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Income Smoothing and Market Share Price of Listed Commercial Banks in Nigeria

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ABSTRACT

The study examined the effect of income smoothing on market share price of listed commercial banks in Nigeria. It adopted an ex-post facto and correlation designs. Hypotheses were tested and established using the ANOVA technique with the aid of SPSS version 25.0. The population was limited to 10 (ten) listed commercial banks on the Nigerian Exchange Group. The study collected data through secondary sources for a period of 5 years (2018-2022). The instrument is their audited annual financial statements. Income smoothing was measured using the accrual-based methods, while firm value was measured using share price. Findings showed that income smoothing (total accruals and discretionary income) has no significant effects on the market share price of the studied commercial banks in Nigeria. Hence, it was recommended that income smoothing in listed money deposit banks have no significant effect on the market share price of listed commercial banks in Nigeria.

Keywords: *accrual income, discretionary income, income smoothing, market share.*

1. INTRODUCTION

Over time, Nigeria's financial environment has undergone substantial changes, with the banking industry being essential to the country's economic growth. Nigeria's listed commercial banks struggle to preserve stability and inspire confidence among stakeholders in the face of the financial markets' dynamic and frequently unpredictable nature (Gan and Suh, 2020). A phenomenon that has attracted interest in the financial literature is income smoothing, which is a strategic approach to financial management that companies use to lessen the volatility of their reported earnings.

However, income smoothing as a tactic used by financial institutions to present a more consistent and predictable earnings stream raises important concerns about its effects on investors' confidence, market perceptions, and overall market dynamics (Asuquo et al, 2024). This is especially true when examining the complex interactions between income smoothing practices and the market share prices of listed commercial banks in Nigeria (Aguguom and Salawu, 2022). It is imperative that regulatory bodies and market players comprehend the ramifications of income smoothing within the particular framework of Nigeria's banking industry (Kurniawan, 2019).

Furthermore, a variety of factors, such as market share price, dividend payout, financial performance, and financial profitability, typically have an impact on income smoothing which is a common approach to profit management. The income smoothing strategy is put into practice by the managers, who adjust reported revenue in order to lessen volatility (Mohammadi and Nezhad 2015 in Asuquo et al, 2024). The process of income smoothing involves setting aside reserves or earnings from the unreported amounts of earnings in successful years to cover the years of poor financial performance. Investors and management values a company's smooth revenue since it shows that the business is performing well. Companies published their revenues in its financial statements for each period (Gan and Suh, 2020). To enable an increase in market share price is one of the factors driving behavior income smoothing that is frequently used to manage earnings. Managers adjust the reported income by either increasing it or decreasing it in order to lessen its volatility by the establishment of reserves or gains from unreported earnings in good years to offset the negative financial performance years (Aguguom and Salawu, 2022).

Nonetheless, accounting for non-cash assets and liabilities is a part of the accrual accounting process; hence, it is essential to distinguish between liability and equity accounts as well as between cash and non-cash asset accounts when defining accounting accruals. Similarly, equity is restricted to the equity of common stockholders. For the purposes of calculating accruals, other forms of hybrid equity, such as preferred stock and minority interest are consequently considered liabilities. Variations in non-cash assets signify expected future gains, whereas variations in liabilities signify expected future liabilities. The net change in projected future benefits attributable to the accrual accounting method is obtained by deducting the total change in liabilities from the total change in non-cash assets (Ernayani and Robiyanto, 2016).

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According to Asuquo et al, (2024), discretionary income refers to the amount of money left over after basic daily expenses have been paid by households. To estimate the size, growth, and client characteristics of the discretionary market, a more exact statistical formulation is obviously needed. However, any accurate statistical definition of discretionary income will be arbitrary in the sense that what one person views as a luxury is a necessity for another. Since discretionary income lacks a precise measurement, management typically uses it to smooth financial statements (Othman and Mersni, 2014).

To appease firm owners, managers employ income smoothing to reduce taxes paid and/or increase stock prices or company value. The complexities that are specific to Nigeria, including its institutional characteristics, economic conditions, and regulatory frameworks, highlight the necessity for a thorough investigation into income smoothing methods and how they affect market dynamics. This study aims to provide insightful information through a thorough analysis that will help educate financial practitioners, influence policy decisions, and enhance efficient conversation on income smoothing and market share prices of Nigeria's listed commercial banks.

1.2 Statement of the Problem

Investors and stakeholders are beginning to become alarmed by the impact of the global economy's struggles with sanctions, a sluggish economic recovery, and unpredictable oil prices on business earnings. Businesses are under pressure to turn things around and demonstrate strong market value pricing through financial reporting as they contend with fierce competition on a national and international scale. Certain executives have gone too far that they frequently employ income smoothing to increase profits or manipulate assets and liabilities to deceive prospective investors and make the situation seem good to shareholders. This is presenting a better picture of the financial statement to the stakeholders than what is actually shown in it.

The Asset Management Cooperation of Nigeria (AMCON) bailed out some banks despite their claims of safety and increased earnings. The institutions underwent hasty mergers that left investors perplexed, and numerous banks were acquired and recapitalized. Numerous examples of price manipulation, profit overstatement, and account falsification by certain questionable stewards or managers have been reported.

Nonetheless, corporate governance lapses and revenue manipulation have been directly linked to business failures in recent years on a global scale. The financial report manipulations only provide short-term gains, making the company vulnerable to scandals and even business failure (loss of dividend payments) in the future. Earnings management, which encompasses tactics such as income smoothing and window dressing, has been a topic of controversy among researchers for a long time. These techniques allow firms to declare financial results that may not truly depict their economic activities.

Osisioma and Enahoro (2016) claim that manipulation of accounting procedures and policy decisions made as a result of many judgment calls at the same time can lead to income smoothing. Accounting now faces trust issues due to differences in financial reporting that are legitimately prepared from different accounting policies chosen by the same organization for the same period. In light of this, the researchers aim to examine how income smoothing affects the market share price of listed commercial banks in Nigeria.

1.3 Objective of the study

The main objective of the study is to examine income smoothing and the market share price of listed Commercial Banks in Nigeria. The specific objectives are to:

i. Determine the effect of total accruals on the market share price of listed Commercial Banks in Nigeria.
ii. Examine the influence of discretionary income on the market share price of listed Commercial Banks in Nigeria.

1.4 Research Question

i. What is the effect of total accruals on the market share price of listed Commercial Banks in Nigeria?
ii. What is the influence of discretionary income on the market share price of listed Commercial Banks in Nigeria?

1.5 Research Hypotheses

H_01: Total Accruals have no significant effect on the market share price of listed Commercial Banks in Nigeria.
H_02: Discretionary Income has no significant influence on the market share price of listed Commercial Banks in Nigeria.

2. Review of Related Literature

2.1.1 Concept of Income Smoothing

One of the advocates of accounting-based earnings quality is income smoothing often known as earnings smoothing. Income smoothing, according to Asuquo *et al.* (2024), is an effort by the company's management to minimize unusual fluctuations in earnings to the degree permitted by good accounting and management practices. Similarly, income smoothing is defined by DeFond and Park (2017) as the process of minimizing the volatility in reported profits that would otherwise occur in the absence of any intervention. Income smoothing is a technique used by the current management to manage earnings and a legitimate approach to improve financial statements. Managers can manipulate results through different accounting decisions or by modifying operations to meet earnings targets. Managers engage in income smoothing for a variety of reasons, including as meeting incentive requirements, defending their positions, disclosing confidential information to third parties, and lowering tax responsibilities (Beidleman, 2013).

Bank management uses a sort of profits management technique called income smoothing to show a consistent amount of profit flow over a number of periods. Management of banks frequently uses income smoothing to reduce profits volatility over a specific period of time in order to achieve the level of earnings predicted by the market or analyst and also by reserving a part of revenue during years of prosperity and augmenting reported income during periods of underperformance (Kurniawan, 2019). One of the many variables that could influence an organization's income-smoothing practices is profitability. A company's ability to turn a profit over time is measured by its profitability which serves as a barometer of its managerial efficacy (Asuquo et al, 2024).

The way the capital market functions, shares and stocks of companies that self-motivate to smooth their results are valued cheaply. This distinguishes between earning smoothing that occurs naturally and the results from manipulation done by managers for their own benefit (Banyopadhyay et al., 2011). Therefore, it follows that negative income smoothing is an example of an agency cost based on agency theory. This is due to the fact that managers' habit of smoothing income in order to meet targets and, as a result, receive incentive bonuses at all costs, may be problematic and could have a negative impact on organizational outcomes (Goel and Thakor, 2013). Multifaceted organizational outcomes include stock market performance, operational effectiveness, financial performance, and corporate failures.

2.1.2 Total Accruals

Of course, the real world is messier in accruals economics. There is a sense that an accrual can both inform and misinform depending on the situation, rather than a true and observable accumulation. Since accruals form the foundation of accounting, there has been a lot of interest in learning about their features and function (Kim et al. 2020). Understanding the nature of this discretion is crucial to comprehending the benefits and drawbacks of employing accruals, as one of the significant discretion that exists when recording accruals. More precisely, a common notion in this literature is that accruals can be effectively divided into components that are "discretionary" and "non-discretionary." The rationale is that discretionary accruals are more subjective and therefore more vulnerable to managerial biases and manipulation, whereas non-discretionary accruals are determined by fundamentals like business activity and growth (Richardson et al, 2015).

Accruals that project future cash flows according to Dechow and Dichev (2016) involves higher estimation errors in accruals that result in lower accrual quality and lower earnings persistence. In addition to offering a thorough taxonomy of accruals, Asuquo et al, (2024) also pinpoint the parts of accruals that have more estimation errors and thus, lower accrual quality and lower earnings persistence. The regressing total accruals on concurrent cash flows for financing, investing and operating purposes result in the financing and investment of cash flow coefficients being significantly more negative than the operating cash flow coefficient. This is a significant contribution because it implies that a much better characterization of the relationship between accruals and cash flows is obtained by incorporating the investing and financing accruals and dividing the related cash flows into separate independent variables (Kim et al, 2020).

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2.1.3 Discretionary Income

Discretionary income refers to the amount of income that a household or individual has left over after paying for necessary expenses, such as taxes, rent or mortgage, utilities, and basic living expenses like food and transportation. In other words, discretionary income is the money that is available for spending or saving after all essential costs have been covered (Asuquo et al, 2024).

This concept is crucial for understanding an individual's or a household's financial flexibility and ability to make choices regarding non-essential expenditures. Discretionary income can be used for various purposes, including entertainment, dining out, vacations, savings, investments, and other optional or luxury items. However, the economists and marketers often analyze discretionary income to gauge consumer behavior and preferences. For businesses, understanding how much discretionary income their target market has can influence pricing strategies, marketing efforts, and product development (Strebulaev and Yang, 2013).

Alhadab (2018) narrated the various factors influencing discretionary income to include salary levels, living costs, taxes, debt obligations, and overall economic conditions. Changes in any of these factors can impact the amount of discretionary income available to individuals or households, influencing their spending patterns and overall economic health. However, discretionary income can also influence the amount of money individuals choose to save. For instance, if discretionary income is high, individuals may opt to deposit more money into their bank accounts. This increased deposit base can positively impact a bank's liquidity and overall financial health, which could be reflected in its market price.

Often or not, Individuals with higher discretionary income may seek investment opportunities to grow their wealth. Commercial banks often provide various investment products, such as mutual funds, stocks, and bonds. If there is an increase in demand for these investment products, it can contribute to the overall financial performance of the bank and influence its market price (Ozili, 2015). Discretionary income levels can be influenced by interest rates. Changes in interest rates set by central banks can impact the cost of borrowing and the returns on savings and investments. Commercial banks, being sensitive to interest rate movements, may see changes in their profitability and market valuation based on the prevailing interest rate environment (Zhai and Wang, 2016).

Furthermore, discretionary income is closely tied to the overall economic conditions, thus, commercial banks may experience increased business activities and a positive impact on their market prices (Kwak and Park, 2015). It is important to note that while discretionary income can influence the market price of a commercial bank, other factors such as regulatory environment, competition, management effectiveness, and overall economic conditions also play significant roles in determining a bank's performance and valuation. Additionally, the relationship between discretionary income and a commercial bank's market price can be complex and may vary based on specific circumstances (Gan and Suh, 2020).

2.1.4 Market Share Price

Market share prices are essential for economic growth as they ensure the flow of resources to the most productive investment opportunities. A share price in an efficient market provides investors with a good measure of any firm’s performance and its value. However, given the dynamics of the share market, investors have always been confronted with the problem of predicting stock prices so as to earn decent returns. Understanding the impact of various fundamental variables on stock price is very much helpful to investors as it will help them in taking profitable investment decisions (Kurniawan, 2019).

The market share price has become an essential tool playing a vital role in economic prosperity that fosters capital formation and sustenance of economic growth. Stock markets are more than a place to trade securities, they operate as a facilitator between savers and users of capitals by means of pooling of funds, sharing risk, and transferring wealth. Stock markets are essential for economic growth as they ensure the flow of resources to the most productive investment opportunities (Shen and Huang, 2008, 2013).

Market price per share determines the value of the company based on its earnings and enhances shareholders' worth by influencing the decisions of potential investors (Alwan, 2021). It represents the price a potential investor or buyer is willing to buy or sell its share at an arms-length transaction that are often through stockbrokers. Market value and book value are very important tools to measure a firm’s portfolios and indicators of how well a corporate organization is performing. Market value reveals the current market value of a company and provides a clue to a company's financial strength and likely future prospects. Book value equally discloses the current state of the company and ignores the future growth potential of the company (Alwan, 2021).

According to Kim et al. (2020), the market share price of an organization is one of the clear indicators of its financial performance and the ability of the management to optimally utilize the productive assets of the organization. Market price per share determines the value of the company based on its earnings. It enhances shareholders' worth and influences the decisions of potential investors and represents the price a potential investor or buyer is willing to buy or sell its share at an arms-length transaction.

2.2 Theoretical Review

2.2.1 Agency theory.

The agency theory proposed by Jensen and Meckling (1976) and the positive accounting theory (PAT) proposed by Watts and Zimmerman (1978) explain earnings management behavior. This study is built on agency theory being a theory of organizational process, behavior and outcome. Agency theory provides insight and understanding of corporate processes and designs to address emerging problems from the principal–agent relationships. According to Jensen and Meckling (1976), the principal–agent relationship is defined as a contract under which one or more persons (the principal) engage another person (the agent) to perform some services on their behalf which involves delegating some decision making authority to the agent.

Zhai and Wang (2016) identified agency problems such as moral hazards, e.g. shirking, adverse selection (making of accounting choices that maximized reported income in other to gain higher bonus). The shirking problem arises due to the inability of the principal to observe the performance of the manager directly, and the principal can only assess a manager's performance based on the outcome communicated through the annual report (Vasiljevic, 2019).

Furthermore, adverse selection arises because the agent's compensation is based on the assessment of performance measures (Panda and Leepsa, 2017). The monitoring strategies result in form of monitoring cost, bonding cost, and residual cost. Eisenhardt (2019) posited that agency theory suggests mechanisms that reduced agency cost which can come in the form of incentive schemes for managers and installation of control mechanisms (e.g. management control system, corporate governance among others). Compensation packages are viewed as important in mitigating the conflict of interest between managers and shareholders in corporations.

However, the capital market has a natural mechanism to penalize managers that engage in dysfunctional behavior such as self -motivated earnings smoothing (Banyopadhyay et al, 2011). The capital market operates such that the share/stock of firms engages in self-motivated earnings smoothing are priced low. This differentiates between natural earning smoothing and smoothing as a result of manipulation carried out by managers for personal gains. For the purpose of research perspective, agency theory is a theory that explains and predicts agency problem/agency cost.

2.2.2 Positive Accounting Theory

The positive accounting theory (PAT) proposed by Watts and Zimmerman (1978) explain earnings management behavior. Under the PAT, managers make less conservative accounting choices (debt–equity hypothesis) or more conservative ones (political costs hypothesis) to create benefits for the firm. However, they could also adopt a less conservative and less volatile accounting procedure (bonus plan hypothesis) to their benefit instead of the firm's interests. Kwak & Park, (2015) investigated the relationship between CAFR bank size and earnings management in Japanese banks using the political cost hypothesis. Watts and Zimmerman (2018) assert that larger and more profitable corporations are subject to greater public scrutiny than smaller ones, hence, larger corporations are more vulnerable to social and public pressures. As a result, larger companies use earnings management strategies that reduce income in order to avoid political costs.

2.3 Empirical Review

Ajekwe and Ibiamke (2017) investigated the impact of earnings smoothing on the market share price of listed companies in Nigeria. The study adopts ex-post facto research design using data sourced from published financial statements of selected companies. The population comprises of 173 listed companies in Nigeria, covering a period of 2009-2020 as of 31st December 2020. The reliability and validity of the data are based on financial statements audited by the external auditors. The panel data is employed for the estimation using the Unobserved Effects Model (UEM), and Hausman test results to choose between random effect and fixed-effect models. Findings showed that earnings smoothing has a positive significant effect on market share price. Introducing control variables, SMOTH exhibits a negative significant impact on MSP and LEV variables. The study recommends that managers should excise flexibility within the allowed legal and ethical framework in earnings reporting and desist from using unethical practices that could undermine the quality and credibility of financial statements.

Panda and Leepsa (2017) examined the effect of GCG mechanisms, and earnings management on financial performance of listed manufacturing companies in Indonesia. From the good corporate governance variables, the researchers used proxies to the number of board of directors, institutional ownership, managerial ownership, the proportion of independent board of directors, and a number of audit committees. The study was made up of a sample of 25 manufacturing companies listed on the Indonesia Stock Exchange and used purposive sampling on the financially published reports of 2012-2016. The method of analysis of this study uses simple and multiple regressions. The results of this study indicate that (1) Board of directors has no effect on earnings management, (2) Institutional ownership does not have a significant positive effect on earnings management, (3) Managerial ownership does not have a meaningful influence on earnings management, (4) The presence of the Independent Board of Commissioners has no significant effect on earnings management, (5) The size of the audit committee does not have a meaning or purpose affecting earnings management, (6) Simultaneously, GCG has a significant influence on earnings management, (7) Earnings management has no significant causal factor on financial performance, and (8) GCG mechanisms and earnings management has a combined effects on financial performance.

Jabin and Sumona (2021) studied the adverse effect of companies' values on the stock market of quoted non-financial companies in Nigeria. The study examined the moderating effect of market risk on the relationship between income smoothing and firm value of quoted non-financial companies in Nigeria. The ex-post facto research design was employed. The population of this study included the entire 116 non-financial firms quoted on the Nigerian Exchange group as at December 31st 2021. A sample size of 51 companies were sampled using the Taro Yamane sampling size determination technique. The study collected data through secondary sources for a period of ten years (2012-2021) through audited annual financial statements. Income smoothing was measured using the accrual-based methods, while firm value was measured using share price. The quantitative approach was also used in the study. The system generalized method of moments (Blundell–Bond) panel estimation technique was used for analyzing the data. Result shows that income smoothing has a negative significant impact on firm value. The study also revealed that market risk is a significant variable that defines the relationship between income smoothing and firm value. The study concluded that income smoothing and market risk are veritable factors for predicting shares prices in non-financial sector of the economy. It was recommended that investors should pay close attention to market risk when assessing the value of firms based on the level of income smoothing carried out by managers.

Alwan (2021) evaluated on the concept of Income smoothing (IS) and its influence on tax profitability that investigated legal manipulation in the accounting practices done by the management banks in Jordon. The sample size of this study included the previous four years (2015-2018) data of 5 commercial banks of Jordon. While a ton of literature is already present with respect to these variables, the current research concentrates its relationship between the two constructs in the context of the banking industry of Jordon to add novelty. In order to investigate the relationship, secondary data (annual reports) collected from five banks were analyzed with focus on IS, Earning before tax (EBT), Total Assets (TA) and overall profits. To examine recent phenomenon, data were restricted to the latest four years. Data were analyzed statistically using a correlation, regression analysis, and one-way ANOVA technique to generate concrete results. The results proved a significant positive relationship between IS and tax profits, indicating that smoothing of income enables banking sector in Jordan to represent stable profits and revenues in front of their respective shareholders and other stakeholders.

3. METHOD

The ex-post facto research design was adopted in this study because of its appropriateness at examining the past event relationship between the dependent and independent variables without interference from the researcher. Secondary data was extracted from the annual audited reports and financial statements of the sampled firms. The population consists of ten (10) listed Commercial Banks listed on the floor of the Nigerian Exchange Group (NEG). The banks include; Access Bank Plc., Fidelity Bank Plc., First Bank Nigeria Limited, Guaranty Trust Bank Plc., Keystone Bank Limited, Stanbic IBTC Bank Plc., Sterling Bank Plc., Union Bank of Nigeria Plc., United Bank For Africa Plc., and Zenith Bank Plc. Data was obtained from secondary sources which include the financial statements of the listed Commercial Banks in Nigeria. The Data used in this study were collected through content analysis of the financial statements and review of the various articles. Descriptive Statistics technique and multiple regressions were used for the data analysis at 5% level of significance.

The definitions of the dependent and independent variables and their expected signs are as given on the Table .1

Table .1: Dependent and Independent Variables

S/N	Variables	Types	Definition	Apiori Expectation
1.	Market Share Price	Dependent	EPS = Earnings per share	Negative
2.	Income Smoothing	Independent	TAL = Total Accruals	
			DIM = Discretionary Income	Positive
3.	Bank size- (Control Variable)	Independen	TA = Total Asset	Positive

Source: Researcher's Compilation, 2024

Model specification

$$MSP = \beta_0 + \beta_1 TAL_{ij} + DIMij_2 + TA + \boldsymbol{\varepsilon} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \; 1$$

Where;

MSP	=	Market Share Price
β_0	=	the intercept/constant;
β_1, β_2	=	coefficient of the variables
TAL	=	Total Accruals
DIM	=	Discretionary Income
TA	=	Total Asset (Control)
$\boldsymbol{\varepsilon}$	=	the residual/error term

4. Result and Discussion of Findings

Data Presentation and Discussion of Findings

The summary of the regression result obtained from the model of the study ($MPS = \beta_0 + \beta_1 TAL_{ij} + DIMij_2 + TA +$) is presented in Table.2 below:

Table 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.277[a]	.077	.027	18.699

a. Predictors: (Constant), DISCRETIONARY INCOME, TOTAL ACCURALS

Source: Researcher's Computation, 2024.

In Table .2, the result showed that R= 0.277, R square= 0.077 and R square adjusted = 0.027. R square is called the coefficient of determination. It measures the degree variation in the dependent variable explained by the independent variable. The R square, which is the coefficient of determination, of 0.077 implies that about 7.7% variation in the market share price is influenced by total accruals in listed commercial banks in Nigeria.

Table .3

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TOTAL ACCURALS	40	-872528925	1299441000	11544636.30	275288952.633
ESSENTIAL EXPENSES FROM GROSS INCOME	40	-331478991.0	-789.0	-27753345.075	72416938.6980
MARKET SHARE PRICE =EPS	40	3	67	21.12	18.956
Valid N (listwise)	40				

***Source**:* Researcher's Computation, 2024

Table.3 above presents the descriptive statistics of the variables included in the Regression Models as presented. It represents the variables of the 10 listed commercial Banks in Nigeria for the period 2018-2022. Therefore, the mean, standard deviation, minimum value and maximum value are depicted in the table above: Table 3 shows that EPS has a mean of 21.12 with standard deviation of 18.9561, minimum and maximum values of 3 and 67 respectively.

Table 4

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1077.079	2	538.540	1.540	.228[b]
	Residual	12937.319	37	349.657		
	Total	14014.398	39			

a. Dependent Variable: MARKET SHARE PRICE =EPS

b. Predictors: (Constant), DISCRETIONARY INCOME, TOTAL ACCURALS

Source: Researcher's Computation, 2024.

The result in table 4 revealed the probability value of 0.228 ($p>0.05$), this implies that the influence of Discretionary Income has no significant influence on Market share price of listed commercial banks in Nigeria. This is statistically insignificant.

Table 5

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	22.893	3.125		7.325	.000
	TOTAL ACCURALS	7.746E-10	.000	.011	.071	.944
	DISCRETIONARY INCOME	-1.370E-8	.000	-.278	-1.748	.089

a. Dependent Variable: MARKET SHARE PRICE =EPS

Test Hypothesis 1: Total Accruals have no significant effect on the market share price of listed Commercial Banks in Nigeria.

Table 5 above; present the regression results of the aggregated data set for the Total Accruals. It shows a co-efficient ration of 0.11 and the sign of (P-value) of 0.944. The null hypothesis is accepted since the P-value of 0.944 is greater than 0.05. The result is insignificant.

Table. 6

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	22.893	3.125		7.325	.000
	TOTAL ACCURALS	7.746E-10	.000	.011	.071	.944
	DISCRETIONARY INCOME	-1.370E-8	.000	-.278	-1.748	.089

a. Dependent Variable: MARKET SHARE PRICE =EPS

Test Hypothesis 2: Discretionary Income has no significant influence on the market share price of listed Commercial Banks in Nigeria.

Table.6 present the regression results of the aggregated data set for the Discretionary Income. It shows a co-efficient ration of -0.278 and the sign of (P-value) of 0.089. The null hypothesis is accepted since the P-value of 0.089 is greater than 0.05. The result is insignificant.

CONCLUSION AND RECOMMENDATIONS

This study examined the income smoothing and Market share price of listed commercial banks in Nigeria. The results revealed that the influence of these income smoothing (total accruals and Discretionary Income) have no significant effect on the market share price of quoted commercial banks in Nigeria. The study concludes that quoted commercial banking Nigeria do not smooth income either by using discretionary income (provision) or total accruals. The findings are in line with the findings of Beidleman (2013), Panda and Leepsa (2017) that suggest that smoothing management has negative effect on earnings per share. In summary, the findings discussion offers insightful information about the connection between market share prices across Nigerian listed commercial banks and income smoothing. The results have consequences for investors, regulators, and policymakers and advance our knowledge of banking industry financial practices.

Based on the findings of the study, It is therefore, recommended that listed money banks does not have a significant effect of income smoothing on the market share price of listed commercial Banks in Nigeria.

1. That there not significant of total accruals on the market share price of listed Commercial Banks in Nigeria
2. That the influence of discretionary income on the market share price of listed Commercial Banks in Nigeria is statistically insignificant.

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