

Financial Ratios and Firm Value of Consumer Goods Firms in Nigeria Anastesia Nwakaego Duru¹, Innocent Ikechukwu Okpe² and Ufenyi Ifeoma Stella³

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ABSTRACT

The main objective of this study is to evaluate the effect of financial ratios on firm value of consumer goods manufacturing firms in Nigeria from 2008 to 2018. The study was an ex-post facto research design. Eight firms (8) were selected from a total population of twenty one (21) consumer goods manufacturing firms listed on Nigeria Stock Exchange. Purposive sampling technique was used in selecting the eight firms. Panel least square regression analysis was used to analyse the data collected and in testing the four null hypotheses formulated for the study. Current ratio, debt equity ratio, inventory turnover ratio and net profit margin were used as the independent variables and proxies for financial ratios, while net assets value per share was the dependent variable and proxy for firm value. Findings from the study suggest that current ratio, debt equity ratio and net profit margin have positive and significant effect on net assets value per share, inventory turnover ratio has positive but insignificant effect on net assets value per share. The implication of these findings is that as CR, DER, ITR and NPM increase, NAVPS will also increase and vice versa. Based on these findings and implications, this study hereby recommends that consumer goods manufacturing firm managers in Nigeria should increase their firm value by increasing the CR of their firms. Investment in liquid assets such as inventory and trade receivables is recommended to achieve this. That the firm managers should increase firm value by using more of debt than equity financing in funding their business operations. That the firm managers should increase firm value by ensuring that procured inventory are disposed and replenished as soon as it is feasible, thus increasing ITR. NPM should be increased by increasing firm sales and other sources of revenue and by reducing production and administrative costs.

Keywords: Financial Ratios, Firm value, and Regression

INTRODUCTION

A successful business is likely to attracting more stakeholders, such as public investors who may want to invest in the equity of the firm, business financiers who may want to grant credit facilities to the firm and creditors who are willing to supply material to the firm on credit terms [1,2,3,4,5]. In recognition of this, assert that business success or performance of a firm is the most important factor that attracts people to the organization. However, business success or performance cannot be measures just by mere looking at the firm. A business is said to be successful when it is making profit and

creating wealth for the owners who have invested their funds in it [6,7,8]. Financial ratios provides the means by which business success is measured, monitored and controlled. Ratios are widely acknowledged to be effective in assisting potential investors in measuring the financial health of a firm, particularly the extent to which firm managers effectively utilize firm assets as well as their managerial ability to maximize firm profit and meet business obligations [9,10]. Financial ratio is a relationship between two individual quantitative financial information connected with each

other in some logical manner, and this connection is considered a meaningful financial indicator which can be used by different users of financial information such as firm managers, investors, shareholders, creditors and suppliers among others [11,12,13]. This study explores the relationship between financial ratios and firm value in the consumer goods firms in Nigeria. [14,15], describes financial ratio as a comparison of one number against another mathematically and it involve the comparison of various figures from the financial statements so as to obtain information about a organizational performance. [16,17], also says that financial ratio is one number expressed in terms of another to show the relationship between two variables. The study opines that in financial accounting and reporting, it is universally agreed that relationship exist between figures shown in the statement of profit or loss and those in the statement of financial position, thus financial ratios are used to reveal these relationships. [18,19,20], states that a ratio is established when one figure in a financial statement is expressed as a fraction or percentage or as a decimal of another figure in the financial statement. Many diverse groups of people are interested in analyzing the financial information of a firm using financial ratios to indicate the operating efficiency and various aspects of the firm financial position. For instance, accounting ratio helps to assess the performance of a firm to assist investors and other interested parties make an informed business decision on a firm, those who provide funding for the firm needs financial ratios to decide if they should grant loan facility to the firm or not, creditors will want to know if they could supply materials to the organization on credit terms and so on [21,22,23,24]. [25,26], suggests that

performance evaluation of a company has to do with how well the firm managers can use it assets, shareholder equity, liability, revenue and expenses to achieve organizational objectives. The study opines that financial ratio analysis is one of the best tools of performance evaluation of firms. Ratio analysis according to the study is used for measurement of firm liquidity position, asset management condition, profitability, debt coverage and market value [27,28,29]. [30] says that there are many financial ratios used by investors and financial analysts, and most of these financial ratios can be classified according to their use in financial analysis: liquidity ratios, activity ratios, profitability ratios, debt ratios and market ratios. [31], states that the most popular way of classifying ratios is according to the needs of the users of financial statement or interested groups and this include, profitability ratios, liquidity ratios, activity or efficiency ratios, debt or leveraging ratios and market ratios. Profitability ratios are financial metrics used by users of financial statement to measure and evaluate the ability of a firm to generate income (profit) relative to revenue, balance sheet assets, operating cost and shareholders' equity during a specific period of time. Examples of profitability ration include, gross profit margin, operating profit margin, net profit margin, cash flow margin, return on assets, return on equity, return on investment, return on capital employed and so on. Liquidity ratios are measures used to examine the ability of an organization to pay off its short term business obligations. These ratios commonly use prospective creditors and lenders to decide whether to extend credit or debt respectively to companies. Examples of liquidity ratios are: current ratio, quick ratio, cash ratio and so on. In contrast to

liquidity ratios, solvency ratios measure a company's ability to meet its total financial obligations. Examples of solvency ratios are debt equity ratio, debt to assets ratio and so on. Efficiency ratios measure the ability of a business to use its assets and liabilities to generate sales. Examples of efficiency ratios are account receivable turnover, account payable turnover, inventory turnover,

fixed assets turnover and so on [32]. This study will adopt one ratio from each of these major classifications and will evaluate their relationship with firm value of consumer goods firms in Nigeria. Specifically, the ratios that will be examined are current ratio, debt equity ratio, inventory turnover ratio and net profit margin [33,34].

Statement of the Problem

Financial ratios such as net profit margin, current ratio, debt equity ratio, and inventory turnover ratio are used to provide the necessary information required by firm managers to guide the profitability, liquidity, solvency and efficiency of their firms. These ratios are used to determine the investment potential of a firm and also provide an insight into the liquidity, solvency, efficiency as well as the extent to which firm managers use assets at their disposal to generate returns. They are powerful tools of financial analysis which are used as benchmark for evaluating the financial position and performance of a firm. Despite the several benefits offered by the use of financial ratios to improve firm performance and firm value, it has been observed that in Nigeria it is only the financial sectors that basically apply financial ratios to monitor and improve the performance of their business due to the high regulation of the industry and the pressure from the regulatory authorities.

Manufacturing company managers in Nigeria are unable to exploit the benefits offered by the ratios to improve their firm performance and firm value. This development has over the years resulted in decreasing firms' value and eventual business failures. A large number of business failures have been blamed on the inability of the firm managers to use financial ratios to analyze, monitor and control the progress and performance of the firms especially as they affect profitability, liquidity, solvency and efficiency of their firms. Some Nigeria manufacturing companies with good investment opportunities and high rate of return have failed due to inadequate use of financial ratios by the firm managers to take sensitive business decisions. This study was instigated by this problem to examine the effect of financial ratios on firm value of consumer goods firms in Nigeria.

Objectives of the Study

The main objective of this study is to examine the effect of financial ratios on firm value of consumer goods manufacturing firms in Nigeria. The specific objectives of the study are to:

- i. Examine the effect of current ratio on net assets value per share of consumer goods firms in Nigeria.
- ii. Evaluate the effect of debt equity ratio on net assets

- value per share of consumer goods firms in Nigeria.
- iii. Ascertain the effect of inventory turnover ratio on net assets value per share of consumer goods firms in Nigeria.
- iv. Examine the effect of net profit margin on net assets value per share of consumer goods firms in Nigeria.

Research Questions

The specific objectives of the study were guided by the following research questions:

- i. How does current ratio relate with net assets value per share of consumer goods firms in Nigeria?
- ii. What effect does current ratio has on net assets value per share of consumer goods firms in Nigeria?

- iii. To what extent does inventory turnover ratio affect net assets value per share of consumer goods firms in Nigeria?
- iv. How does net profit margin affect net assets value per share of consumer goods firms in Nigeria?

Statement of the Hypotheses

The following null hypotheses will be formulated to address the research questions of the study:

- i. Current ratio has no significant effect on net assets value per share of consumer goods firms in Nigeria.
- ii. Debt equity ratio has no significant effect on net assets value

per share of consumer goods firms in Nigeria.

- i. Inventory turnover ratio and net assets value per share of consumer goods firms in Nigeria.
- ii. Net profit margin has no significant effect on net assets value per share of consumer goods firms in Nigeria.

Significance of the Study

The study will benefit a lot of stakeholders of consumer goods firms in Nigeria. Some of those that will benefit from the study include firm managers, public investors, tax authorities and researchers. Modern business decision cannot be made without financial ratios. Such decisions like profit planning decision which will enable firm managers know their present profit position and plan for the future profitability of the firm. Working capital management decisions which will enable the managers plan for the working capital needs of the organization. Financing decision that will enable the manager choose financial options available to the firm. Thus, this study will no doubt assist consumer goods firm managers in taking these important business decisions. Public investors who are interested in investing in consumer goods manufacturing firms will not be able to take any meaningful decision without looking

at the financial statements of the firms. Therefore, the study will be of significance to investors as it will give the investors insight into the true position of the affairs in each firm and thus, assist them in taking good investment decisions. Tax authorities are responsible for assessing companies to income tax as well as other forms of taxes. Company income taxes are based on companies' profit while other forms of tax like withholding tax are based on amount of payments. The study upon completion will enable firm managers and relevant tax authorities estimate future tax revenue and thus, plan for its collection and remittance. Academic and other researchers will also find this study of importance conducting further studies on related topics. In fact, the study will serve as a body of knowledge that will be reference by the researchers while conducting further studies on related areas.

Scope of the Study

The study focused on the relationship between financial ratios and firm value of

consumer goods firms in Nigeria from 2008 to 2018. The independent variables

of the study are current ratio, debt equity ratio, inventory turnover and net profit margin while net assets value per share

will be used as the dependent variable as well as a measure of firm value.

REVIEW OF RELATED LITERATURE

Conceptual Review Financial Ratios

Kabajeh, Nu'aimat and Dahmash (2012) describe financial ratio as an association between two individual quantitative financial information which are related to each other in some logical way, and this relationship is considered an important financial indicator which can be adopted by users of financial information like firm managers, investors, shareholders, creditors and firm suppliers among others financial information users. [6] states that ratio analysis is a process of identifying the financial strength and weakness of a firm by properly identifying connections in the company through proper identification of the relationships between the items in the statement of financial position and the statement of profit or loss. According to the study, ratio analysis is a powerful tool of financial analysis which is used as a bench mark for evaluating the financial position and performance of a firm. [11] affirm that financial ratios are widely acknowledged as being accurate in determining the investment potential of a firm in addition to this, they allow for insight into the liquidity, liabilities as well as the extent to which a firm uses its assets to generate returns. Financial ratios are mirror that assist users of financial information to view accounting statements such as statement of financial position, statement of profit or loss and other comprehensive in come in an attempt to ascertain if the firm is doing well or not or if the firms is

strong financially or vulnerable to losses. Ratio analysis according to this study has to do with comparing one items in a financial statement against another item so as to establish a ratio that will assist in assessing the weakness and strength of the company's affairs. An example of a ratio are investment ratios which assists owners of the firms and other investors to assess the value and quality of an investment in the ordinary share of a firm. Investment ratios include, but not limited to earnings per share (EPS), dividend per share (DPS), dividend cover (DC), price earnings ratio (PER), market to book (MB) and dividend yield [15]. Financial ratios assists in quick and relative simple way of measuring the financial condition of a business entity. These ratios are primarily employed as the beginning of a more detailed financial analysis because they can highlight areas of good and bad performance and also areas of substantial changes, which would be evaluated more carefully [11]. In using financial ratios, the secret in obtaining meaningful information from ratio analysis is by comparing the result of one period against another period or by comparing on firm against another firm in the same industry. This may implies comparing ratios over time within the same business to ascertain if the ratios are improving or deteriorating and firm ratios between similar business to see if the firm is better or worse than industrial average within its specific business sector [17].

Theoretical Framework

Two theories were used to support the study. The theories are:

Liquidity Preference Theory put forward by John Maynard Keynes

in 1936 and Pecking Order Theory developed by Myers and

Majluf in 1984.

Liquidity Preference Theory

John Maynard Keynes developed the liquidity preference theory in 1936 in response to Friedman quantity theory of money. [20], assert that individuals and firms hold money for three motives, the transactions-motive, the precautionary-motive and the speculative-motive. The transactions motive refers to the fact that individuals have a preference for liquidity in order to guarantee having sufficient cash on hand for basic transactions because income is not always readily available. With this motive, the level of an individual's income determines that amount of liquidity

that is demanded; higher income levels equal a demand for more money to accommodate increased spending. The precautionary motive is related to individuals' preference for liquidity as additional security in the event that an unexpected occasion or problem arises that requires a substantial outlay of cash. Individuals may also have a speculative motive, based on the belief that bond prices may begin to significantly decrease, thus offering the investor the opportunity to use liquid funds to make an investment offering a more attractive rate of return.

Growth of the Fitter Theory

Growth of the Fitter theory was propounded by [30]. According to this theory, fitness is depicted by the firm profit, and the profitable firms grow and survive in the market while the other firms exit due to poor performance [31]. [33], theoretical study argued that fitter firms grow and survive, but less vigorous firms lose their market share and exit through the evolutionary selection mechanism. Thus, if profit rates reflect the degree of fitness, it is possible to predict that profitable firms will grow [14]. [17], suggests that more profitable firms may have higher potential to grow, since they have already shown a greater fit with the environment and may be able to fund future competitive actions with their own cash flow. Profitability limits the risk related to acquiring and

relying on external resources of financing but also displays a satisfactory level of market demand. [20], posit that profit provides the funds for growth. A firm can grow internally through investments in development projects in various ways. It can take advantage of technological opportunities to grow through research and development, leading to product and process innovations. Empirically, firm growth and profitability both are of great concern for the organization but there is still no generalized relationship between them. Many researchers find evidence that profitability has a positive effect on firm growth [16], while the other studies find that profitability is negatively affected by growth

Pecking Order Theory

The pecking order theory propounded by [18] does not take an optimal capital structure as a starting point, but instead asserts the empirical fact that firms show a preference for using internal finance (as retained earnings or excess liquid assets) over external finance. 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 latter costs basically reflect the "lemon premium that outside

investors ask for the risk of failure for the average firm in the market. The resulting pecking order of financing is as follows: internally

generated funds first, followed by respectively low-risk debt financing and share financing [26].

Empirical Review Current Ratio on Firm Value

[30], examined the impact of liquidity on the capital structure of Croatian firms using data from 1058 Croatian firms listed on the Stock Exchange. Pearson correlation coefficient is applied to test the relationship between liquidity ratios (measured by current ratio, quick ratio and cash ratio) and debt ratios, the share of retained earnings to capital and liquidity ratios and the relationship between the structure of current assets and leverage. Finding reveals that there is a statistically significant correlation between liquidity ratios and leverage ratios. Finding also suggests that there are statistically significant correlations between leverage ratios and the structure of current assets. Result further confirmed that the relationship between liquidity ratios and the short-term leverage is stronger than between liquidity ratios and the long-term leverage. It was concluded that the more liquid assets firms have, the less they are leveraged and that long-term leveraged firms are more liquid. Increasing inventory levels leads to an increase in leverage. Furthermore, increasing the cash in current assets leads to a reduction in the short-term and the long-term leverage. [19], evaluated the relationship between

revenue reserves and financial performance in the brewery industry in Nigeria. Secondary data was obtained from annual accounts of the two market leaders in the in the Nigeria breweries sub sector, namely, Nigeria Breweries Plc and Guinness Nigeria Plc, from year 2000 to 2013. The magnitude of association of the variables was validated using the ordinary least squares method. Augmented Dickey-Fuller (ADF) test was also conducted on all the variables to check for stationary of time series data. Log of retained earnings, current asset ratio, dividend per share attained stationary at first difference, while earnings per share, net asset value per share, price-to-earnings ratio and market price of equity shares, achieved stationary at second difference. Results indicate that a strong relationship (about 77%) exist between retained earnings and net asset value per share. Also long run relationship exists between retained earnings, and the rest of the variables implying that, if the retained earnings are properly invested, the returns will catalyze growth, development and expansion of the firms while the financial performance indicators will serve as predictors to the appropriate levels of retentions and investment which could guarantee good bottom line without incurring the opportunity cost of excess liquidity.

METHODOLOGY

Research Design

The study adopted *ex-post facto* researcher design. This means that the study was based on data that are already in existence. Thus, the study will be based on historical financial

data that will be obtained from the financial accounts and records of consumer goods manufacturing firms listed on the Nigeria Stock Exchange during the period (2008 to 2018).

Area of Study

This study was carried out in Nigeria and precisely on the consumer goods manufacturing firms listed on the

Nigeria Stock Exchange (NSE) during the period of 2008 to 2018.

Population of the Study

Twenty one (21) consumer goods manufacturing firms listed in the Nigeria

Stock Exchange as at August, 2019 constituted the population of the study.

Sources of Data

Secondary data that were collected from annual financial accounts and records of the selected consumer goods

manufacturing firms listed in the Nigeria stock exchange.

Sample Size Determination

A sample of eight (8) firms was selected out of a total of twenty one (21) consumer goods manufacturing firms listed on Nigeria Stock Exchange as at August, 2019. Purposive sampling technique was used in selecting the eight firms. This is because it was observed from the annual financial reports of the firms that some consumer goods manufacturing firms did not use debt financing consistently from

2008 to 2018, consequently only those firms that used debt financing consistently during the period were purposely selected for the study. The eight firms that met this condition are: Nestle Nigeria Plc, Unilever Nigeria Plc, Dangote Sugar Nigeria Plc, Cadbury Nigeria Plc, Dangote Flour Mill, Nigeria Plc, Guinness Nigeria Plc, Nigeria Enamelware and Nigeria Breweries Plc.

Model Specification

The following regression model was developed based on the variables of the study:

$$NAPS = \beta_0 + (\beta_1 CR + \beta_2 DER + \beta_3 ITR + \beta_4 NPM) + \varepsilon$$

Where:

NAPS = Net Assets Value Per Share

CR = Current Ratio

DER = Debt Equity Ratio

ITR = Inventory Turnover Ratio

NPM = Net Profit Margin

β = Beta

ε = error term

Description of Variables

Net Assets Per Share (NAPS): This comprises the total share capital of the firm plus all reserves accumulated over the years of the company's existence. It is also referred to as the total equity of the firms. It is calculated either by adding a firm's share capital to its reserves or by deducting the total liabilities from the total assets of the firm and dividing same by the total number of ordinary shares outstanding.

Current Ratio (CR): This is one of the ratios that measures the liquidity of a firm. It indicates the ability of a firm to meet its short term maturing business obligation. It is obtained by dividing the current assets of a firm by its current liabilities. A ratio of 1: 2 is regarded as an ideal current ratio. It is calculated by dividing a firm's current assets by its current liabilities.

Debt Equity Ratio (DER): This is a solvency ratio that ratio measures the proportion debts in a firm's capital structure. It is also called gearing or leverage ratio. The higher the proportion of debt in a firm's the capital structure is the high the risk of bankruptcy. Leverage ratio is calculated by dividing total outstanding debts of the firm by the total equity.

Inventory Turnover Ratio (ITR): Inventory turnover ratio is an efficiency or activity ratio that measures the rate at which a firm uses inventory over the measurement period. The ratio is used to see if a business has an excessive inventory investment in comparison to its sales level. It is calculated by dividing cost of sales of a firm by the ending inventory or average inventory.

Net Profit Margin (NPM): Net profit margin is one of the

profitability ratios. It indicates how much profit out of each naira sales left after all expenses are subtracted, that is, after all operating expenses, interest and

income tax are subtracted. It is calculated by dividing profit or loss for the year by total sales of the firm.

Methods of Data Analysis

This study adopted Panel Regression Analysis to analyze the data collected from the sampled firms for the study. Descriptive Statistics (DS) was also employed in the data analysis using measures of central tendency and measures of dispersion. The measured of central tendencies used are Mean and Median which were used to measure data average of the data set and the middle numbers respectively. On the other hand measure of dispersion used include Maximum, Minimum and Standard Deviation were used to measure the extent to which the data set dispersed from the mean. Jarque - Bera test was also used to test for the normality of the data set.

The extent by which changes in the dependent variables are explained by the independent variable was also measured using adjusted R square method. Durbin Watson Statistics (DWS) was equally used to test for the presence or absence of autocorrelation in models while Hausman Test was used to determine the appropriate model between Fixed Effect Model and Random Effect Models. Current ratio, debt equity ratio, inventory turnover ratio and net profit margin are the independent variables and proxies for financial ratios while net assets value per share the dependent variable and proxy for firm value.

DATA PRESENTATION AND ANALYSIS

Data Presentation

The variables of the study were calculated from the data and presented in tables 1 to 8 while the

raw data are attached as appendix one of the study.

TABLE 1: NESTLE NIGERIA PLC

YEAR	NET ASSETS PER SHARE	CURRENT RATIO	DEBT EQUITY RATIO	INVENTORY TURNOVER RATIO	NET PROFIT MARGIN
2018	63.36	0.90	0.17	6.59	0.16
2017	56.62	0.91	0.54	5.99	0.14
2016	38.96	0.81	1.64	8.81	0.04
2015	47.95	0.82	0.79	7.76	0.16
2014	45.34	0.85	0.90	7.49	0.16
2013	51.21	1.26	1.37	7.74	0.17
2012	43.13	1.06	0.79	7.57	0.18
2011	29.64	0.94	0.64	5.77	0.17
2010	18.78	1.03	0.76	5.17	0.16
2009	13.30	0.99	0.28	3.74	0.15
2008	11.40	1.38	0.00	4.88	0.17

Source: Published Annual Financial Statement of the Firm

Table 1 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Nestle Nigeria Plc during the period from 2008 to 2018. The net assets per share rose from 11.40 in 2008 to 63.36 in 2018 indicating good performance. The current ratio of the firm deteriorated from 1.38 in 2008 to 0.90 in 2018. This performance is below the benchmark ratio of is 2:1 and should be improved. Debt equity ratio, however, improved from 0.00 in 2008 to 0.17 in 2018. Inventory turnover ratio improved from 4.88 in 2008 to 6.59 in 2018 showing that the firm's inventory is moving fast. However, the net profit margin declined from 0.17 in 2008 to 0.16 in 2018 indicating that the firm needs to reduce cost and improve its sales revenue to increase profitability.

TABLE 2: UNILEVER NIGERIA PLC

YEAR	NET ASSETS	CURRENT	DEBT EQUITY	INVENTORY	NET PROFIT
	PER SHARE	RATIO	RATIO	TURNOVER RATIO	MARGIN
2018	14.41	2.35	0.01	4.64	0.11
2017	13.21	2.45	0.01	5.39	0.08
2016	3.09	0.78	1.79	7.06	0.04
2015	2.12	0.61	1.00	6.18	0.02
2014	1.98	0.59	1.71	4.13	0.04
2013	2.47	0.65	0.68	5.37	0.08
2012	2.65	0.66	0.45	4.69	0.10
2011	2.55	0.86	0.00	4.51	0.10
2010	2.20	0.99	0.09	4.67	0.09
2009	2.17	1.10	0.18	0.18	0.09
2008	1.77	1.05	0.84	0.19	0.07

Source: Published Annual Financial Statement of the Firm

Table 2 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Unilever Nigeria Plc during the period of 2008 to 2018/. The net assets per share of the firm rose from 1.77 in 2008 to 14.41 in 2018 showing good performance. The firm's, current ratio also improved from 1.05 in 2008 to 2.35 in 2018. This is within the benchmark ratio and it indices ability to meet short - term business obligations as they fall due. However, the firm's debt equity ratio deteriorated from 0.84 in 2008 to 0.01 in 2018. This means that the firm during the period used more of equity financing than debt financing. Inventory turnover ratio improved from 0.19 in 2008 to 4.64 in 2018 indicating the firm's inventory was moving well. Net profit margin improved from 0.07 in 2008 to 0.11 in 2018. This ration requires improvement, the firm needs to cut cost and improve its revenue generation to improve its profitability.

TABLE 3: DANGOTE SUGER

YEAR	NET ASSETS	CURRENT	DEBT EQUITY	INVENTORY	NET PROFIT
	PER SHARE	RATIO	RATIO	TURNOVER RATIO	MARGIN
2018	8.25	1.49	0.01	2.94	0.15
2017	7.73	1.34	0.02	3.22	0.19
2016	5.51	1.14	0.02	3.10	0.14
2015	4.81	1.08	0.04	5.17	0.12
2014	4.28	1.02	0.05	5.05	0.11
2013	3.91	1.34	0.02	6.64	0.10
2012	3.86	1.98	0.00	6.11	0.11
2011	3.26	1.86	0.00	3.35	0.07
2010	3.26	1.90	0.00	2.81	0.11
2009	3.47	1.24	0.34	4.37	0.16
2008	2.72	1.19	0.28	5.38	0.27

Source: Published Annual Financial Statement of the Firm

Table 3 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Dangote Sugar Nigeria Plc during the period of 2008 to 2018. Net assets per share of the firm rose from 2.72 in 2008 to 8.25 in 2018 showing good performance. The firm's current ratio also improved from 1.19 in 2008 to 1.49 in 2018. The recommended benchmark ratio is 2:1, therefore improvement is required in the current ratio of this firm. The debt equity ratio deteriorated from 0.28 in 2008 to 0.01 in 2018. This means that the firm during the period used more of equity financing than debt financing. Inventory turnover ratio of the firm decreased from 5.38 in 2008 to 2.94 in 2018. Even though it decreased, the firm inventory turnover movement is satisfactory as it signifies that its inventory is not stagnant. The net profit margin also reduced from 0.27 in 2008 to 0.15 in 2018. Effort should be made to improve the profitability of the firm through cost reduction and increased revenue generation.

TABLE 4: CADBURY NIGERIA PLC

YEAR	NET ASSETS	CURRENT	DEBT EQUITY	INVENTORY	NET PROFIT
	PER SHARE	RATIO	RATIO	TURNOVER RATIO	MARGIN
2018	6.75	1.39	-	4.78	0.02
2017	6.25	1.14	0.17	4.10	0.01
2016	5.89	1.08	0.00	4.60	-0.01
2015	6.54	1.09	0.00	9.76	0.04
2014	6.79	1.00	0.12	9.25	0.08
2013	7.85	1.55	0.06	11.04	0.17
2012	6.40	1.55	0.07	10.99	0.10
2011	5.30	1.46	0.00	8.57	0.11
2010	4.16	1.35	0.00	6.96	0.04
2009	4.05	1.21	0.98	7.51	-0.11
2008	2.74	0.40	5.03	8.49	-0.11

Source: Published Annual Financial Statement of the Firm

Table 4 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Cadbury Nigeria Plc during the period of 2008 to 2018. The net assets per share of the firm rose from 2.74 in 2008 to 6.75 in 2018 indicating that the firm is utilizing the total assets at its disposal very well to create wealth for the shareholders. The firm's current ratio also improved from 0.40 in 2008 to 1.39 in 2018. This requires improvement to the benchmark ratio of 2:1. The debt equity ratio of the firm declined from 5.03 in 2008 to 0.00 in 2018. This means that the firm was highly levered in 2008, however, it is now resorting to equity financing to finance its operations. Inventory turnover ratio of the firm declined from 8.49 in 2008 to 4.78 in 2018 indicating that the firm's inventory movement fluctuated widely during the period, though the turnover is satisfactory. Net profit margin improved slightly from -0.11 in 2008 to 0.02 in 2018. The firm's net profit margin requires serious improvement through cost reduction and increased revenue generation.

TABLE 5: DANGOTE FOUR NIGERIA PLC

YEAR	NET ASSETS	CURRENT	DEBT EQUITY	INVENTORY	NET PROFIT
	PER SHARE	RATIO	RATIO	TURNOVER RATIO	MARGIN
2018	7.94	1.06	2.03	2.79	0.03
2017	7.08	1.06	1.88	1.35	0.13
2016	4.84	0.74	1.33	7.93	0.10
2015	-0.61	0.43	-12.66	7.59	-0.26
2014	1.92	0.61	3.36	7.01	-0.10
2013	3.62	0.69	1.83	3.13	-0.26
2012	5.06	0.85	1.46	3.04	-0.07
2011	5.60	0.76	0.98	4.71	0.01
2010	5.43	0.74	0.31	6.59	0.04
2009	5.68	0.81	0.49	5.89	0.09
2008	4.93	0.80	0.84	3.86	0.06

Source: Published Annual Financial Statement of the Firm

Table 5 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Dangote Flour Nigeria Plc during 2008 to 2018. The net assets per share of the firm declined from 4.93 in 2008 to 7.94 in 2018. This shows that the firm is not properly utilizing its total assets generate wealth for firm owners. The firm's, current ratio, however improved from 0.80 in 2008 to 1.06 in 2018. Even though this ratio improved, it is yet to meet the benchmark ratio of 2:1. The debt equity ratio of the firm increased from 0.84 in 2008 to 2.03 in 2018. This means that the firm gradually embracing debt financing as opposed to equity financing. Inventory turnover ratio of the firm declined from 3.86 in 2008 to 2.79 in 2018 indicating that the firm's inventory movement is slowing down. The firm manager should investigate the causes of the slow movement and correct it accordingly. The net profit margin improved from 0.06 in 2008 to 0.03 in 2017. This ratio requires improvement through revenue generation and cost reductions.

TABLE 6: GUINNESS NIGERIA PLC

YEAR	NET ASSETS	CURRENT	DEBT EQUITY	INVENTORY	NET PROFIT
	PER SHARE	RATIO	RATIO	TURNOVER RATIO	MARGIN
2018	39.99	1.27	0.16	4.96	0.05
2017	28.52	0.09	2.96	3.36	0.01
2016	27.67	0.71	0.94	4.62	-0.02
2015	32.10	0.73	0.43	5.91	0.07
2014	29.92	0.92	0.72	4.30	0.09
2013	30.57	0.63	0.46	5.35	0.10

2012	26.80	0.90	0.12	3.19	0.12
2011	26.75	1.21	0.00	3.95	0.14
2010	22.71	1.25	0.00	3.82	0.13
2009	21.37	1.19	0.22	2.72	0.15
2008	24.99	1.42	0.10	2.77	0.17

Source: Published Annual Financial Statement of the Firm

Table 46 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Guinness Nigeria Plc during 2008 to 2018. The net assets per share of the firm improved from 24.99 in 2008 to 39.99 in 2018. This is a good performance and should be sustained. The firm's current ratio declined from 1.42 in 2008 to 1.27 in 2017. This is not a good development as the firm may experience liquidity crises. The ratio should be improved to the benchmark ratio of 2:1. The debt equity ratio of the firm increased from 0.10 in 2008 to 0.16 in 2018. This means that the firm gradually using more of debt financing than equity financing to finance its operations. Inventory turnover ratio of the firm increases from 2.77 in 2008 to 4.96 in 2017 indicating that the firm's inventory moving well. The net profit margin declined from 0.17 in 2008 to 0.05 in 2018. This is poor performance that requires some improvement. The firm should as a matter of urgency do something to improve its profitability.

TABLE 7: NIGERIA ENAMELWARE NIGERIA PLC

YEAR	NET ASSETS PER SHARE	CURRENT RATIO	DEBT EQUITY RATIO	INVENTORY TURNOVER RATIO	NET PROFIT MARGIN
2018	18.73	1.25	0.62	1.40	(0.00)
2017	22.52	1.17	2.26	1.93	0.02
2016	22.26	1.25	1.23	4.95	0.05
2015	20.61	1.16	2.20	2.33	0.03
2014	19.60	1.30	0.91	2.69	0.03
2013	18.69	1.54	0.24	8.67	0.03
2012	17.95	1.43	0.14	5.55	0.03
2011	4.69	1.30	0.83	3.91	0.04
2010	3.70	1.19	1.18	6.31	0.00
2009	6.04	1.13	1.73	7.54	0.03
2008	5.04	1.22	0.83	4.32	0.01

Source: Published Annual Financial Statement of the Firm

Table 7 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Nigeria Enamelware Plc during 2008 to 2018. The net assets per share of the firm improved from 5.04 in 2008 to 18.73 in 2018. This is a good performance and should be sustained. The firm's current ratio also increased from 1.22 in 2008 to 1.25 in 2018. This is also good, but should be improved to the benchmark ratio of 2:1. The debt equity ratio of the firm rose from 0.83 in 2008 to 1.40 in 2018. This means that the

firm is gradually using more debt to finance its operations. Inventory turnover ratio of the firm decreases from 4.32 in 2008 to 1.40 in 2018 indicating that the firm's inventory turnover is slowing down. The net profit margin decreased from 0.01 in 2008 to -0.00 in 2018. The firm's net profit margin over the period has been very poor. Attempt should be made to improve this important profitability performance indicator.

TABLE 8: NIGERIA BREWERIES PLC

YEAR	NET ASSETS	CURRENT	DEBT EQUITY	INVENTORY	NET PROFIT
	PER SHARE	RATIO	RATIO	TURNOVER RATIO	MARGIN
2018	20.86	0.62	0.26	0.76	0.06
2017	22.30	0.56	0.05	4.70	0.10
2016	20.92	0.52	0.11	10.04	0.09
2015	21.72	0.41	0.13	5.27	0.13
2014	22.73	0.50	0.14	4.59	0.16
2013	14.86	0.45	0.08	6.40	0.16
2012	12.36	0.65	0.48	5.16	0.11
2011	10.35	0.63	0.60	4.58	0.19
2010	6.63	0.90	0.00	4.65	0.24
2009	6.16	0.89	0.01	3.95	0.27
2008	4.26	0.74	0.00	3.59	0.18

Source: Published Annual Financial Statement of the Firm

Table 8 presents net assets per share, current ratio, debt equity ratio, inventory turnover ratio and net profit margin of Nigeria Breweries Plc during 2008 to 2018. The net assets per share of the firm improved from 4.26 in 2008 to 20.86 in 2018. This is a good performance and should be sustained. The firm's current ratio, however, decreased from 0.74 in 2008 to 0.62 in 2018. This is still less than the benchmark ratio of 2:1 and should be improved. Effort should be made to further increase the ratio to avoid liquidity problems. The debt equity ratio of the firm rose from 0.00 in 2008 to 0.26 in 2018. This means that the firm has over the years finance its operations with equity and is a risk averse firm. The implication of risk averse is loss of profitability. The inventory turnover ratio of the firm increases from 3.59 in 2008 to an all-time high of 10.04 in 2016 before decreasing to 0.76 in 2018. This is an indication of fast moving inventory, however, the cause of the sharp decline should be investigated. The net profit margin decreased from 0.18 in 2008 to 0.06 in 2018. The poor performance in this ratio can be attributable to the firm's risk averse. The firm can improve its profitability by increasing the proportion of debts in its capital structure and by reducing cost and increasing sales revenue.

TABLE 9: PANEL DATA OF SELECTED FIRMS

Table 9 presents the panel data of eleven years (that is, 2008 to 2018) collected from each of the eight

consumer goods manufacturing firms selected for the study. Eleven years data were collected from each of

the eight selected firms and it resulted in a total of eighty eight

(88) observations as stated in the table.

OBSERVATIONS	NAPS	CR	DER	ITR	NPM
NESTLE Nigeria Plc - 18	63.35723	0.898139	0.166100	6.588580	0.161518
NESTLE NIGERIA PLC - 08	11.39869	1.382976	0.000000	4.879170	0.166957
NESTLE NIGERIA PLC - 09	13.30203	0.991310	0.284524	3.735128	0.148792
NESTLE NIGERIA PLC - 10	18.77908	1.026608	0.759346	5.165728	0.157313
NESTLE NIGERIA PLC - 11	29.63819	0.937429	0.644997	5.773096	0.171586
NESTLE NIGERIA PLC - 12	43.12787	1.064488	0.790218	7.574212	0.181113
NESTLE NIGERIA PLC - 13	51.21364	1.256453	1.370425	7.742945	0.167250
NESTLE NIGERIA PLC - 14	45.34078	0.848812	0.900221	7.493517	0.155974
NESTLE NIGERIA PLC - 15	47.94901	0.815556	0.787858	s7.760890	0.156915
NESTLE NIGERIA PLC - 16	38.95520	0.807514	1.640947	8.814477	0.043565
NESTLE NIGERIA PLC - 17	56.61747	0.909946	0.538658	5.992407	0.138134
UNILEVER Nigeria Plc - 18	14.41070	2.346934	0.005551	4.642890	0.113586
UNILEVER NIGERIA PLC - 08	1.766066	1.046303	0.840373	0.190151	0.069468
UNILEVER NIGERIA PLC - 09	2.168144	1.104947	0.182866	0.181869	0.092035
UNILEVER NIGERIA PLC - 10	2.203164	0.986147	0.087677	4.670409	0.089314
UNILEVER NIGERIA PLC - 11	2.546627	0.861042	0.003996	4.505782	0.100326
UNILEVER NIGERIA PLC - 12	2.654700	0.657383	0.450766	4.689010	0.102713
UNILEVER NIGERIA PLC - 13	2.470839	0.653482	0.682558	5.373794	0.078735
UNILEVER NIGERIA PLC - 14	1.976796	0.591988	1.714625	4.130665	0.043267
UNILEVER NIGERIA PLC - 15	2.115417	0.605453	1.001792	6.183954	0.020134
UNILEVER NIGERIA PLC - 16	3.089714	0.776302	1.789289	7.063529	0.044024
UNILEVER NIGERIA PLC - 17	13.21294	2.451505	0.008886	5.386491	0.082075
DANGOTE SUGAR NIG PLC - 08	2.718933	1.192264	0.275841	5.378177	0.271113
DANGOTE SUGAR NIG PLC - 09	3.467733	1.238000	0.336523	4.373163	0.160028
DANGOTE SUGAR NIG PLC - 10	3.257471	1.901080	0.000000	2.808926	0.105226
DANGOTE SUGAR NIG PLC - 11	3.261142	1.858817	0.000000	3.349938	0.069265
DANGOTE SUGAR NIG PLC - 12	3.855763	1.976596	0.000000	6.112260	0.105364
DANGOTE SUGAR NIG PLC - 13	3.914828	1.342073	0.019608	6.642256	0.101470
DANGOTE SUGAR NIG PLC - 14	4.284477	1.016939	0.046389	5.049265	0.112800
DANGOTE SUGAR NIG PLC - 15	4.813008	1.075680	0.043285	5.167203	0.117467
DANGOTE SUGAR NIG PLC - 16	5.512669	1.142821	0.022177	3.095113	0.140503
DANGOTE SUGAR NIG PLC - 17	7.727970	1.343103	0.016586	3.219651	0.194615
DANGOTE SUGAR NIG PLC - 18	8.247932	1.493755	0.014860	2.937878	0.146146
CADBURY NIGERIA PLC - 08	2.738882	0.401772	5.028637	8.487066	-0.110696
CADBURY NIGERIA PLC - 09	4.045842	1.213826	0.983515	7.507167	-0.107563
CADBURY NIGERIA PLC - 10	4.157650	1.349638	0.000000	6.955955	0.039184
CADBURY NIGERIA PLC - 11	5.299421	1.458138	0.000000	8.568000	0.107608
CADBURY NIGERIA PLC - 12	6.401585	1.548239	0.074853	10.98571	0.102979
CADBURY NIGERIA PLC - 13	7.851370	1.547690	0.061031	11.03703	0.170065
CADBURY NIGERIA PLC - 14	6.788115	1.002779	0.117652	9.250110	0.082037
CADBURY NIGERIA PLC - 15	6.540988	1.093837	0.000000	9.757504	0.041448
CADBURY NIGERIA PLC - 16	5.886871	1.076953	0.000000	4.604520	-0.009887
CADBURY NIGERIA PLC - 17	6.252145	1.136539	0.174866	4.101537	0.009069
CADBURY NIGERIA PLC - 18	6.749086	1.391032	0.000000	4.776967	0.022936
DANGOTE FLOUR MILL Nig Plc - 08	4.925961	0.801205	0.836196	3.863376	0.061498
DANGOTE FLOUR MILL Nig Plc - 09	5.684549	0.811045	0.487928	5.888376	0.090095
DANGOTE FLOUR MILL Nig Plc - 10	5.429375	0.742445	0.310920	6.587778	0.040860

DANGOTE FLOUR MILL Nig Plc - 11	5.603174	0.763993	0.981449	4.706599	0.009409
DANGOTE FLOUR MILL Nig Plc - 12	5.064705	0.851345	1.459690	3.036278	-0.066784
DANGOTE FLOUR MILL Nig Plc - 13	3.621305	0.694359	1.827334	3.128080	-0.264783
DANGOTE FLOUR MILL Nig Plc - 14	1.921626	0.608370	3.364564	7.010009	-0.102254
DANGOTE FLOUR MILL Nig Plc - 15	-0.614235	0.432006	-12.65607	7.590104	-0.260837
DANGOTE FLOUR MILL Nig Plc - 16	4.837261	0.742194	1.332667	7.928638	0.100303
DANGOTE FLOUR MILL Nig Plc - 17	7.075041	1.056200	1.877975	1.347337	0.127150
DANGOTE FLOUR MILL Nig Plc - 18	7.942781	1.060551	2.031183	2.792805	0.029702
GUINNESS NIGERIA Plc - 18	39.98762	1.274533	0.156812	4.957366	0.046984
GUINNESS NIGERIA PLC - 08	24.99282	1.419631	0.100511	2.767529	0.171467
GUINNESS NIGERIA PLC - 09	21.37375	1.186540	0.218788	2.716278	0.151895
GUINNESS NIGERIA PLC - 10	22.71027	1.250563	0.000000	3.818063	0.125599
GUINNESS NIGERIA PLC - 11	26.75066	1.214416	0.000000	3.947414	0.144974
GUINNESS NIGERIA PLC - 12	26.79648	0.895853	0.122146	3.186044	0.116172
GUINNESS NIGERIA PLC - 13	30.57273	0.626804	0.458324	5.353593	0.096876
GUINNESS NIGERIA PLC - 14	29.92368	0.922971	0.719571	4.296372	0.087668
GUINNESS NIGERIA PLC - 15	32.10157	0.726925	0.427999	5.911482	0.065782
GUINNESS NIGERIA PLC - 16	27.66514	0.713308	0.940168	4.620342	-0.019769
GUINNESS NIGERIA PLC - 17	28.51674	0.089810	2.955610	3.360310	0.009819
NIGERIA ENAMELWARE PLC - 08	5.039236	1.223465	0.832412	4.319241	0.013101
NIGERIA ENAMELWARE PLC - 09	6.043438	1.130896	1.727051	7.537980	0.026309
NIGERIA ENAMELWARE PLC - 10	3.701057	1.190760	1.182355	6.308313	0.003180
NIGERIA ENAMELWARE PLC - 11	4.691967	1.303548	0.833351	3.907022	0.036417
NIGERIA ENAMELWARE PLC - 12	17.94844	1.426174	0.138237	5.546749	0.025675
NIGERIA ENAMELWARE PLC - 13	18.68589	1.544746	0.237833	8.666386	0.029399
NIGERIA ENAMELWARE PLC - 14	19.59566	1.303034	0.905611	2.694075	0.033527
NIGERIA ENAMELWARE PLC - 15	20.60611	1.164614	2.196054	2.325372	0.028508
NIGERIA ENAMELWARE PLC - 16	22.26272	1.245916	1.227014	4.954752	0.047752
NIGERIA ENAMELWARE PLC - 17	22.52386	1.173689	2.256862	1.931858	0.017821
NIGERIA ENAMELWARE PLC - 18	18.72605	1.248265	0.618121	1.398591	-0.002019
NIGERIA BREWERIES Plc - 18	20.86164	0.617659	0.255336	0.760773	0.055501
NIGERIA BREWERIES PLC - 08	4.261674	0.741672	0.000000	3.594826	0.176683
NIGERIA BREWERIES PLC - 09	6.157977	0.889194	0.010784	3.950989	0.268398
NIGERIA BREWERIES PLC - 10	6.634279	0.897601	0.001900	4.648599	0.241308
NIGERIA BREWERIES PLC - 11	10.35426	0.634589	0.601601	4.582037	0.185400
NIGERIA BREWERIES PLC - 12	12.35641	0.654885	0.481552	5.160569	0.107869
NIGERIA BREWERIES PLC - 13	14.85701	0.451519	0.080100	6.400983	0.160380
NIGERIA BREWERIES PLC - 14	22.72769	0.499290	0.144868	4.592540	0.159627
NIGERIA BREWERIES PLC - 15	21.72169	0.410348	0.128982	5.270596	0.129462
NIGERIA BREWERIES PLC - 16	20.92466	0.516857	0.107710	10.04148	0.090574
NIGERIA BREWERIES PLC - 17	22.29594	0.560661	0.047510	4.704393	0.095915

Source: EvIEWS 7.2 Output, 2019

Data Analysis

The data collected from the selected consumer goods manufacturing firms were analyzed using Panel data regression analysis and descriptive

statistics. The result of these analysis are presented in tables below.

Table 10: Descriptive Statistics

DESCRIPTION	NAPS	CR	DER	ITR	NPM
Mean	14.40828	1.040190	0.498142	5.168368	0.080098
Median	6.931578	1.036455	0.280182	4.828068	0.091304
Maximum	63.35723	2.451505	5.028637	11.03703	0.271113
Minimum	-0.614235	0.089810	-12.65607	0.181869	-0.264783
Std. Dev.	14.04572	0.408766	1.659006	2.271360	0.091019
Skewness	1.435454	0.822128	-5.363639	0.340805	-1.192249
Kurtosis	4.605631	4.584006	46.82588	3.096595	6.218703
Jarque-Bera Probability	39.67395 0.000000	19.11305 0.000071	7464.535 0.000000	1.737721 0.419429	58.83488 0.000000
Sum	1267.929	91.53674	43.83651	454.8164	7.048585
Sum Sq. Dev.	17163.57	14.53681	239.4501	448.8395	0.720742
Observations	88	88	88	88	88

Source: Eviews 7.2 Output, 2019

Table 10 presents the descriptive statistics used to analyze the data collected for the study. The statistical characteristics of all the eighty eight observations are presented in the table. These statistics characteristics include measures of central tendency and measure of dispersion of the data set. The measured of central tendencies used are Mean and Median which were used to measure average of the data set and the middle numbers respectively while measure of dispersion used include Maximum, Minimum, Standard Deviation and the data Skewness. These were used to measure the extent to which the data set dispersed from the mean. Results from the table show that the mean of the variables are: NGN14.40828, NGN1.040190, NGN 0.498142, NGN 0.498142 and NGN0.080098 with median of NGN6.931578, NGN1.036455, NGN0.280182, NGN4.828068 and NGN0.091304 respectively for net assets per share (NAPS), current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) respectively. The results of measures of dispersions shows that standard deviation of the variables are: NGN14.04572, NGN 0.408766, NGN 1.659006, NGN2.271360, and NGN42549037 for NAPS, CR, DER, IT and NPM respectively. Also the minimum value of the variables are: -0.614236, 0.89810, -12.65607, -0.264783 and -0.264783 while the maximum values are: 63.35723, 2.451505, 5.028637, 11.03703 and 0.271113 respectively for for NAPS, CR, DER, IT and NPM respectively. The result also indicates that all the variables are positively skewed. Skewness measures the extent to which distribution differs from a normal distribution. This result, indicates that the data set are normally distributed. Jarque-Bera Statistics was also used to testfor the normality of the observed variables. The test helps to reconfirm if the variables are normally distributed. To reject the null hypothesis that the data

set are not normally distributed, the Jarque - Bera Statistics must be significant at a critical value of 0.05 (Gujarati and Porter, 2009). Results from the table suggests that there is strong evidence that the panel variables and dataset are normally distributed as the probability of JB Statistic for each of the variable is < the critical value of 0.05. Hence, the null hypothesis (H_0) is rejected while the alternative (H_1) that the residuals of the distribution of the model are normally distributed is accepted.

TABLE 11: NESTLE NIGERIA PLC

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 14:53

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-11.45841	40.72630	-0.281351	0.7879
CR	28.73340	27.43959	1.047151	0.3354
DER	14.26776	15.52219	0.919185	0.3935
ITR	10.97498	4.553149	2.410415	0.0525
NPM	113.7504	152.3444	0.746666	0.4835
R-squared	0.641586	Mean dependent var		38.15265
Adjusted R-squared	0.402643	S.D. dependent var		17.60967
S.E. of regression	13.61031	Akaike info criterion		8.362487
Sum squared resid	1111.443	Schwarz criterion		8.543348
Log likelihood	-40.99368	Hannan-Quinn criter.		8.248479
F-statistic	2.685105	Durbin-Watson stat		1.533703
Prob(F-statistic)	0.134662			

Source: Eviews 7.2 Output, 2019

Table 11 presents the result of panel regression analysis of Nestle Nigeria Plc for the period of the study. The table shows that the Coefficient of determination R^2 is 0.641586. The Coefficient of determination measures the extent by which the variation in dependent variables explained by the independent variables of the study. This result suggests that 64 % of the variation in net assets per share (NAPS) of Nestle Nigeria Plc is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 36% is explained by other variables not included in the model of the study. Based on this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 1.533703. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

TABLE 12: UNILEVER NIGERIA PLC

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 13:59

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-7.744468	2.261503	-3.424479	0.0141
CR	6.880043	0.600934	11.44892	0.0000
DER	1.155056	0.908090	1.271961	0.2505
ITR	0.510143	0.158895	3.210563	0.0184
NPM	22.59128	19.63495	1.150565	0.2937
R-squared	0.970086	Mean dependent var		4.419555
Adjusted R-squared	0.950143	S.D. dependent var		4.665119
S.E. of regression	1.041658	Akaike info criterion		3.222460
Sum squared resid	6.510314	Schwarz criterion		3.403322
Log likelihood	-12.72353	Hannan-Quinn criter.		3.108453
F-statistic	48.64352	Durbin-Watson stat		1.724595
Prob(F-statistic)	0.000105			

Source: Eviews 7.2 Output, 2019

Table 12 presents the result of panel regression analysis of Unilever Nigeria Plc for the period of the study. The Coefficient of determination R^2 result from the table is 0.970086. The Coefficient of determination measures the extent by which the variation in dependent variable is explained by the independent variables of the study. This result indicates that 97% of the variation in net assets per share (NAPS) of Nestle Nigeria Plc is explained by the combined effect of the independent variables made up of current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 3% is determined by other variables outside the model of the study. In the light of this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 1.724595. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

TABLE 13: DANGOTE SUGER

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 14:00

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.196548	3.883420	2.110652	0.0793
CR	-1.827343	1.637731	-1.115777	0.3072
DER	11.22692	5.689599	1.973236	0.0959
ITR	-0.497742	0.378775	-1.314083	0.2368
NPM	14.45808	12.28321	1.177060	0.2837
R-squared	0.559345	Mean dependent var		4.641993
Adjusted R-squared	0.265575	S.D. dependent var		1.829995
S.E. of regression	1.568280	Akaike info criterion		4.040791
Sum squared resid	14.75701	Schwarz criterion		4.221652
Log likelihood	-17.22435	Hannan-Quinn criter.		3.926783
F-statistic	1.904024	Durbin-Watson stat		1.683202
Prob(F-statistic)	0.229146			

Source: Eviews 7.2 Output, 2019

Table 13 presents the result of panel regression analysis of Dangote Sugar Nigeria Plc for the period reviewed. The table indicates that coefficient of determination R^2 result is 0.559345. The Coefficient of determination measures the extent by which the variation in dependent variable is explained by the independent variables of the study. This result shows that 56% of the variation in net assets per share (NAPS) of Dangote Sugar is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 46% is explained by other variables not included in the model of the study. Based on this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 1.683202. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

TABLE 14: CADBURY NIGERIA PLC

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 14:03

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.733731	2.531229	3.055326	0.0224
CR	-1.519114	1.932176	-0.786219	0.4617
DER	0.549608	0.458585	1.198486	0.2759
ITR	-0.032150	0.187283	-0.171665	0.8693
NPM	11.60772	7.049804	1.646531	0.1508
R-squared	0.704954	Mean dependent var		5.701087
Adjusted R-squared	0.508257	S.D. dependent var		1.499866
S.E. of regression	1.051772	Akaike info criterion		3.241784
Sum squared resid	6.637342	Schwarz criterion		3.422646
Log likelihood	-12.82981	Hannan-Quinn criter.		3.127776
F-statistic	3.583960	Durbin-Watson stat		1.216546
Prob(F-statistic)	0.080003			

Source: Eviews 7.2 Output, 2019

Table 15 presents the result of panel regression analysis of Cadbury Nigeria Plc for the period of the study. The table discloses that the Coefficient of determination R^2 result is 0.704954. The Coefficient of determination measures the extent by which the variation in dependent variable is explained by the independent variables of the study. This result suggests that 70% of the variation in net assets per share (NAPS) of Cadbury Nigeria is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 30% is explained by other variables not included in the model of the study. Based on this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 1.216546. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

TABLE 16: DANGOTE FLOUR NIGERIA PLC

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 14:07

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4.575992	5.021339	-0.911309	0.3973
CR	11.21775	4.749017	2.362120	0.0561
DER	0.069651	0.076395	0.911718	0.3971
ITR	0.114740	0.277634	0.413278	0.6938
NPM	2.331271	4.032002	0.578192	0.5842
R-squared	0.928477	Mean dependent var		4.681050
Adjusted R-squared	0.880795	S.D. dependent var		2.362128
S.E. of regression	0.815550	Akaike info criterion		2.733046
Sum squared resid	3.990728	Schwarz criterion		2.913908
Log likelihood	-10.03176	Hannan-Quinn criter.		2.619039
F-statistic	19.47230	Durbin-Watson stat		1.784459
Prob(F-statistic)	0.001385			

Source: Eviews 7.2 Output, 2019

Table 4.2.6, presents the result of panel regression analysis of Dangote Flour Nigeria Plc for the period of the study. The Coefficient of determination R^2 result from the table is 0.928477. The Coefficient of determination measures the extent by which the variation in dependent variable is explained by the independent variables of the study. This result indicates that 93% of the variation in net assets per share (NAPS) of Dangote Flour is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 7% is caused by other variables not included in the model of the study. In view of this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 1.784459. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

TABLE 17: GUINNESS NIGERIA PLC

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 14:46

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.412856	17.82694	0.191444	0.8545
CR	9.434897	8.044319	1.172865	0.2853
DER	3.569446	4.193426	0.851200	0.4273
ITR	3.863651	1.996035	1.935663	0.1010
NPM	18.96464	39.04172	0.485753	0.6444
R-squared	0.611883	Mean dependent var		28.30832
Adjusted R-squared	0.353138	S.D. dependent var		5.041032
S.E. of regression	4.054387	Akaike info criterion		5.940431
Sum squared resid	98.62831	Schwarz criterion		6.121293
Log likelihood	-27.67237	Hannan-Quinn criter.		5.826423
F-statistic	2.364813	Durbin-Watson stat		1.309968
Prob(F-statistic)	0.165783			

Source: Eviews 7.2 Output, 2019

Table 17 presents the result of panel regression analysis of Guinness Nigeria Plc for the period of the study. The tables shows that the Coefficient of determination R^2 is 0.611883. The Coefficient of determination measures the extent by which the variation in dependent variable is explained by the independent variables of the study. This result suggests that 61% of the variation in net assets per share (NAPS) of Guinness Nigeria is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 39% is caused by other variables not included in the model of the study. Based on this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study.

Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 1.309968. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

TABLE 18: NIGERIA ENAMELWARE PLC

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 14:51

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-74.46862	44.19659	-1.684940	0.1430
CR	68.56117	32.45064	2.112783	0.0791
DER	8.528873	5.402576	1.578668	0.1655
ITR	-1.898564	0.964377	-1.968695	0.0965
NPM	48.84525	161.4597	0.302523	0.7725
R-squared	0.584486	Mean dependent var		14.52949
Adjusted R-squared	0.307476	S.D. dependent var		7.803781
S.E. of regression	6.494151	Akaike info criterion		6.882636
Sum squared resid	253.0440	Schwarz criterion		7.063498
Log likelihood	-32.85450	Hannan-Quinn criter.		6.768628
F-statistic	2.109985	Durbin-Watson stat		2.004747
Prob(F-statistic)	0.197531			

Source: Eviews 7.2 Output, 2019

Table 18, presents the result of panel regression analysis of Nigeria Enamelware Plc for the period of the study. The table shows that the Coefficient of determination R^2 is 0.611883. The Coefficient of determination measures the extent by which the variation in dependent variable is explained by the independent variables of the study. This result suggests that 61% of the variation in net assets per share (NAPS) of Nigeria Enamelware is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 61% is explained by other variables not included in the model of the study. In the light of this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 2.004747. Since this result is above 2, it means that there is no autocorrelation in the model of the study.

TABLE 19: NIGERIA BREWERIES PLC

Dependent Variable: Net Assets Per Share

Method: Least Squares

Date: 08/29/19 Time: 14:54

Sample: 1 11

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	39.99182	8.483554	4.714041	0.0033
CR	25.93122	12.86502	2.015638	0.0904
DER	6.075812	7.422539	0.818563	0.4443
ITR	0.205466	0.715993	0.286967	0.7838
NPM	45.57444	30.84539	1.477512	0.1900
R-squared	0.765612	Mean dependent var		14.83211
Adjusted R-squared	0.609353	S.D. dependent var		7.206591
S.E. of regression	4.504247	Akaike info criterion		6.150874
Sum squared resid	121.7295	Schwarz criterion		6.331735
Log likelihood	-28.82981	Hannan-Quinn criter.		6.036866
F-statistic	4.899636	Durbin-Watson stat		1.833192
Prob(F-statistic)	0.042453			

Source: Eviews 7.2 Output, 2019

Table 19 presents the result of panel regression analysis of Nigeria Breweries Plc for the period of the study. The Coefficient of determination R^2 result from the table is 0.765612. The Coefficient of determination measures the extent by which the variation in dependent variable is explained by the independent variables of the study. This result suggests that 77% of the variation in net assets per share (NAPS) of Nigeria Breweries is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 23% is caused by other variables not included in the model of the study. Based on this result, it can be said that the independent variables strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the DWS is 1.833192. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

Test of Hypotheses

Presented in table 20 is the panel regression analysis of the eight firms selected for the study. The four null hypotheses formulated for the study were detested based on the results presented in the table. In arriving at a decision for the

hypotheses, the following steps were taken :

- i. The hypotheses were restated in null and alternate forms
- ii. The decision criterion or criteria were stated

- iii. The presentation of the E-view results
 iv. The null hypothesis is rejected or accepted based on the decision criterion or criteria.

Table 20: Panel Regression Results

Dependent Variable: Net Assets Per Share

Method: Panel Least Squares

Date: 08/29/19 Time: 13:56

Sample: 2008 2018

Periods included: 11

Cross-sections included: 12

Total panel (unbalanced) observations: 88

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10.41838	3.880993	2.684463	0.0090
CR	0.625328	2.874219	2.217565	0.0284
DER	0.564566	0.490763	1.950382	0.0375
ITR	0.345129	0.420742	2.533311	0.1296
NPM	3.446513	12.64799	1.972495	0.0060

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.787434	Mean dependent var	14.40828
Adjusted R-squared	0.743150	S.D. dependent var	14.04572
S.E. of regression	7.118431	Akaike info criterion	6.926217
Sum squared resid	3648.389	Schwarz criterion	7.376642
Log likelihood	-288.7536	Hannan-Quinn criter.	7.107682
F-statistic	17.78123	Durbin-Watson stat	1.631316
Prob(F-statistic)	0.000000		

Source: Eviews 7.2 Output, 2019

Table 20 presents the result of panel regression analysis of all the eight selected firms for the period. The Coefficient of determination R^2 result of the eight firms is 0.787434. This implies that 79% of the variation in net assets per share (NAPS) of the firms is explained by the combined effect of the independent variables comprising current ratio (CR), debt equity ratio (DER), inventory turnover ratio (ITR) and net profit margin (NPM) while the remaining 21% is caused by other variables not included in the model of the study. In view of this result, it can be said that the independent variables of the firms strongly explain the variations in dependent variable during the period of the study. Durbin Watson Statistics (DWS) was also used to check if there is autocorrelation in the model of the study. From the table, result of the

DWS is 1.631316. Since this result is closer to 2 than 0, it means that there is no autocorrelation in the model of the study.

Test of Hypothesis One

Step One: Restatement of hypothesis in null and alternate form

H_0 : current ratio has no significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria .

H_1 : current ratio has significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

Step Two: Decision Rule/Criteria:

Reject H_0 if Prob-Value is less than 0.05, otherwise accept H_0 .

Table above presents the e-view result of panel regression analysis used to

test the hypothesis formulated for the study. From the results presented in the table, the beta coefficient of current ratio (CR) is positive at 0.625328 while the prob-value is 0.0090. Thus, current ratio is significant at 0.05 level of critical value ($0.0090 < 0.05$).

Decision: Based on these results, we reject the null hypothesis that current ratio has no significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

Test of Hypothesis Two

Step One: Restatement of hypothesis in null and alternate form

H_0 :Debt equity ratio has no significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

H_1 :Debt equity ratio has significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

Step Two: Decision Rule/Criteria:

Reject H_0 if Prob-Value is less than 0.05, otherwise accept H_0 .

Table above presents the e-view result of panel regression analysis used to

test the hypothesis formulated for the study. From the results presented in the table, the beta coefficient of debt equity ratio (DER) is positive at 0.564566 while the prob-value is 0.0284. Thus, debt equity ratio is significant at 0.05 level of significance ($0.0284 < 0.05$).

Decision: Based on this result, we reject the null hypothesis that Debt equity ratio has no significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

Test of Hypothesis Three

Step One: Restatement of hypothesis in null and alternate form

H_0 : Inventory turnover ratio has no significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

H_1 : Inventory turnover ratio has significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

Step Two: Decision Rule/Criteria:

Reject H_0 if Prob- Value is less than 0.05, otherwise accept H_0 .

Table above presents the e-view result of panel regression analysis used

to test the hypothesis formulated for the study. From the results presented in the table, the beta coefficient of inventory turnover ratio (ITR) is positive at 0.345129 while the prob - value is 0.1296. Thus , inventory turnover ratio is not significant at 0.05 level of critical; value ($0.1296 > 0.05$).

Decision: Based on this result, we accept the null hypothesis there is no significant relationship between inventory turnover ratio and net assets value per share of consumer goods manufacturing firms in Nigeria.

Test of Hypothesis Four

Step One: Restatement of hypothesis in null and alternate form

H_0 : Net profit margin has no significant effect on net assets value per share

of consumer goods manufacturing firms in Nigeria.

H₁: Net profit margin has significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

Step Two: Decision Rule /Criteria:

Reject H₀ if Prob-Value is less than 0.05, otherwise accept H₀.

Table above presents the e-view result of panel regression analysis used to test the hypothesis formulated for the study. From the results presented

in the table, the beta coefficient of net profit margin (NPM) is positive at 3.446513 while the prob-value is 0.0160. Thus, net profit margin is significant at 0.05 level of significance ($0.0160 < 0.05$). **Decision:** Based on this result, we reject the null hypothesis that net profit margin has no significant effect on net assets value per share of consumer goods manufacturing firms in Nigeria.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

In the light of the data analysis, findings and the deduced discussions from the findings, the study hereby summarizes its findings as follows:

- i. That current ratio has positive and significant effect on net assets value per share of the listed consumer goods manufacturing firms in Nigeria during the period reviewed. This implies that as CR increases, net asset value per share also increases and vice versa.
- ii. Debt equity ratio positive and significant effect on net assets value per share (NAVPS) of the listed consumer goods manufacturing firms in Nigeria during the period reviewed. This implies that

when DER increases, NAVPS will also increase and vice versa.

- iii. Inventory turnover ratio has positive but insignificant effect on net assets value per share of the listed consumer goods manufacturing firms in Nigeria during the period reviewed. The implication of this finding is that when ITR increases, NAVPS will equally increase and vice versa.
- iv. That Net profit margin (NPM) positive and significant effect on net assets value per share of the listed consumer goods manufacturing firms in Nigeria during the period reviewed. This implies that when NPM increases, NAVPS will also increase and vice versa.

CONCLUSION

The study examined the effect of financial ratios on firm value using Nigeria consumer goods manufacturing firms as evidence. A sample of eight (8) firms was selected from a total of twenty one consumer goods manufacturing firms listed on Nigeria Stock Exchange during the period 2008 to 2018. Panel Regression Analysis was used to analyze the data collected from the sampled firms. Based on the findings from the data analysis, this study hereby concludes that, the independent variables of the study

strongly explain the variations in the dependent variable of the study. The study also concludes that current ratio, debt equity ratio and net profit margin have positive and significant effect on net assets value per share of the listed consumer goods manufacturing firms in Nigeria during the period. This study further concludes that Inventory turnover ratios has positive but insignificant effect on net assets value per share of the firms during the period reviewed.

RECOMMENDATIONS

Based on the findings, discussions and conclusion, the study hereby recommend as follows:

- i. That consumer goods manufacturing firm managers in Nigeria should increase their firm value by increasing the current ratio of their firms. This can be done by investing in liquid assets like inventory and trade receivable and using these investments to maximize returns for the shareholders of the firms.
- ii. That consumer goods manufacturing firm managers in Nigeria should increase their firm value by using more of debt than equity to finance their business activities. Debt financing should be preferred until optimal capital structure is achieved. This is because effect of debt equity ratio on net assets value per share is positive and significant.

- iii. That consumer goods manufacturing firm managers in Nigeria should increase their firm value by ensuring that inventory are disposed and replenished as soon as it is feasible. Inventory of finished goods should be disposed by increasing marketing efforts while inventory of raw materials and work - in - progress should be disposed by promptly issuing materials into production and ensuring that goods are produced without unnecessary delay.
- iv. That consumer goods manufacturing firm managers in Nigeria should increase their firm value by increasing net profit margin of their firm. Net profit margin can be increased by increasing firm sales and other sources of revenue and by reducing production and administrative expense.

Contribution to Knowledge

This study contributed to knowledge in the following ways:

1. The study shows that holding of liquid assets improves net assets per share of manufacturing firms in Nigeria. This means that firms with enough liquid assets will take advantage of business opportunity to maximize value for its shareholders.
2. This study also contributed to knowledge by indicating that debt equity ratio increases net assets per share of the manufacturing firms. This must be connected with the notion that the higher the risk, is the higher the return.

3. The study further contributed to knowledge by disclosing that high inventories turnover increase net assets value per share. Fast moving inventory implies that the firm's products are preferred by customers in the market and this encourages more productions.
4. The study also contributed to knowledge by indicating that net profit margin and net assets value per share are directly related. Thus, anything that improves net profit margin of the manufacturing firms also improves the net assets per share and maximizes value for the shareholders.

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