

Innovations

Financial mix and financial performance of firms in Nigeria: a comparative study of the oil & gas and consumer goods firms listed in Nigeria

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Abstract

This study examined a comparative analysis of the impact of financial mix (FM) on financial performance (FP) of firms in Nigeria, targeting the listed oil & gas and consumer goods sectors (OGCGSs) firms in the Nigeria stock exchange (NSE); specifically; 10 companies listed in the OGCGSs firms; for the period of 2011-2020 (10years). Secondary data (panel data) which will be sourced from the annual reports and accounts of firms listed OGCGSs based on the variables under study. The secondary data obtained is presented in a tabular form, and analyzed through the application of descriptive statistics, panel unit root test, Pedroni residual cointegration test, correlation matrix and regression analytical technique using the E-VIEW (version 9.0) statistical tool. Results showed that LTDR has insignificant beneficial effect on ROA of listed OG firms while significant beneficial effects on ROA of listed CGs firms in Nigeria; TDR has a insignificant adverse effect on ROA of listed OGCGSs firms in Nigeria; DTER and STDR have beneficial and substantial effects on ROA of listed OG enterprises and adverse and significant effects on ROA of listed CGs firms in Nigeria, respectively. The study found that FM has a mixed effect on FP in Nigerian OGCGSs. STD should be applied to short-term business ideas in OGCGS enterprises in Nigeria to increase their significance in FM decisions, which affects ROA. These companies should use more equity.

Key Words: 1.Financial mix, 2.Long Term Debt Ratio, 3.Total Debt Ratio, 4.Short Term Debt Ratio, 5. Return on Assets

1. Introduction

Financial mix (FM) helps organisations assign debt and equity (DE) to their financing profile. Debts are borrowed money (from banks and the lending market), whereas equities are stock sales (securities). The firm can choose between the two or combine DE and hybrid instruments to minimise expenses and maximise returns (Asaolu, 2021).

The company's FM refers to the many forms of funds it employs as a source of long-term financing. Debt (borrowed capital) and equity (owned capital) are the two forms of funds available to businesses (Oke and Fadaka, 2021). The capital contributed by the corporation's owners, in exchange for the right to own shares in the company, is known as equity. The problem with borrowed funds is that the company must pay the agreed-upon interest rates on an annual basis until the loan is repaid (Oke, et al, 2021). Regardless of low sales, lower revenues, or any other circumstance that impacts the firm's ability and operations, a corporation

that borrows money must meet its financial obligations (Ganiyu, Adelopo, Rodionova & Samuel, 2019). A company's FM is its funding sources: internally, externally, or both (Sharon and Celani, 2019). The mix of a company's financial liabilities is known as FM (Uremadu and Onyekachi, 2019).

In Nigeria, deposit money banks (DMBs) prefer to grant loans to OG enterprises over entrepreneurs in general commerce and other sectors of the economy. Competition and technological innovation in the OG and CGs industry have made FM choice a crucial component of management and a pre-requisite for firm's existence (Omukaga, 2017). Every corporate entity, according to Abubakar, Maishanu, Abubakar, and Aliero (2018), should have an adequate mix of diverse kinds of capital, particularly DE. Debt capital is cheaper (in terms of inherent risk) than equity capital, according to Abubakar (2017), Abata & Migiro (2016), and Oladeji, Ikpefan & Olokoyo (2015). There are differing views on how much leverage a company should use. One viewpoint identifies a point at which the trade-off between bankruptcy costs and interest expense tax benefits can be realised (Ahmed, Awais, & Kashif, 2018).

The framework for determining the optimal FM of DE is one that describes how DE is utilized to finance corporate activities. Strike a balance between the firm's risk and returns in the intended FM to maximize firm value. FM aims to balance firm risks and profits. The firm's stock holders have a long-term commitment to its growth. The debtor is the firm's creditor and owes interest and principal at regular periods (Ajayi & Zahiruddin, 2016).

Statement of the Problem

Debt determines OGCGSs companies' fixed costs. Interest is a fixed cost of debt/borrowed cash. Also, OG enterprises who borrow so much from their creditors pay significant debt costs, cutting profits/net income. Financial leverage/debt effect Company's FP and income levels of OGCGSs in Nigeria. Despite receiving significant sums from DMBs, OG firms are the most indebted to banks. As of February 2018, Nigeria's OG industry owed DMBs N3.58 trillion. A layman would wonder why DMBs favour lending to OG firms over genuine economic sectors.

Thirdly, to the best of our knowledge, there is only one study that that has been conducted on the impact comparison of FM on FP of firm (that is the study of Asaolu, 2021), while the other studies are either focus one sector or the other. Also, empirical findings on the nexus between FM and firms' FP in OGCGSs in Nigeria are mixed. In other words, there is no agreement by scholars on the effect of FM on FP of OGCGSs companies in Nigeria. Asaolu's (2021) study, for example, reveals that while debt structure enhanced business performance. According to Okonkwo, Adigwe, Ezu, and Oko (2020) and Oyakhire (2019), the FM and FP have a considerable relationship. Bashiru and Bukar (2016) discovered that the FM of listed petroleum marketing companies in Nigeria, as measured by STD, LTD, and TD, has a negative and substantial association with FP (ROA and EPS). In keeping with the goal, this research looks at a comparative comparison of the effect of FM on FP in Nigerian enterprises, focusing on the OGCGSs firms.

2. Review of Related Literature

Financial mix

Firm FM is funded by DE. FM is a mix of long-term sources of money such debentures, long-term debt, preference share capital, and equity share capital, including reserves and surpluses (i.e. retained earnings). FM refers to a firm's mix of securities, known as the DE ratio, and FM decisions are one of the most essential a company can make since they affect its success or failure.

FM affects a firm's FP of decision-making units, with debt dominating. Debt increases FP while equity improves solvency at a cost (Liaqat, Saddique, Bagh, Khan, Naseer & Khan, 2017). Without smart financial judgments, a company won't meet its profit targets and satisfy its stakeholders. Financial managers must determine the mix of stock and loan capital for efficient debt financing (David & Olorunfemi, 2010)

Asaolu (2021) categorises a company's FM as equity capital, preference capital, and debt capital. Preference capital is a hybrid that mixes debentures and equity shares except for the benefits, whereas debt capital is long-term debt utilised by a firm to support its investment selections while coming up with its principal and paying back interest.

Financial Performance (FP)

FP is the monetary measurement of a company's policies and operations, per Erikie and Osagie (2017). ROI, ROAs, value created, and other measures reflect this. FP measures a company's ability to generate revenue from its main business. FP is used to determine the success, circumstances, and compliance of a company. The success of a firm is determined by how well it generates income from its core mode of operation, with each stakeholder group having its own area of interest (Dev and Rao, 2016). ROA was employed to assess financial success, as it was in the previous expectations of Nwude and Anyalechi (2018), and others.

Theoretical Review

Pecking Order Theory (POT)

Donaldson's POT of FM is an influential business leverage theory. Combining loan and equity financing reduces their capital costs. When a company seeks to fund long-term investments, it uses a well-defined order of financing. It says a corporation should prioritise internal capital, then debt, then external equity. As corporations become more affluent, he says, they'll borrow less because they'll have enough internal funds to invest (Uremadu et al, 2019). When internal funds are insufficient, a company should seek outside finance, preferably through bank loans or corporate bonds. Internal funds are used first, followed by debt, and when it's no longer practicable to issue further debt, equity is offered. Equity is only used as a last resort, with the aim of least effort or resistance (Uremadu, et al, 2019).

Myers and Majluf's (1984) adaptation of POT captures asymmetric information on mispricing new securities, according to Olarewaju (2019), who says there is no well-defined target debt ratio. Investors believe managers comprehend price-sensitive information well. To reduce information asymmetry, firms rely on retained earnings, debt, and external equity financing as a last resort (Olawejaju, 2019). Because it includes all of the key components of corporate financial mix, this study is based on POT.

This research is based on the POT hypothesis, which states that organizations should aim to make the best financial mix option possible in bids to increase their performance.

Empirical Review

Asaolu (2021) looked into the effects of FM on the FP of the US Oil & Gas and Manufacturing sectors, as well as the differences in their dynamics. From 2010 through 2019, the study used secondary data from the New York Stock Exchange (NYSE)/NASDAQ. On the data collected, the investigation employed the panel least square estimate approach and sectoral analysis to evaluate the hypotheses. The data show that, while debt structure improved business performance, a considerable increase in such leverage has a negative impact on all of the organizations tested.

Okonkwo, Adigwe, Ezu, and Oko (2020) wanted to examine how the FM of OG companies listed on the NSE affected their FP. The main purpose is to figure out how TDTA affects ROA and TDTE affects ROE for OG companies listed on the NSE. Secondary data was methodically obtained from the financial statements and annual reports of OG companies listed on the NSE. The data is accessible from 2005 to 2018. E-views 10.0 software was used to examine the data. The resulted indicated that TDTA has no effect on the ROA of OG companies listed on the NSE, but TDTE has a considerable effect on the ROE of OG companies listed on the NSE.

Oyakhire (2019) looked at the impact of FM on OG companies FP in Nigeria from 2014 to 2018. For this analysis, the annual financial statements of all listed OG companies on the NSE were used. The association between FM and FP was investigated using multiple regression analysis. With DR as a capital variable, ROE and ROA are calculated. According to the findings, FM and FP have a considerable relationship.

3. Research Method and Materials

Ex post facto research was used. The design required collecting secondary data from 10 OGCGS companies' annual reports and accounts of NSE-listed OGCGS firms from 2011 to 2020 (10years) to examine with appropriate tools.

The statistical technique of data analysis was adopted, descriptive statistics, followed by the panel unit test and Pedroni Residual Cointegration Test. The correlation matrix was used to test multicollinearity in the data set while OLS method to establish the kind of connection that exist between the explanatory variables and the explained variable used. The model which specifies that FP (proxied with ROA) is significantly influenced variables of FM {LTDR, TDR, DTER and STDR} is formulated as follows,

ROA = f (LTDR, TDR, DTER, STDR)
ROA = $\beta_0 + \beta_1LTDR + \beta_2TDR + \beta_3DTER + \beta_4STDR + E$

Where; ROA= Return on Assets, LTDR = Long Term Debt Ratio, TDR = Total Debt Ratio, DTER = Debt to Equity Ratio, STDR = Short Term Debt Ratio, E = Error Term, β_0 = Intercept $\beta_1-\beta_5$ = Coefficient of the Independent Variables and The a priori expectation is $\beta_1, \beta_2, \beta_3, \beta_4$, is lesser or greater than 0.

Table 3.1: Measurement of Variables

Variables	Formula	Expected Signs
ROA	Net Profit/Total Asset	+/-
LTDR	Long Term Debt/Total Asset	+/-
TDR	Total Debt/Total Asset	+/-
DTER	Total Debt/Total Equity	+/-
STDR	Short Term Debt/Total Asset	+/-

Source: Computation Basis for the Variables, (2021).

4. Result and Discussions

**Table 4.2.1: Descriptive Statistics
OG Firms**

	ROA	LDTR	TDR	DTER	STDR
Mean	6.356028	0.235799	0.680851	2.356007	0.511944
Maximum	13.35961	1.801022	1.375801	15.90025	1.072479
Minimum	10.30597	0.000671	0.056357	-13.04063	0.069330
Std. Dev.	37.83394	0.297789	0.212858	2.959737	0.243454
Observations	97	98	98	98	98

CGs Firms

	ROA	LDTR	TDR	DTER	STDR
Mean	0.074136	0.183401	0.547700	1.668332	0.402378
Maximum	0.297832	1.882400	4.384140	47.92299	2.501740
Minimum	-0.340632	0.006876	-0.504471	-2.982845	-0.013399
Std. Dev.	0.095528	0.212679	0.501113	4.846010	0.384559
Observations	100	100	100	100	100

Source: E-VIEW Version 9.0 Output, (2021).

ROA had a mean of 6.3560 for the ten (10) OG firms within the period 2011 to 2020, with a maximum value (MAV) and minimum (MIV) of 13.3596 and 10.3060 respectively while the standard deviation (SD) is 37.8339. This shows that ROA volatility is about 3783.39%. While the ROA for the ten (10) CGs firms had a mean of 0.0741, with a MAV and MIV of 0.2978 and -0.3406 respectively while the SD is 0.0955. This shows that ROA volatility is about 9.55%. This implies that the ten (10) OG firms within the period 2011 to 2020 recorded the highest volatility of 3783.39%. LTDR measures LTD divided by TA. The ten (10) OG firms LTDR have a MIV of 0.0007, MAV of 1.810, an average value of 0.2338 and SD value of 0.2978. This shows that LTDR volatility is about 29.78%. While the ten (10) CGs firms LTDR have a MIV of 0.069, MAV of 1.8824, an average value of 0.1834 and SD value of 0.2127. This shows that LTDR volatility is about 21.27%. This implies that the ten (10) OG firms recorded the highest volatility of 29.78%, by implication, it means that LTDR in OG sector has been on tremendously increase when compare to CGs sector firms. Also, TDR of OG firms recorded a MIV of 0.0564, MAV of 1.3758, an average value of 0.6809 and SD value of 0.2129. This shows that TDR volatility is about 21.29%, when compare to the CGs with a MIV of -0.5045, MAV of 4.3841, an average value of 0.5477 and SD value of 0.5011. This shows that TDR volatility is about 50.11% by implication, it means that TDR in CGs sector has been on tremendously increase when compare to OG sector firms. More also, DTER of OG firms recorded a MIV of -13.0406, MAV of 15.900, an average value of 2.9597 and SD value of 47.9230. This shows that DTER volatility is about 4792.30%, when compare to the CGs sector with a MIV of -2.9828, MAV of 47.9230, an average value of 1.6683 and SD value of 4.8460. This shows that DTER volatility is about 484.60%. By implication, it means that DTER in CGs sector has been on tremendously increased when compare to OG sector firms. Furthermore, STDR of OG firms recorded a MIV of 0.0693, MAV of 1.0724, an average value of 0.5119 and SD value of 0.2435. This shows that STDR volatility is about 24.35%, when compare to the CGs sector with a MIV of -0.0134, MAV of 2.5017, an average value of 0.4024 and SD value of 0.3846. This shows that STDR volatility is about 38.46%. By implication, it means that STDR in CGs sector has been on tremendously increased when compare to OG sector firms.

4.2.2 Panel Unit Root TEST (PURT)

Table 4.2.2a: PURT Result

OG Firms					
Variables	Method	Statistics	Probability	@Ist Diff.	Check for Stationary
ROA	Levin, Lin & Chu Test (LLCT)	-13.2194	0.0000	1(1)	Stationary
	Im Pesaran and Shin W-Test (IPSW)	-5.73364	0.0000	1(1)	Stationary
	Augmented Dicker-Fuller's Test (ADF)	73.9746	0.0000	1(1)	Stationary
	PP Fisher Test (PPFT)	91.5354	0.0000	1(1)	Stationary
LDTR	LLCT	-8.16974	0.0000	1(1)	Stationary
	IPSW	-4.65259	0.0000	1(1)	Stationary
	ADF	63.2308	0.0000	1(1)	Stationary
	PPFT	87.2838	0.0000	1(1)	Stationary
TDR	LLCT	-12.0562	0.0000	1(1)	Stationary
	IPSW	-6.54780	0.0000	1(1)	Stationary
	ADF	83.5567	0.0000	1(1)	Stationary
	PPFT	112.491	0.0000	1(1)	Stationary
DTER	LLCT	-12.4482	0.0000	1(1)	Stationary
	IPSW	-8.05029	0.0000	1(1)	Stationary
	ADF	95.3220	0.0000	1(1)	Stationary
	PPFT	114.552	0.0000	1(1)	Stationary
STDR	LLCT	-10.5586	0.0000	1(1)	Stationary
	IPSW	-6.27968	0.0000	1(1)	Stationary
	ADF	80.5769	0.0000	1(1)	Stationary
	PPFT	122.730	0.0000	1(1)	Stationary
CGs Firms					
ROA	LLCT	-6.24749	0.0000	1(1)	Stationary
	IPSW	-2.81823	0.0024	1(1)	Stationary
	ADF	45.0933	0.0011	1(1)	Stationary
	PPFT	94.0442	0.0000	1(1)	Stationary
LDTR	LLCT	-5.85313	0.0000	1(1)	Stationary
	IPSW	-1.78392	0.0372	1(1)	Stationary
	ADF	36.9519	0.0119	1(1)	Stationary
	PPFT	77.6351	0.0000	1(1)	Stationary
TDR	LLCT	-11.4614	0.0000	1(1)	Stationary
	IPSW	-3.23164	0.0006	1(1)	Stationary
	ADF	50.7451	0.0002	1(1)	Stationary
	PPFT	73.1452	0.0000	1(1)	Stationary
DTER	LLCT	-4.37271	0.0000	1(1)	Stationary
	IPSW	-1.99186	0.0232	1(1)	Stationary
	ADF	40.1714	0.0048	1(1)	Stationary
	PPFT	97.5381	0.0000	1(1)	Stationary
STDR	LLCT	-0.99149	0.0107	1(1)	Stationary
	IPSW	-0.60064	0.0240	1(1)	Stationary
	ADF	28.5740	0.0065	1(1)	Stationary
	PPFT	62.3716	0.0000	1(1)	Stationary

Source: E-Views 9.0 Output (2021).

It was observed from Table 4.2.2a above, all probability values of LLCT, IPSW, ADF and PPFT for the variables of ten companies each in the OGs and CGs sectors are less than (0.05)5% level of significance which showed that the data set are normally distributed and suitable OLS.

4.2.2.1 Pedroni Panel Cointegration Test Results (PPCT)

Table 4.2.2.b: PPCT Results

OG Firms					
Panel Statistics			Group Statistics		
Panel	Statistics	Probability	Group	Statistics	Probability
v-Statistic	-0.433495	0.0293	rho-Statistic	3.502333	0.9998
rho-Statistic	1.958174	0.9743	PP-Statistic	-5.814478	0.0000
PP-Statistic	-17.96553	0.0000	ADF-Statistic	-3.205148	0.0007
ADF-Statistic	-8.315307	0.0012			
CGs Firms					
v-Statistic	-1.176033	0.0074	rho-Statistic	4.379847	1.0000
rho-Statistic	2.521666	0.9987	PP-Statistic	-3.290764	0.0005
PP-Statistic	-2.467531	0.0364	ADF-Statistic	-0.151970	0.0396
ADF-Statistic	-1.420275	0.0422			

Source: E-VIEW, 9.0 Outputs, (2021).

PPCT findings for the panel and group Statistics with signifies statistical significance at the 5% (0.05), it could be observed from Table 2.2.2b the coefficients of panel statistics for v, panel PP, panel ADF and group PP statistics and ADF were significant at the 5% level. Panel cointegration tests indicate a long-run link between the variables.

Table 4.3.1: Correlation output

Correlation Statistics for OG Firms

	ROA	LDTR	TDR	DTER	STDR
ROA	1.000000				
LDTR	-0.127675	1.000000			
TDR	0.091437	-0.035311	1.000000		
DTER	0.058245	-0.151705	0.231319	1.000000	
STDR	0.286145	-0.398436	0.639339	0.189205	1.000000

Correlation Statistics for CGs Firms

	ROA	LDTR	TDR	DTER	STDR
ROA	1.000000				
LDTR	-0.242963	1.000000			
TDR	-0.463052	0.720154	1.000000		
DTER	-0.478682	0.814242	0.803847	1.000000	
STDR	-0.500074	0.357442	0.698406	0.547790	1.000000

Source: E-VIEW Version 9.0 Output, (2021).

The LTDR is strongly negatively correlated with FP proxied by ROA for both sector with the coefficients of -0.1277 and -0.2430 recorded for the OGCGs sector respectively is greater than 0.05. By implication an increase in for the both sectors would lead to decrease in the FP proxied by ROA of the OGCGs sector. TDR has strong positive correlation of FP proxy by ROA. With correlation coefficient (r) of 0.0914, which indicates a strong positive correlation between TDR and ROA for the OG firms when compare to the CGs sectors which recorded a strong negative correlation of -0.4631 between TDR and FP proxy by ROA, this implies that an increase in TDR would have adverse effect on the FP of the listed CGs firms in Nigeria. DTER has strong positive correlation of FP proxy by ROA. With correlation coefficient (r) of 0.0582, which indicates a strong

positive correlation between DTER and ROA for the OG firms when compare to the CGs sectors which recorded a strong negative correlation of -0.4787 between DTER and ROA, this implies that an increase in DTER would have adverse effect on the FP of the listed CGs firms in Nigeria. STDR has strong positive correlation of FP proxy by ROA. With correlation coefficient (r) of 0.2861, which indicates a strong positive correlation between STDR and ROA for the OG firms when compare to the CGs sectors which recorded a strong negative correlation of -0.5001 between STDR and FP proxy by ROA, this implies that an increase in STDR would have adverse effect on the FP of the listed CGs firms in Nigeria. Finally, the matrix shows the absence of multi-co linearity among the variables for the OGCGs firms, since the correlation values are less than 0.7.

Table 4.4.1: Regression Result

OLS for OGFs				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-19.36941	13.16397	-1.471396	0.1446
LDTR	3.897540	14.53646	0.268122	0.7892
TDR	-30.30605	24.42025	-1.241021	0.2178
DTER	0.334731	1.311818	0.255166	0.7992
STDR	62.62886	22.96872	2.726702	0.0077
R-squared	0.097223			
Durbin-Watson stat	1.966610			
Prob(F-statistic)	0.049531			
OLS for CGFs				
C	0.097229	0.015737	6.178543	0.0000
LDTR	0.176131	0.068929	2.555238	0.0122
TDR	-0.021452	0.032831	-0.653393	0.5151
DTER	-0.011261	0.003375	-3.336385	0.0012
STDR	-0.061781	0.030373	-2.034084	0.0447
R-squared	0.354664			
Durbin-Watson stat	0.933337			
Prob(F-statistic)	0.000000			

Source: E-VIEW Version 9.0 Output, 2022.

The p-value of LTDR are 0.7892 and 0.0122 for the OGCGs firms respectively, which is more than the set value of 0.05 for the OG firms which the CGs firms is lesser than 0.005. The coefficient of LTDR are 3.8975 and 0.0122 for the OG and CGs firms respectively, which implies that LTDR has a positive trend with ROA of the OG and CGs firms respectively in Nigeria. A 1% change in LTDR would lead to 389.75% and 1.22% gains in ROA of for the OG and CGs firms respectively. In line with the findings of Oke and Fadaka (2021), Kithandi and Katua (2020), Adegboyega, Jayeola, Kajola & Asaolu (2019) but contradicts the findings of Abubakar (2020), Zachary, James and James (2019) and Olarewaju, (2019).

The p-value of TDR are 0.2178 and 0.5151 for the OG and CGs firms respectively, which is more than the set value of 0.05 for the oil & gas and consumer goods firms. The coefficient of TDR are -30.3061 and -0.0215 for the OG and CGs firms respectively, which implies that TDR has a negative trend with ROA of the OG and CGs firms in Nigeria. 1% change in TDR would lead to 3030.61% and 2.15% declines in ROA of for the OG and CGs firms respectively. Supported by the results of Oke and Fadaka (2021), Alamgir, Abdullah & Khalid, (2019), but contrary with the results of Abubakar (2020), Okonkwo, Adigwe, Ezu and Oko (2020), Aziz & Abbas, (2019) and Adegboyega, Jayeola, Kajola & Asaolu,(2019).

The p-value of DTER are 0.7992 and 0.0012 for the OG and CGs firms respectively, which is more than the set value of 0.05 for the OG firms which the CGs firms is lesser than 0.005. The coefficient of DTER are 0.3347 and -0.0113 for the OG and CGs firms respectively, which implies that DTER has a positive trend with ROA of the OG and a negative trend for CGs firms in Nigeria. 1% change in DTER would boost OG ROA by 33.47% and reduce it by 1.13% in ROA in CGs firms' respectively. Supported by the results of Okonkwo, Adigwe, Ezu and Oko (2020).

The p-value of STDR are 0.0077 and 0.00447 for the OG and CGs firms respectively, which is less than the set value of 0.05 for the OG and CGs s firms. The coefficient of STDR are 62.6289 and -0.0618 for the OG and CGs firms respectively, which implies that STDR has a positive trend with ROA of the OG and a negative trend for CGs firms in Nigeria. 1% change in STDR would boost OG ROA by 6262.89% and lower it by 6.18% in ROA in CGs firms' respectively. Supported by the results of Abubakar (2020) & Olarewaju, (2019)) but contrary with the results of Adegboyega, Jayeola, Kajola & Asaolu (2019).

Conclusion and Recommendations

This study examined a comparative analysis of the impact of FM on FP of firms in Nigeria, specifically targeting the listed OGCGs sectors firms in the NSE. LTDR has insignificant positive effect on ROA of listed OG firms while significant positive effects on ROA of listed CGs firms in Nigeria; TDR has an insignificant negative effect on ROA of listed OG and CGs firms in Nigeria; DTER has insignificant positive effect on ROA of listed OG firms while significant positive effects on ROA of listed CGs firms in Nigeria; STDR has significant positive effect on ROA of listed OG firms while significant. The study found that FM has a mixed influence on FP of Nigerian OGCGs. The report suggests that

- STD should be applied to short-term business proposals in Nigerian OGCGs to increase their significance in FM decisions, which affects their ROA. This company should use more stock financing.
- LDTR should be applied to long-term business planning of OGCG enterprises in Nigeria to optimise earnings and debt utility.
- TDR and LTDR to TA have a negative influence on businesses' performance, therefore a careful combination of debt to total asset and debt to common equity can achieve optimal FP of CGs enterprises. Firms should always strive for the ideal blend to meet their goals.
- In order to improve their FP, enterprises whose OGCGs are quoted on the NSE should raise the proportion of equity in the DE mix of their funds management.

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