IAA Journal Arts and Humanities 9(1):20-40,2022. ISSN: 2636-7297

Corporate Financing and Firm value of Pharmaceutical Firms in Nigeria

Anastesia Nwakaego Duru[1], Innocent Ikechukwu Okpe[2], and Odiha Iloha Eucharia[3].
[1]Department of Accountancy, Enugu State University of Science and Technology, Enugu State, Nigeria.
[2]Department of Accountancy, Enugu State University of Science and Technology, Enugu State, Nigeria.
[3]Department of Accountancy, Enugu State University of Science and Technology, Enugu State, Nigeria.

ABSTRACT

The study examined the effect of corporate financing on firm value of pharmaceutical firms in Nigeria. The specific objectives of the study are to: ascertain the effect of share capital on net assets of pharmaceutical firms in Nigeria; evaluate the effect of retained earnings on net assets of pharmaceutical firms in Nigeria; examine the effect of term loans on net assets of pharmaceutical firms in Nigeria and appraise the effect of account payable on net assets of pharmaceutical firms in Nigeria. A total of 10 Pharmaceutical firms were listed on the Nigeria Stock Exchange during the period, out of which 6 firms were sampled for the study. Secondary data were collected from the selected firms and analyzed using descriptive statistics, correlation analysis and panel least square regression analysis. Findings from the study, suggest that the effect of share capital, retained earnings and account payable on net assets of the Pharmaceutical firms in Nigeria during the period is positive, but statistically insignificant. Findings further show that the effect of term loan on net assets of the firms is negative, but insignificant.The implication of these findings is that share capital, retained earnings andaccount payable are among the factors that affect firm value of pharmaceutical sector in Nigeria positively while term loan negatively drives the firm value. Based on these findings, it was recommended that Pharmaceutical firms in Nigeria should raise their long term funds through equity funding rather than term loans. This will increase profitability and firm value of the firms. Also, Pharmaceutical firms in Nigeria should implement a retention policy that will ensure regular dividends payment to shareholders of the firms while at the same time retaining a sizable proportion of earnings for growth and expansion of the firms. Furthermore, Pharmaceutical firms in Nigeria should use limited term loans in financing their activities. This will reduce risk of bankruptcy, increase firm profitability and firm value of the firms as indicated in the findings of the study. Finally, Pharmaceutical firms in Nigeria should grant trade credit to their clients using credit policy with flexible terms and conditions. This will boast firm sales, portfolio quality, firm profitability and firm value of the firms as evidenced from the findings of the study.

Keywords: Corporate Financing, Firm value, Ordinary least square.

INTRODUCTION

Corporate financing is the most important aspect of business management, when the financing is right, it will produce a viable business with positive cash flows and ultimately a profitable enterprise with good returns on investment. Financing can be done at any stage of a business development, on commencement of a business, finance will be needed for the start-up expenses and from time to time in the life of the business, finance will also be needed for growth and expansion]1,2,3,4,5]. [6], assert that corporate financing decisions deal with the amount of capital that is required for a firm to operate and the best mix of capital structure for the firm. [7], also state that the objectiveof every firm is to make profit so as to maximize shareholders' wealth, and to achieve this objective, firms need to source for fund in order to finance their operations and activities [8,9]. Therefore, every firm be it small or large firm need funds to operate and to expand their business operations and activities. [10], state that firms have

multiple financing sources to finance their investment. Basically, financing sources can be subdivided into two; the internal financing sources which include reserves and retained earnings; and external financing which includes long-term loans, bond issuance, share capital. In corroborating this, [11], also opines that companies fund their investment projects using internal and external funds. Internal financing according to him is whena firm use retained earnings and other reserves to finance its business operations while external financing refers to the proceeds from new equity or debt issuance. In a capital market world, internal and external funds are not perfect substitutes, in view of this, dividends decision, financing decision and investment decisions are interrelated. [12], states that debt financing and equity financing which are called external source of funds are the two financing options most commonly pursued by firms. Debt financing refers to borrowing funds which must be repaid, plus interest, while equity financing refers to raising funds by selling shareholding interests in the firm. This study adopted both internal and external sources of corporate financing and explored their effect on firm value using pharmaceutical firms listed on Nigeria Stock Exchange as evidence. Specifically, the internal and external sources of financing adopted by the study are: share capital, retained earnings, term-loans and account payable. [13], defines paid-up capital as the portion of the authorised share capital which has been paid-up by the shareholders. [14], also says that share capital financing refers to the issuing of shares to investors in order to raise funds to support the company's business operations. This mode of financing is especially important during a firm's start-up phase to fund the initial expenses involved in set up a business. In this method of financing, investors make gains when there is an increase in the share price, as well as through the distribution of dividends by the company. [15], also refers to retained earnings as that part of trading profits which is not distributed as dividends to shareholders, but is retained in the business by the directors for future expansion of the company. [16], also asserts that due to the fact that only few options are available for raising capital, most executives generally prefers cash from operations as a major source of capital for re-investment and firms' growth. Consequently, some organizations prefer to retain more earnings and plough it back into operations especially when they have viable investment opportunities. Debt financing refers to the borrowing of loans from other companies, banks, or financial institutions in order to support a business's operations. The loan principal is repaid at a later point in time, with some interest expenses being paid before the debt's maturity [17]. Account payable is one of the most important external sources of funds for corporations and also an essential element of business life for most firms in the world. Account payable or trade payable is an arrangement between a buyer and seller by which the seller allows the buyer to delay payment for products supplied to it instead of immediate cash payment [18]. [19], equally suggest that trade payable or accounts payable is one of the major sources of secured short-term financing for firms. They opine that accounts payable represents the rates of payable of firms to their suppliers and they are also called suppliers whose invoice for goods or services has been processed but who have not yet been paid. [20] also state that trade credit is an important source of finance for firms, especially when firms find it difficult to obtain external funding via credit institutions. In general, the flows of trade credit have remained a stable source of finance for euro area companies but tended to decline when bank credit was becoming easily accessible since 2005.

Statement of the Problem

Corporate finance is the division of *finance* in an organization that deals with how the corporations handle funding sources, capital structuring, and

investment decisions. *It* is primarily concerned with maximizing shareholder value through long and short-term *financial* planning and the implementation of various financial strategies. Thus, it deals with the capital structure of a corporation, including its funding and the actions that management takes to increase the value of the firm. Corporate finance also includes the tools and analysis utilized to prioritize and distribute financial resources. The ultimate purpose of corporate finance is to maximize the value of the firm through financial planning and implementation of resources, while balancing risk and profitability. Firms need finance for a variety of purposes, but there are some common reasons why companies source for funds. This can include for working capital, to buy machinery, to repair its long term assets, to expand its facilities so as to grow, for consolidation, to hire more staff, or even re-finance existing loans to reduce monthly costs. Thus, finance is the life wire of every organization and it is the fuel on which a business runs. A business can take different avenues to attain funding, and more than one option can be used. The chosen funding source(s) will depend on the firm' desire to be in debt, how solvent the firm owners are at the time the business is founded and the amount of money a business will need to launch and maintain itself through a variety of events. Despite the needs and benefits of finance, Nigeria pharmaceutical firms hitherto are still confronted with the problem of lack of access to funds. This challenge emanates from the terms and conditions often given by financial institution for granting loans and also the cost involved in obtaining and servicing credit facility from formal financial intuitions.This coupled with the huge floatation cost involved in obtaining equity fundingfrom public offering and private placement have made it difficult for many pharmaceutical firms in the country to embarking on research and development that will enable them develop new vaccines and medicines. This situation can be confirmed whereby under this current corona virus pandemic, pharmaceutical firms in other parts of the World are seriously engaged in research to find a vaccine for the virus, where as the Nigeria counter parts are idle waiting for the vaccine to be developed to enable them buy and sell. This is as results of lack of access to finance to enable them embark on research. Consequently, Nigerian pharmaceutical firms instead of developing vaccines and medicines for treatment of emerging ailments operate like patent medicine stores that are generally engaged in buying and selling of patent medicines. This study was, conceived as a result of this development to examine the effect of corporate financing on firm value of pharmaceutical firms in Nigeria [21].

Objectives of the Study

The main objective of this study was to examine the effect of corporate financing on firm value of pharmaceutical firms in Nigeria. The specific objectives of the study are to:

i. Ascertain the effect of share capital on net assets of pharmaceutical firms in Nigeria.
ii. Evaluate the effect of retained earnings on net assets of pharmaceutical firms in Nigeria.
iii. Determine the effect of term loans on net assets of pharmaceutical firms in Nigeria.
iv. Appraise the effect of account payable on net assets of pharmaceutical firms in Nigeria

Research Questions

The above objectives are guided by the following research questions:

i. What is the effect of share capital on net assets of pharmaceutical firms in Nigeria?
ii. How does retain earnings affect net assets of pharmaceutical firms in Nigeria?
iii. What is the effect of term loans on net assets of pharmaceutical firms in Nigeria?

iv. How does account payable affect net assets of pharmaceutical firms in Nigeria?

Statement of Hypotheses

The following null hypotheses were formulated to address the research questions:

i. Share capital does not significantly affect net assets of pharmaceutical firms in Nigeria.
ii. Retained earnings do not significantly affect net assets of pharmaceutical firms in Nigeria.
iii. A term loans do not significantly affect net assets of pharmaceutical firms in Nigeria.
iv. Account payable does not significantly affect net assets of pharmaceutical firms in Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Review

Corporate Financing

[22] describe corporate financing decisionas to the amount of capital that is required for a firm to operate and the best mix of capital structure for the firm. [24] asserts that in any business enterprise, the sources of funds depend on the relative ease with which funds of different types are obtainable, and this in turn influenced by the character of the company's assets, the seasonal and cyclical movement in its volume of business, the rate at which the firm grows, its anticipated stability of profits and continuity of operations, its size among others. These factors also determine its financial policy, causing the management to choose one source of financing rather than another.

Share Capital

[25] defines share capital as the money a company raises by issuing common or preferred stock. It refers to the funds that a company raises in exchange for issuing an ownership interest in the company in the form of shares. The amount of share capital or equity financing a firm has can change over time with additional public offerings. Share capital is reported by a company in the shareholders 'equity section in the statement of financial position. The information may be listed in separate line items depending on the source of the funds. These usually include a line for common stock, another for preferred stock, and a third for additional paid-in capital. The amount of share capital reported by a firm includes only payments for purchases made directly from the firm. The later sales and purchases of those shares and the rise or fall of their prices on the stock exchange market have no effect on the firm's share capital. A firm may opt to have more than one public offering after its initial public offering. The proceeds of those later sales would increase the share capital in the statement of financial position. Shares can either be issued at par (also known as nominal value), at premium or discount. Nominal or par value is the registered price at which shares of a firm can generally be issued. When a share is sold above the par value, it is said to be sold at a 'premium' in which, case a share premium account is created to record the excess above the par value. On the other hand, when a share is issued below the par value, it is said to be issued at a 'discount'. It is generally accepted that par value does not serve its original purpose of protecting creditors and shareholders, and in fact may even be misleading because the par value does not necessarily give an indication of the real value of the shares. The full proceeds of a share issued are credited to share capital and become the firm's issued share capital. Companies must also declare in their Memorandum of Association the maximum amount of share capital that might be issued by the company; this is called "authorized share capital [24]. There are two general types

of share capital, which are ordinary share capital and preference share capital. The ordinary shareholders enjoy some certain rights which are not enjoyed by other types of shareholders, and this include the right to vote on certain corporate decisions, such as the election of a board of directors, on event of liquidation they are entitled to share in the residue of assets after the claims of all claimants might have been settled. In order words, they are paid their share of any remaining assets after all claims have been fulfilled. If the company is declares bankrupt, this usually means that the holdings of all investors are either severely reduced or completely eliminated.Preference Shares are shares in the equity of a firm which entitle the holder to a fixed dividend amount from the issuing firm. This dividend must be paid before the firm can pay any dividends to its ordinary shareholders. Also, if the firm is dissolved, the owners of preference shares are paid back in full before the holders of ordinary shares are considered. However, the holders of preference shares do not usually have any voting right over the affairs of the firm, as do the holders of ordinary shares [26].

Theoretical Framework

Two corporate finance theories were selected to support the study. The theories are: Capital structure irrelevance theory propounded by Modigliani and Miller in 1958 and Pecking order theory developed byMyers andMajluf in 1984.

Capital Structure Irrelevance Theory

Capital structure irrelevance theory was developed by Modigliani and Miller in 1958. They hypothesized that in perfect markets, it does not matter what capital structure a company uses to finance its operations. They theorized that the market value of a firm is determined by its earning power and by the risk of its underlying assets, and that its value is independent on the way it chooses to finance its investments or distribute dividends. In other words they assume that the firm has a particular set of expected cash flows. When the firm chooses a certain proportion of debt and equity to finance its assets, all that it does is to divide up the cash flows among investors. Investors and firms are assumed to have equal access to financial markets, which allows for homemade leverage. The investor can create any leverage that was wanted but not offered, or the investor can get rid of any leverage that the firm took on but was not wanted. As a result, the leverage of the firm has no effect on the market value of the firm. The basic M&M proposition is based on the key assumptions that there are no taxes, no transaction costs, no bankruptcy costs, equivalence in borrowing costs for both companies and investors, symmetry of market information, meaning that, companies and investors have the same information, no effect of debt on a company's earnings before interest and taxes. Of course, in the real world, there are taxes, transaction costs, and bankruptcy costs, differences in borrowing costs, information asymmetries and effects of debt on earnings. This theory was widely criticised as a result of this. Even though, Modigliani-Miller theory did not provide a realistic description of how firms finance their operations, it provides a means of finding reasons why financing may matter." This description provides a reasonable interpretation of much of the theory of corporate finance. Accordingly, it influenced the early development of both the trade-off theory and the pecking order theory.

Pecking Order Theory

If internal funds are not enough to finance investment opportunities, firms may or may not acquire external financing, and if they do, they will choose among the different external finance sources in such a way as to minimize additional costs of asymmetric information. The resulting pecking order of financing is as follows: internally generated funds first, followed by respectively low-risk debt financing and share capital financing. [9] opine that

outside investors rationally discount the firm's stock price when managers issue equity instead of riskless debt. To avoid this discount, managers avoid equity whenever possible. The Myers and Majluf model predicts that managers will follow a pecking order, using up internal funds first, then using up risky debt, and finally resorting to equity. In the absence of investment opportunities, firms retain profits and build up financial slack to avoid having to raise external finance in the future. In other words, [11] argue that firms follow a financing hierarchy to minimize the problem of information asymmetry between the firm's managers (insiders) and the shareholders (outsiders). They argue that cash reserves are a lower cost source of financing than external financing because outside investors face information costs in valuing a firm. In an industry downturn, cash reserves preserve a firm's ability to finance investment internally. Firms without ample cash reserves face higher costs of funding profitable business opportunities. This theory was devised to explain several aspects of corporate financing behaviours. This includes the tendency of firms to rely on internal source of funds, and to prefer debt to equity if external financing is required. The study examines the effect of corporate financing on firm value using Pharmaceutical Firms listed in Nigeria. Specifically, it examines how corporate financing sources such as share capital, retained earnings, term loans and account payable affect net assets of Pharmaceutical Firms inNigeria.Peaking order theory on the other hand describes how firm managers react to various sources of financing in an attempt to obtain funding for their firms. According to the theory, firm managers showpreference for internal finance such as retained earnings over external sources of fund. If internal funds are not enough to finance investment opportunities, firms may or may not acquire external financing, and if they do, they will prefer low-risk debt financing while share capital will be considered asthe last financing option. We hereby anchor the study on Peaking Order Theory since it is the most suitable theory for the study.

Empirical Review

Share Capital and Firm Value

[9], explored the impact of corporate financial policies on firm value of insurance firms listed in Nigeria during the period 2011 to 2017. The study adopted ex-post-facto research design and thus secondary data were sourced from 25 Insurances firm listed on the Nigeria Stock Exchange during the period. Dividend payout, equity issuance, debt asset, equity asset, were used as measures of corporate financing while return on asset and Tobin Q ratio were used as measures of firm value. Result of panel data regression analysis disclose that dividend payout and equity issuance have significantly impacted on firm performance (Tobin Q), on the other hand, ROA has no significant relationship with dividend payout, equity asset, debt assets and equity issuance during the period under study. It was recommended that insurance managers should devote adequate time in designing a dividend policy that will enhance firm's performance (ROA) and shareholder value. Again, the company should review its dividend policy in order to reduce agency cost and maximize the value of the firm. [14], studied the effect of capital structure on firm value of selected listed firms in Nigeria from 207 to 2015. It adopted long term debt, equity capital, as independent variables and proxies for capital structure while Tobin Q was used as proxy for firm value as well as the proxy for the dependent variable. The study adopted an ex-post facto research design. The target population are conglomerate and consumer goods sectors firm listed in the Nigeria Stock Exchange during the period of the study. Descriptive statistics, correlation and ordinary least square regression analysis were used to test analyze the secondary data collected for the study. Results show that long term debt was negatively but significant affect firm value, while equity

capital was positively and insignificantly affect firm value.

Retained Earnings and Firm Value

[15], conducted a study to ascertain the effects of retained earnings on market value of non-financial firms listed on Nigeria Stock Exchange. Secondary data were extracted from 75 non-financial firms listed on the Nigeria Stock Exchange during the period 2003 to 2014. The unbalanced panel data (cross-sectional and time series) used to examine the relationship were obtained from the annual financial statements of the various firms. Two basic approaches descriptive and multiple regression models were used to determine the relationship between the underlying variables. After controlling for earnings per share, dividend payout and financial leverage, result suggest a positive and significant relationship between retained earnings, earnings per share, dividend payout and firms' value while market value is positively but non-significant associated with financial leverage [16]. This study aims to examine the influence of capital structure on firm value in Indonesia manufacturing firms from 2012-2015. Debt to equity ratio and long term debt to asset ratio were used as measures of financial leverage. A sample of 101 manufacture firms listed in the Indonesian Stock Exchange during the period was selected for the study. Correlation analysis was adopted and was used to analyse the secondary data obtained for the study. Findings suggest that the higher leverage are indicators of a higher firm value, while lower leverage resulted in a lower firm value. Also a positive correlation between debt to equity ratio and long term debt to asset ratio with firm value was detected while a negative correlation of long term debt to equity ratio with firm value was observed. However, the capital structure surrogated with debt to asset ratio appears not to have an influence on the firm value.

Term Loans and Firm Value

[13], studied the effect of debt financing on the corporate performance using listed consumer goods firms in Nigeria as evidence. A total of 15 consumer goods firms listed on the Nigerian Stock Exchange for the period 2006 to 2017 was sampled for the study. Secondary data were collected from the annual financial report of the selected firms and analyzed using panel data regression analysis. Findings revealed that total debt, long-term debt and short-term debt positively affect the performance of consumer goods firms in Nigeria. In the light of this finding, the study recommends that listed consumer goods firms in Nigeria should seek to balance the trade-off between the benefits of debt and bankruptcy costs. [12], explored the effect of debt financing on firm performance using non-financial sector firms in Pakistan. All the companies in the 14 sectors were targeted, but due to unavailability of data the sample of 360 companies were taken. The study examined the association of different debt financing on firm performance using the selected firms. Secondary data were obtained from the 14 different sectors listed in Pakistan Stock Exchange during 2006 to 2014. Panel least square and Hausman test for the selection of the fixed effect or the random effect model was used. Result of analysis indicates that debt financing have negative and significant impact on firm performance in Pakistan. It was recommended in view of this result that companies should rely more on their internal source of finance because it is the cheapest and reliable source of finance. [14], adopted regression analysis to examine the effect of capital structure on firm performance Microfinance Banks in Nigeria. Debt to equity ratio, long term debt ratio and total debt ratio are the representatives of capital structure while return on equity was used to proxy firm performance. A total of 39 Microfinance banks in Nigeria were targeted for this study. Secondary data covering the period of 2009 to 2018 were collected and analyzed. Result of analysis indicates a negative and insignificant relationship between debt to equity ratio and return

on equity, a positive and insignificant relationship between long term debt ratio and return on equity and a positive and significant relationship between total debt ratio and return on equity. The study recommended that Microfinance banks in Nigeria should devise strategies that are effective to expand their debt profile in order to achieve better performance. [15], examined the effect of debt financing on the profitability of listed agricultural companies in Nigeria. A sample of 4 listed agricultural companies in Nigeria was selected for the study. Secondary data were obtained from the annual account of the companies. The data were analyzed using multivariate regression analysis. Result of the analysis reveals that that long-term debt finance had a significant negative effect on profitability of listed agricultural companies in Nigeria. It was concluded that long-term debt in the capital structure of the agricultural companies should be kept at a moderate level to improve their profitability. [11], investigated the effect of debt financing on firm value of listed Nigerian companies using panel data analysis for the period 2008 to 2017. Correlational analysis was also used for the study. The population the study consist of 300 firm-year observation Data for this study were collected from the annual accounts and reports of firms within the period of the study. Using EV/EBITDA ratio as a proxy for firm value, result indicate an insignificant effect of short-term debt to total assets ratio on firm value. But, the ratio of long-term debt to total assets, total debt to total assets and total debt to total equity have positive effect on firm value. While board size and firm growth have no significant effect on firm value, firm size was found to have negative effect on firm value. Thus, the study concluded that capital structure influences the firm value of listed firms in Nigeria.

METHODOLOGY

Research Design

The study adopted ex-*post facto* research design. That is, historical data were collected from the published annual reports and financial statement of the selected Pharmaceutical firms listed on the Nigeria Sock Exchange during the period of 2009 to 2020.

Sources of Data

The data source for the study is secondary data. The secondary data comprising of share capital, retained earnings, term loans, account payable andnet assets were collected from the published annual financial statements of selected Pharmaceuticalfirms in Nigeria.

Area of Study

This study was conducted in Nigeria and precisely on Pharmaceutical firms listed on the Nigeria stock exchange from 2009 to 2020.

Population

This study targeted a total of 10Pharmaceuticalfirms listed on the Nigeria Stock Exchange (NSE) during the period of 2009 to 2020. These 10 firms constituted thepopulation of the study.

Sample Size Determination

Six (6) firms wereselected from a total population of 10 pharmaceutical firms listed on the Nigeria Stock Exchange during the periodunder study. Only the firms that have term loans in their capital structure consistently during the period of the study were selected for the study. The firms that were selected are: Fidson Nigeria Plc, Ekocorps Nigeria Plc, Pharma-Deko Nigeria Plc, Morrison Industries Nigeria Plc, May & Baker Nigeria Plc and Neimeth International Pharmaceutical Nigeria Plc.

Model Specification

The following model was developed by the researcher based on the variables used in the study:

$NTA = \beta_0 + \beta_1 SHC + \beta_2 RTE + \beta_3 TEL + \beta_3 ACP + \varepsilon$

Where:

f = Function of
NTA= Net Assets
SHC = Share Capital
RTE =Retained Earnings
TEL = Term Loans
ACP = Account Payable
β=Beta
ε=error margin

Description of Variables in the Model

Net Assets (NTA):Net Assets is the total assets of an organization less its total liabilities. It is the same thing as owners 'equity. This is calculated as: Net Assets = Total Assets – Total Liabilities. Or Share Capital + Reserves.

Share Capital (SHC): Share Capital also called stock in USA is the fund that a firm raises in exchange for issuing an ownership interest in the firm in the form of shares. Share capital can be ordinary share capital or preference share capital. It is shown as the first line item in the equity section in a firm's statement of financial position.

Retained Earnings (RTE): This is that portion of a firm's profit for the year that are retained in the business for expansion and other purposes rather being distributed to the shareholders as dividend. This is shown under the equity section in a firm's statement of financial position. Retained earnings can be positive or negative depending on the situation of the firm at the time.

Term Loans (TEL):A term loan is a monetary loan that is repaid in regular payments over a set period of time. Term loans usually last between one and ten years, but may last as long as 30 years in some cases.

Account Payable (ACP): Accounts payable is money owed by a firm to its suppliers on account of goods supplied on credit terms. It is shown as a liability under non-current liability on a firm's statement of financial position. It is distinct from notes payable liabilities, which are debts created by formal legal instrument documents.

3.8 Method of Data Analysis:

Descriptive Statistics was used to analyse the data collected from the sampled firms and alsoordinary least square regression analysis was used in testing the null hypotheses formulated for the study. Adjusted R-square was used to test the extent by which the independent variables (share capital, retained earnings, term loans and account payable) explained the dependent variable (net assets) while Durbin Watson Statistics was used to test the presence of autocorrelation in the model of the study.

DATA PRESENTATION AND ANALYSIS

Data Presentation

The study examined the effect of corporate financing on firm value of pharmaceutical firms in Nigeria during the period from 2009 to 2020. Six (6) firms were selected from the ten 10 pharmaceutical firms listed on the Nigeria Stock Exchange during the period. The secondary data extracted from the firms are presented,see appendix one of the study while the panel data are presented in table 1.

Table 1:Panel Data

FIRMS	NTA	SHC	RTE	TML	ACP
FIDSON - 09	6.707146	5.875061	6.128948	5.422674	5.572766
FIDSON - 10	6.718578	5.875061	6.170729	5.629214	5.399000
FIDSON - 11	6.715199	5.875061	6.166853	6.509727	5.919501
FIDSON - 12	6.718372	5.875061	6.177671	6.285271	6.181096
FIDSON - 13	6.719773	5.875061	6.182203	6.148627	6.228550
FIDSON - 14	6.760820	5.875061	6.310269	6.604547	6.624510
FIDSON - 15	6.800980	5.875061	6.415377	6.505014	6.635177
FIDSON - 16	6.809191	5.875061	6.435066	6.564974	6.563322
FIDSON - 17	6.418785	5.875061	6.590975	6.476049	6.560761
FIDSON - 18	6.908682	5.875061	6.641468	6.595770	6.756256
FIDSON - 19	6.983189	6.018359	6.561569	6.430572	6.134127
FIDSON - 20	7.022817	6.018359	6.659137	6.607528	6.337972
EKOCORPS - 09	5.098540	5.396722	5.251794	4.019739	5.267359
EKOCORPS - 10	6.128742	5.396722	5.395435	4.584975	5.218795
EKOCORPS - 11	6.086777	5.396722	5.538169	0.000000	5.236139
EKOCORPS - 12	6.308433	5.396722	5.738564	0.000000	5.197278
EKOCORPS - 13	6.339879	5.396722	5.845404	4.714422	5.162310
EKOCORPS - 14	6.369931	5.396722	5.817699	4.610234	5.173705
EKOCORPS - 15	6.237995	5.396722	5.385858	3.908002	5.385930
EKOCORPS - 16	6.257534	5.396722	5.522104	4.155032	5.510129
EKOCORPS - 17	6.541971	5.396722	-5.949047	4.598801	6.060836
EKOCORPS - 18	6.498954	5.396722	-6.085563	4.786879	6.099996
EKOCORPS - 19	6.453454	5.396722	-6.179025	5.516205	6.189795
EKOCORPS - 20	6.396733	5.396722	-6.269046	5.516205	6.263754
PHARMA DEKO - 09	5.810506	4.696872	6.113756	6.048973	5.363691
PHARMA DEKO - 10	-5.824284	4.696872	-6.185841	6.324148	5.456185
PHARMA DEKO - 11	-5.813666	4.696872	-6.181254	6.337220	5.496934
PHARMA DEKO - 12	5.974711	4.696872	-5.890418	5.933024	5.534508
PHARMA DEKO - 13	5.919181	4.698970	-6.953362	5.902411	4.435606
PHARMA DEKO - 14	5.969045	4.698970	-5.901550	5.946552	5.402707
PHARMA DEKO - 15	6.251686	5.035294	5.418459	5.000000	5.146246
PHARMA DEKO - 16	6.240743	5.035294	4.036190	4.698970	4.724685
PHARMA DEKO - 17	6.241256	5.035294	4.101300	0.000000	4.918361
PHARMA DEKO - 18	6.201494	5.035294	-5.420520	4.698970	4.833134
PHARMA DEKO - 19	6.117759	5.035294	-5.734180	4.176091	4.611224
PHARMA DEKO - 20	5.993995	5.035294	-5.938235	4.125026	4.362558
MORISON - 09	5.639960	4.881328	3.934902	0.000000	4.574772
MORISON - 10	5.605681	4.881328	-4.389503	0.000000	4.423737
MORISON - 11	5.636433	4.881328	-4.704631	0.000000	4.205259
MORISON - 12	5.638446	4.881328	-4.687011	4.542825	4.169263
MORISON - 13	5.615836	4.881328	5.498742	0.000000	3.743667
MORISON - 14	5.519252	4.881328	5.367322	0.000000	4.335237
MORISON - 15	5.346472	4.881328	5.095107	4.301030	4.967389

MORISON - 16	5.156779	4.881328	4.661784	4.698970	5.152606
MORISON - 17	-4.576364	4.881328	5.131237	5.401580	5.413516
MORISON - 18	5.525159	5.694237	5.387336	0.000000	5.246090
MORISON - 19	5.173110	5.694237	5.633552	0.000000	5.359904
MORISON - 20	5.010563	5.694237	5.678149	4.301030	5.370539
MAY & BAKER - 09	6.432281	5.690196	5.853889	0.000000	0.000000
MAY & BAKER - 10	6.467191	5.690196	5.911736	0.000000	0.000000
MAY & BAKER - 11	6.498910	5.690196	6.016306	6.421878	5.931454
MAY & BAKER - 12	6.495863	5.690196	6.006980	6.563431	5.984894
MAY & BAKER - 13	6.482760	5.690196	5.960525	6.546915	6.101473
MAY & BAKER - 14	6.490316	5.690196	5.989651	6.511771	6.077897
MAY & BAKER - 15	6.492981	5.690196	5.998035	6.495369	6.190106
MAY & BAKER - 16	6.478810	5.690196	5.952110	6.415260	6.149804
MAY & BAKER - 17	6.517131	5.690196	6.069451	6.053078	6.267808
MAY & BAKER - 18	6.558397	5.690196	6.191669	5.547791	6.162819
MAY & BAKER - 19	6.793000	5.935818	6.284626	5.683503	6.149750
MAY & BAKER - 20	6.828785	5.935818	6.390780	6.618200	6.128180
NIMETH - 09	6.849591	5.613618	-5.367285	5.267737	5.213704
NIMETH - 10	5.978062	5.613618	-5.550239	5.267693	5.368568
NIMETH - 11	6.162159	5.613618	-5.462765	5.539308	5.542354
NIMETH - 12	6.199287	5.815564	-5.593001	5.634858	5.629244
NIMETH - 13	6.250471	5.815564	-5.416915	5.574259	5.463629
NIMETH - 14	6.212302	5.894746	-5.689930	5.627571	5.638310
NIMETH - 15	6.063455	5.894746	-5.916656	5.709325	5.452760
NIMETH - 16	6.087220	5.894746	-5.880980	5.971605	5.260405
NIMETH - 17	5.905994	5.936139	-6.068844	5.899973	5.448649
NIMETH – 18	5.933908	5.977531	-6.048563	5.949438	5.526139
NIMETH – 19	6.030202	5.977531	-5.953356	5.991199	5.668036
NIMETH – 20	6.105395	5.977531	5.327310	6.625133	5.839991

Source:Eview 11 Output

Data Analysis

The data collected from the selected firms were analyzed using descriptive statistics,correlation analysis and panel least square regression analysis and the results presented in tables 2 and 3

Table 2: Descriptive Statistics

	NTA	SHC	RTE	TML	ACP
Mean	5.731815	5.468867	1.604562	4.674202	5.362817
Median	6.240999	5.651907	5.386597	5.543549	5.454473
Maximum	7.022817	6.018359	6.659137	6.625133	6.756256
Minimum	-5.824284	4.696872	-6.953362	0.000000	0.000000
Std. Dev.	2.387250	0.428569	5.598642	2.237162	1.122518
Skewness	-4.328531	-0.522988	-0.563270	-1.366414	-3.023685
Kurtosis	20.63381	1.848942	1.362395	3.410219	15.20517
Jarque-Bera	1157.688	7.256998	11.85252	22.90989	556.6102
Probability	0.000000	0.026556	0.002668	0.000011	0.000000
Sum	412.6907	393.7584	115.5285	336.5426	386.1229
Sum Sq. Dev.	404.6262	13.04067	2225.480	355.3474	89.46331
Observations	72	72	72	72	72

Source:Eview 11 Output

Table 2 presents the descriptive statistics of the study using measures of central tendencies and measures of dispersion. The variables used in the study are: Net Assets (NAPS), Share Capital (SHC), Retained Earnings (RTE), Term Loans (TML) and Account Payable (ACP). Results from the table shows that the mean of the variables are: 5.731815, 5.468867, 1.604562, 4.674202 and 5.362817 while the standard deviations are: 2.387250, 0.428569, 5.598642, 2.237162 and 1.122518 for NTA, SHC, RTE, TML and ACP respectively. This results suggest that SHC and ACP are volatile while NTA, RTE, TML are not. The distribution of the data set was tested using Jarque-Bera Statistics. Results shows that the coefficients of the Jarque-Bera Statistics are all significant at 0.05 level of significant. This indicates that the data set of the study are normally distributed, hence we can proceed with regression analysis.

Table 3: Correlation Analysis
Covariance Analysis: Ordinary
Date: 10/08/21 Time: 19:44
Sample: 2009 2020
Included observations: 72

Correlation Probability	NTA	SHC	RTE	TML	ACP
NTA	1.000000 -----				
SHC	0.442638 0.0001	1.000000 -----			
RTE	0.197214 0.0968	0.270276 0.0217	1.000000 -----		
TML	0.030579 0.7987	0.350655 0.0025	0.093847 0.4330	1.000000 -----	
ACP	0.045229 0.7060	0.321485 0.0059	0.062852 0.5999	0.646683 0.0000	1.000000 -----

Source:Eview 11 Output

Results from the correlation analysis in table 4.2.2 indicates that the all the independent variables, namely, share capital, retained earnings, term loans and account payable are positively and weakly related with net assets per share of the Nigeria healthcare sector firms during the period.

Table 4 Housman Test

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.293457	4	0.8625

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
SHC	2.107434	2.793374	1.955536	0.6238
RTE	0.000566	0.014972	0.002390	0.7682
TML	-0.362688	-0.243267	0.017468	0.3662
ACP	0.128756	0.048940	0.027108	0.6278

Source:Eview 11 Output

This Hausmann test was conducted to determine the right model between the Random Effect and Fixed Effect Models. In order determine the right model, we formulate Null and alternative hypotheses as follows:

H_0: Random Effect Model is the appropriate model for the study

H_1: Fixed Effect Model is the appropriate model for the study

Results from table 4.2.3, shows that the coefficient of the Haussmann test is not significant at 0.05 level of significance (0.05<0.8625). Thus, we reject the null hypothesis and accept the alternative which state that Fixed Effect Model is the appropriate model for the study.

Table 5: Panel Least Square Regression

s-section random effects test equation:

Dependent Variable: NTA

Method: Panel Least Squares

Date: 10/08/21 Time: 19:36

Sample: 2009 2020

Periods included: 12

Cross-sections included: 6

Total panel (balanced) observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.789586	8.491476	-0.564046	0.5748
SHC	2.107434	1.580697	1.333231	0.1873
RTE	0.100566	0.071585	0.007905	0.9937
TML	-0.362688	0.211737	-1.712920	0.0917
ACP	0.128756	0.354263	0.363449	0.7175

Effects Specification

Cross-section fixed (dummy variables)

Root MSE	2.026610	R-squared	0.769166
Mean dependent var	5.731815	Adjusted R-squared	0.713077
S.D. dependent var	2.387250	S.E. of regression	2.183939
Akaike info criterion	4.528383	Sum squared resid	295.7146
Schwarz criterion	4.844587	Log likelihood	-153.0218
Hannan-Quinn criter.	4.654265	F-statistic	2.537176
Durbin-Watson stat	1.558584	Prob(F-statistic)	0.015093

Source:Eview 11 Output

The regression table, that is, table 4.2.3 indicates that the value of Adjusted R-Square is 0.713077. This suggests that 71% of the variations in net assets is explained by the independent variable while the remaining 29% is explained by error terms and other factors not included in the model of the study. The results of F-Statistics collaborate this. From the table, the coefficient of F-Statistics is significant at 0.05 level of significance (0.05>0.015093). This shows that the entire model is significant in predicting the net assets of the pharmaceutical firms during the period.

Test of Hypotheses

Decision rule:

Level of significance (α) = 0.05.

Reject the null hypothesis if the significant value in the regression coefficient is less than the level of significance (0.05), otherwise accept the null hypothesis. Based on this decision rule, we present the results of the test of hypotheses.

Test of Hypothesis One

H_0: Share capital does not significantly affect net assets of pharmaceutical firms in Nigeria.

H_0: Share capital significantly affects net assets of pharmaceutical firms in Nigeria.

It could be ascertained from above that the significant value of share capital (SHC) is not significant at 0.05 level of significance (0.05<0.1873). Hence, we accept the null hypothesis which states that share capital does not significantly affect net assets of pharmaceutical firms in Nigeria.

Test of Hypothesis Two

H_0: Retained earnings do not significantly affect net assets of pharmaceutical firms in Nigeria.

H_0: Retained earnings significantly affect net assets of pharmaceutical firms in Nigeria.

Table above also shows that the significant value of retained earnings (SHC) is not significant at 0.05 level of significance (0.05<0.9937). Thus, we accept the null hypothesis which states that retained earnings does not significantly affect net assets of pharmaceutical firms in Nigeria.

Test of Hypothesis Three

H_0: A Term loan does not significantly affect net assets of pharmaceutical firms in Nigeria

H_0: Term loans significantly affect net assets of pharmaceutical firms in Nigeria.

Table above equally indicate that the significant value of term loans (TML) is not significant at 0.05 level of significance (0.05<0.0917). Therefore, we accept the null hypothesis which states that term loan does not significantly affect net assets of pharmaceutical firms inNigeria.

Test of Hypothesis Four

H_0: Account payable does not significantly affect net assets of pharmaceutical firms in Nigeria.

H_0: Account payable significantly affects net assets of pharmaceutical firms in Nigeria.

Table above, further reveals that the significant value of account payable (ACP) is not significant at 0.05 level of significance (0.05<0.7175). Hence, we accept the null hypothesis which states that account payable does not significantly affect net assets of pharmaceutical firms in Nigeria.

Discussion of Findings:

Share Capital and Firm Value: Test of hypothesis one suggest that the coefficient of Share Capital is positive at 2.107434 but not significant at 0.05 level of significance (0.05<0.1873). Based on this we state that share capital positively, but insignificantly affects net assets of the listed oil pharmaceutical firms in Nigeria during the period. This result is not consistent with Pecking Order Theory developed by [17], assert that firms show a preference for using internal finance (such as retained earnings or excess liquid assets) over external finance. In other word, firms prefer internally generated funds first, followed by low-risk debt financing and share capital financing as a last option. However, the result is consistent with findings of: [19] who studied the effect of capital structure on firm value of selected listed firms in Nigeria and found that equity capital positively and insignificantly affects firm value. [20] who explored the impact of corporate financial policies on firm value of insurance firms listed in Nigeria and found that dividend payout and equity issuance have significantly impacted on firm value (Tobin Q). [21], who studied the impact of capital structure on a firm's value onNigeria and reported that equity capital as a component of capital structure is irrelevant to the value of a firm, while Long-term-debt was found to be the major determinant of a firm's value. [22], who analyzed capital structure and firm value in Ghana and obverse that equity capital as a

component of capital structure is relevant to the value of a firm, and Long-term-debt was also found to be the major determinant of a firm's value. No empirical study reviewed appears to contradict this result.

Retained Earnings and Firm Value:Test of hypothesis two suggests that the coefficient of Retained Earnings is positive at 0.100566 but not significant at 0.05 level of significance (0.05<0.9937). Based on this we state that retained earnings positively, but insignificantly affects net assets of the listed oil pharmaceutical firms in Nigeria during the period. This result is consistent with Pecking Order Theory developed by Myers and Majluf, in 1984. [23], that assert firms show a preference for using internal finance (such as retained earnings or excess liquid assets) over external finance. In other word, firms prefer internally generated funds first, followed by low-risk debt financing and share capital financing as a last option. The result is also in agreement with the findings of: [24] who investigated the determinants of retained earnings in firms listed in Kenya and found a weak positive relationship between profitability and retained earnings. [25], conducted a study to ascertain the effects of retained earnings on market value of non-financial firms listed on Nigeria Stock Exchange and found that t a positive and significant relationship between retained earnings, earnings per share, dividend pay-out and firm value while market value is positively but non-significant associated with financial leverage. [26], who examines the relationship between retained earnings, financial leverage, cash dividends and earnings per share on stock prices and found that stock prices have a significant and positive relationship with earnings per share, cash dividends and retained earnings. Khan and Zulfiqar (2012) studied the dependability of future profitability on distributed and retained earnings and found that retained earnings have a significant and strong impact on future earnings of firms of Pakistan. No study reviewed contradicts the result of this finding.

Term Loan and Firm Value:Test of hypothesis three disclose that the coefficient of Term Loan is negative at -0.362688 but not significant at 0.05 level of significance (0.05<0.0917). Based on this we state that Term Loan negatively, but insignificantly affects net assets of the listed pharmaceutical firms in Nigeria during the period. This result is consistent with Capital Structure Irrelevance Theory developed by Modigliani & Miller in 1958. [19], theorized that the market value of a firm is determined by its earning power and by the risk of its underlying assets, and that its value is independent on the way it chooses to finance its investments or distribute dividends.

The study is also consistent with the findings of: [20], who studied the effect of capital structure on firm value of selected listed firms in Nigeria and found that long term debt was negatively but significant affect firm value, while equity capital was positively and insignificantly affect firm value. [21], who analyses the effect of capital structure on firm performance in Microfinance Banks in Nigeria and observed a negative and insignificant relationship between debt to equity ratio and return on equity. [22], examined the effect of capital structure on firm specific variables such as stock performance, growth, profitability in Nigeria and found that leverage generally does not have any significant relationship the variables of firm value. [25], who investigated the effect of capital structure on the performance of the Jordanian and found that capital structure negatively and statistically affects firm performance. [26], who examined the effect of capital structure on firms' performance in Nigeria manufacturing firms and found that capital structure measures (total debt and debt to equity ratio) negatively affect firms' performance. The result is also in tandem with the findings of: [9], who analysed the impact of capital structure on firm performance in selected firms in Nigeria and reported a significant negative relationship was detected between leverage and performance.

[11], who analysed the effect of capital structure on firm value in the power sector firms of India and reported a negative influence of financial leverage on firm value (measured using Tobin's Q. Aziz and Abbas (2019) who explored the effect of debt financing on firm performance of non-financial in Pakistan and reported that debt financing has negative and significant impact on firm performance in Pakistan. [15], examined the effect of debt financing on the profitability of listed agricultural companies in Nigeria and found that long-term debt had a significant negative effect on the firms' profitability. [20], who evaluated the effect of financial leverage on firms' value on selected Nigeria firms and found that financial leverage is a better source of finance than equity to firms when there is need to finance long-term projects.

Account Payable and Firm Value: Test of hypothesis four shows that the coefficient of Account Payable is positive at 0.128756 but not significant at 0.05 level of significance (0.05<0.7175). Based on this we state that Account Payable positively, but insignificantly affects net assets of the listed oil pharmaceutical firms in Nigeria during the period. This result is consistent with Pecking Order Theory developed by [20]. [14], that assert firms show a preference for using internal finance (such as retained earnings or excess liquid assets) over external finance. In other word, firms prefer internally generated funds first, followed by low-risk debt financing and share capital financing as a last option.The study is also consistent with the findings of: [20] examined the effect of accounts payable on firm value during financial crises and found evidence that accounts payable significantly absorbed the reduction of Tobin's Q during the global financial crises. [21], carried out a study on the effect of management of accounts payable on the financial performance of Industrial/Domestic manufacturing companies in Nigeria and reported that accounts payable has positive and significant effect on the return on assets of the Building/Chemical and paint companies in Nigeria. [22], studied the effects of accounts payable as source of financing on performance of listed manufacturing firms at the Nairobi and found that a direct positive relationship between accounts payable and profitability and liquidity of the firms. [21], who examined effect of trade credit on financial performance of small scale enterprises: evidence of Eldoret Town, Kenya and reported that trade credit positively affected liquidity, profit margin and return on assets. [18], examined the effect of trade credit on firms' profitability in Nigeria and found that trade credit positively influenced the profitability of firms in Nigeria. [19], conducted a study to evaluate the effect of trade credit and profitability of Small and Medium Enterprises Firms in Netherlands and reported that accounts payable is positively related to the SMEs profitability. [21], studies trade credit and profitability in Small and Medium Enterprises (SMEs) and its important role in economic growth in Netherlands and suggested that SMEs can establish a long-term relationship with their suppliers to gain credits since accounts payable is positively related to the profitability. Only one study contradicts this result, [22] who examined the effect of accounts payable ratio on the financial performance of Food and Beverages manufacturing firms in Nigeria and found that accounts payable ratio had negative significant effect with the profitability ratio.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

SUMMARY OF FINDINGS

Based on the data analysis, the findings of the study and the discussions, the findings of the study are summarized as follows:

i. Share capital positively, butinsignificantly affects net assets ofpharmaceutical firms in Nigeria.
ii. Retained earnings positively, butinsignificantly affect net assets of pharmaceutical firms in Nigeria.
iii. Term loans negatively, but insignificantly affect net assets of pharmaceutical firms in Nigeria.
iv. Account Payable positively, but insignificantly affect net assets of pharmaceutical firms in Nigeria.

CONCLUSION

The study examined the effect of corporate financing on firm value of pharmaceutical firms in Nigeria during the period from 2009 to 2020. A sample of 6 firms were selected from the 10 Pharmaceutical firms listed on the Nigeria Stock Exchange during the period. Secondary data were collected from the firms and analyzed using descriptive statistics, correlation analysis and panel least square regression analysis. Based on the findings from the study, we conclude that the effect of share capital, retained earnings and account payable on net assets of the Pharmaceutical firms in Nigeria during the period is positive, but statistically insignificant. The study further concludes that the effect of term loan on net assets of the firms is negative andinsignificant.

RECOMMENDATIONS

Based on the findings and the conclusions of the study we recommend that:

a) Pharmaceutical firms in Nigeria should raise their long term funds through equity funding rather than loans. This will increase profitability and firm value of the firms as evidenced from the findings of the study.
b) Pharmaceutical firmsin Nigeria should implement a retention policy that will ensure that regular payment of dividends to shareholders while at the same time retaining a sizable proportion of earnings for growth and expansion of the firms.
c) Pharmaceutical firms in Nigeria should use limited term loans in financing their activities. This will reduce risk of bankruptcy, increase firm profitability and firm value of the firms as indicated in the findings of the study.
d) Pharmaceutical firms in Nigeria should grant trade credit to their customer using good credit policy. This will boast firm sales, portfolio quality, firm profitability and firm value of the firms as evidenced from the findings of the study.

REFERENCES

1. Abiodun B.Y and Ivanivna C.V. (2015). Effect of trade credit on firm profitability inNigeria. Paper presented to Accounting and Auditing Department Volodymyr Dahl East Ukrainian National University, Lugansk, Ukraine in partial fulfilment of the requirement for the Award of M.Sc in Accountancy.
2. Abdul G. K. (2010). The relationship of capital structure decisions with firm performance: Astudy of the Engineering Sector of Pakistan. *COMSATS Institute of Information Technology,* Vehari.
3. Achode, B.M and Rotich, G. (2016). Effects of accounts payable as source of financing on performance of listed manufacturing firms at the Nairobi Securities Exchange. International Journal of Research Studies in Agricultural Sciences, 2(4), 24-32.
4. Adam, M. H. M. (2014). Evaluating the financial performance of banks using financial ratios: A case study of Erbil Bank for Investment &

Finance. European Journal of Accounting Auditing & Finance Research, 2(2), 156-170.
5. Adenugba, A. A., Ige, A.A and Kesinro, O.R (2016). Financial leverage & firms' value: A studyof selected firms in Nigeria. European Journal of Research & Reflection in Management Sciences, 4(1), 14-32.
6. Akeem L.B, Terer K.E, Kiyanjui M.W and Adisa (2014). The effects of capital structure on firm's performance: Empirical study of manufacturing companies in Nigeria. *Journal of Finance & Investment Analysis, 4(3), 39-57.*
7. Aniefor, S. J and Onatuyeh, A. E (2019). Effect of debt financing on the corporate performance: A study of listed consumer goods firms in Nigeria. International Journal of Academic Accounting, Finance & Management Research, 3(5),26-34.
8. Athreya, K. B. (2008): Default, insurance, & debt over the life-cycle. Journal of Monetary Economics, 55(4), 752–774.
9. Aymen B.M.M (2013). Impact of capital on financial performance of banks in Tunisia: Tunisia Journal of Banks & Bank Systems, 8(4), 47-54.
10. Aziz S and Abbas, U (2019). Effect of debt financing on firm performance: A Study on non financial sector of Pakistan. Open Journal of Economics & Commerce, 2(1), 8-15.
11. Chasan, E. (2012). Mid-Size firms tap retained earnings to fund growth. *The WallStreet Journal.*
12. Chen, J., Jiang, C and Lin, Y. (2014). What determine firms' capital structure in China? Managerial Finance, 40(10), 1024-1039.
13. Cheong, F.C (2015). Equity financing & debt financing', PBE Paper II. Management Accounting and Finance, 30 April 2015.
14. Couppey-Soubeyran J and H´ericourt J (2011). The relationship between trade credit, bank credit & financial structure: from firm-level non-linearities to financial development heterogeneity in MENA, Frnace. Maison des Sciences Économiques, 106-112.
15. Dagogo, D.W and Obara, L.C (2015). Comparative analysis of earnings rate, retention rate, & dividend yield as determinants of capital growth. International Journal of Economics & Finance, 7(2), 214-224.
16. Deari F (2015). What Determines the Firm's Net Trade Credit? Evidence from Macedonian Listed Firms. Journal of Economic & Social Studies,7-22.
17. Dioha, C. U and Kamaluga, A (2019). Effect of debt financing on profitability of listed agriculturalcompanies in Nigeria. Research Journal of Economics & Business Studies, 6(11), 46-54.
18. Duru, A. N and Okpe, I. I (2016). Management of Accounts Payable on the Financial Performance of Industrial/ Domestic Manufacturing Companies in Nigeria. Journal of Humanities & Social Science, 21(7), 54-61.
19. Ebaid, I.E., (2009). The Impact of Capital- Structure choice on Firm Performance: Empirical Evidence from Egypt. *The Journal of Risk Finance, 10(5), 477-487.*
20. Farkoosh D, Farkoosh B.D and Naseri, J (2012). The effect net assets value in purchasing the shares of investment companies. *Journal of Humanities & Social Science, 5(2). 17-20*
21. Kapkiyai C and Mugo R (2015). Effect of trade credit on financial performance of small scale enterprises: Evidence of Eldoret Town, Kenya. International Journal of Economics, Commerce & Management United Kingdom, 9(1), 184-189.
22. Khan, A. B and Zulfiqar, A. S. (2012). The impact of retained & distributed earnings on future profitability & stock returns in

Pakistan. International Research Journal of Finance & Economics, (84), 25-32.

23. Nassar, N. (2016). The impact of capital structure on financial performance of the firms: Evidence from Borsa, Istanbul. Journal of Business & Financial Affairs, 5(1), 173-180.
24. Nguyen, T. L H and Bui, T. M (2018). Determinants of firm value in Vietnam: A research framework. International Journal of Science & Research, 9(1), 628-631.
25. Ogbulu, O. M and Emeni, F, K (2012). Capital structure & firm value: Empirical evidence from Nigeria. International Journal of Business & Social Science, 3(19), 252-261.
26. Onaolapo, Adekunle. A and Kajola, Sunday. O (2010). Capital structure & firm performance: evidence from Nigeria. *European Journal of Economics, Finance & Administrative Sciences,*25(3), 1450-2275, EuroJournals, Inc. http://www.eurojournals.com