting and auditing standards that enhances transparent financial reporting. This has resulted in catastrophic failures and scandals of some corporate giants and the extensive corruption in the society. Eyenubo, Mohamed and Ali (2017) admonished that poor quality of financial statements are attributed to the failures and mortality of banks and other corporate entities. Published cases of the recent past, such as Enron, Satyam, WorldCom, Global Crossing, paramalat, Xerox, and some firms from Nigeria such as, Cadbury, NAMPAK, and Afri-bank of which one of the big four (4) auditing firms in Nigeria was indicted, these cases has drawn aggregate attention to the auditing profession. Adeyemi and Fagbemi (2011) opined that the failures of these corporate entities have been attributed to poor quality of financial statements. This has had an adverse and cumulative effect on financial reporting and the auditing profession. All these happenings around the globe have brought the question of trustworthiness and integrity of the auditing and accounting profession.

According to Gadhia (2015), the value of a company is usually ascertained based on the markets values of its equity in the markets. Share prices of a company inform the public on the prospect of such stock hence, decisions to purchase or sales is determined. Price to book value multiple is one of the valuation multiples used to predict stock price of companies. Share prices of companies represent an important avenue that communicates the performance of the company to the outsiders and prospective investors. Investors and other security/investment analysts used certain indices to predict future stock price of companies for effective investment decisions. Studies suggested that book value does not predict market share price of firms. Porto, Costa and Watanabe (2017) opine that the result of accounting rules and structural changes in the market have led more and more companies including financial houses to report negative book value. This has created broad confusion and problems for the famous value factor, and indexes or strategies which rely on it as a measure of cheapness. Negative equity companies are often written off as distressed.

Objectives of the Study:

The main objective of this study is to examine the Predictability of Accounting Information and value of selected money deposit banks in Nigeria. The Specific objectives are to;

examine the influence of book value on market share price of selected quoted deposit money banks in Nigeria;

determine the impact of return on assets on market share price of selected quoted deposit money banks in Nigeria;

Research Questions:

The study was carried out in such a way that it was able to answer the following questions:

What is the influence of book value on market share price of selected quoted deposit money banks in Nigeria?

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue IV April 2025

What impact does return on assets have on market share price of selected quoted deposit money banks in Nigeria?

Research Hypotheses:

The research hypotheses that the researcher focused on to achieve the above stated objective are:

H_{01}: Book value has no significant influence on market share price of selected quoted deposit money banks in Nigeria.

H_{02}: Return on Assets has no significant impact on market share price of selected quoted deposit money banks in Nigeria.

Conceptual Review

This section focuses on defining and explaining the existing relationships between the various variables of the study: Predictability, Value relevance, book value, Return on assets, Earnings per share, Cash flow and Market share price.

Book Value (BV)

According to Filip, Hammami, Huang, Jeny, Magnan and Moldovan (2018), in accounting, book value is the value of an asset according to its balance sheet account balance. For assets, the value is based on the original cost of the asset less any depreciation, amortization or impairment costs made against the asset. According to Al-Shubiri (2010), traditionally, a company's book value is its total assets minus intangible assets and liabilities. Malhotra and Tandon (2013) opine that in practice, depending on the source of the calculation, book value may variably include goodwill, intangible assets, or both. The value inherent in its workforce, part of the Intellectual capital of a company, is always ignored. Almumani (2014) assert that when intangible assets and goodwill are explicitly excluded, the metric is often specified to be tangible book value. Almumani (2014) clarifies that in the United Kingdom, the term net asset value may refer to the book value of a company.

Return on Assets

According to Al-Masum and Johora (2015), a better indicator of bank profitability is provided by return on assets and measures the profitability from the point of view of the overall efficiency of a bank’s utilization of total asset. Al- Masum and Johora (2015) opine that return on assets is often accepted as the most comprehensive accounting measure of a bank’s overall operating performance. Leuz, and Wysocki (2016) state that return on assets is an indicator of how profitable a company is relative to its assets. In other words how well a company does generate earnings from usage of its assets. According to Arkan (2016), comparison of this ratio with other companies is useful mainly with companies in the same industry but not so much in cross-industry comparison. Arkanm (2016) state thatreason for that is simply a vast variability of assets needed for different businesses as well as a divergence in usual profits.

Earnings per share (EPS)

The term earnings per share (EPS) represents the portion of a company's earnings, net of taxes and preferred stock dividends, that is allocated to each share of common stock. The figure can be calculated simply by dividing net income earned in a given reporting period (usually quarterly or annually) by the total number of shares outstanding during the same term. Because the number of shares outstanding can fluctuate, a weighted average is typically used (Besely 2006)

Cash Flow

Cash flow is an index of the money that is received in or paid out by a firm for a particular period of time, which is required to keep the business running on a continuous basis (Ijeoma, 2016).Every business operations require cash as the basic input and without it, the firm’s operations will disrupt and can even lead to insolvency (Akinyomi, 2014). A firm can become insolvent when it is not capable either of generating enough cash from internal sources or obtain from external sources for sustaining operating, investment and financing activities of the firm (Keige,1991). For this reason, proper monitoring, management and accurate determination of cash movement is needed to enable the business to make important financial decisions (Olowe, 1998).

Theoretical Review

Agency Theory

The first scholars to propose, explicitly, that a theory of agency be created, and to actually begin its creation, were Ross (1973) and Mitnick (1973), independently and roughly concurrently. Ross (1973) is responsible for the origin of the economic theory of agency, and Mitnick (1973) for the institutional theory of agency, though the basic concepts underlying these approaches are similar. These two theories are complimentary to each other. Agency theory describes the relationship in which one party (the principal) delegates work to another (the agent), to perform the specified work (Eisenhardt, 1989). Jensen and Meckling (1976) describe this relationship as a contract where the shareholders (the principal) engage the managers (the agent) to manage the firm's operations in an efficient and effective way. A major problem that can result from this agency relationship is the problem of information asymmetry between the managers and shareholders, as managers may possess superior information about the current and expected future performance of the firm when compared to the information available to shareholders. This information asymmetry presents a situation where the managers are incentivised to project a favourable picture of the firm in order to maximise the financial performance of the firm which in turn would likely benefit the managers in compensation terms and possibly longer tenure at the helm of the firm's affairs. This problem could be further entrenched where moral hazard arises when managers have incentives to maximise their own interests at the shareholders' expense.

The important point here is that management's ability to manipulate the accruals component of the firm's earnings figure will more than likely cloud the relationship between current fair values and future earnings. This contrasts with the firm's statement of cash flows where there is much less potential for manipulation by management. Given this, one would expect there to be a much tighter relationship between a firm's current fair values and its share price.

Stakeholder Theory

The stakeholder theory was propounded by Freeman (1984). The underlying assumption is that a business's create value for stakeholders and not only the shareholders. The theory balances the divergent interest between internal and external stakeholders. It further aligns the interest of the critical stakeholders with interests of external and passive shareholders. It addresses the question of what groups of stakeholders deserve and require management's attention. Stakeholder was presented as having broad and narrow definitions. Broad definition focused on any group or individual who is affected by or can affect the achievement of organization's goal. Narrow definition focused on any group that is vital to the survival and success of the corporation (Uribe, 2018).

Underpinning theory

This study was anchored under the stakeholder theory. For the purpose of this study, stakeholder theory is found relevant so as to provide support for agency theory since the latter could not capture all stakeholders at the stock market such as stockbrokers, portfolio managers, financial analysts, potential investors, stock market regulators, and standards setters etc., who use/receive annual financial reports for multifarious (economic) decision purposes. It provides theoretical basis for explaining how diverse information needs of numerous individuals and institutions within and outside the entity are met through sound compliance with qualitative accounting standards. Thus, the theory is adopted to provide theoretical explanation for the objective of this study in that, if managers have interest of all stakeholders at heart, they should comply fully with IFRS mandatory demands as instructed by the stock market regulatory bodies.

Empirical Review

Book value and Share price

Tsoncheva (2014) reinvestigated the changes in value relevance of earnings book values and cash flows in

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue IV April 2025

security prices over time. Employing data from 1961 to 2005 extracted from Compustat primary, secondary and tertiary full coverage and research annual industrial files. Findings from the study showed that cash flow provides incremental information content beyond earnings and book values in security prices. In the same vein, Gharaibeh (2014) avowed that earnings, cash flows and book values are significantly influences share prices. They also observed that value relevance of accounting information has improved and that the factors of firm size and branch of activity have not improved the value relevance of accounting information in the Tunisian Stock Exchange following the accounting reforms. Similarly, Mohammadi et al. (2012) documented that that there is no relationship between accounting information and companies' value. In the same vein, Pervan (2012) using a sample of 97 corporations analyzed the value relevance of accounting information on the capital markets of Southeast Europe. Documented evidence from the research indicated that accounting information are value relevant on all the observed markets. In addition, the study observed that there were certain differences in the value relevance among countries. Also, Andriantomo and Yudianti (2013), in a related study showed that earnings and book values simultaneously are relevant information in explaining stock prices.

Return on Assets (ROA) and Share price

Ogboi and Unuafe (2013) carried the empirical evidence on the magnitude of the relationships between credit risk and bank's profitability in Nigeria. Their study used a time series and cross sectional data from 2004-2009 obtained from selected banks annual reports and accounts in Nigeria. Secondary data for the study were obtained from the published financial statements of six out of twenty one banks operating as at December 2009 which were selected by purposive sampling technique. They examined the impact of credit risk and capital adequacy on banks financial performance in Nigeria. Panel data model was used to estimate the relationship that exists among loan loss provisions (LLP), loans and advances (LA), non-performing loans (NPL) and capital adequacy (CA) which were the independent variables and return on asset (ROA) as the dependent variable to measure the profitability of the banks. The findings showed that sound credit risk management and capital adequacy impacted positively on bank's financial performance with the exception of loans and advances which was found to have a negative impact on banks' profitability during that period. By using panel data was possible to include time effects as well as to control for individual heterogeneity, which is captured by firm specific fixed or random effects components, that leads to biased results when neglected in cross section or time series estimations.

Summary of Gaps

With few exceptions, investors and market analysts resort to financial statement analysis when it comes to share investing. The information on fair value is presented on the Income Statement while ROA, which is one of the profitability ratios, is computed using relevant numbers from the Income Statement and Balance Sheet. The broad area of financial accounting and reporting offers a number of fundamental measures of a firm's performance for a particular accounting period. One of this predictor of financial reporting is reflected on the share price of firms. Previous studies on predictability on share price generated mixed results, studies like (Irfan & Nishat, 2002; Oyama, 1997; Sharma, 2011; Srinivasan, 2012). Some research works concluded that book value, return on asset and tax is a significant predictor when the firm consistently increases its earnings per share over a longer period of time. This is in variance with this study because cash flow and earnings per share can also be a predictor of share performance. Several studies like (Angelovska, 2016; Chortareas & Noikokyris, 2014; Khan, 2011; Udding, 2009) also found negative impact between fair value accounting and share price of firms. This seemed to suggest that fair value may not be a good predictor of share price on a short-term basis. ROA, on the other hand, is expected to be significantly correlated with share price since it is a profitability ratio. This study was undertaken to confirm these observations.

The independent and dependent variables for this research are Predictability of Accounting Information (X) and Market Share Price of Selected Quoted deposit money Bank (Y) respectively. The independent variable Predictability of Accounting Information (X) was measured using the following dimensions: Net book value and Return on assets, while the banks Market Share Price (Y) was measured with Market share price.

Research Method

The study employed quantitative method of data analysis. The quantitative approach allows the researcher to

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue IV April 2025

examine the relationship between the two variables of predictability of accounting information and share price. The data can be used to look for cause and effect relationships and therefore, can be used to make predictions. The quantitative method was aided with the use of Econometric view (E-view) statistical software. In analysing the relationship between predictability of accounting information and share price of deposit money banks in Nigeria, the panel data methodology was adopted. For the purpose of this study, fixed and random effect regression analysis was used in presenting the analysis of the empirical results**.** The major reason for the use of fixed and random analysis was that it appeared to be the best approach in panel analysis of which this study concentrated on. The researcher first, performs descriptive analysis by arriving at the mean, median, minimum and maximum values for the secondary data. The essence of this was to test for normality of variable distribution. All the series were tested and were normally distributed. Secondly, multiple regression and correlation analyses were adopted to check the effect on the variables as well as relationship between predictability of accounting information and share price. The coefficient of correlation determined the type of relationship between the two variables. Also, the coefficient of determination (Adjusted R-square) were used to explain the degree predictability of accounting information affects share price of deposit money banks in Nigeria. Thirdly, post diagnostic tests were conducted on the model after the regression result had been ascertained. The research adopted 5% level of significance in the study.

Operationalization of Variables

The independent and dependent variables for this research are Predictability of Accounting Information (X) and Value of selected Quoted deposit money Bank in Nigeria.

This study re-modified Ohlson (1995), Al-Dhamari and Ismail (2014) and Oyeleke (2016) model to suit objective of this study that predictability affect value of quoted firms using share price.

$CFO_{i,\ t+1} = \beta_0 + \beta_1 Earnings_{i,t} + \varepsilon_{it}$, (Uwuigbe, Adebayo, & David, (2017)

The operationalization of variables is represented with the following equation:

$Y = f(X)$

Where:

Y = Share Price (Dependent variable)

X = Predictability of Accounting Information (Independent variable)

Where:

Sub-independent variables X are:

x_1 = Book value

x_2 = Return on Asset

Sub-dependent variables Y are:

y_1 = Share Price as studied by Tharmila and Nimalathasan (2013) represented by Market Price of a share (MPS)

$Y = \beta_0 + \beta_1 X + u_t$ …………………………… General Equation

$Y = f(X)$

Where: MPS= f (BV) ……………………………………. (f_1)

MPS = f (ROA) ………………………………….. (f_2)

MPS = f (BV, ROA,) …………………….……………...(f_5)

The model formulated for each of the hypothesis includes the following:

Hypothesis One

$MPS_t = \beta_0 + \beta_1 BV + e_t$ …………………………equation 1

Hypothesis Two

$MPS_t = \beta_0 + \beta_2 ROA + e_t$ ………………………… equation 2

These are the equations considered in this study.

β_0 = Constant term

$\beta_1 - \beta_3$ = Coefficient of the sub-independent variables

β_5 = Coefficient of the independent and dependent variable

The summary of the data analysis method is shown in the below table:

Table 3.4 Summary of Data Analysis

Hypotheses	**Models**	**Test to be used**
H_{01}	$Y_t = \beta_0 + \beta_{1x1at} + e_t$…………………...(1)	Linear Regression Analysis
H_{02}	$Y_t = \beta_0 + \beta_{2x2bt} + e_t$…………………...(2)	Linear Regression Analysis

DATA ANALYSIS, RESULTS AND DISCUSSION OF FINDINGS

In this section, the results of the analyses of data are presented, interpreted and discussed. Data used in this study are principally obtained from secondary sources, namely; the Annual Reports and Accounts of the sampled money deposit banks. It should however be noted that data so collected does not have any appreciable value until when it is analyzed before it becomes meaningful to the user and the study. The data underwent certain adjustments/treatment, and the final data are subjected to descriptive and inferential analyses. Regression analyses were used to estimate the parameters of the model specifications. Econometric analyses of the effect of Predictability of Accounting Information measured by book value (BV), return on assets (ROA), earnings per share (EPS), and Cash flow (CF) was carried out. Value was measured by market share price (MSP). The empirical results based on the formulated regression models were presented, while the interpretation and discussion of each result is aligned with the research objectives.

Descriptive Analysis

This section of the analysis provides an overview on the data set while attempt is also made to describe the main attributes of the data. The descriptive analysis of the panel data obtained was done through numerical representation shown on Table 4.1. The numerical representation shows the mean, maximum, minimum, and standard deviation of all variables of Predictability of Accounting Information measured by book value (BV), return on assets (ROA), earnings per share (EPS), Cash flow (CF); value of selected quoted deposit money banks and market share price (MSP).

Table 4.1 Descriptive statistics

Variables	Mean	Std. deviation	Minimum	Maximum
BV	1.085	1.228	-0.908	6.03
ROA	1.369	1.940	-6.425	8.675

*Observations: 157

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue IV April 2025

Interpretation

Table 4.1 Specifically, the mean values stood at 1.085, 1.369 and for BV, ROA, respectively while the mean value shows the summary statistics of all the variables obtained from the sampled banks for the period under study. Selected quoted deposit money banks stood at 1.384. Also, there is evidence of variation in the minimum and maximum values of all the variables under study. The maximum values of BV, ROA, EPS, and CF stood at 6.03, 8.675, 110.7, and 6.531 respectively, while their minimum values showed -0.908, -6.425, - 394.32, and - 8.413 respectively. Indicating that some banks made loss during some accounting year under study, hence the negative minimum values of BV, ROA, EPS, and CF. Also, the maximum values of MSP stood at 2.916 while their minimum value showed 0.828 indicating that, some banks in some years had fair value or higher returns over their investments than loss hence the negative minimum value of MSP.

Hypothesis Testing

4Test of Hypothesis One (H_01)

1. **Research Objective 1:** examine the influence of book value on share price of selected quoted Deposit Money Banks in Nigeria.
2. **Research Question 1:** What is the influence of book value on share price of selected quoted Deposit money banks in Nigeria?
3. **Research Hypothesis 1 (H_01):** Book value has no significant influence on share price of selected quoted Deposit Money Banks in Nigeria.

Model 1: *MSP= 8.69 + 1.03BV ……………………….………………….. Eq (i)*

Table 4.2 Regression Analysis for Model 1

Variable	**Coefficient**	**Std Error**	**t-Stat.**	**Prob.**
Constant	8.69	0.49	17.62	0.000***
BV	1.03	0.15	6.94	**0.000***
R-squared	0.13			
Adjusted R-squared	0.10			
F-Statistic	5.38			
Prob.(F-Stat)	**0.000***			
Diagnostic Tests	**Statistics**			
Hausman test	0.71			0.95
Multiplier test	35.74			**0.000***
Heteroskedasticity test	18.12			**0.000***
Wooldridge test for autocorrelation	2.26			0.16
Pesaran's test of cross sectional independence	9.35			**0.000***

Dependent Variable: MSP; Obs.: 157 *,**,***significant at 10%,5%,1%

Source: Researcher's Study, 2024

Interpretation

The result of the regression analysis on Table 4.2 shows the effect of Book Value (BV) on market share price (MSP) of selected deposit money banks in Nigeria. The regression estimates revealed that BV has positive effects on MSP. This is indicated by the sign of the coefficient ($p<0.05$). Also, the probability value of the t-statistics for all independent variables stood at 0.000 which shows that this effect is statistically significant at 5% level of significance. This result is consistent with *a priori* expectation as it was expected.

The size of the coefficient of the independent variable shows that a 1 unit increase in BV caused 1.03 unit increases in the mean of MSP. The probability value of the F-statistic stood at 0.000 which shows that the regression result is statistically significant at 1%. Thus, the null hypothesis one book value has no significant influence on market share price of selected quoted deposit money banks in Nigeria is not rejected. Therefore, book value has significant influence on market share price of selected quoted deposit money banks in Nigeria.

Test of Hypothesis Two ($H_0 2$)

1. **Research Objective 2:** Determine the impact of return on assets on market share price of banks in Nigeria.
2. **Research Hypothesis 2 ($H_0 2$):** Return on Assets has no significant impact on market share price of deposit money banks in Nigeria.

Interpretation of Diagnostic Tests

MSP $=104.70 + 22.58ROA$ ………………………………………………………….. Eq (ii)

Table 4.3 Regression Analysis for Model 2

Variable	**Coefficient**	**Std Error**	**t-Stat.**	**Prob,**
Constant	104.70	58.07	1.80	0.10
ROA	22.58	16.07	1.41	0.19
R-squared	0.07			
Adjusted R-squared	0.04			
F-Statistic	0.95			
Prob.(F-Stat)	0.47			
Diagnostic Tests	**Statistics**			
Hausman test	1.00			0.91
Multiplier test	2.46			0.12
Heteroskedasticity test	229.74			0.000***
Wooldridge test for autocorrelation	15.03			0.000***

Dependent Variable: MSP; Obs.: 157*,**,***significant at 10%,5%,1%

Source: Researcher's Study, 2024

Interpretation

The result of the regression analysis in Table 4.3 shows the effect of Return on Asset (ROA) on market share price (MSP) of selected quoted deposit money banks in Nigeria. The regression estimates revealed that ROA has no significant effect on MSP. This is indicated by the sign of the coefficient that is 0.019. This result is consistent with *a priori* expectations as it was expected that Return on Asset have positives effect on MSP. However, the probability value of the t-statistics for ROA was higher than 5% level of significance, which shows that this effect is statistically insignificant.

Additionally, the adjusted R-squared showed that about 7% variations in MSP can be attributed to ROA while the remaining 93% variations in MSP are caused by other factors not included in this model. Hence, the coefficient of determination shows that the model has a weak explanatory power. This is confirmed by the probability value of the F-statistic at 0.47 which is higher than 5% level of significance. This shows that the regression result is statistically insignificant.

Thus, the null hypothesis two that return on assets has no significant impact on market share price of selected quoted deposit money banks in Nigeria is accepted. Therefore, Return on assets has an insignificant effect on the Market Share Price (MSP) in the selected quoted deposit money banks in Nigeria.

Table 4.7 Summary of Hypothesis Testing

Number	**Hypothesis (Null)**	**Results**
1	Book value has no significant influence on market share price of selected quoted deposit money banks in Nigeria.	Rejected
2	Return on Assets has no significant impact on market share price of selected quoted deposit money banks in Nigeria	Not rejected

Source: Researcher's Study, 2018

DISCUSSION OF FINDINGS

This study was set out to examine the Predictability of Accounting Information and value of selected quoted deposit banks in Nigeria. The Summary of the results on descriptive analysis showed negative minimum values of the performance indices indicating that some banks made loss during some accounting year under study. Few banks expended more cash in operating activities than receipt hence the negative minimum value of Operating Cash flow. The variable with a higher degree of dispersion from the mean is the Earnings Per Share (EPS) among the independent and dependent variables which confirms the variations within the data set and that it had been fluctuating over the years of sampled banks in Nigeria.

The result of the regression analysis of model 1 showed the effect of Book Value (BV) on market share price (MSP) of selected deposit money banks in Nigeria. The regression estimates revealed that BV has positive effects on MSP. This is indicated by the sign of the coefficient ($p<0.05$). Also, the probability value of the t-statistics for all independent variables stood at 0.000 which shows that this effect is statistically significant at 5% level of significance. This result is consistent with *a priori* expectation as it was expected. The probability value of the F-statistic stood at 0.000 which shows that the regression result is statistically significant at 1%. Therefore, book value has significant influence on market share price of selected quoted deposit money banks in Nigeria. This result is in line with the findings of Tsoncheva (2014) that cash flow provides incremental information content beyond earnings and book values in security prices. Also,

The result of the regression analysis of model 2 shows that ROA has positive effect on MSP ($\beta = 22.58$). This result is consistent with *a priori* expectations as it was expected that Return on Asset have positives effect on MSP. However, the probability value of the t-statistics for ROA was higher than 5% level of significance, which shows that this effect is statistically insignificant. This is confirmed by the probability value of the F-statistic at 0.47 which is higher than 5% level of significance. This shows that the regression result is statistically insignificant. Thus, Return on assets has an insignificant effect on the Market Share Price (MSP) in the selected quoted deposit money banks in Nigeria. This result does not align with the findings of Ogboi and Unuafe (2013), Callao, Jarne and La´ınez (2007), and Eccher et al. (1996) that Return on Assets have a significant effect on Market Share Price.

Implication of Findings

Regulators

Findings of this study have implication to regulatory agencies, investors as well as researchers. The study has revealed that the predictability of accounting information does have an effect on share price of quoted deposit money bank in Nigeria. This implies that measures that will guarantee the true predictions of market share price need to be put in place by financial regulators enforced as well as revised from time to time as need be.

Investors

Investors also have been enlightened from the findings of this work as to the extent to which predictability of accounting information affects the share prices of quoted deposit money banks in Nigeria. This will make investors evaluate adequately the financials of companies for portfolio decisions as well as all other forms of investment decisions.

Researchers

Researchers can also deduce from the findings of this study that different variables sometimes react differently under different conditions. Predictability of accounting information, as detected in this study do not have a combined effect on market share price of quoted deposit money bank in Nigeria.

Quoted Deposit Money Banks

Quoted money banks should endeavour to report losses when they are incurred, this will enable investors to take its economic and informed decision. However, predictability of accounting information has shown how effective true report will aid investors in taking their decisions as to investment.

CONCLUSION

Based on the data analysis and the research findings, the following conclusions can be deduced empirically:

The mean values of the summary statistics of all variables obtained from the sampled banks for the period under study indicated that some banks made loss during some accounting year under study, hence the negative minimum values of BV and ROA. Also, the maximum values of MSP stood at 2.916 while their minimum value showed 0.828 indicating that, some banks in some years had fair value or higher returns over their investments than loss hence the negative minimum value of MSP.

The size of the coefficient of the independent variable shows that a 1 unit increase in BV caused 1.03 unit increases in the mean of MSP. The probability value of the F-statistic stood at 0.000 which shows that the regression result is statistically significant at 1%. Thus, the null hypothesis one book value has no significant influence on market share price of selected quoted deposit money banks in Nigeria is not accepted. Therefore, book value has significant influence on market share price of selected quoted deposit money banks in Nigeria.

Recommendations

Based on the findings of this study, it is considered pertinent to make the following recommendations:

The need for regulatory bodies, as it relates to the Nigerian banking sector (that is, the Central Bank of Nigeria (CBN), Security and Exchange Commission (SEC), should note that there may be some circumstances whereby the major agent of change or influence in variables that determine market share price may not truly predict the share prices of banks such as the study realizes in the return on assets. More so, they should ensure that banks report their losses when incurred and put in place measures that will enforce strict adherence to principles and procedures of laid down standards, as well as enhance investors’ protection.

Since predictability of accounting information has significant effect on share price of quoted money deposits banks for the sampled companies over the sampled period, every avenue to ensure a qualitative financial reporting need to be explored. The regulatory agencies such as Security and Exchange Commission (SEC) and Financial Reporting Council of Nigeria (FRCN) are urged to further foster compliance of rules and regulations governing corporate entities. There is more to ensuring compliance than just enacting the laws. Unbiased sanctions can be explored for defaulters.

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue IV April 2025

REFERENCES

1. Adediran, S.A & Alade, S.O (2013). Dividend policy and corporate performance in Nigeria. American Journal of Social and Management Sciences, 10(5), 51-71
2. Adesina, K., Uwuigbe, U., Uwuigbe, R., Asiriuwa, O. & Oriabe, S. (2017). Dividend Policy and Share Price Valuation in Nigerian Banks. EuroEconomica, 1(36), 185-195
3. Al-Kassar, T. & Dannoun, Z. (2016). The Importance of Fair Value Accounting to Information Quality on Financial Statements (Field Study of Jordanian Commercial Banks). Research Journal of Finance and Accounting, 7(5), 14-23
4. Allen F, & Carletti E (2008). Mark-to-Market Accounting and Liquidity Pricing. Journal of Accounting and Economics, 45(2):358-378.
5. Almumani, M.A. (2014). Determinants of equity share prices of the listed banks in Amman stock
6. Armstrong, C., Barth, M., Jagolinzer, A. & Riedl, E. (2010). Market reaction to the adoption of IFRS in Europe. Accounting Review, 85(1), 31-61.
7. Arnold, D. F., Hope, South-worth, G. F. & Kirkham, R. M (1994). Dividend policy and corporate performance in Nigeria. American Journal of Social and Management Sciences, 10(5), 51-71
8. Aryan, A. (2016). The Quality of Fair Value Measurements for Non-Financial Assets. Global Advanced Research Journal of Management and Business Studies, 5(1), 011-017
9. Baker, H., Veit, E. & Powell, G. (2001). Factors influencing dividend policy decisions of Nasdaq firms. The Financial Review, 36(3), 19-37
10. Baskin, J. (1989). Dividend Policy and the Volatility of Common Stock. Journal of Portfolio Management, 15(3): 19-25
11. Cadsby, C. B., Murray, F. & Maksimovic, V. (1990). Equilibrium Dominance in Experimental Financial Markets. The Review of Financial Studies, 11, (1), 189-232.
12. Cairns, D. (2006). The Use of Fair Value in IFRS. Accounting in Europe, 3(1), 5-22.
13. Damagum, Y. M. & Chima, E.I. (2014). An Empirical Analysis of Corporate Governance Codes. Accountability Vs Enterprise: Evidence from Nigeria. International Journal of Accounting and Finance, 3(1), 23-36
14. Dang, U. (2011). The Camel Rating System In Banking Supervision A Case Study. Arcada University of Applied Sciences. International Business, 14(2), 54-61.
15. Duke, S. B., Ikenna, N. D. & Nkamare, S. E. (2015). Impact of Dividend Policy on Share Price Valuation in Nigerian Banks. Archive of Business Research, 3(1), 156-170
16. Easton, P. D., Harris, T. S. & Ohlson, J. A. (1992). Aggregate accounting earnings can explain most of security returns: The case of long return intervals. Journal of Accounting and Economics, 15, 119-142.
17. Eromosele, A. (2015). IFRS impact on the capital market. Retrieved from http//www.thisdaylive.com.
18. Eyenubo, S., Mudzamir, M. & Ali, M. (2017). An empirical analysis on the financial reporting quality of the quoted firms in Nigeria: Does audit committee size matter? International Journal of Academic Research in Business and Social Sciences,7(9), 56-63
19. Ezejelue, O. I. (2001). The impact of dividend policy on stock prices of quoted firms in Nigeria. International Journal of Economics, Commerce and Management, 2(3), 17-33.
20. F. R. C. N. (2015). Financial Reporting Council of Nigeria Act. Federal Republic of Nigeria Official Gazette. 6(4), 99-111
21. Feltham, G. & Ohlson, J. (1995). Valuation and clean surplus accounting for operating and financial activities. Contemporary Accounting Research (Spring), 8(5), 689-731.
22. Fiechter, P., & Novotny-Farkas, Z. (2011). Pricing of Fair Values during the Financial Crisis: International Evidence. Working paper: www.papers.ssrn.com
23. Gadhia, N.M. (2015). A study of earning quality of selected public & private sector banks in India. Indian Journal of Applied Research, 5(7):567-569.
24. Griffin, J. B. (2014). The Effects of Uncertainty and Disclosure on Auditors' Fair Value Materiality Decisions. Journal of Accounting Research, 52(5), 1165–1193.
25. Grubert, H. & Mutti, J. (2000). Do taxes influence where US corporations invest? National Tax Journal, 37, 475-488.
26. Gupta, M. C. (1969). The Effect of Size, Growth, and Industry on the Financial Structure of Manufacturing Companies. Journal of Finance, 24(3), 517-529

27. Habib, Y., Kiani, Z. & Khan, M. (2012). Dividend Policy and Share Price Volatility: Evidence from Pakistan. Global Journal of Management and Business Research, 12(5), 78-84.
28. Hague, I.P.N, (2004). Improved Standards. CA Magazine, (Jan-Feb, 2004), p. 43.
29. Hassan, S. (2012). The extent of corporate governance and financial reporting quality by United Arab Emirates (UAE) listed corporations.
30. Iatridis, S. (2010). The Effect of Size, Growth, and Industry on the Financial Structure of Manufacturing Companies. Journal of Finance, 24(3), 517-529
31. Ijiri, Y. (1965). Axioms and structures of conventional accounting measurement. The Accounting Review, 40(1), 36-53.
32. International Accounting Standards Board (2004b). "Impairment of Assets"; International Accounting Standard 36 (Revised), London; U.K: IASB.
33. International Accounting Standards Board (2005a). "Financial Instruments: Disclosures"; International Financial Reporting Standard 7, London; U.K: IASB.
34. Irfan, C. M. & Nishat, M. (2002). Key fundamental actors and long-run price changes in an emerging market: A case study of Karachi Stock Exchange (KSE). The Pakistan Development Review. 41(4):517–533.
35. Ittner, C.D. & Larcker, D.F. (1998). Innovations in performance measurement: trends and research implications. Journal of Management Accounting Research, 10(6), 205-238
36. Jones DA, & Smith KJ (2011). Comparing the value relevance, predictive value, and persistence of other comprehensive income and special items. Accounting Review, 86(6): 2061-2073.
37. Jong, A. de, Verbeek, M. & Verwijmeren, P. (2011). Firms' debt–equity decisions when the static tradeoff theory and the pecking order theory disagree. Journal of Banking and Finance, 35(5), 1303-1314.
38. Karen, D. S. & Alan, O. P.(2011). The constellation of accountancy and economics. The Accounting Review, 31(4), 551-564.
39. Kehinde, J. S (2012). Share price change: the efficient market hypothesis and the whitenoise hypothesis dichotomy. Internal Journal of Humanities and Social Science, 2(22), 195-200.
40. Khan, A.A. (2011). Merger And Acquisitions (M&As) In the Indian banking sector in post liberalization regime. International Journal of Contemporary Business Studies, 2(11), 31-45.
41. Krishnan, G. V. & Parsons, L. M. (2008). Getting to the bottom line: An exploration of gender and earnings quality. Journal of Business Ethics, 78(1), 65-76.
42. Lambert, M., Hubner, G. & Michel, P. (2006). IFRS and market efficiency: The European perspective, working paper series, University of Luxembourg.
43. Long, M.S. & Malitz, E.B. (1985). Investment patterns and financial leverage. Corporate Capital Structures in the United States. Chicago: University of Chicago Press.
44. Malhotra, N. (2013). The determinants of Stock Prices for NSE 100 Companies over the period from 2007-2012.
45. Marsh, C. (1982.) The survey method: The contribution of surveys to sociological explanation. London: Allen and Unwin
46. Myers, S.C., (1984) (2008). The capital structure puzzle. Journal of Finance, 39(3), 575-592.
47. Nelson, K.K. (1996). Fair value accounting for commercial banks: An empirical analysis of SFAS No. 107. Accounting Review, 71(2):161-182.
48. O'Hara, T., Lazdowski, C., Moldovean, C. & Samuelson, S. (2000). Financial indicators of stock performance. West Haven: American Business Review
49. Ochiogu A.C. (2011). Value added tax. Enugu: A.C. Ochiogu Publishers Ltd.
50. Ohlson, J. A. (1995). Earnings, Book Values and Dividends in Equity Valuation. Contemporary Accounting Research, 11(2), 661-687
51. Olaoye, F. & Owoniya, B. (2017).Dividend Policy and Share Price Fluctuations of Sampled Quoted Nigerian Companies. Archives of Business Research, 5(11), 94-100
52. Palea, V., & Maino, R. (2013). Private equity fair value measurement: A critical perspective on IFRS 13. Australian Accounting Review, 23(3), 264–278.
53. Pandey, M. (2004). Financial Management (8th Edition). New Delhi:Vikas Publishers
54. Pervan, I. (2012). Utilization of Accounting Information for Decision making in Croatian SME: Preliminary Findings. The Business Review, Cambridge, 19 (2), 165-171.

ISSN No. 2321-2705 | DOI: 10.51244/IJRSI |Volume XII Issue IV April 2025

55. Sebastian, E., Dănut, C. & Maria, D. (2014). Relevance and credibility of the fair value measurement during the crisis. Procedia Economics and Finance 8, 306 – 312
56. Taggart, R.A. (1977). A model of corporate financing decisions. Journal of Finance, 32(5), 1467-1484.
57. Tippet, M. (1978). The Axioms of Accounting Measurement. Accounting and Business Research, 266-278.
58. Willet, R. J. (1987). An Axiomatic Theory of Accounting Measurement. Accounting and Business Research 17 (66), 155-172.
59. Yu, X. T. & Wahid, F. K. (2014). Relevance and credibility of the fair value measurement during the crisis. Procedia Economics and Finance 8, 306 – 312
60. Yasir, H., Zernigah, I. & Muhammad, A. (2012). Dividend policy and share price volatility: evidence from Pakistan. Global Journal of Management and Business Research, 12(5); 79-84