Leverage and Shareholders' Value of Nigeria Consumer Goods Firms (2007–2017)

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ABSTRACT

This study examined the effect of leverage on shareholders' value of selected consumer Goods companies in Nigeria. The specific objectives are: to ascertain the effect of total debt on the dividend per share of Nigeria Consumer Goods Firms. To ascertain whether long term debt has positive effect on dividend per share of Nigeria Consumer Goods Firms. To evaluate the effect of short term debt on the dividend per share of Nigeria Consumer Goods Firms and to examine the effect of Total debt to equity on dividend per share of Nigeria Consumer Goods Firms. The study used secondary sources of data; relevant data were collected from annual financial reports of the selected 5 Consumer Goods Firms in Nigeria. Journals, textbooks and internet were also consulted. The study adopted ex-post facto research design. Ordinary Least Square Regression Techniques were used to ascertain the causal effect among variables. Upon the analysis of data, the following findings were drawn; Total debt shows a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria. Long term debt shows a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria. Short term debt has a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria. Total Debt to equity shows a positive and non significant effect on shareholders return of Consumer Goods Firms in Nigeria. Finally the researcher therefore recommends that corporate financial decision makers (in large firms) should employ more of long-term-debt than equity in their financial option. This is in line with the pecking order theory. Also firms are strongly advised to always compare the marginal benefit of using long-term-debt to the marginal costs of short-term-debt before concluding on using it in financing their operations. This is because as shown by this study, long-term-debt has positive effect on shareholders' value. Company should use higher capital gearing ratio so as to get significant impact of financial leverage on optimal capital structure decision should be looked up on in the context of degree of operating leverage so as to leave greater space for significant benefit of financial leverage.

Keywords: Leverage, Shareholders' Value and Ordinary Least Square Regression.

INTRODUCTION

Firms must choose the best financing sources to reach the optimal capital structure so that they can make suitable financing decision that would enable them achieve positive returns. Financial leverage is the extent to which fixed income securities (debt) are used in a firm's capital structure, [1].

The key objective of firm financing decisions is wealth maximization and the quality of any financing decision has an effect on firm's profitability [2]. Firms have multiple financing sources to finance their investment. Basically, financing sources can be categorized into two; the internal financing sources which include reserves and retained earnings; external financing which includes long-term loans, bond issuance, ordinary and preferred stock issuance. (These sources are long-term sources of finance).

Financial decision making is very important for the profitability of any firm. Financial decisions include long term financing and short term financial decisions. The long term decisions are mode of capital sourcing and dividend decisions while the short term financing decisions involve liquidity decisions.

The key responsibility of determining the optimal mix of debt and equity that will ensure maximization of shareholders wealth falls under the financial managers [3].

Leverage is the ratio between total debt to the total assets of the firm and it indicates the extent at which total assets are financed by debts [4]. A higher leverage ratio depicts the dependence of the firm on debt financing. The leverage is used to utilize the fixed cost assets or funds to increase the returns to the owners of the firm. Every firm tries to increase the owner's wealth and often it is by using fixed cost funds, which are generally available at lower cost. Leverage is the employment of an asset of finance for which firm pays fixed cost/fixed return. Leverage refers to an increased means of accomplishing some purpose.

[5] posit that leverage is the ability to use fixed cost assets or funds to increase the return to its shareholders. In business, leverage is the means of increasing profits. It may be favorable or unfavorable. The former reduces profit, while the latter increases it. Is essentially related to a profit measure, which may be a return on investments or on Earnings Before Taxes (EBT). It is an important tool of financial planning because it is related profits.

There are two parties that will be concerned about the firm performance due to leverage; one will be equity holders, who are owners of the firm and they carry the highest risk in the business as they have a residual claim to the assets of the firm. They are

rewarded through appreciation of the value of their share equity and through dividends. Secondly are the debt holders, they are rewarded through interest payment and their principal will be repaid. They take assets of the firm as collateral and have first claim on the assets of the firm in case of failure to honor the debts by the firm [6].

Furthermore, having debt in a firm's capital structure is beneficial to a firm; this is because a firm with debt in its capital structure enjoys tax savings as interest is paid before tax is deducted from the firm's income, [7].

Another risk is to the stockholder; if the firm incurs losses, this will cause greater volatility in earning and therefore greater volatility in the stock price and also such firm may not be able to pay any dividend to its ordinary stockholders as it would have to pay preferred stockholders prior to ordinary shareholders. However, the objective of a firm according to [8] is to maximize its value to its shareholders. Value of a firm is represented by the market value of the company's ordinary shares, which in turn is a reflection of the firm's investment, financing and dividend decisions. And since financial leverage affects the cost of capital of a firm, it will also affect the value of the firm.

It should be noted that, maximizing earnings per share usually is not the same as maximizing market price per share. The market price of a firm's stock represents the value which the market participants place on it. Also, a firm creates value when the expected returns exceed the returns required by the financial market.

STATEMENT OF THE PROBLEM

The researchers' concern is that high interest rate in Nigeria has made both the cost of finance and the cost of doing business relatively very high. Secondly many firms prefer to use debt funds when the cost of capital is relatively low than rate of return but in Nigeria.Optima capital structure is a puzzle to every manager and board of directors, failure to put considerations on financial leverage which is part of capital structure might lead to low profitability, bankruptcy and ultimately decrease in the value of the firm.key interest rate of loan is greater than the rate of return on

investment. A high financial leverage means a high interest burden and high interest rate leads to a fall in aggregate Demand, lower economic growth, high unemployment. If output falls, firms tend to produce fewer goods and therefore will demand fewer workers. As a company increases debt and preferred equities, interest payment increases thereby reducing Earnings per share (EPS).

Another problem of the study is that of agency cost controversy that exist because manager's interest and the interest of shareholder is not always the

same and in this case, the manager who is responsible of running the firm tend to achieve his personal goals rather than maximizing returns to the shareholders. Again if a company is solely financed by shareholder equity, then its profitability to the shareholders will change in proportion to its own change in profitability. For example, should profits increase by ten percent, the shareholder's dividends or share value will increase by ten percent. If the firm is leveraged, then that increase in profitability of the operation will not increase the payments needed to service the debt. Thus the excess profit is all passed to the shareholders and will necessarily increase the value of shares or dividends to a greater degree than the increase in the operation's profitability sometimes leading to firm's liquidation.

Further problem is that some firms are underperforming and facing financial or managerial problems due to high volatility in the stock prices and this has caused many firms not to pay dividend to their shareholders for instance the two firms from the firms under study faced boardroom challenges; Nigeria Flour Mill and Union Salt Plc. moved into losses, and their profits fell by 43% and 35% respectively as per their half year results for the period ending December 2016.

Some firms perform better than others in financial management and profitability while most of the research in Nigeria has been generalizing the relationship between these variables with all the firms listed at the NSE [9] and [10] and this may give wrong conclusions. Therefore, there is need for more integrative research to resolve the controversies. This study is to examine the effect of leverage on shareholders value of Consumer Goods firms in Nigeria.

OBJECTIVES OF THE STUDY

The broad objective of this study is to examine the effect of leverages on shareholders' value of Consumer Goods Firms in Nigeria.

SPECIFIC OBJECTIVES

1. To determine the effect of total debt on the dividend per share of Consumer Goods Firms s in Nigeria.
2. To ascertain whether long term debt has positive effect on dividend per share of Consumer Goods Firms in Nigeria.
3. To examine the effect of short term debt on the dividend per share of Consumer Goods Firms in Nigeria.
4. To determine the effect of Total Debt to Equity on dividend per share of Consumer Goods Firms in Nigeria.

RESEARCH QUESTIONS

1. What is the effect of total debt on the dividend per share of Consumer Goods Firms in Nigeria?
2. To what extent does long term debt affect dividend per share of Consumer Goods Firms in Nigeria?
3. What is the effect of short term debt on the dividend per share of Consumer Goods Firms in Nigeria?
4. Does Total Debt to Equity has effect on dividend per share of Consumer Goods Firms in Nigeria?

RESEARCH HYPOTHESES

1. Total debt has no effect on dividend per share of Consumer Goods Firms in Nigeria.
2. Long term debt has no positive effect on dividend per share of Consumer Goods Firms in Nigeria.
3. Short term debt has no effect on dividend per share of Consumer Goods Firms in Nigeria.
4. Total Debt to Equity has no effect on dividend per share of Consumer Goods Firms in Nigeria.

SIGNIFICANCE OF THE STUDY

This study will be of immense benefit to the following interest group.

1. *Manufacturing Industries:* The selected companies in Nigeria can use the findings to assess the leverage trends, its impact on firm's financial performance and draw up some policies and conditions for the listed firms on selling of bonds and acquiring of debt from financial institutions. It will also help them in assessing the tax debt shield effect on revenue collection and profitability. The study will also help the Management of Manufacturing firms to make good financial decisions on capital structure as their decision may increase or mar the overall performance of the firm as high increase in leverage decreases financial performance. It also helps the management maximize the use of funds and to be able to adapt more easily to the changing conditions. Hence these research findings will be beneficial to provide new knowledge to corporate managers in making their own decision on selecting appropriate capital structure to achieve the optimum level manufacturing industry's performance as well as research other areas that are significant and positively affect performance.

2. *Investors:* The finding of this study will fulfill the demands of the investors and shareholders. Investors need to know the relationship between policies on financial leverages or debt financing and performance of companies for them to make a choice on the company to invest their funds.

3. *Academia:* It adds knowledge to scholars since findings of the study portrays the effects of leverages on shareholders value in Nigeria. In addition, it will help scholars to relate the result of this study to those done by other scholars to check if the findings are consistent or not. They will then deduce the potential problems in financial performance which might be associated with wrongful decisions on Financial Leverage. A copy of this research will be made available to the University to serve as empirical evidence in future studies.

4. *The Researchers:* This study will help the researchers have more insight on the concept and the effect of leverages on shareholders returns and on the performance of Manufacturing industries in general. This study is also in fulfillment of the requirement for the award of Bachelor of Science (B.Sc.) in Accountancy.

SCOPE OF THE STUDY

This study focuses on the effect of leverage on shareholder's value. The study will also cover five selected Consumer Goods Firms in Nigeria categorized by the Nigeria Stock Exchange as the 20 Share Index firms. They include Cadburry Nigeria Plc; Nestle Nigeria Plc.; Nigeria Flour Mill; Dangote Sugar Refinery Plc and Union Dicon Salt Plc.

LIMITATION OF THE STUDY

The researchers faced some constraints during this study; First the researchers really wants to study from 2007 being the base year to this current year 2018 but lack of empirical data covering those periods were impossible and the researcher limits the study from 2007 – 2017.

RESEARCH METHODOLOGY AND DESIGN

This study being an empirical analysis of the effect of leverages on shareholders' value employed *Ex-post facto* research design in obtaining, analyzing and interpreting the relevant data for hypotheses testing. This is because the independent and dependent variables used for analysis involved data already compiled. Hence the research cannot exert any control on them. Therefore Ex-post factor is suitable for the objectives of this study.

SOURCES OF DATA

The data to be used for the research work is secondary data. They include annual time series data i.e Financial Statement/ Report of the five selected Consumer Goods firms in Nigeria.

POPULATION OF THE STUDY

The population for the study consists of all the Consumer Goods Firms in Nigeria. The researchers used those quoted Consumer Goods companies on the Nigeria Stock Exchange (NSEC) because it will give the researchers access to data needed for analysis. A total of fifteen (15) quoted Consumer Goods firms in Nigeria were used. Therefore, the population for this study is 15. These companies include 7-Up Bottling Company Plc., Big Treat Plc., Cadbury Nigeria Plc., Dangote Flour Mills Plc., Dangote Sugar Refinery Plc., Ferdinand Oil Mills Plc., Flour Mills Nigeria Plc., Foremost Dairies Plc., National Salt Co. Nigeria Plc., Nestle Foods Nigeria Plc., Nigerian Bottling Company Plc Northern Nigeria Flour Mills Plc., P S Mandrides & Co. Plc., Tate Industries Plc., Union Dicon Salt Plc., UTC Nigeria Plc.

DETERMINATION OF SAMPLE SIZE

From the quoted Consumer Goods firms in Nigeria, the researchers randomly selected five companies namely, Cardbury Nigeria Plc; Nestle Nigeria Plc; Nigeria Flour Mill; Dangote Sugar Refinery Plc and Union Dicon Salt Plc. This Companies were selected because they were the most profitable, stable, very active in share trading and well managed firms, covering a period from 2007 – 2017.

TECHNIQUES FOR DATA ANALYSIS

The method of evaluation to be used for this work is the ordinary least square (OLS) of multiple regression. This is because it has the best, linear, unbiased Estimator (BLUE). Another reason being that its computational procedure is fairly simple compared to other econometric techniques. Preliminary texts such as Unit root would be conducted to ensure data stationary. Decision would be based on 5 percent level of significance. The estimation period will cover between (2007-2017).

MODEL SPECIFICATION

The model for this study is multiple linear regression method. Specifically, an ordinary least square (OLS) regression model will was adopted. The OLS procedure of estimate is chosen for this study because its computational procedures are simple and the estimates obtained from the procedures have optimal properties which include linearity and unbaisedness.

The following model is specific in an attempt to determine the effect of financial leverages on shareholders' value:

DPS $\quad = \quad \beta_0 + \beta_1 TD_t + \beta_2 ST_t + \beta_3 LT_t + \beta_4 DE_t + \varepsilon_t$

DPS	=	Dividend per share
TD	=	Total Debt
ST	=	Short Term Debt
LT	=	Long Term Debt
DE	=	Total Debt to Equity
β_0	=	Constant
$\beta_1, \beta_2, \beta_3, \beta_4$ =		Regression Coefficients
ε	=	Error Term
t	=	Time Series/ Number of Years.

METHOD OF EVALUATION

The evaluation of the results will be based on the following

a) Sign and magnitude of parameter (Economic a priori test)

These are the suggestions about the signs of the parameters and to check whether they are in line with economic theory. As regards to the magnitude of parameters, the B's represents marginal magnitudes of economic theory.

b) Co-efficient of multiple determinations (R²)

Here, the adjusted (R²) will be used to test for the goodness of fit. The value of R² lies between 0 and 1. The closer the R² is to 1, the better the goodness of fit while the closer of the R² is to 0, the worse the goodness of fit.

c) T-Test

This is used to find out or test for the statistical significance of the individual regression co-efficient. When this is done, the computed or calculated ratio (tcal) will be compared with the theoretical, tabulated or critical value (ttab) with the n-k degree of freedom.

d) ANOVA (F-test)

A test of the overall significance of the entire variables used in the regression model, it is used to denote whether the joint impact of the explanatory (exogenous/ independent variables) actually have a significant influence on the dependent variable.

DESCRIPTION OF RESEARCH VARIABLES

1.   **Dividend per share:** This reflects the returns on dividend to shareholders. It is also known as dividend to equity holders in financial statement/ reports of companies.

2.   **LEV 1 = Total Debt Ratio:**   Total debt ratio measures the amount of a firm's total assets that is financed with external debt. $\frac{Total\ Debt}{Total\ Asset} \times \frac{100}{1}$

3.   **LEV 2 = Short Term Debt Ratio:** Short term debts are debt obligation that matured within one accounting year. Short term debt measured by $\frac{Short\ term\ Debt}{Total\ Asset} \times \frac{100}{1}$

4.   **LEV 3 = Long Term Debt Ratio** : This is interest costs incurred on long-term borrowed funds, and because long-term borrowing places multi-year, fixed financial obligations on a firm. $\frac{Long\ term\ Debt}{Total\ Asset} \times \frac{100}{1}$

5.   **LEV 4 = Total Debt to Equity:**   Debt equity ratio: This relates the amount of a firm's debt financing to the amount of equity financing. $\frac{Shareholders\ Fund}{Total\ Debt} \times \frac{100}{1}$

DATA PRESENTATION AND ANALYSIS

Table 1: Raw Data for Cadbury Nigeria Plc

Year	DPS ₦(M)	STD ₦(M)	LTD ₦(M)	TDT ₦(M)	DTE ₦(M)
2007	3,110,000	4,614,000	2,533,000	7,165,000	4,173,000
2008	2,950,000	3,388,000	1,876,000	5,361,000	3,534,000
2009	2,260,000	2,434,000	2,173,000	4,607,000	3,522,000
2010	1,641,000	0	0	0	13,015,000
2011	2,597,000	13,875,181	3,192,000	17,067,181	15,290,000
2012	3,143,000	16,905,424	3,217,728	20,117,152	17,083,000
2013	3,405,000	14,386,78	4,790,912	19,177,693	19,360,000
2014	3,035,000	14,042,218	3,235,863	17,067,181	11,542,026
2015	1,270,811	11,651,634	4,480,074	16,131,708	12,285,297
2016	4,605,250	12,820,278	4,515,939	17,336,217	11,056,734
2017	8,910,950	12,529,586	4,150,745	16,680,331	11,742,791

Source: Cadbury annual and financial statement, 2007 – 2017

From Table 1, shows annual data for dividend paid to shareholders, short term debt, long term debt, total debt and debt to equity of Cadbury Nigeria. It indicates that in 2012 the company financed its business with short term debt of ₦16,905,424 and the year recorded the highest value within the period under review while 2009 recorded the lowest value of ₦2,434,000. In 2013 the companies finance its business with more of Long term debt with a value of ₦4,790,912 in 2013 and was low in 2008 with a value

of ₦1,876,000. Total debt recorded ₦17,336,217 in 2016 and recorded low value of 4,607,000 in 2009. Total Debt to equity recorded the highest value of 19,360,000 in 2013 and was low in 2009 with a value of 3,522,000. This implies

that the companies financed its business in 2013 with equity. Dividend paid to shareholders increased in 2017 with a value of 8,910,950 and decreased in 2010 with a value of 1,641,000.

Table 2: Raw Data for Nestle Nigeria Plc

Year	DPS ₦(M)	STD ₦(M)	LTD ₦(M)	TDT ₦(M)	DTE ₦(M)
2007	4,004,000	43,326,000	17,259,000	60,585,000	54,776,000
2008	4,573,000	33,223,000	18,076,000	51,299,000	54,916,000
2009	7,654,208	22,012,398	14,695,469	36,707,867	10,543,935
2010	7,001,797	19,455,299	26,026,410	45,481,709	14,865,353
2011	5,939,000	35,232,000	20,585,000	55,817,000	58,274,000
2012	6,213,000	38,753,000	24,872,000	63,625,000	62,604,000
2013	6,552,000	32,917,000	23,386,000	56,303,000	64,139,000
2014	6,863,000	32,895,000	28,671,000	61,566,000	71,884,000
2015	16,145,712	59,731,857	21,476,122	81,297,979	38,007,074
2016	20,081,494	121,033,434	17,674,423	138,707,857	30,878,075
2017	11,428,504	79,680,495	22,245,456	101,925,951	44,878,177

Source: Nestle annual and financial statement, 2007 - 2017

From Table 2, shows annual data for dividend paid to shareholders, short term debt, long term debt, total debt and debt to equity of Nestle Nigeria. It indicates that in 2016 the company financed its business with more of short term debt of ₦121,033,434 while 2009 recorded the lowest value of ₦22,012,398. In 2014 the company financed its business with more of Long term debt with a value of ₦28,671,000 and was low in 2009 with a value of ₦14,695,469. Total debt recorded ₦138,707,857 in 2016 and recorded low value of 36,707,867. Total Debt to equity recorded the highest value of 71,884,000 in 2014 and was low in 2009 with a value of 10,543,936. This implies that the companies financed its business in 2014 with more of equity. Dividend paid to shareholders increased in 2016 with a value of 20,081,494 and decreased in 2007 with a value of 4,004,000.

Table 3: Raw Data for Nigeria Flour Mill Plc

Year	DPS ₦(M)	STD ₦(M)	LTD ₦(M)	TDT ₦(M)	DTE ₦(M)
2007	914,508,000	26,004,512	14,575,406	40,579,918	19,024,793
2008	1,924,000	32,488,000	35,524,000	68,012,000	38,987,000
2009	1,553,067	4,171,386	27,578,928	31,750,314	22,868,239
2010	137,344,000	38,361,585	27,210,780	65,572,365	35,384,783
2011	266,941,000	30,153,185	44,513,521	74,666,706	42,063,788
2012	3,833,421	35,523,661	43,465,613	78,989,274	80,016,501
2013	4,058,648	52,167,279	40,876,997	93,044,276	81,015,538
2014	4,868,865	84,562,515	46,726,101	131,288,616	98,943,111
2015	4,981,928	116,115,447	18,762,765	134,878,212	96,651,666
2016	3,660,947	114,508,685	18,543,783	133,052,468	100,244,139
2017	2,971,314	217,412,600	18,404,858	235,817,458	108,115,699

Source: Nigeria Flour Mill plc annual and financial statement, 2007 – 2017

From Table 3, shows annual data for dividend paid to shareholders, short term debt, long term debt, total debt and debt to equity of Nigeria Flour Mill. It indicates that in 2017 the company financed its business with more of short term debt of ₦217,412,600 while 2009 recorded the lowest value of ₦4,171,386. In 2014 the company financed its business with more of Long term debt with a value of ₦46,726,101 and was low in 2007 with a value of ₦14,575,406. Total debt recorded ₦235,817,458 in 2017 and recorded low value of 31,750,314 in 2009. Total Debt to equity recorded the highest value of

108,115,699 in 2017 and was low in 2007 with a value of 19,024,793. This implies that the companies financed its business in 2017 with more of equity.

Dividend paid to shareholders increased in 2007 with a value of 914,508,000 and decreased in 2009 with a value of 1,553,067.

Table 4:Raw Data for Dangote Sugar Plc

Year	DPS ₦(M)	STD ₦(M)	LTD ₦(M)	TDT ₦(M)	DTE ₦(M)
2007	5,147,000	4,977,450	88,746,000	586,491,000	101,101,467
2008	6,434,000	24,251,186	1,295,005	25,546,191	32,627,198
2009	4,200,000	35,038,905	2,055,519	37,094,424	41,612,797
2010	12,000,000	19,245,651	2,153,294	21,398,945	40,895,037
2011	7,200,000	25,999,290	3,616,100	29,615,390	39,491,515
2012	3,600,000	32,426,078	4,261,441	36,687,519	46,269,159
2013	6,000,000	28,934,754	4,359,916	33,294,754	53,817,512
2014	7,200,000	34,532,088	4,229,514	38,761,602	58,526,202
2015	4,800,000	34,352,088	4,229,514	38,761,602	58,526, 202
2016	6,000,000	35,516,958	4,768,318	40,285,276	66,386,057
2017	7,200,000	91,181,987	6,452,463	97,634,450	88,439,805

Source: **Dangote Sugar** *annual and financial statement, 2007 – 2017*

From Table 4, shows annual data for dividend paid to shareholders, short term debt, long term debt, total debt and debt to equity of Dangote Sugar Plc. It indicates that in 2017 the company financed its business with more of short term debt of ₦91,181,987 while 2007 recorded the lowest value of ₦4,977,450. In 2007 the company financed its business with more of Long term debt with a value of ₦88,746,000 and was low in 2008 with a value of ₦1,295,005. Total debt recorded ₦586,491,000 in 2007 and recorded low value of 25,546,191 in 2008. Total Debt to equity recorded the highest value of 101,101,467 in 2007 and was low in 2008 with a value of 32,627,198. This implies that the companies financed its business in 2007 with more of equity. Dividend paid to shareholders increased in 2010 with a value of 12,000,000 and decreased in 2012 with a value of 4,200,00.

Table 5: Raw Data for Dangote Flour Mill Plc

Year	DPS ₦(M)	STD ₦(M)	LTD ₦(M)	TDT ₦(M)	DTE ₦(M)
2007	2,000,000	34,296,296	2,926,285	21,035,892	22,966,212
2008	6,000,000	52,252,977	3,205,556	15,570,759	35,056,611
2009	7,500,000	37,323,709	10,692,375	77,449,018	25,323,526
2010	10,000,000	40,897,348	16,753,039	33,474,003	37,700,652
2011	12,000,000	44,335,916	18,428,343	42,753,279	40,859,765
2012	860,562,000	53,378,515	20,455,461	73,833,976	49,183,316
2013	1,035,978	57,643,257	22,705,562	47,771,137	53,123,521
2014	1,118,856	62,326,502	24,749,062	45,195,357	57,301,618
2015	1,208,365	43,861,797	2,486,903	46,348,700	4,271,000
2016	0	40,424,498	7,386,513	47,811,011	28,794,277
2017	0	80,410,600	4,698,439	85,109,039	36,886,446

Source: **Dangote Flour Mill Plc** *annual and financial statement, 2007 – 2017*

From Table 4, shows annual data for dividend paid to shareholders, short term debt, long term debt, total debt and debt to equity of Dangote Flour Mill Plc. It indicates that in 2017 the company financed its business with more of short term debt of ₦80,410,600 while 2007 recorded the lowest value of ₦34,296,296. In 2014 the company financed its business with more of Long term debt with a value of ₦24,749,062 and was low in 2015 with a value of ₦2,486,903.

Total debt recorded ₦85,109,039 in 2017 and recorded low value of 15,570,759 in 2008. Total Debt to equity recorded the highest value of 57,301,618 in 2014 and was low in 2015 with a value of 4,271,000. This implies that the companies financed its business

in 2014 with more of equity. Dividend paid to shareholders increased in 2012 with a value of 860,562,000; 2016 and 2017 had no record for dividend given to shareholders implying that the company the not pay their shareholders in 2016 and 2017.

DATA ANALYSIS

Figure 1: Line Graph – Industry group data (Cadbury Nigeria Plc)
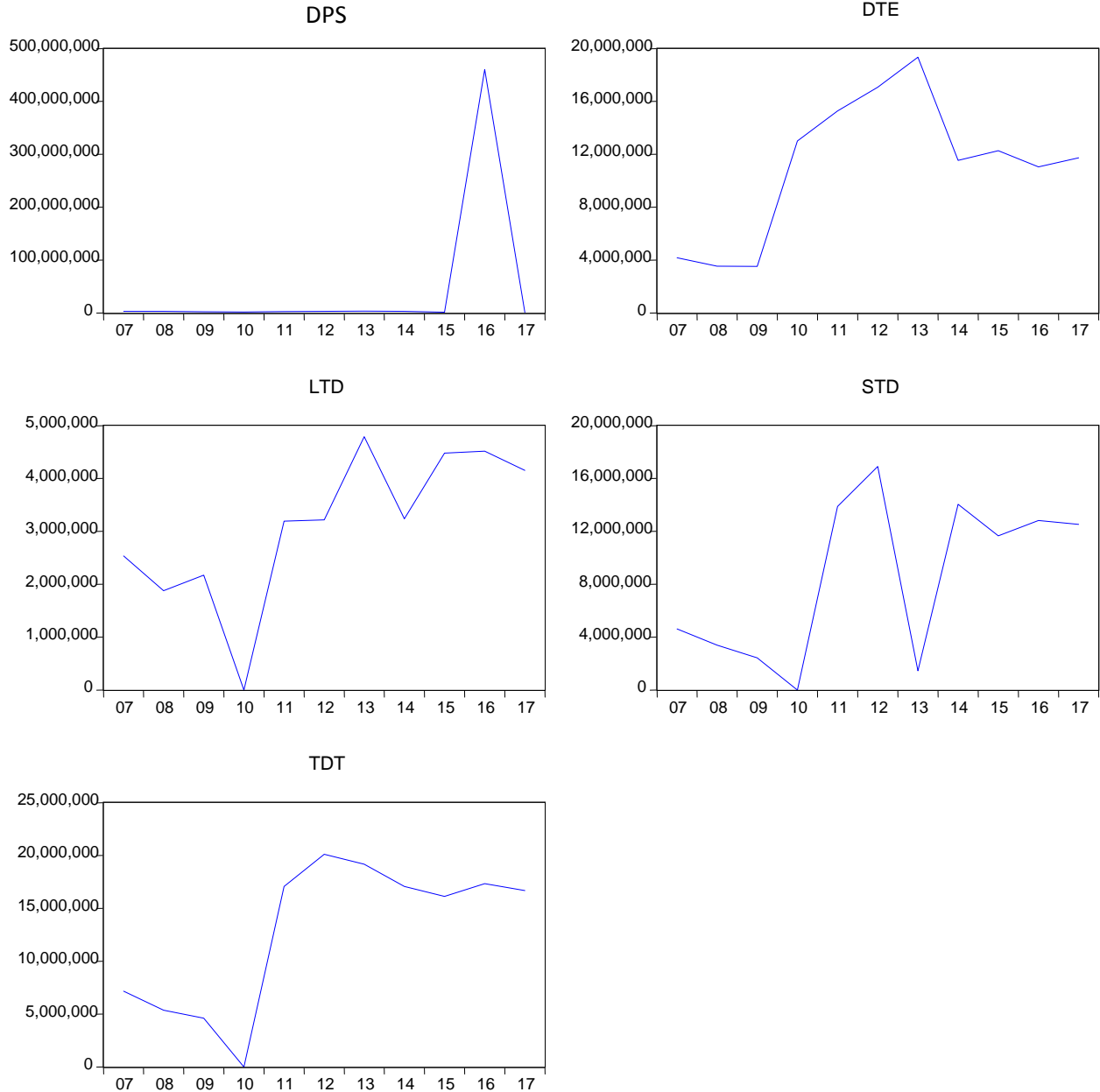
Source: E-view Output, 2018.

Figure 1 shows a line graph that is used to display data that changes continuously over time. It shows the changes of independent variables which include short term debt, long term debt, total debt and Total debt to equity of Cadbury Nigeria Plc on the dependent variable "Dividend Paid to shareholders".

From the above graph, we can see that short term debt, long term debt and total debt significantly increased from 2010 to 2017 but short term debt slightly declined in 2013 while all the independent variables was a bit low from 2007 and 2009. High increase of short debt, long term debt, total debt and Total debt to equity from 2010 to 2017 shows that Cadbury Nigeria

borrowed more money in those years to finance their business; debt to equity also shows a high increase, this shows that equity financing i.e money from shareholders to the company increased significantly from 2010 – 2017. To relate the above graph, Dividend paid with independent variable, short term debt, long term debt, total debt and Total debt

to equity, we can see that although short term debt, long term debt, total debt and Total debt to equity increased in those years but it did not have significant effect on dividend return of the shareholders especially from 2007 to 2014, but increased from 2015 to 2017.

Table 6: Descriptive Statistics – Industries Data Series (Cadbury Nigeria Plc).

	LDPS	LDTE	LLTD	LSTD	LTDT
Mean	3352301.	10324385	2937435	9226032	12153277
Median	2992500.	11642409	3204864	12090610	16406020
Maximum	8910950.	17083000	4515939.	16905424	20117152
Minimum	1270811.	3522000	0.000000	0.000000	0.000000
Std. Dev.	2156599.	4895269.	1377560.	5963814	7075526.
Skewness	1.843048	-0.396759	-0.788484	-0.350004	-0.537264
Kurtosis	5.629345	1.820347	3.090430	1.541113	1.693856
Jarque-Bera	8.541984	0.842189	1.039585	1.090985	1.191925
Probability	0.013968	0.656328	0.594644	0.579556	0.551032
Sum	33523011	1.03E+08	29374349	92260321	1.22E+08
Sum Sq. Dev.	4.19E+13	2.16E+14	1.71E+13	3.20E+14	4.51E+14
Observations	11	11	11	11	11

Source: E-view Output, 2018.

The normality test adopted is the Jargue-Bera (JB) test of normality. The JB test of normality is a large sample test and is based on the OLs residuals. The test computes the skewness and kurtosis measures of the OLS residuals. From the above analysis all the

probability of Jarque-Bera statistic is greater than 5% except that of DIVP i.e 0.013968, 0.656328, 0.594644, 0.579556 and 0.551032 are greater than 0.05, therefore we conclude that all the variables are normally distributed.
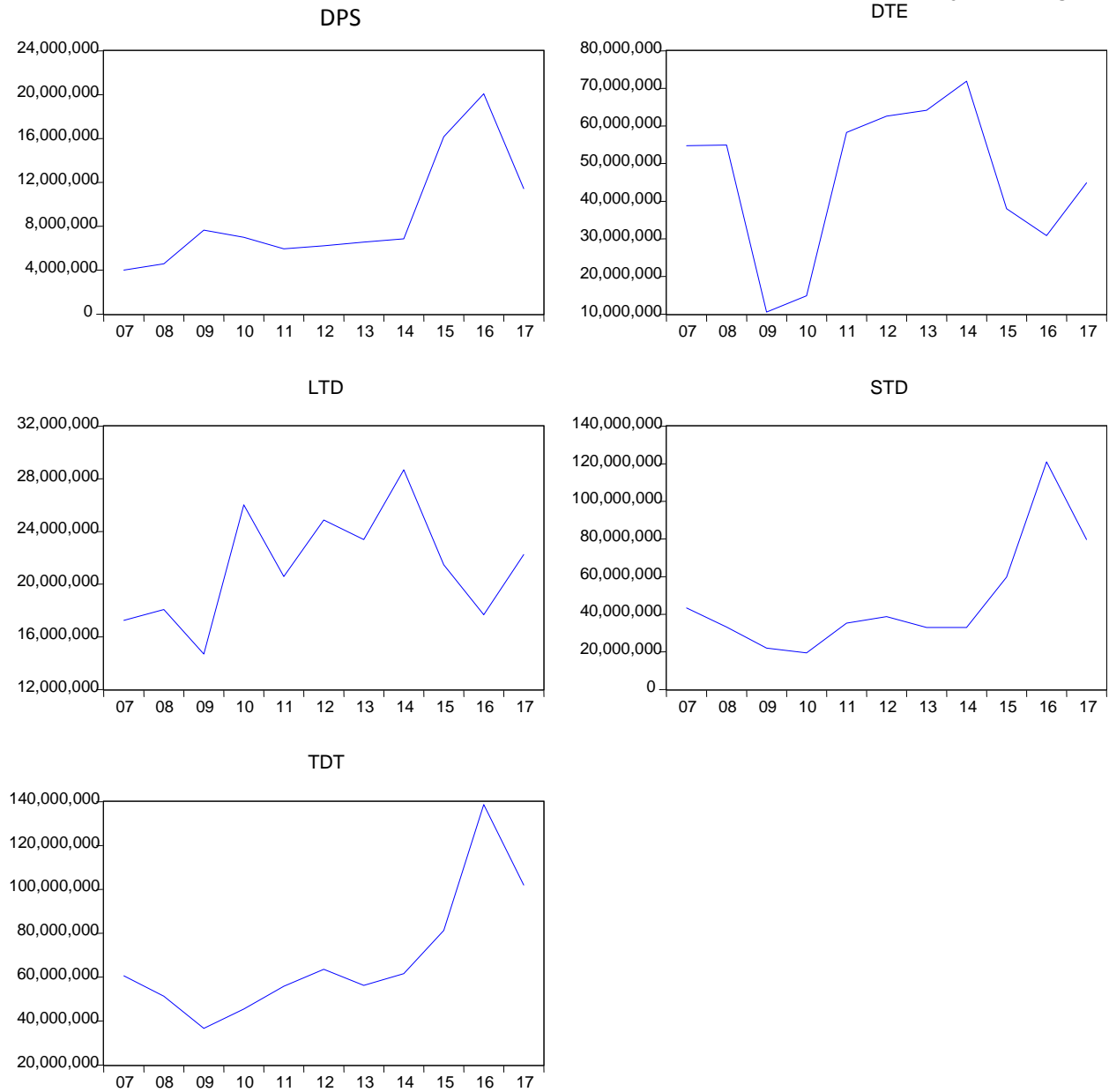
Figure 2:Line Graph – Industry group data (Nestle Nigeria Plc)
Source: E-view Output, 2018.

Figure 2 shows a line graph that is used to display data that changes continuously over time. It shows the changes of independent variables which include short term debt, long term debt, total debt and Total debt to equity of Nestle Nigeria Plc on the dependent variable "Dividend Paid to shareholders".

From the above graph, dividend paid to shareholders fluctuated from 2007 to 2013 and suddenly increased from 2014 to 2017. This shows that shareholders were paid more in 2014 to 2017.

We can also see from the graph that the value of debt to equity increased in 2007 and 2008 and decreased in 2009 and significantly increased from 2010 to 2015 and decreased in 2016 and 2017. Long term debt was stable from 2007 and 2008 and increased in 2009 to 2016 and decreased a bit in 2017. Short term debt was stable from 2007 to 2013 and increased from 2014 to 2017. Total debt was low from 2007 to 2014 and suddenly increased from 2015 to 2017.

To relate the above graph, Dividend paid to shareholders with independent variable, short term debt, long term debt, total debt and Total debt to equity, we can see that short term debt, long term debt, total debt and Total debt to equity increased 2009 to 2014 but dividend paid to shareholders remained low within those years but was a bit significant from 2015 to 2017. This also implied that both equity and debt financing in Nestle Nigeria has not significantly enhanced dividend return of their shareholders from 2009 to 2014.

Table 7: Descriptive Statistics – Industries Data Series (Nestle Nigeria)

	LDPS	LDTE	LLTD	LSTD	LTDT
Mean	15.86283	17.50401	16.85888	17.52480	17.97394
Median	15.74166	17.81876	16.88245	17.37747	17.91956
Maximum	16.81531	18.09056	17.17140	18.61158	18.74788
Minimum	15.20280	16.17106	16.50305	16.78363	17.41850
Std. Dev.	0.498359	0.628369	0.201383	0.535481	0.372341
Skewness	0.718380	-1.200065	-0.177041	0.657821	0.714751
Kurtosis	2.518264	3.082417	2.108680	0.657821	2.981060
Jarque-Bera	1.052493	2.643397	0.421587	0.817738	0.936757
Probability	0.590818	0.266682	0.809941	0.664401	0.626016
Sum	174.4912	192.5441	185.4477	192.7728	197.7133
Sum Sq. Dev.	2.483614	3.948470	0.405550	2.867404	1.386379
Observations	11	11	11	11	11

Source: E-view Output, 2018.

The normality test adopted is the Jargue-Bera (JB) test of normality. The JB test of normality is a large sample test and is based on the OLS residuals. The test computes the skewness and kurtosis measures of the OLS residuals. From the above analysis all the probability of Jarque-Bera statistic is greater than 5% i.e 0.590818, 0.266682, 0.809941, 0.664401 and 0.626016 are greater than 0.05, therefore we conclude that all the variables are normally distributed.
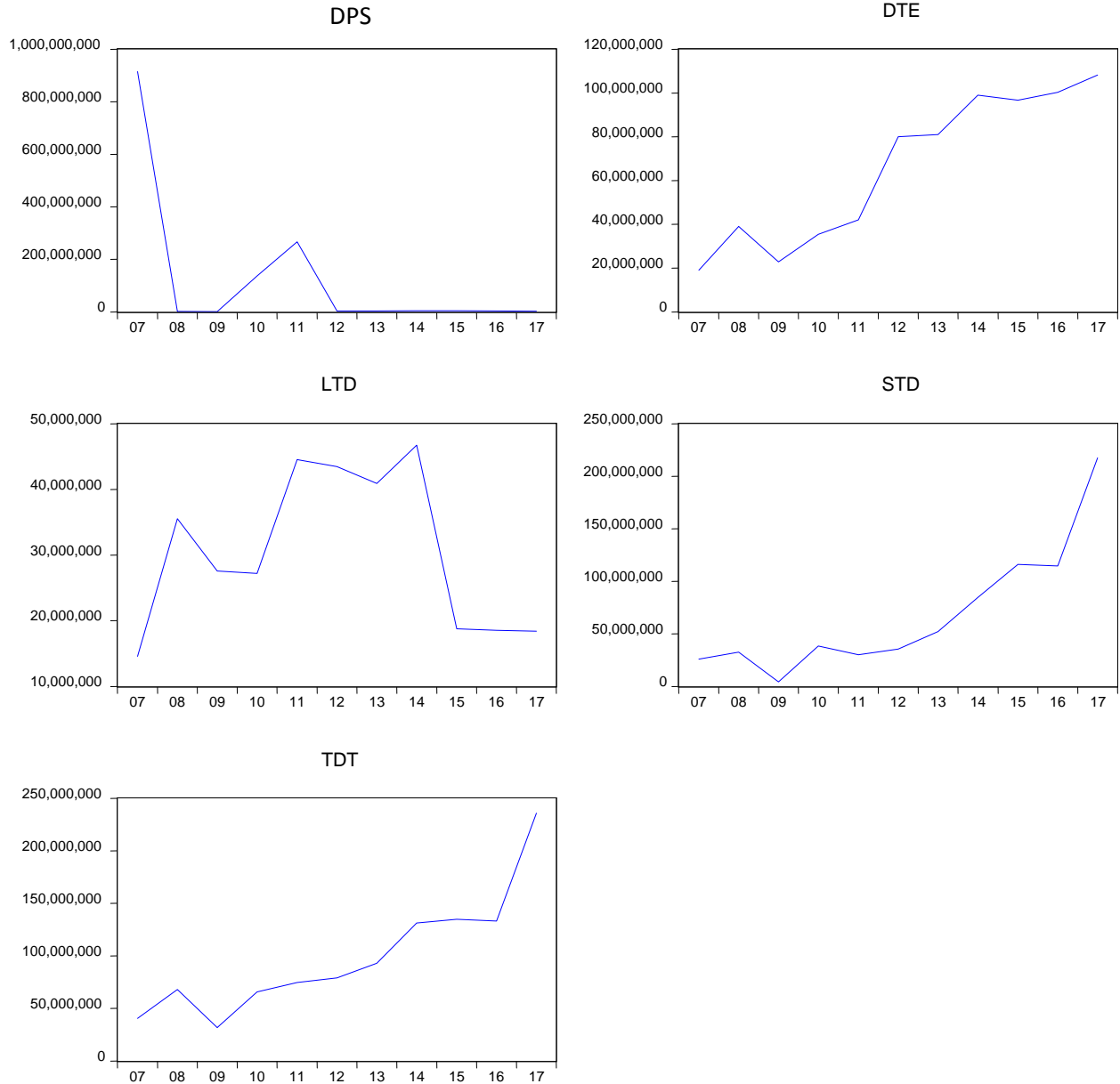
Figure 3: Line Graph – Industry group data (Nigeria Flour Mill Plc)
Source: E-view Output, 2018.

Figure 3 shows a line graph that is used to display data that changes continuously over time. It shows the changes of independent variables which include short term debt, long term debt, total debt and Total debt to equity of Nigeria Flour Mill Plc on the dependent variable "Dividend Paid to shareholders".

From the above graph, dividend paid to shareholders was significantly high from 2007 to 2008 and decreased from 2009 to 2012 and was flat from 2013 to 217. This shows that shareholders dividend pay from 2013 to 2017 were not encouraging. The graph shows that

shareholders has not been paid within 2013 to 2017 by Nigeria Flour Mill.

We can also see from the graph that the value of Total debt to equity was stable and increased sequentially till 2017 increased in 2007 and 2008 and decreased in 2009 and significantly increased from 2010 to 2015 and decreased in 2016 and 2017.

Long term debt increased from 2007 to 2015 and decrease in 2016 and 2017. Short term debt was low from 2007 to 2012 and increased from 2013 to 2017. Total debt was low from 2007 to 2009 and increased from 2010 to 017.

To relate the above graph, Dividend paid to shareholders with independent variable, short term debt, long term debt, total debt and Total debt to equity, we can see that short term debt, long term debt, total debt and Total debt to equity increased 2007 to 2017 but dividend paid to shareholders remained low in 2009, 2012, 2013, 2014, 2015, 2016 and 2017 but was a bit significant from 2008 to 2009. This also implied that both equity and debt financing in Nigeria Flour Mill has not significantly enhanced dividend return of their shareholders from 2012 to 2017.

Table 8: Descriptive Statistics – Industries Data Series (Nigeria Flour Mill Plc).

	LDPS	LDTE	LLTD	LSTD	LTDT
Mean	16.24665	17.84074	17.15710	17.63914	18.26233
Median	15.21636	18.19774	17.13256	17.46257	18.18482
Maximum	20.63390	18.49871	17.65981	19.19731	19.27857
Minimum	14.25574	16.76125	16.49485	15.24376	17.27341
Std. Dev.	2.219583	0.636301	0.424593	1.047567	0.575138
Skewness	1.059029	-0.495866	-0.206129	-0.772299	-0.053940
Kurtosis	2.457708	1.744903	1.516109	3.705651	2.466608
Jarque-Bera	2.190946	1.172784	1.087116	1.321707	0.135733
Probability	0.334381	0.556331	0.580679	0.516410	0.934385
Sum	178.7132	196.2481	188.7281	194.0305	200.8856
Sum Sq. Dev.	49.26547	4.048793	1.802795	10.97398	3.307835
Observations	11	11	11	11	11

Source: E-view Output, 2018.

The normality test adopted is the Jargue-Bera (JB) test of normality. The JB test of normality is a large sample test and is based on the OLS residuals. The test computes the skewness and kurtosis measures of the OLS residuals. From the above analysis all the probability of Jarque-Bera statistic is greater than 5% i.e 0.334381, 0.566331, 0.580679, 0.516410 and 0.934385 are greater than 0.05, therefore we conclude that all the variables are normally distributed.
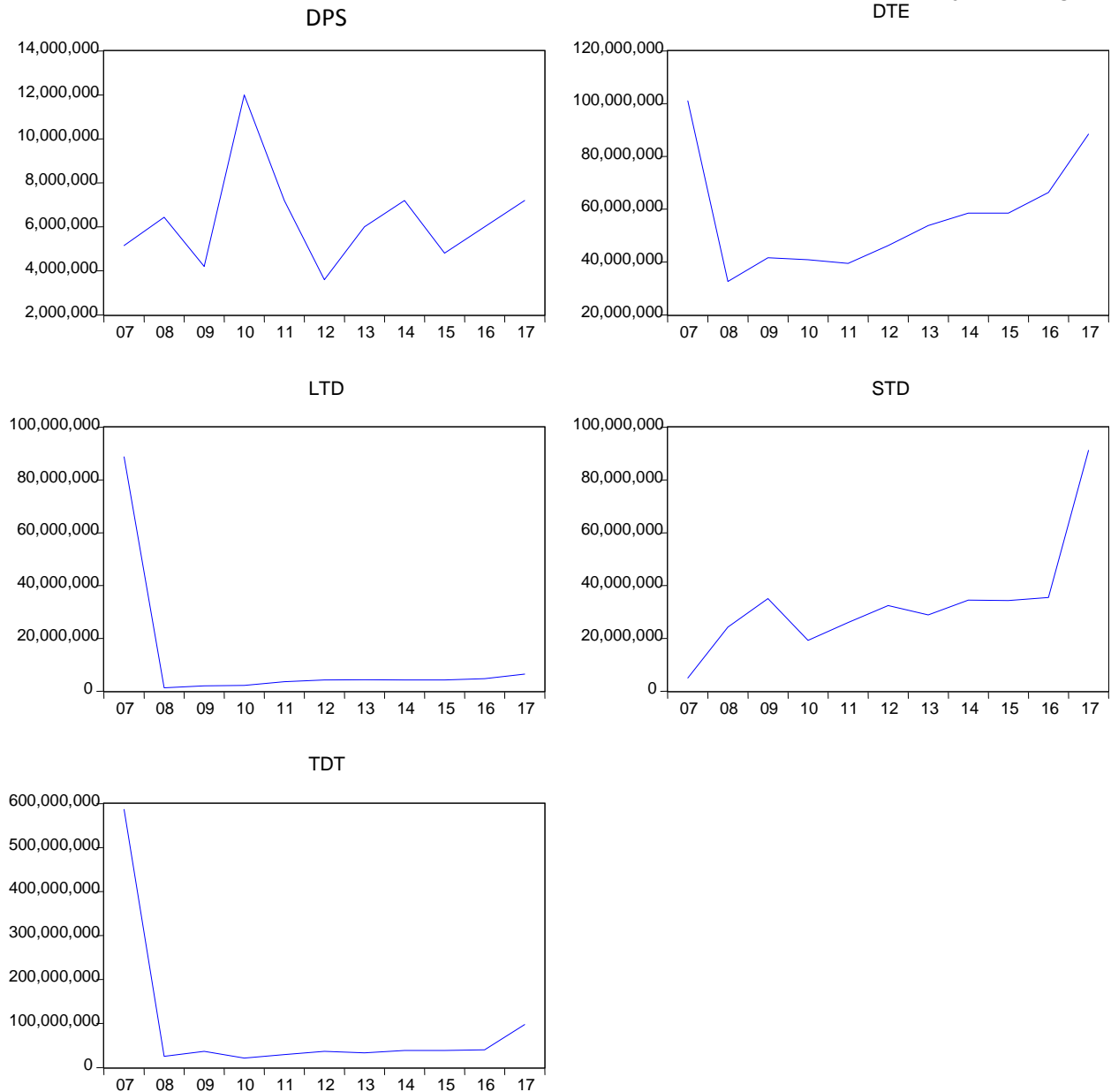
Figure 4: Line Graph – Industry group data (Dangote Sugar Plc)
Source: E-view Output, 2018.

Figure 4 shows a line graph that is used to display data that changes continuously over time. It shows the changes of independent variables which include short term debt, long term debt, total debt and Total debt to equity of Dangote Sugar Plc on the dependent variable "Dividend Paid to shareholders".

From the above graph, dividend paid to shareholders was high from 2009 to 2012 and decreased from 2013 to 2017. This shows that shareholders dividend pay from 2009 to 2012 increased. 2007 and in 2008 Total debt to equity

witnessed increase and slowed down from 2009 to 2011and rose again from 2012 to 2017.

We can also see from the graph that the value of Long term debt was quite high from 2007 to 2008 and decreased sequentially till 2017. Long term debt increased from 2007 to 2015 and decrease in 2016 and 2017. Short term debt was a bit low from 2007 to 2015 and increased from 2016 to 2017. Total debt was very high from 2007 and 2008 and decreased from 2009 to 2017.

To relate the above graph, Dividend paid to shareholders with independent variable, short term debt, long term debt, total debt and Total debt to equity, we can see that Total debt to equity and short term debt increase made dividend

paid to share holders to increase especially 2009 to 2012. This also implied that both equity and money borrowed on short term period yielded a good return on shareholders' value in Dangote Sugar Plc.

Table 9: Descriptive Statistics – Industries Data Series (Dangote Sugar Plc).

	LDPS	LDTE	LLTD	LSTD	LTDT
Mean	15.61327	17.80220	15.33823	17.14011	17.66821
Median	15.60727	17.80111	15.25760	17.29447	17.42898
Maximum	16.30042	18.43164	18.30129	18.32837	20.18967
Minimum	15.09644	17.30066	14.07403	15.42043	16.87885
Std. Dev.	0.323439	0.348288	1.085729	0.689839	0.918878
Skewness	0.431906	0.455590	1.890641	-1.089286	2.096164
Kurtosis	3.195465	2.262450	6.364076	5.231020	6.373039
Jarque-Bera	0.359506	0.629855	11.74025	4.456663	13.27013
Probability	0.835476	0.729842	0.002823	0.107708	0.001313
Sum	171.7459	195.8242	168.7205	188.5412	194.3503
Sum Sq. Dev.	1.046126	1.213043	11.78808	4.758775	8.443368
Observations	11	11	11	11	11

Source: E-view Output, 2018.

The normality test adopted is the Jargue-Bera (JB) test of normality. The JB test of normality is a large sample test and is based on the OLS residuals. The test computes the skewness and kurtosis measures of the OLS residuals. From the above analysis all the

probability of Jarque-Bera statistic is greater than 5% apart from long term debt i.e 0.835476, 0.729842, 0.002823, 0.107708 and 0.001313 are greater than 0.05, therefore we conclude that all the variables are normally distributed
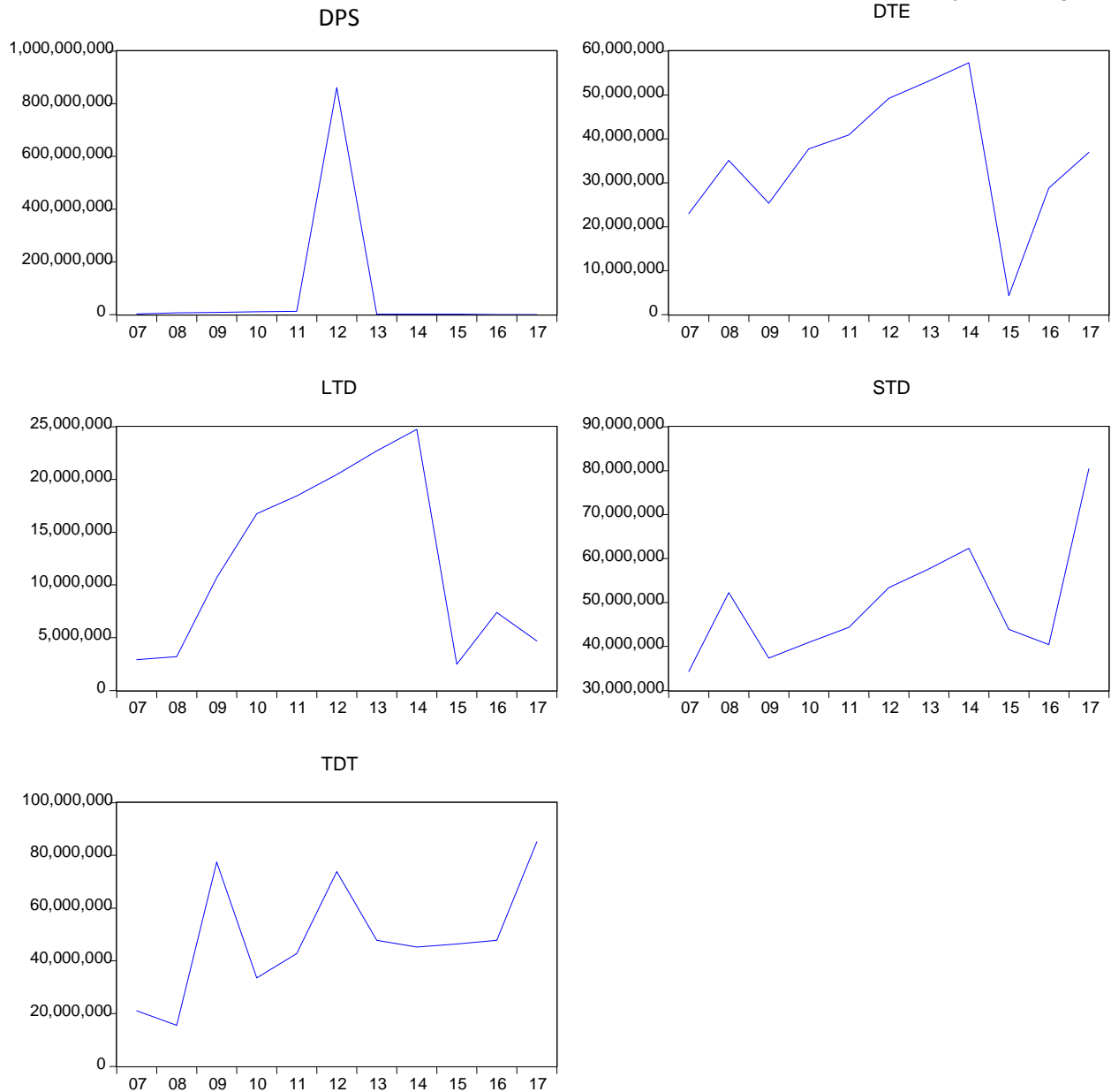
DPS

DTE

LTD

STD

TDT

Figure 5: Line Graph – Industry group data (Dangote Flour Mill Plc)
Source: E-view Output, 2018.

Figure 5 shows a line graph that is used to display data that changes continuously over time. It shows the changes of independent variables which include short term debt, long term debt, total debt and Total debt to equity of Dangote Flour Mill Plc on the dependent variable "Dividend Paid to shareholders".

From the above graph, dividend paid to shareholders witnessed a high increase only in 2011 to 2013; and other years has no outcome showing that Dangote Flour Mill did not pay their shareholders any dividend in 2007, 2008, 2009, 2010,

2014, 2015 and 2017. They paid for 2010 but the dividend paid was very low. Total Debt to equity witnessed an increase from 2007 to 2015 and suddenly decreased in 2016 and 2017. We can also see from the graph that the value of Long term debt increased from 2008 to 2015 and decreased in 2016 and 2017 including 2007.

Short term debt increased from 2007 to 2015 and decrease in 2016 and 2017. Short term debt does not increase significantly within the period under study but was a bit high in 2016 and 2017. Total debt was witnessed an

increase within the period under review but was quite high in 2008 and 2009.

To relate the above graph, we can see that independent variable, short term debt, long term debt, total debt and

Total debt to equity had significant return on shareholders' value only on 2011, 2012 and 2013 but were not significant within the other years especially 2007, 2008, 2009, 2010, 2014, 2015 2016 and 2017.

Table 10: Descriptive Statistics – Industries Data Series (Dangote Flour Mill Plc).

	LDPS	LDTE	LLTD	LSTD	LTDT
Mean	15.63571	17.21894	16.10454	17.65537	17.50694
Median	15.60727	17.44519	16.63409	17.60731	17.62650
Maximum	20.57310	17.86384	17.02430	17.94790	18.16513
Minimum	13.85086	15.26736	14.72655	17.35055	16.56091
Std. Dev.	2.095347	0.795426	0.961082	0.202408	0.526743
Skewness	1.503702	-1.802407	-0.551721	-0.038262	-0.542729
Kurtosis	4.536703	5.220417	1.499305	1.780792	2.380996
Jarque-Bera	4.277224	6.721853	1.301126	0.559621	0.585520
Probability	0.117818	0.034703	0.521752	0.755927	0.746201
Sum	140.7214	154.9705	144.9409	158.8983	157.5625
Sum Sq. Dev.	35.12382	5.061625	7.389432	0.327752	2.219665
Observations	11	11	11	11	11

Source: E-view Output, 2018.

The normality test adopted is the Jargue-Bera (JB) test of normality. The JB test of normality is a large sample test and is based on the OLS residuals. The test computes the skewness and kurtosis measures of the OLS residuals. From the above analysis all the probability of Jarque-Bera statistic is

greater than 5% apart from Total debt to equity i.e 0.117818, 0.034703, 0.521752, 0.755927 and 0.746201 are greater than 0.05, therefore we conclude that all the variables are normally distributed.

TEST OF HYPOTHESES

Hypothesis One

Total debt has no effect on Dividend per share of Consumer Goods Companies in Nigeria.

Table 11: Regression Analysis showing effect of Total Debt on Dividend per share of the five selected Consumer goods firms under review.

Dependent Variable: LDPS
Method: Least Squares
Date: 05/23/18   Time: 15:53
Sample (adjusted): 1 53
Included observations: 52 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LTDT	0.337013	0.216115	1.559416	0.1252
C	9.754710	3.803091	2.564942	0.0134

R-squared	0.046380	Mean dependent var	15.67784
Adjusted R-squared	0.027307	S.D. dependent var	1.395458
S.E. of regression	1.376273	Akaike info criterion	3.514338
Sum squared resid	94.70640	Schwarz criterion	3.589386
Log likelihood	-89.37279	Hannan-Quinn criter.	3.543110
F-statistic	2.431779	Durbin-Watson stat	1.852970
Prob(F-statistic)	0.125206		

Source: E-view Output, 2018.
DPS = 9.754710+0.337013(TDT) + μ_t

Based on Table 11, the interpretation of the results as regard the coefficient of various regressors' is stated as follows:
The value of the intercept which is 9.754710 shows that Dividend paid by the firms to shareholders will experience 9.754710% increase when all other variables are held constant.
The estimate coefficients 0.337013{TDT} shows that a unit change in total debt will cause a 34% increase in Dividend Paid to shareholders.
From the above table the coefficient of multiple determination also called R^2 has a value of 0.046380 which is also 4% of change in dependent variables by independent variables. This 4% shows that the model has low goodness of fit. This also shows that Total Dent has a low outcome on the Dividend Paid to shareholders in selected Manufacturing Industries in Nigeria. This also means that the money paid to shareholders as dividend from total money borrowed was not encouraging as the percentage dividend paid to shareholders.

From T-test result, we can see that total debt has a positive and non significant effect on Dividend Paid to shareholders in the selected firms, this is shown with the t-test of LTDT(1.559416) with p-value of 0.1252.
From the same table the F-Statistics shows that total debt has a positive and non significant effect on dividend paid to shareholders which was represented by LTDT (2.431779) with p-value of 0.1252006 which higher than 5% margin of significance.

Hypothesis Two
Long term debt has no positive effect on Dividend per share of Consumer Goods Firms in Nigeria.
Table 12: Regression Analysis showing effect of Long Term Debt on Dividend per share of the five selected Consumer goods firms under review.

Dependent Variable: LDPS
Method: Least Squares
Date: 05/23/18   Time: 15:55
Sample (adjusted): 1 53
Included observations: 52 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LLTD	0.323758	0.176946	1.829697	0.0733
C	10.46143	2.857242	3.661374	0.0006

R-squared	0.062754	Mean dependent var		15.67784
Adjusted R-squared	0.044009	S.D. dependent var		1.395458
S.E. of regression	1.364406	Akaike info criterion		3.497018
Sum squared resid	93.08024	Schwarz criterion		3.572066
Log likelihood	-88.92248	Hannan-Quinn criter.		3.525790
F-statistic	3.347790	Durbin-Watson stat		1.964055
Prob(F-statistic)	0.073261			

Source: E-view Output, 2018.
DPS = 10.46143+0.323758(LLTD) + μ_t

Based on Table 12, the interpretation of the results as regard the coefficient of various regressors' is stated as follows:
The value of the intercept which is 10.46143 shows that Dividend paid by the firms to shareholders will experience 10.46143% increase when all other variables are held constant.

The estimate coefficients 0.323758{LLTD} shows that a unit change in total debt will cause a 32% increase in Dividend Paid to shareholders.
From the above table the coefficient of multiple determination also called R^2 has a value of 0.062754 which is also 6% of change in dependent variables by independent variables. This 6% shows that the model has low goodness of fit. This also shows that Long Term Debt has a low outcome on the Dividend Paid to shareholders in selected Consumer goods Industries in Nigeria. This also means that the money paid to

shareholders as dividend from Long Term Debt has very low return on shareholders.

From T-test result, we can see that Long Term debt has a positive and non significant effect on Dividend Paid to shareholders in the selected firms, this is shown with the t-test of LLTD(1.829697) with p-value of 0.0733.

From the same table the F-Statistics shows that Long Term debt also has a positive and non significant effect on dividend paid to shareholders which was represented by LLTD(3.347790) with p-value of 0.073261 which higher than 5% margin of significance.

Hypothesis Three

Short term debt has no effect on Dividend per share of Consumer Goods Firms in Nigeria.

Table 13: Regression Analysis showing effect of Short Term Debt on Dividend per share of the five selected Consumer goods firms under review.

Dependent Variable: LDPS
Method: Least Squares
Date: 05/23/18   Time: 15:56
Sample (adjusted): 1 53
Included observations: 51 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LSTD	0.258537	0.215608	1.199105	0.2363
C	11.24017	3.716408	3.024473	0.0040
R-squared	0.028507	Mean dependent var		15.69033
Adjusted R-squared	0.008681	S.D. dependent var		1.406404
S.E. of regression	1.400287	Akaike info criterion		3.549657
Sum squared resid	96.07931	Schwarz criterion		3.625415
Log likelihood	-88.51625	Hannan-Quinn criter.		3.578606
F-statistic	1.437854	Durbin-Watson stat		1.856731
Prob(F-statistic)	0.236254			

Source: E-view Output, 2018.

DPS = 11.24017+0.258537(LSTD) + μ_t

Based on Table 13, the interpretation of the results as regard the coefficient of various regressors' is stated as follows:
The value of the intercept which is 11.24017 shows that Dividend paid by the firms to shareholders will experience 11.24017% increase when all other variables are held constant.

The estimate coefficients 0.258537{LSTD} shows that a unit change in Short Term debt will cause a 26% increase in Dividend Paid to shareholders.
From the above table the coefficient of multiple determination also called R^2 has a value of 0.028507 which is also 3% of change in dependent variables by independent variables. This 3% shows that the model has a very low goodness of fit. This also shows that Short term debt has a low outcome on the Dividend

Paid to shareholders in selected Consumer goods Industry in Nigeria. This also means that the money paid to shareholders as dividend from Short Term Debt has very low return on shareholders.

From T-test result, we can see that Short Term debt has a positive and non significant effect on Dividend Paid to shareholders in the selected firms, this is shown with the t-test of LSTD(1.199105) with p-value of 0.2363.

From the same table the F-Statistics shows that Short Term debt also has a positive and non significant effect on dividend paid to shareholders which was represented by LSTD(1.437854) with p-value of 0.236254 which higher than 5% margin of significance.

Hypothesis Four

Total Debt to equity has no effect on Dividend per share of Consumer Goods Firms in Nigeria.

Table 14: Regression Analysis showing effect of Debt to Equity on Dividend per share of the five selected Consumer goods firms under review.

Dependent Variable: LDPS
Method: Least Squares
Date: 05/23/18   Time: 15:58
Sample (adjusted): 1 53
Included observations: 52 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LDTE	0.240217	0.219753	1.093123	0.2796
C	11.50635	3.802231	3.026211	0.0039
R-squared	0.023341	Mean dependent var		15.65720
Adjusted R-squared	0.003807	S.D. dependent var		1.407771
S.E. of regression	1.405089	Akaike info criterion		3.555780
Sum squared resid	98.71373	Schwarz criterion		3.630828
Log likelihood	-90.45029	Hannan-Quinn criter.		3.584552
F-statistic	1.194919	Durbin-Watson stat		1.825349
Prob(F-statistic)	0.279578			

Source: E-view Output, 2018.
DPS = 11.50635+0.240217(LDTE) + μ_t

Based on Table 14, the interpretation of the results as regard the coefficient of various regressors' is stated as follows: The value of the intercept which is 11.50635 shows that Dividend paid by the firms to shareholders will experience 11.50635% increase when all other variables are held constant. The estimate coefficients of 0.24021{LDTE} shows that a unit change in Total Debt to Equity will cause a 24% increase in Dividend Paid to shareholders.

From the above table the coefficient of multiple determination also called R^2 has a value of 0.023341 which is also 2% of change in dependent variables by independent variables. This 2% shows that the model has a very low goodness of fit. This also shows that Total Debt to equity has a low outcome on the Dividend Paid to shareholders in selected Consumer goods Industries in Nigeria. This also means that the money paid to shareholders as dividend from Equity has very low return on shareholders.

From T-test result, we can see that Total Debt to Equity has a positive and non significant effect on Dividend Paid to shareholders in the selected firms, this is shown with the t-test of LDTE(1.093123) with p-value of 0.2796.

From the same table the F-Statistics shows that Total Debt to Equity also has a positive and non significant effect on dividend paid to shareholders which was represented by LDTE(1.194919) with p-value of 0.279578 which higher than 5% margin of significance.

SUMMARY OF FINDINGS

This research has explored the effect of financial leverages on the profitability of Consumer Goods firms in Nigeria, using annual financial data from 2007–2017.
The following findings were made from the above analysis:
i.   Total debt shows a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria with a t-test of LTDT(1.559416) with p-value of 0.1252.
ii. Long term debt shows a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria, this is shown with the t-test of LTD (1.829697) with p-value of 0.0733.
iii. Short term debt has a positive and non significant effect on the dividend paid to shareholder in

Consumer Goods Firms in Nigeria, this is shown with the t-test of STD(1.199105) with p-value of 0.2363.

iv. Total Debt to equity shows a positive and non significant effect on dividend per share of Consumer Goods Firms in Nigeria with a t-test of LDTE (1.093123) with p-value of 0.279578.

CONCLUSION

The study therefore concludes that Total debt shows a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria.

Long term debt shows a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria.

Short term debt has a positive and non significant effect on the dividend paid to shareholder in Consumer Goods Firms in Nigeria.

Total Debt to equity shows a positive and non significant effect on dividend per share of Consumer Goods Firms in Nigeria.

RECOMMENDATIONS

From the findings above, the researcher now recommends that:

From the above analysis we can see that financial leverages has not significantly impacted on the shareholders return of Consumer Goods Firms in Nigeria, therefore the researcher recommends that;

1. Corporate financial decision makers (in large firms) should employ more of long-term-debt than equity in their financial option. This is in line with the pecking order theory. Also firms are strongly advised to always compare the marginal benefit of using long-term-debt to the marginal costs of short-term-debt before concluding on using it in financing their operations. This is because as shown by this work, long-term-debt has positive effect on shareholders' value.

2. Company should use higher capital gearing ratio so as to get significant impact of financial leverage on optimal capital structure decision should be looked up on in the context of degree of operating leverage so as to leave greater space for significant benefit of financial leverage.

3. Bankers and debt providers should help the industry out by charging lower cost of debt. As the industry requirement warrants it to charge lesser debt service as a special industry having export potential.

4. It is recommended that financiers of companies including both shareholders and debt issuers keep a watch on market to book ratios as well as the other determinants of leverage. This will aid in an attempt to predict the possible leverage position of the firm. By doing this well in advance potential problems of illiquidity and potential adverse effects of inadequate capital or over-borrowing can be avoided.

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APPENDIX ONE
All Consumer Goods Firms quoted in Nigeria stock exchange.

1. 7-Up Bottling Company Plc.
2. Big Treat Plc.
3. Cadbury Nigeria Plc.
4. Dangote Flour Mills Plc.
5. Dangote Sugar Refinery Plc.
6. Ferdinand Oil Mills Plc.
7. Flour Mills Nigeria Plc.
8. Foremost Dairies Plc.
9. National Salt Co. Nigeria Plc.
10. Nestle Foods Nigeria Plc.
11. Nigerian Bottling Company Plc Northern Nigeria Flour Mills Plc.
12. P S Mandrides & Co. Plc.
13. Tate Industries Plc.
14. Union Dicon Salt Plc.
15. UTC Nigeria Plc.

APPENDIX TWO

	Year	DIVP ₦(M)	STD ₦(M)	LTD ₦(M)	TDT ₦(M)	DTE ₦(M)
CADBURY	2007	3,110,000	4,614,000	2,533,000	7,165,000	4,173,000
	2008	2,950,000	3,388,000	1,876,000	5,361,000	3,534,000
	2009	2,260,000	2,434,000	2,173,000	4,607,000	3,522,000
	2010	1,641,000	0	0	0	13,015,000
	2011	2,597,000	13,875,181	3,192,000	17,067,181	15,290,000
	2012	3,143,000	16,905,424	3,217,728	20,117,152	17,083,000
	2013	3,405,000	14,386,78	4,790,912	19,177,693	19,360,000
	2014	3,035,000	14,042,218	3,235,863	17,067,181	11,542,026
	2015	1,270,811	11,651,634	4,480,074	16,131,708	12,285,297
	2016	4,605,250	12,820,278	4,515,939	17,336,217	11,056,734
	2017	8,910,950	12,529,586	4,150,745	16,680,331	11,742,791
NESTLE	2007	4,004,000	43,326,000	17,259,000	60,585,000	54,776,000
	2008	4,573,000	33,223,000	18,076,000	51,299,000	54,916,000
	2009	7,654,208	22,012,398	14,695,469	36,707,867	10,543,935
	2010	7,001,797	19,455,299	26,026,410	45,481,709	14,865,353
	2011	5,939,000	35,232,000	20,585,000	55,817,000	58,274,000
	2012	6,213,000	38,753,000	24,872,000	63,625,000	62,604,000
	2013	6,552,000	32,917,000	23,386,000	56,303,000	64,139,000
	2014	6,863,000	32,895,000	28,671,000	61,566,000	71,884,000
	2015	16,145,712	59,731,857	21,476,122	81,297,979	38,007,074
	2016	20,081,494	121,033,434	17,674,423	138,707,857	30,878,075
	2017	11,428,504	79,680,495	22,245,456	101,925,951	44,878,177
NIG. FLOUR MILL	2007	914,508,000	26,004,512	14,575,406	40,579,918	19,024,793
	2008	1,924,000	32,488,000	35,524,000	68,012,000	38,987,000
	2009	1,553,067	4,171,386	27,578,928	31,750,314	22,868,239
	2010	137,344,000	38,361,585	27,210,780	65,572,365	35,384,783
	2011	266,941,000	30,153,185	44,513,521	74,666,706	42,063,788
	2012	3,833,421	35,523,661	43,465,613	78,989,274	80,016,501
	2013	4,058,648	52,167,279	40,876,997	93,044,276	81,015,538
	2014	4,868,865	84,562,515	46,726,101	131,288,616	98,943,111
	2015	4,981,928	116,115,447	18,762,765	134,878,212	96,651,666
	2016	3,660,947	114,508,685	18,543,783	133,052,468	100,244,139
	2017	2,971,314	217,412,600	18,404,858	235,817,458	108,115,699
DANGOTE SUGAR PLC	2007	5,147,000	4,977,450	88,746,000	586,491,000	101,101,467
	2008	6,434,000	24,251,186	1,295,005	25,546,191	32,627,198
	2009	4,200,000	35,038,905	2,055,519	37,094,424	41,612,797
	2010	12,000,000	19,245,651	2,153,294	21,398,945	40,895,037
	2011	7,200,000	25,999,290	3,616,100	29,615,390	39,491,515
	2012	3,600,000	32,426,078	4,261,441	36,687,519	46,269,159
	2013	6,000,000	28,934,754	4,359,916	33,294,754	53,817,512
	2014	7,200,000	34,532,088	4,229,514	38,761,602	58,526,202
	2015	4,800,000	34,352,088	4,229,514	38,761,602	58,526, 202
	2016	6,000,000	35,516,958	4,768,318	40,285,276	66,386,057
	2017	7,200,000	91,181,987	6,452,463	97,634,450	88,439,805
DANGOTE FLOUR MILL	2007	2,000,000	34,296,296	2,926,285	21,035,892	22,966,212
	2008	6,000,000	52,252,977	3,205,556	15,570,759	35,056,611
	2009	7,500,000	37,323,709	10,692,375	77,449,018	25,323,526
	2010	10,000,000	40,897,348	16,753,039	33,474,003	37,700,652
	2011	12,000,000	44,335,916	18,428,343	42,753,279	40,859,765

2012	860,562,000	53,378,515	20,455,461	73,833,976	49,183,316
2013	1,035,978	57,643,257	22,705,562	47,771,137	53,123,521
2014	1,118,856	62,326,502	24,749,062	45,195,357	57,301,618
2015	1,208,365	43,861,797	2,486,903	46,348,700	4,271,000
2016	0	40,424,498	7,386,513	47,811,011	28,794,277
2017	0	80,410,600	4,698,439	85,109,039	36,886,446