

Innovations

Accounting Information and Market Value of Listed Agricultural Firms in Nigeria

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Abstract

The study's primary goal research is to analyze the impact of accounting information on the stock prices of publicly traded agricultural firms in Nigeria. The precise goals are to determine whether the Asset Turnover Ratio (ATR), Debt-Equity Ratio (DER), Dividend per share (DPS) and Earnings per Share (EPS), of the investigated companies have an impact on their Market Value from 2018-2022. This investigation made use of an ex-post facto research strategy. The firm's annual audited financial statements provided the secondary data used for this analysis. Using E-views 9.0 statistical software, the researchers conducted three different types of analyses (Pooled Regression, Random Effect Model, and Fixed Effect Model). The Fixed Effect Model best fits the data, according to the Hausman test results. The market value was found to be inversely connected to both the ATR and DER for the study period, while the EPS and DPS were found to have a positive relationship with the MV of listed agricultural firms in Nigeria over the study period. Therefore, the study suggested that agricultural business leaders prioritize tactics that increase profitability to maximize the positive effect of EPS and DPS on market value. Investors in publicly traded agricultural companies want to know how the company is doing financially, so the companies should regularly publish their results.

Keywords: Accounting information, Asset Turnover Ratio, Dividend per Share, Earnings per share, Debt-Equity Ratio, and Market Value.

Introduction

Over 30 percent of Nigeria's GDP comes from the agricultural sector, where about 70 percent of the working population is employed, agriculture is the single most important economic activity, propelling every other sector forward (Osabohien, Matthew, Gershon, Ogunbiyi, & Nwosu, 2019). Ginger, cocoa, cashews, sesame, groundnuts, turmeric, cassava, yam, hibiscus flowers, chili peppers, and other expensive vegetables are only some of the agricultural products that Nigeria exports in large quantities today. Over the past decade, the agricultural sector in Nigeria has received substantial investment from public, private, and foreign sources (Osabohien, Matthew, Gershon, Ogunbiyi, & Nwosu, 2019). Several businesses have responded to this opening by investing in the upstream, intermediate, and downstream stages of the industry's value chain. Keeping enterprises competitive, profitable, and sustainable requires making important financial decisions, the most important of which is the dividend decision, because agriculture is associated with high risk and high return (Osabohien, Matthew, Gershon, Ogunbiyi, & Nwosu, 2019; Omodero C.O & Ehikioya, 2022; Adetiloye, Nkwodimmah, Babajide, & Osuma, 2023). Company's capacity to achieve its aim, implement its strategy, and increase its market value may all be affected by the dividend policy it adopts, and this is where accounting information can be useful (Osabohien, Matthew, Gershon, Ogunbiyi, & Nwosu, 2019).

Accounting disclosures may reduce stock price volatility due to the role that accounting information disclosure plays in reducing uncertainty (Lang & Lundholm, 1993; Bushee & Noe, 2000). As additional information becomes available, stock market participants will be able to make relevant trading decisions. However, the markets would have access to more information that may be misunderstood by analysts if certain disclosure standards were put in place. More transparency in the market could lead to greater swings in price (Harrington, 2003; Shleifer & Vishny 1997).

Nigerian Securities and Exchange Commission requires all publicly traded firms to disclose their financial data for a specified accounting period. Management, as the agent of the company's shareholders, must provide regular updates on business operations through annual reports. Making financial information more easily accessible has helped to increase transparency which aids both investors and firms in making informed decisions such as that of the liquidity positions of equities markets over time (Amihud & Mendelson, 1986).

According to Black (2001), "efficient stock markets occur when stock prices accurately reflect all publicly available information, include private information, and convey the resulting data set to managers and investors." Accounting information is vital to modern society since it allows for more informed business decisions to be made. Disparities in information between buyers and sellers are common in financial markets, according to the notion of asymmetric information (Paul M. & Palepu G., 2001). The Nigeria Financial market is still at its developing stage and hence it is characterized by so many imperfections associated with the most developing market across the globe. The availability of relevant accounting information may be a good predictor of market value, particularly insider information possessed by management about the company's revenue streams and investment opportunities.

Agricultural firms were selected for this study as it serves as one of the most important sectors that drive other sectors, and the failure of this sector may lead to the complete shutdown of any given economy. Within the last ten years, this sector has witnessed a lot of investment from the government, private and foreign investors, all with high expectations of return. To attract investors and allow them to make educated investment decisions, these companies must disclose information about their financial situation.

Users of financial information are losing faith in the information, they rely on it to make economic, financial, and investment decisions. The Nigerian government has been working with the Central Bank of Nigeria and the Security and Exchange Commission to create a safer market, especially for international investors. However, users of financial information lack adequate knowledge (both technical and fundamental) concerning the Nigeria Stock Exchange which has significantly affected the activities of the relevant market authorities (Obayori & George-Anokwuru, 2020).

The agricultural sector has received comparatively less attention than the banking and manufacturing sectors in most of the research. Though both the Debt/Equity Ratio and Asset Turnover Ratio are crucial for making investment decisions and can influence the Market Value of the firm, only a few studies have used these ratios. In light of the problem, this research was therefore conducted to examine how different types of financial data measured by Debt/Equity Ratio, Asset Turnover Ratio, Earnings per Share, and Dividend per Share influence the market value of listed agricultural firms in Nigeria Exchange. This study, therefore, examined how financial data affects the market value of agricultural companies listed on the Nigerian stock exchange over Five years (2018-2022).

The findings of this research will help investors and business leaders understand the most important aspects that determine a company's market value. The study's findings will help investors make educated choices about their portfolios. The findings of the study will be used by management to make the necessary adjustments to increase market value and entice new investors. The study's findings will also aid policymakers by allowing them to formulate well-informed policies that account for the diverse aspects that determine market value and by providing a means of evaluating how those policies alter the overall economic landscape. Furthermore, this study will add to the existing literature on accounting information disclosure in both developing and advanced nations.

Objectives of the Study

The main objective of this study is to examine the extent to which accounting information influences the market value of listed agricultural firms in Nigeria. The specific objectives of this research which enabled us to achieve the main objective include:

1. To ascertain the effect of Asset Turnover Ratio (ATOR) on the market value of listed agricultural firms in Nigeria.
2. To ascertain the effect of Dividend per Share (DPS) on the market value of listed agricultural firms in Nigeria.
3. To ascertain the effect of the Debt-to-Equity Ratio (D/ER) on the market value of listed agricultural firms in Nigeria.
4. To ascertain the effect of Earnings per Share (EPS) on the market value of listed agricultural firms in Nigeria.

Research Hypotheses

Our hypotheses developed for the study are as follows:

Ho₁: Asset Turnover Ratio (ATR) does not influence the Market Value (MV) of listed agricultural companies on NEX.

Ho₂: Dividend/Share (DPS) does not influence the Market Value (MV) of listed agricultural companies on NEX.

Ho₃: Debt/Equity Ratio (D/ER) does not affect the Market Value (MV) of listed agricultural companies on NEX.

Ho₄: No significant effect exists between the Earnings/Share (EPS) and Market Value (MV) of listed agricultural companies on NEX.

Literature Review

Accounting Information

The term "accounting information" refers to the results of an organization's accounting system, which is designed to track and report on a variety of financial variables related to the business's health and performance. There are several purposes financial statements can serve. Fundamentally, they serve to offer management monetary support for decision-making, performance measurement or evaluation, and the presentation of a company's value. To be of any use, the publicly available financial data must be accurate and relevant. Financial data is more useful if it is comparable, verifiable, up-to-date, and easy to interpret.

The American Institute of Certified Public Accountants (AICPA, 2019) states that users of financial statements shouldn't be influenced to act in a certain way based on misleading information seen in financial statements. Access to a company's financials helps to improve the reporting entities and its affiliates' overall information system. As a result of the processing of financial transactions, it can generate reports for distribution to stakeholders, investors, creditors, regulatory bodies, and the like. For financial reporting to be useful, accounting data needs to be accurate and up to date to help stakeholders, especially investors, make more informed decisions regarding a company (Hendricks, 1976).

Asset Turnover Ratio

The efficiency ratio known as the turnover of assets determines how successfully a company can transform its resources into revenue, it can be calculated by total sales on total assets (Malik & Ali 2013). According to Malik and Ali (2013), a greater asset turnover ratio implies that a corporation is making effective use of the resources it possesses and generating money. They found that a high ratio of asset turnover led to increased profitability and a positive and meaningful association with share prices.

Dividend per Share

Dividend yield can be determined by dividing the total dividends paid by a corporation for a certain time (including any interim payments) by the total number of ordinary shares. When calculating dividends and dividend yields, the most recent dividend paid by a company is often used. As stated by Pandey (2015), investors place a high value on the dividend/share of a company as they represent the return on investment for stock ownership. However, if the dividend is increasing, it could mean that the company's leadership is optimistic about its future financial performance.

Earnings per Share (EPS)

EPS can be used as a performance metric, as it is derived from the net income number after discounting the impact of financing charges and the results of the company's activities, EPS is one of the standard measures used to calculate a company's growth and sustainability each year, growth in EPS may be supportive of a company's stock price if it suggests that investors see future growth opportunities for the business (Omodero C.O, 2022). On the other hand, if EPS is low, the stock price may drop, which might reduce business sentiment and sales (Omodero C.O, 2022).

Stock Price

A stock's price is defined as its current market value on an exchange or the price at which the stock can be purchased. Since information on the individual values of assets is readily available, it is relatively simple to compute asset market prices, all of which play a role in determining a firm's stock price, including market volatility, economic conditions, and the company's profile (Obinne, Wilfred, N.J, Okon, & Chilasa, 2021). The market determines the stock price, or the worth of security, based on the dynamics of demand and supply (Obinne, Wilfred, N.J, Okon, & Chilasa, 2021). An investor's opinion of an asset is based on how the Stock price compares to its perceived value, when an asset's current market price is lower than its true worth, we say that it is undervalued, assets are terms to be overrated, overpriced, or favorable when the current market value exceeds the true worth of that asset. In the latter case, the investor is essentially paying more to get his hands on an item than he would have otherwise. An investor will buy an expensive asset if he believes it will see a rise in value, with the knowledge that he will realize a profit regardless of whether the expected price increase materializes (Obinne, Wilfred, N.J, Okon, & Chilasa, 2021).

Debt/Equity Ratio

The debt-to-equity ratio measures how much debt and how much equity are used to finance a company's assets (also known as risk or leverage). Companies with rapid growth and dividend payments typically use more debt and leverage than their peers (Omodero C.O, 2022). The correlation between dividend payout rates

and leverage is inconsistent. Payment rates tend to increase with leverage in some sectors, while in others it tends to decrease. The dividend payout turns out to have a substantial impact on the market value of a firm and payouts are typically lower for riskier enterprises.

Theoretical Review

Both theories in accounting and the theory of equity share investment were analyzed in this study. In terms of financial accounting, many different methods have been offered. Financial accounting theories consider the activities of individuals, their needs for financial accounting information, and the motives of firm employees when deciding which stakeholder groups to share data with. The market-Efficient hypothesis (EMH), the theory of information, and accounting theories were analyzed in this study.

Information Perspective

Accounting information's usefulness to outside parties is evaluated from an informational standpoint, which doesn't place as much focus on how specific pieces of data relate to the worth of a company (Bernard, 1996). Most information viewpoint studies use the assumption that the content or value of information may be defined by the market's response to individual components from accounting data (Brown & Ball, 1968; Benston, 1967).

One of the bases of the informational method is the notion that each investor is solely responsible for appraising a company's future and making investment decisions based on that appraisal. This is because it is assumed that efficient securities markets will interpret data appropriately regardless of its source (Beaver & Demski, 1974). The information perspective focuses on the modern connections between the book value of an organization's financial statements and its stock price or other market returns. It looks at how financial markets react to public disclosures like earnings reports, company-specific news, and macroeconomic statistics.

Market Efficient Hypothesis

The market efficient theory put out by Fama (1965), stock prices always and perfectly represent all material information regarding individual stocks and the market. This is because, as new information is made accessible, it is quickly disseminated and reflected in stock prices. According to the efficient market hypothesis, outperforming the market is tough since the price already contains and accurately represents relevant information concerning the market. The market efficient hypothesis considers not just the quality and dependability of information sources, but also the speed and efficiency with which knowledge moves among creative minds. This is an example of raising concerns about the accuracy of the information used to calculate stock prices (Kehinde, 2012).

In an efficient market, according to (Jelodari, 2019; Akani, D.S, & Orowhuo. H, 2023), investors can buy and sell stocks with confidence since the market price accurately reflects all essential financial information that affects company prices. A stock market must be both outwardly and informationally efficient for the Efficient Market Hypothesis (EMH) to be correct. This means that the price of a security at any time should fairly and accurately reflect all information currently available about that asset, including the predicted cash flows it will provide in the future and the risk involved with possessing it.

The efficient-market hypothesis (EMH) states that the stock market is a great source of data, split into three distinct but equally important groups: the strong group, the semi-strong group, and the weak-strong group. Trading asset prices (such as stocks, bonds, or real estate) properly reflect all relevant information, according to this version of EMH. Prices, following the semi-strong EMH, automatically reflect all publicly available information. Moreover, "insider" knowledge is promptly reflected in market pricing in the strong version of the EMH. The theory of efficient markets predicts that prices would adjust rapidly to new information (Kehinde, 2012).

Empirical Review

Aigienohuwa & Ezejiofor,(2022) conducted a study with the primary focus on evaluating the influence of the COVID-19 pandemic on the market value of manufacturers of industrial goods firms in Nigeria. They made use of sixteen (16) firms as a sample size for the period of 2018-2021 to gather their data for analysis. The study found that both before and after the COVID-19 outbreak, market prices for industrial goods grew when earnings per share did as well. The study also found that there was a large difference in EPS and MV in Nigeria both before and after the COVID-19 epidemic. Finally, EPS was found to have a great influence on Stock prices.

Wanda (2021) investigated the correlation between EPS and Stock Price Volatility. They investigated how changes in EPS affected companies trading on Kenya's Nairobi Stock Exchange using a period of 2008-2019. Earnings per share were found to have a statistically significant correlation with market volatility. The data also showed that when earnings per share (EPS) was higher, share prices in Kenya were more volatile. High levels of leverage were found to increase stock price volatility, but company size and growth decreased volatility.

Arsal (2021) used data from the Indonesian stock market between 2014 and 2017 to investigate the influence of Dividend per Share (DPS) and Earnings per Share (EPS) on the stock price. The research showed that an increase in earnings per share alone can substantially boost a company's market value. But dividends per share don't have much of an impact on the stock's price. Investment decisions could be based, at least in part, on a company's earnings per share (EPS), according to the results, which were particularly encouraging for food-related companies listed on the Indonesian Stock Exchange.

Anachedo (2021) conducted an empirical study of the link between financial statements and stock prices of publicly traded Nigerian firms manufacturing consumer goods from 2011 to 2019. It was found that the earnings per share to sales growth ratio had no effect on the market value of the companies under investigation. It was also discovered that the operational cash flow ratio has a statistically significant positive effect, suggesting that investors should pay closer attention to the data presented there because the statement of cash flow is an accurate reflection of the situation in most businesses.

Bustani, Kurniaty, and Widyanti (2021) looked at the impact of four factors on the stock price of Indonesian food and beverage companies over a five-year period (2014-2018): earnings per share (EPS), price to book value (PBV), dividend payout ratio (DPR), and net profit margin (NPM). Prices of stocks were found to be significantly influenced by earnings per share, price to book value, and dividend payout ratio. However, the Net Profit Margin's alpha significance on stock prices was only 5% during the study period.

The effects of price-earnings ratio (PER), dividends per share (DPS), book value (BV), earnings per share (EPS) and firm size (FS) on share price were studied by Dwindu and Stella (2021). Purposive sampling was used to select ten (10) businesses across six (6) years from the basic and chemical industries (2010-2015). The regression analysis revealed a positive relationship between the (PER) and the Share Price. The study also revealed that Share Price was only affected by (DPS), (EPS) and, not by (BV) or (FS).

Liu (2020) investigated whether the stock market reacts differently to financial news about a company. Accounting information on profitability, liquidity, and operational efficiency is positively related to stock price reaction, according to research conducted using a large sample of data from Chinese listed companies from 2008 to 2018. The debt-to-equity ratio and the stock price have a positive correlation, but the debt-to-asset ratio and the stock price have a negative correlation.

Rono (2020) conducted research to determine the impact of dividends per share on the share prices of Nairobi Securities Exchange companies. The data was analyzed using descriptive statistics and a regression

model. The dividend per share was discovered to have an effect on market share prices. The study's findings revealed a link between dividends paid out, earnings per share, and the value of a company's stock.

Musa & Mamud, (2019) conducted a study using conglomerate companies listed on the NSE to analyze how accounting information is relevant in the market from 2007 to 2011. The study employed an Ohlson-Based multiple regression strategy. Results of the study found that MV of Nigerian conglomerates increased considerably when management delivered continuous and predictable earnings. The study recommended that individuals who create accounting standards improve the quality of reporting to make financial statements more reflective of reality.

The effect of reported accounting data on the stock prices of energy companies listed on the Vietnamese Stock Exchange was examined by Hung & Binh (2018). All of the variables they considered included Return on Assets (ROA), Leverage (LV), Company Size, Current Ratio (CR), and Accounts Receivable Turnover. Models of quintile regression and regular OLS were used. Over the course of the study's 2006–2016 period, data from 44 utilities were analyzed. The study found that return on equity, company size, the current ratio, and accounts receivable turnover all had favorable relationships.

Ishfaq (2018) studied the variables influencing the stock prices of Pakistan's textile companies between 2005 and 2014. To determine the impact of earnings and dividends per share, multiple regression analysis was used. The study's findings indicated that stock prices are significantly and favorably impacted by dividends and earnings per share. Additionally, a link between dividends and EPS was found by researchers.

An empirical investigation into the effect of dividend policy on firm value was conducted by Egbeonu, Edori, and Edori (2016). According to the data, there is a positive and statistically significant link between EPS and stock price, while a negative and insignificant link exists between dividends per share and stock price. The study's findings pointed to earnings per share as the primary factor in establishing a company's market cap.

Adebimpe & Ekwere, (2015) empirically studied the relevance of accounting data of commercial banks in Nigeria mandated to adopt IFRS. The research looked at 12 different banks in Nigeria that had access to the stock market. Two years of financial accounts before adoption (2010 - 2011) were compared to those following adoption (2012 - 2013). Using descriptive statistics and OLS, they investigated how adopting IFRS would affect the accuracy of financial reports. Evidence that equity value and profits are crucially significant to share prices can be seen in the fact that Nigerian Commercial Banks' earnings announcements have been more beneficial to equity investors in appraising the worth of the banks since the implementation of IFRS (accounting legislation). The introduction of IFRS has made a difference in the usefulness of accounting information for stakeholders in some countries as demonstrated in the study.

Sharif, Ali, and Jan (2015) researched the influence of dividend policy on stock prices. It was discovered that retention rates and dividend payouts had no relationship to share market prices. The dividend payout ratio and share prices were highly correlated. Earnings after taxes barely have any influence on stock prices. Earnings per share had a strong correlation with stock prices. Stock market valuations and return on equity had a significant inverse relationship.

Uwuigbe, Olowe, & Godswill (2012) examined the variables that affect NSE stock prices. Factors such as earnings per share, dividend distribution, and financial leverage were analyzed using regression analysis to establish their impact on stock prices for firms listed on the NSE. They discovered that a company's stock price is proportional to its profitability. Equity investors in Nigerian companies consider a variety of considerations before making a purchase, including the company's profitability, dividend payments, and financial leverage.

Methodology

Research Design

In this study, we used an Ex-post-facto research strategy and correlational analysis to evaluate how modifications to accounting data impacted the reported market value in Nigeria. All agricultural firms listed on the Nigerian Stock Exchange between 2017 and 2021 were included in this study, annual audited reports and accounts were used to extract data for the study.

Model Specification

Asset Turnover Ratio (ATOR), Debt to Equity Ratio (D/ER), and Dividends per Share (DPS) were employed as surrogates for the independent variable, while Market Value was used to quantify the dependent variable.

Pooled regression specification

$$MV = \alpha_0 + \alpha_1 ATO_{it} + \alpha_2 D/ER_{it} + \alpha_3 DPS_{it} + \alpha_4 EPS_{it} + \mu_{it} \dots \dots \dots 1$$

Fixed Effect Model Specification

$$MV = \alpha_0 + \alpha_1 ATO + \alpha_2 D/ER + \alpha_3 DPS + \alpha_4 EPS_{it} + \sum^3 = 1_{ai} idum \varepsilon 1_{it} \dots \dots \dots 2$$

Random effect model specification

$$MV = \alpha_0 + \alpha_1 ATO + \alpha_2 D/ER + \alpha_3 DPS + \alpha_4 EPS_{it} + \mu_{it} + \varepsilon 1_{it} \dots \dots \dots 3$$

Were: MV - Market value.

α_0 = Intercept of Regression

$\alpha_1, \alpha_2, \alpha_3$ and α_4 = Coefficient of the regression.

A/TO = Assets Turnover Ratio

D/ER = Debt/ Equity Ratio

D/PS = Dividend per Share

E/PS = Earnings per Share

μ - Term of Error

Technique for Data Analysis

In this study, multiple regression analysis was employed because of its ability to assess associations between dependent variables and a larger set of independent variables. In this study, Ordinary Least Square (OLS), Fixed Effect, and Random Effect regression analyses were examined. The Hausman test, however, was used to zero in on the most effective model for this analysis. Both correlation matrix methods and descriptive statistics were used in this investigation.

Analysis and Discussion of Result

Table 1: Descriptive Stat Results

	VARIABLES				
	MV	E/PS	D/PS	ATO	DER
Mean	32.29200	320.2560	138.0000	0.572400	3.162800
Median	4.260000	3.550000	0.000000	0.360000	1.100000
Max.	142.0000	1982.00	800.000	2.470000	70.06000
Min.	0.200000	-67.00000	0.000000	0.000000	-10.90000
Standard Dev.	40.72779	518.7287	221.3971	0.723874	14.43980
Skewness	0.987378	1.620927	1.785512	1.418032	4.172109
Kurtosis	2.984760	5.285173	5.480892	3.718567	20.05285
Jarque-Bera	4.062393	16.38712	19.69483	8.9716251	375.4432

Probability	0.131178	0.000276	0.000053	0.011584	0.000000
Sum	807.3000	8006.400	3450.000	14.31000	79.07000
Sum Sq. Dev.	39810.07	6457907	1176400	12.57586	5004.186
Observation	25	25	25	25	25

Source: author’s compilationE-Views 9 (2023)

A summary of the descriptive statistics Results can be seen from the table above, which includes central tendency (Explained by Mean and Median), the range (Explained by Maximum and Minimum Values), and the dispersion (Explained by Standard Deviation) for each variable. The Jarque-Bera test indicates that all the data is normally distributed.

Market Value (MV) ranges from a maximum value of 142Naira per shareto a minimum value of 0.2 Naira per share across all firms during the study period. The average MV is 32.29 Naira per share.Standard dev Indicates the level of dispersion around the mean stood at 40.72Naira per share.The skewness value was 0.987378 and the kurtosis value was 2.984760, both of which were positive. The probability value stood at 0.131178 and the Jarque-Bera statistic value stood at 4.062393.

EPS had an average of 320.2560, which ranges from a max value of 1982.00 to a min value of -67.00000. The value for the standard deviation, indicating a level of dispersion,stood at 518.7287. The skewness value was 0.987378 and the kurtosis value was 2.984760, both of which were positive. The probability value stood at0.000276 and the Jarque-Bera statistic value stood at16.38712.

Dividend per Share (DPS) ranges from a max value of 800.000 to a min value of 0.000000. The average is 138.0000. Standard dev., which indicates the level of dispersion around the mean stood at221.3971. The skewness value was 1.785512 and the kurtosis value was 5.480892, both of which were positive. The probability value was0.000053 and the Jarque-Bera statistic value was19.69483.

Asset Turnover Ratio (ATO) ranges from a maximum value of 2.47% which implies that assets could generate a maximum of 2.4 to a minimum value of 0.000000. The average ATO is 0.572400. The value for standarddev,which indicates the level of dispersion around the mean stood at0.723874. The skewness value was 1.418032 and the kurtosis value was 3.718567, both of which were positive. The probability value was0.011584 and the Jarque-Bera statistic value was8.916251.

Debt-Equity Ratio (DER) ranges from a maximum of 70% of debt in their capital structure to a minimum of 0% of debt in their capital structure during the study period. The average (mean) of debt utilized in these capital structures of quoted agricultural firms in Nigeria during the study period is 31.62%. The value for the standard dev indicates the level of dispersion around the mean of 14.43980. The skewness value was 4.172109 and the kurtosis value was 20.05285, both of which were positive. The probability value was0.000000 and the Jarque-Bera statistic value was375.4432.

Pearson Correlation Coefficient

The degree of association between the variables was analyzed using Pearson correlation. Pearson's scale of correlation values provides a clear illustration of the degree to which two variables are related.

Table 2: Correlation Coefficient

	MV	EPS	DPS	DER	ATO
MV	1.000				
EPS	0.879	1.000			
DPS	0.904	0.709	1.000		
DER	-0.126	-0.101	-0.104	1.000	
ATO	-0.120	-0.087	-0.092	-0.077	1.00

Source: author’s compilationE-Views 9 (2023)

Interpretation

As observed in this study, there exists a positively strong correlation between EPS and MV for the studied firms in Nigeria with a correlation value of 0.879 (87.9%). The result also found that there was a positively strong correlation between the DPS and Market Value (MV) of the studied firms with a correlation value of 0.904 (90.4%). The findings further established a negative correlation between DER and MV with a correlation value of -0.126 (-12.6%). In the same line, the results revealed a negative relationship between the Asset Turnover Ratio (ATO) and Market Value (MV) with a correlation value of -0.120 (-12.0%) of the studied firms in Nigeria during the study period. This implies an increase in EPS and DPS will lead to an increase in MV, while an increase in DER and ATO will lead to a decrease in MV of the studied firms.

Hausman Test Result

In this research, we made use of Pooled, Random, and Fixed Regression Models. The Fixed Effect Model best fits the data, according to the Hausman test results. As a result, the fixed effect model was selected.

Table 3: Fixed Effect Model Results

Variables	Coef.	Std. Err.	t-Stat.	Probability
EPS	0.022431	0.006475	5.780709	0.0000
DPS	0.108740	0.015183	6.800656	0.0000
DER	-0.015529	0.165531	-0.355819	0.7257
ATO	6.583480	3.296927	-0.490052	0.6294
C	6.383019	3.579430	2.002580	0.0590
Specification Effects				
Cros-sec fixed (dummy var)				
R ²	0.970725	Mean dep var.		32.29200
Prob(F-stat).	0.000000	Durb-Wat stat.		2.668216
F-stat.	66.31671	Schz crit.		7.838664
S.Ereg	8.534694	Akai info crit.		7.399869
Log-lik	-83.49836	S.Ddep var.		40.72779
Sum-squared	1165.456	Hanan-Quin crit.		7.521572
Adj. R ²	0.956087			

Source: author's compilation E-Views 9 (2023)

It appears that the variables considered during the study period could account for 97% of the variance in the MV of the listed agricultural enterprises in Nigeria, according to the estimated fixed regression model, with the remaining 13% attributable to factors beyond the scope of the study. The constant value signifies that the MV per share of quoted agricultural firms in Nigeria stays at 6.38 Naira per share when all other variables in the model are zero. The variation coefficient indicates that EPS is 0.02 (2%) which implies that for every percentage change in EPS earned by listed agricultural firms in Nigeria, the market value (MV) per share will increase by 2% and is statistically significant at 0.00. Dividend per share (DPS) is 0.11 (11%) which signifies that for every percentage change in DPS by listed agricultural firms in Nigeria, the market value (MV) per share will increase by 11% and is statistically significant at 0.00. Debt equity ratio (DER) is -0.016 (-1.6%) which implies that for every percentage change in DER by listed agricultural firms in Nigeria, the market value (MV) per share will decrease by -1.6% and is not statistically significant at 0.73. Finally, ATO is 6.58 (65.8%) which implies that for every percentage change in ATO by listed agricultural firms in Nigeria, the market value (MV) per share will increase by 65.8% and is not statistically significant at 0.63.

Conclusion and Recommendation

The result revealed that the EPS and DPS have a positive relationship with the MV of listed agricultural firms in Nigeria over the study period and that this relationship is statistically significant this result is consistent with the findings of (Nestor, Abiahu, Chinyere, & Leonard, 2018; Arsal, 2021; Gulo, Sofiyan, & Faris, 2022; Osundina, Ademola, Jayeoba, & Olayinka, 2016; (Collins Apete, Udeh, & Ezekwesili, 2022; (Okoro, Ibanichuka, & Micah, 2020; (Okoro, Ibanichuka, & Micah, 2020). These results also contradict the findings of (Dwinda& Stella, 2021; (Anachedo, Egbunike, Andrew, & Sarah, 2021; (Akadakpo&Mgbame, 2018). In addition, the market value of listed agricultural firms in Nigeria was found to be inversely connected to both the asset turnover ratio and the debt-equity ratio for the study period. This disagrees with the findings of (Okoro, Ibanichuka, & Micah, 2020; Liu, 2020).

The study therefore recommended that the management of agricultural enterprises to adopt strategies that boost their EPS and DPS by raising their profitability to take advantage of the favorable impact of these metrics on market value. Companies in the agricultural sector that are traded on public markets must report quarterly financial results. In theory, this will help investors better understand the operational and financial results of a company.

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