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Value Relevance of Accounting Information and Share Prices Movement of Quoted Consumer and Industrial Goods in Nigeria

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ABSTRACT

The study was conducted to comparatively review which accounting numbers have value relevance influence on share prices of consumer and industrial goods of quoted companies in the Nigerian stock exchange. This precede the notion that all accounting numbers are equally relevant in pushing and pulling share prices of companies which the researchers believe is flawed and thus required empirical analysis. Ex-post-facto research design was employed involving use of secondary data obtained from published annual reports of the Nigerian Stock Exchange (NSE) and selected consumer and industrial goods companies listed on the stock exchange. Data were analysed using descriptive and inferential statistical techniques. Econometric tests conducted included multicollinerity, unit root, Hausman and ordinary least squares (OLS) regression as well as Pearson correlation analysis. The variables of study were Stock prices, Book values per share (BVPS), Earnings Per Share (EPS) and Cash flow from operating activities (CFO). Results confirmed value relevance of accounting information in the two sectors studied, but show the CFO and EPS are more relevant in the Consumer goods Sector while EPS is more value relevant in the Industrial goods sector, in determining share price movement in Nigeria. It was recommended that investors in the different Sectors should rely on the specific accounting information relevant to their decisions.

Keywords: *Share prices, CFO, BVPs, EPS, Accounting information, value Relevance.*

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1.0 INTRODUCTION

Stock prices constitute the value at which equities are traded at the capital market by the interaction of buyers and sellers of such equity instruments. The primary and secondary functions of the capital markets is to balance the supply of and demand for new funds, bringing together individuals and organizations offering finance with those seeking finance; providing a clearing house in which people can buy and sell existing securities according to whether they want to expand or adjust their portfolios or realize their assets.

To fulfill the primary and secondary functions to investors, both the capital markets and investors (existing and potential) reckon with accounting data provided in the form of annual financial statements as input to their decision making process. These statements provide a picture relating to the financial health of a business. That is, statements that shows the financial performance, position and cash flow of a business entity during a specified period. The International Recounting Standards (IAS) No. 1 provides that such statements be prepared and presented in a way that it will contain transparent and comparable information that will guide and assist users in making relevant and informed economic decisions. The information provided serve as a basis for current action by users in assessing the liquidity, long-term financial strength, profitability and efficiency of the business. It will also serve as a guide for the future.

More so, these financial statements, according to the Generally Accepted Accounting Principles (GAAP), have certain qualitative features that should be met to fulfill the purposes they were prepared. They should be reliable, relevant, comparable, timely and understandable to accord them the value relevance. The value relevance of accounting numbers is simply description of the relationship between these numbers presented in annual financial reports and stock prices movement over time. Liu J. and Liu C. (2007) describe it as "the relationship between financial information and stock prices.

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Several researchers have investigated the relationship between value relevance of accounting information and stock prices globally. While some of these studies such as Abubakar (2010) show that the value relevance of accounting information and share prices have been declining over the years, those of Liu J. and Liu C. (2007); Dimitropoulous and Asterious (2009); Khanagha, (2011); and Hejazi *et. al.* (2011), had a contrary view. In Nigeria, studies of Oyeirnde (2009) and Abubakar (2011) found that accounting information of some sampled firms in the Nigerian Stock Exchange especially earnings have value relevance. On the other hand, the study of Abiodum (2012) revealed that, earnings is more value relevant than book value. As lofty as these researchers and the associated findings might seem to be, they left a gap as to which accounting numbers and from which financial reports are relevant to different investors. The central assumption seems to portray that "every accounting number from all financial statements" are equally relevant to investors in various sectors of an economy. This study is therefore conceived to empirically carry out a comparative review of value relevance of accounting information and share price movement of quoted consumer and industrial goods in Nigeria.

1.1 Development of Research Questions and Hypotheses of the Study

The research questions raised for the study are:

i. Does any difference exist in the level of relationship between the consumer and industrial goods value relevance variables and share prices of quoted firms in these sectors?

ii. How does the consumer and industrial goods value relevant variable influence the share prices of quoted firms in these sectors from 2015-2021.

The hypotheses are stated in null form as follows:

Ho_1: There is no significant difference in the level of relationship between the consumer and industrial goods value relevance variables and share prices of quoted firms in these sectors in Nigeria from 2015 to 2021.

Ho_2: The consumer and industrial good sector value relevant variables do not significantly influence the share prices of quoted firms in those sectors in Nigeria from 2015 to 2021

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1.2 Significance of the Study

This study provides empirical evidence on the relationship and influence of accounting information on share prices in two sectors of the Nigerian Economy. The results provide clarity on the relevance of accounting information and the relationship and influence on share prices to individuals and corporate investors as to which accounting numbers are relevant when investing in either Sectors of the economy. Researchers in Accounting, Finance and Economics and Allied Disciplines would find the study relevant for further researches. Analysts and Consultants on investment related decisions would also find the study beneficial in carrying out the activities.

1.3 Scope and Limitations of the Study

The scope of the study in respect to time covers the years 2015 to 2021 for quoted consumer and industrial goods in Nigeria. Content wise, market prices of the quoted companies and earnings per share (EPS), Book values per share (BVPS), and cash flows from operating activities (CFO) are the variables of interest (obtained from reports of the Nigeria Stock Exchange (NSE), statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flow).

The researchers are aware of other factors that influence the relationship between accounting earnings and share prices. These include company factors such as risk, size, leverage and variability, which are held constant and accounted for in the model by the stochastic error term.

The remainder of the paper covers review of related literature, methodology, results and discussion of findings and summary, conclusion and recommendations.

2.0 Review of Related Literature

2.1.1 Share Prices

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A share is a unit of investment holding in the capital structure of a company. Oyerinde (2009a) sees market share price as "the price at which the market assigns to the company's stocks". It is the striking price that sellers and buyers are willing to sell and buy equity instruments at an orderly capital market. Karpagavalli and Nirmala, (2014); Shobhana and Karpagavalli, (2011); and Sharma (2011) used market share price computed by taking into consideration within a financial year, the average of the lowest and highest market prices during the financial year end (Anita & Yahv, 2014).

2.1.2 Consumer and Industrial Goods

Consumer goods are products "destined for use by ultimate consumers or households and in such form that they can be used without further processing". Industrial goods are products "destined to be sold primarily for use in producing other goods or rendering services as contrasted with goods destined to be sold primarily to the ultimate consumer" (Stanton, 1981). Quoted companies engaged in the production of these goods are the focus of this study.

2.1.3 The prediction perspective of Value Relevance

This perspective of Value relevance considers accounting information as relevant if it has the potentials that are carefully weighted to influence the imminent values estimate of firms and foreseeing the returns for the forthcoming period (Abiodun, 2012). From the information and measurement views, accounting information is relevant if there is a statistical association between accounting data and share prices or returns. This rivets on predicting relevant variable to be used in Valuation. It purport that financial statement is value relevant if it is able to forecast underlying value attributes derived from valuation theory. Nelson (2003) explains that information is relevant only if it can be used to predict future earnings, dividends, or future cash flows.

2.1.4 Measurement Variables of value relevance of Accounting Information

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The value relevance of accounting information involves the measurement of accounting ratios as the analytical tool. Equity holders and investors (existing and potential) are mostly concerned about market price per share of companies and the variables showing this; most of these ratios are predicated on current market situations. Primarily, market ratios are used for investment and long-term planning decisions. These ratios include Earnings Per Share (EPS), Book-value-Per share (BVPS), Price-Earnings ratio (P/E), Dividend Per Share (DPS), Dividend Payout Ratio (D/P) as well as Dividend yield (D/Y) (Saied, 2007). In the same vein, Ali, Maher and Abdelfettah (2018) included cash flow from operating activities as an accounting measure of value relevance.

In the study, we made used for three of these ratios derived from statement of profit or loss and other comprehensive income (EPS), Statement of Financial Position (BVPS) and statement of cash flows (CFO) scaled by total assets as proxies for value relevance of accounting numbers or data.

2.2 Theoretical Framework

The Efficient market hypotheses (EMH) developed by Eugene Fama formed the theoretical foundation of this study. The EMH which exist in three levels (weak, semi-strong and strong forms) is dependent on information availability. It explains that share prices are affected by events that occur in the past, present and future. The price is an attempt to value a business in the light of all known information. An efficient market is one that keeps all interested parties fully and equally well informed about issues that may affect share prices.

In the Efficient market Hypotheses (EMH), information can be classified as historic, current or forecast, only historic or current information is certain in its effects on price. The more information available, the better the situation is. Informed decisions are more likely to be correct, although the use of inside information to benefit investment decision, insider dealings is illegal

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in most countries. The restriction of use of insider information accord accounting numbers it prominent place in explaining share price movement in the capital markets.

2.3 Empirical Review

Some related empirical studies on value relevance of accounting information and share prices are discussed in this section of the paper.

Karunarathne and Rajapakse (2010) investigated the value relevance of earnings and cash flow in determining share prices of 100 companies over a period of five (5) years from 2004 to 2008 listed on the Colombo Stock Exchange (CSE) excluding financial services companies. They adapted returns and price models to determine the value relevance of financial statement information. Results revealed that the value relevance of accounting information under the price model had more explanatory power than that of the return model with EPS found to be more relevant in their study.

Chanorapala (2011) carried out a study to investigate the influence of ownership concentration and firm size on value relevance of earnings and book values. The study used data covering 2005 to 2009 for firms listed on Colombo Stock Exchange in Sri Lanka. The researcher used pooled cross-sectional data and regression analysis for data treatment. The result revealed that value relevance of ownership concentrated firms is higher than that of ownership non-concentrated firms.

Oyerinde (2011) investigates the value relevance of accounting information in the Nigeria Stock market partly with a view to determine whether accounting numbers has the ability to affect stock prices of firms listed on the Nigeria Stock Exchange (NSE), and to examine the difference in perception of institution and individual investors about the value relevance of

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various items of financial statements in equity valuation. Data for the study were obtained through primary and secondary sources and were analyzed using ordinary Least Squares (OLS) regression, Random Effects Model (REM), and Fixed Effects Model (FEM) to gauge information content of various accounting numbers. The results revealed that there exist a significant relationship between accounting information (earnings, book value and dividends) and share prices of companies quoted on the Nigerian Stock Exchange and dividends, the most widely used accounting information for investment decisions, followed by earnings and net book value in Nigeira.

Nayeri, Ghayoumi and Bidari (2012) investigated the factors affecting the value relevance of accounting information for investors in the Tehran Stock Exchange over a six years period. The factors considered were: effect of profit or loss generating firms, firm size, earning stability and growth on the value of accounting information. Adapting the Ohlson's Model and the cumulative regression analysis for data analysis, results shows that the factors mentioned had significant influence on the relevance of the accounting numbers particularly for those investing in the Tehran Stock Exchange.

Saudiya (2012) conducted a study on the impact of the International Financial Reporting Standards (IFRSS) on the value relevance of accounting information of firms listed in the Turkish Stock market using equity valuation model as suggested by Ohlson in 1995. Firstly, the value relevance of earnings and book values of equity produced under Turkish local standards during 2000 to 2002 and under IFRSs during 2005 to 2009 were analysed. The findings revealed that earnings and book value are individually and jointly positively and statistically significant to stock price movement under the two different reporting regimes and further shows that equity book values is more value relevant than earnings.

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In a Similar study, Mohammadu (2012) investigates the relationship between accounting information and the value of the companies listed on Tehran exchange market. The profit quality characteristic index was used on a sample of 194 firms selected by systematic sampling technique covering the period 2007 to 2009. The results of the regression analysis showed that no relationship existed between accounting information and companies' stock prices. The researcher argued that this may have been due to lack of efficiency of investment market and inability in using the accounting information by investment market activists.

Pervana and Marijana (2014), studied the value relevance of accounting information on the capital markets of Southeast Europe. Using a sample of 97 Corporations and adopting the use of regression analysis, the documented evidence from the research indicated that accounting information is value relevant on all the observed market.

Olugbenga and Atanda (2014), carried out a research to investigate the value relevance of accounting information of quoted companies in Nigeria Stock Exchange Fact Book, annual financial reports of sixty-six (66) listed companies consisting of financial and non-financial firms in Nigeria and the Nigerian Stock Market annual data. The OLS regression method was employed in the analysis. The study found that accounting information on quoted companies in Nigeria is value relevant. Para Chritine *et al.* (2015) examined whether asset capacity linked to asset use provides investors with incrementally more value relevant information. In a sample of 183 international firms from 35 countries that adopt International Accounting Standard (IAS) 41 and the use of regression analysis, the study reveals that book value and earnings information are significantly more value relevant to stock price.

Ragab and Omran (2016) examined empirically whether national and international investors in the Egyptian stock market perceive accounting

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information based on Egyptian accounting standards to be useful in stock valuation. Using a sample of all available listed firms in the emerging market data based from 1998 to 2002, evidence of value relevance of accounting information in Egypt was obtained base on both return and price models. They found that stock prices in Egypt have less information about the future values of the firm than accounting information. They suggested that competing information sources such as earnings forecast, firm research by financial analyst, management conference calls are far less relevant in Egypt than accounting information.

Bismark and Kingsley (2018) investigated the value relevance of accounting information from the emerging country perspective. Adopting the Ohlson's (1995) price model to examine the extent to which accounting information explains variation in stock prices of listed firms on the Ghana Stock Exchange. The findings show that earnings and book values of equity exhibit a positive and significant relationship in stock prices movement. Earnings explain higher variation in stock market values on the Ghana Stock Exchange compared to book values of equity. The study however finds that despite the introduction of the international Financial Reporting Standard (IFRS) in Ghana, the Value relevance of book value and earnings have declined significantly, over the period between 2005 and 2014.

Svenson and Larsson (2019) carried out a research to examine the value relevance of earning in Sweden. Earnings and market values from 30 companies for over 10 years from 1999 to 2008 were collected for this study. Applying regression analysis, it was revealed that earnings are value relevant and that earnings can explain 9.5 percent of the market returns in Sweden.

2.4 Gap in the Literature

From the extant literature reviewed and the theoretical assumptions, to the best of the researchers' knowledge, none of the studies conducted compared the value relevance of accounting information and share prices movement on

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a comparative bases to find out if the same accounting numbers are equally relevant in determining share prices in all sectors of an economy. This study sought to address this gap using consumer and industrial goods companies quoted on the floor of the Nigerian Stock market.

3.0 Methodology

The research methods and analytical tools employed in the study are discussed in this section.

3.1 Research Design

The *ex-post-facto* research design was adopted for this study. The design relied on data already generated by the sampled companies and published annually in exploring the relationship between the variables of study as well as influence of the independent variables on the dependent variable. The population of the study consisted of all listed consumer and industrial goods companies in Nigeria from 2015 to 2021, which consumer good firms twenty one (21) and industrial good firms, thirteen (13). Applying purposive Sampling Technique, Seventeen (17) consumer good and ten (10) industrial good companies constituted the sample. The sample was based on those companies that have the required data for the seven (7) years period; 2015 to 2021 of the study. The data for the study are purely secondary obtained from the published annual reports of the NSE and sampled companies.

3.2 Conceptual Specification of Model and Measurement of Variables

The conceptual model for the study and measurement of variables is presented in this section of the paper. This is based on the variable of the study.

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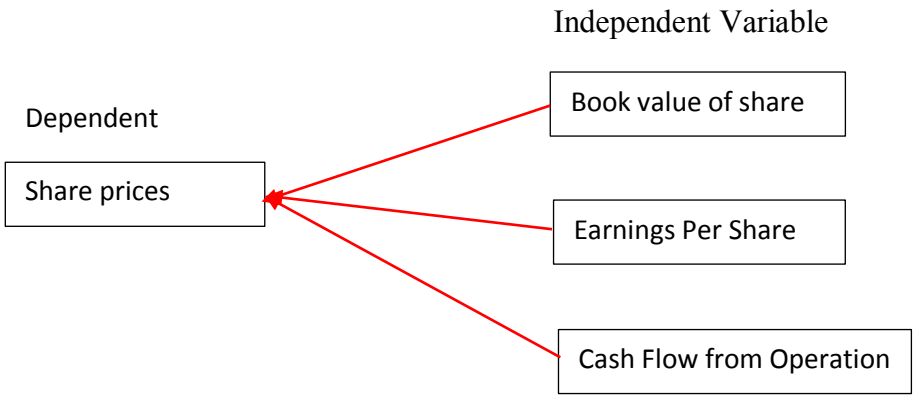

Figure 1: Conceptual Model of the Study
Source: Researchers' Conceptualization (2022)

Table 1: Measurement of Variables

S/N	Variables	Type	Definitions	Aprioris Expectation
1.	Share price	Dependent	Value as stated in the NSE Reports at the end of the third month after the financial year end of sampled firms	
2.	BVPS	Independent	Measured as total shareholders' equity divided by the number of equity shares	Positive
3.	EPS	Independent	Measured as net income less preference dividend divided by the average number of equity shows	Positive

Source: Researchers' Compilation (2022)

3.3 Empirical specification of Research model

The multiple regression model was adopted for the study and stated as:

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Sp_{it} = f (BVPS, EPS, CFO) Model 3.1

Where:

SP_{it} = share price
BVPS = Book value per share
EPS = Earnings per share
EFO = Cash flow from operations

Econometrically, the model is stated as:

$SP_{it} = a_0 + a_1BVPS_{it} + a_2 EPS_{it} + a_3CFO_{it} + \mu$ Model 32

Where:
Spit = Share price from firm at the end of the third month after year t
BVPSit = Book value of equity per share for firm I at the end of year t
EPSit = earnings before ordinary items per share for firm I at the end of year t
CFOit = cash flow from operations for firm I at the end of year t
a_o = regression intercept
a_1 to a_3 = coefficient of the independent variables
μ = stochastic error terms.

3.4 Data Analysis Method

Descriptive and inferential statistics are applied in analyzing data. This involves use of mean, medium and Minimum and standard deviation. Multicollinerarity test, Unit root test, Hausman test, ANOVA, pearson correlation coefficient and panel multiple regression analysis using ordinary least square (OLS) technique where all applied to estimate the regression parameters and drawing of inference. Eviews 7.0 software was used for analysis.

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4.0 RESULTS AND DISCUSSION

The results of the data analysis and discussion of the findings and hypothesis tested were carried out in this section of the paper.

4.1 Statistical Analysis of Results

The statistical analysis of the variables: Share price, Book Values Per Share (BVPS) Earnings per share (EPS) and cash flow from operations scaled by total assets (CFO) of the selected quoted companies in Nigeria are presented.

4.1.1 Descriptive Statistics

The variables of this study are analyzed and presented based on the two sectors with respect to their mean, minimum, maximum and standard deviation values are presented on the tables that follow:

Table 2: Descriptive Statistics for consumer goods sector

Variables	Mean	Maximum	Minimum	Stel. Dev.	Observation
Share Prices	168.2104	7860.000	0.70000	766.8000	119
BVPS	10.56960	86.10000	-5.120	16.2000	119
CFO	0.111850	0.460000	-0.300	0.139840	119
EPS	2.960000	54.30000	-2.8200	7.992000	119

Source: Researchers' Computation (2022).

Table 2 shows that the mean (average) value of share price is ₦168.21 with a minimum share price in the consumer goods sector of 70 kobo, maximum value ₦7,855 with a high standard deviation of 766.80. The mean value for BVPS was ₦10.569, minimum value of -5.12, maximum value 36.10 and standard deviation of 16.20. The CFO mean value was 0.112, minimum value -0.139, maximum value 34.30, and standard deviation 7.99. The implication of the result is that while some

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companies in the sector are earning high returns on their shares, others are not, following the result of the measures of dispersion.

Table 3: Descriptive statistics for industrial Goods Sector

Variables	Mean	Maximum	Minimum	Std. Dev.	Observation
Share prices	37.3807	260.0000	1.450000	58.20390	69
BVPS	12.1300	92.1700	-1.06000	19.34550	69
CFO	14.1003	221.6500	-0.19000	50.69832	69
EPS	2.8900	28.25000	-6.16000	5.304281	69

Source: Researchers' computation (2022).

Table 3 revealed that the mean value of share prices for the industrial sector during the period of the study is N37.38, Minimum share price of N1.45, maximum Value of N260 and a standard deviation of 58.20. It is further revealed that the BVPS had mean values 12.13, minimum value -1.6, maximum value 92.17, and standard deviation of 19.35. CFO had mean value 14.10, minimum value -0.190, maximum value 221.65 and standard deviation of 50.70 PS had mean of 2.89, minimum value 6.16, maximum value 28.25 and standard deviation of 5.3. It implies that companies' performance in the sector at extreme earning an average 289 kobo and ₦6.16 during the period.

4.1.2 **Multicollinearity Test**

Multicollinearity is an upshot associated with linear models. It hap when there are high correlations among variables within a particular model which signifies that the variables are perfect or near perfect replications of themselves. When the issues of multicollinearity are not properly addressed, it might give rise to unreliable and unstable estimate of the regression coefficients. In this study, we made use of the Variance Inflation Factor (VIF) to validate the presence or otherwise of multicollinerity among the predictor variables.

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Table 4: Multicollinearity Test Result for consumer Goods Sector

Variables	Colinearity Statistics	
	Tolerance	**Variance Inflation Factor (VIF)**
BVPS	32.36776	1.826305
CFO	278420.3	1.170699
EPS	149.5937	2.054566

Source: Researchers' Computation (2022)

Table 4 indicates that the VIF of the three predictor variables is less than 10 which is a good result. The rule of thumb for multicollinearity says that if the VIF>10, then it is palpable that multicollinearity exists.

Table 5: Multicollinearity Test Result for Industrial Goods Sector

Variables	Colinearity Statistics	
	Tolerance	**Variance Inflation Factor (VIF)**
BVPS	32.36776	1.826305
CFO	278420.3	1.170699
EPS	149.5937	2.054566

Source: Researchers' computation (2022)

The result clearly shows that the VIF values are within the acceptable range. That is, the VIF < 10, hence multicollinearity does not exists among the variable for the industrial goods sector.

4.1.3 Unit Root Test

This is conducted to ensure reliable estimates are obtained for the value relevance information parameters, and to determine the time series properties of each variable in the model according to the sectors. The researchers used Levin, Lin and Chu, ADF – Fisher Chi-square and PP-Fisher Chi-Square unit root test, the individual lag is chosen based on the Akaike Information Criterion (AIC), and conducted with intercept.

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Table 6: Unit Root Tests for Consumer Goods

	Levin, Lin and Chu t*		ADF-Fisher Chi Square		PP – Fisher Chi-Square	
Variables	Statistic	Prob **	Statistic	Prob **	Statistic	Prob **
Share Prices	-247.40	0.0000	41.3050	0.1817	51.3924	0.0282
BVPS	-187.044	0.0000	79.9792	0.0000	59.2946	0.0046
CFO	-6.84415	0.0000	-4.89718	0.0000	125.598	0.0000
EPS	-23.7642	0.0000	72.6801	0.0001	52.3183	0.0232

* Significant at 5% Level
** Significant at 10% level
Source: Researchers' Computation (2022)

From Table 6, which shows the unit root results for consumer goods sector, the results of the Levin, Lin and Chu and PP-Fisher Chi-square unit root tests all imply that the unit root hypothesis is rejected for share prices, BVPS, CFO and EPS respectively. In a similar vein, results obtained for the ADF-Fisher Chi-square test are the same except for the share prices. Therefore, based on Levin, Lin and Chu, and PP-Fisher Chi-square unit root tests the null hypothesis of non-stationary is rejected at levels in respect of all the variable of interest.

Table 7: Unit Root Tests for Industrial Goods

	Levin, Lin and Chu t*		**ADF-Fisher Chi Square**		**PP – Fisher Chi-Square**	
Variables	Statistic	Prob **	Statistic	Prob **	Statistic	Prob **
Share Prices	0.18648	0.5740	16.5334	0.5554	49.0368	0.0001
BVPS	-594.477	0.0000	23.7982	0.2513	14.5489	0.8016
CFO	-15.3058	0.0000	35.4603	0.0178	64.1136	0.000
EPS	2.06052	0.9803	9.83827	0.9371	19.1526	0.3825

* Significant at 5% level
** Significant at 10% level
Source: Researchers' computation (2022).

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Table 7 shows the Unit root test for the variables of study. The Levin, Lin and Chu, ADF-Fisher Chi-square and PP-Fisher Chi-Square unit root test showed that all the variables were found to be stationary at levels except EPS.

4.1.4 Test of Hypotheses 1

The 1st hypothesis of the study is tested in this section.

Ho_1: There is no significant difference in the level of relationship between the consumer and industrial goods value relevance variables and share prices of quoted firms in these sectors in Nigeria from 2015 to 2021.

To determine the level of relationship between the dependent and independent variables of study, the Pearson's Correlation Coefficient (r) is used, and results for each sector is presented on Tables 8 and 9.

Table 8: Correlation Coefficient Result for Consumer Goods Sector

Variables	BVPS	CFO	EPS	Share prices
BVPS	1	.664**	.357**	.299**
CFO	.664 **	1	.136	.189*
EPS	.357**	.136	1	.137
Share prices	.299**	.189*	.137	1

Source: Researchers Computation (2022)

The results in Table 8 shows positive relationship between share prices and BVPS ($r=0.299$; $P<0.05$), CFO ($r=0.189$ $p<0.05$) and EPS ($r=0.137$, $P>0.05$). Specifically, the relationship between share prices and BVPS, CFO and EPS show that when BVPS, CFO and EPS increase by 10%, there will be a positive movement in share prices by 2.99, 1.89 and 1.37 bases units respectively. The relationships are established to be statistically significant for BVPs and CFO at the 5% significance level. We, therefore, conclude that the value relevance variables have a positive and statistically significant relationship with share prices.

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Table 9: Correlation coefficient Results for Industrial Goods Sector

Variables	BVPS	CFO	EPS	Share prices
BVPS	1	.284*	.731**	.875**
CFO	.284*	1	-.173	.236*
EPS	.731**	-.172	1	.725**
Share price	.875**	.236**	.725**	1

Source: Researchers' Computation (2022).

The results in Table 9 shows positive relationship between share prices and BVPS ($r=0.875$, $P<0.05$), EPS ($r = 0.725$, $p<0.05$). This implies that an increase in BVPS, CFO and EPS by say 10%, shall propel increase in share prices in the industrial sector to increase by 8.75, 2.36 and 7.25 basis point respectively. All the value relevant variables are statistically significant. Hence, it is concluded that value relevance variables in the sector had positive and statistically significant relationship.

4.1.5 Hausman Test

To examine the sectional influence of the value relevance variables on share prices of firms in the industrial and consumer goods, the panel data were subjected to Hausman test to find out whether fixed or random effects regression analysis is most appropriate for model within the framework. The results of the test are presented on Table 10.

Table 10: Hausman Test Result

Sector	Chi-Square statistic	Probability	Summary
Consumer Goods	0.523024	0.9138	Random Effect Model
Industrial goods	69.631498	0.0000	Fixed Effect Model

Sources: Researchers' Computation (2022).

For each of the models, the Hausman test is based on the hypothesis that the difference between the Coefficients for the fixed and random models is not significant. This is because the probability of the Chi-Square of the Hausman test is greater or less than 0.05. If the probability is not Significant, we accept the

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alternative and reject the null and thus, accept the fixed effects model, otherwise, the random effects model is used.

From the results, random effects model is appropriate for analysis for consumer goods sector model and fixed effects model for industrial goods sector.

4.1.6. Test of Hypothesis II

$H_0$2: The Consumer and industrial goods value relevance variables do not significantly influence the share prices of quoted firms in these sectors in Nigeria from 2015 to 2021.

The results of the regression analysis of Sector influence of the value relevance variables on share prices of quoted firms on the Nigeria Stock Exchange are presented on Tables 11 and 12.

Table 11: Regression Analysis Result of Influence of value Relevance Variables on Share Prices of companies in Consumer Goods Sector

Independent Variable	**Dependent Variable – Share Prices**		
		Random Effects	
	Coefficient	**t-stat.**	**Prob.**
C	68.38139	0.658982	0.5112
BVPS	-0.585969	-0.099432	0.9210
CFO	206.6694	0.384014	0.7017
EPS	28.05604	2.207202**	0.0293
R2	0.057484		
N	119		
F	3.398917		
P>F	0.020236		
Hausman Test	0.523024	0.9138	

Source: Researchers' Computation (2022).

The result of the regression analysis shows positive and significant influence of two predictor variables on share prices (CFO and EPS); CFO (α = 206.67, t-

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calc.=0.03840, P=0.7017, >0.05) and EPS (α = 28.05, t-calc. = 2.2072, P=0.0293< 0.05) and BVPS indicating a negative with share prices (α = -0.5859, t-calc. = -0.0994, P = 0.9210, >0.05)

The results imply that if CFO and EPS increase by 1 percent, the share prices also increase by 206.67 and 28.05 bases point, indicating the higher cash flow from operating activities and earning per share is equivalent to higher share prices. The results for BVPS imply that if BVPs increase by 1 percent, the share prices reduces by 0.58 percent, meaning that higher book value per share reduces share prices. The adjusted R^2 of 0.057 showed that 5.7 percent of the variation in share prices in the consumer goods sector is accounted for by changes in the predictor variables. The F-cal. Value 3.39 and its corresponding probability value 0.020236 shows that the independent variables explain a proportion of the variations in the shares in the consumer goods sector of the Nigeria Stock Exchange, while other determinants of share prices are accounted for by the error term.

Table 12: Regression Analysis Result of the Influence of Value Relevance Variables on share prices of Industrial goods Sector companies

Independent Variables	**Dependent Variable – Share Prices**		
		Fixed Effects	
	Coefficient	**t-stat**	**Prob.**
C	25.81536	5.995759	0.0000
BVPS	0.301703	1.161888	0.2502
CFO	-0.093721	-1.052227	0.2972
EPS	3.195909	3.645480**	0.0006
R2	0.913801		
N	69		
F*	61.07266		
P>F	0.00000		
Hausman Test			

Source: Researchers' Computation (2022)

Table 12 shows that EPS (α = 3.195, t.calc. = 3.6454, P=0.0006, <0.05) is statistically significant at 5 percent level in explaining changes in share prices. With

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fixed effects model, EPS has a coefficient of 3.195909, indicating that a unit change in EPS will result to approximately 3.19 unit change in share prices. The adjusted R^2 of 0.913801 signified that the model used explained 91.38 percent variation in share prices. This also means that share prices in the sector are sensitive to EPS. On the other hand, BVPS (α = 0.3017, t-calc. = 1.1619, P = 0.2502, >0.05) and CFO (α = -0.0937, t-calc. = -1.0522, P=0.2972, > 0.05) were statistically insignificant at 0.05 significance level. The P-value of the F-Statistic (F* = 61/07266; P=0.000) showed that the variables are significant determinants of share prices in the industrial goods sector.

4.2 Discussion of the Findings

The argument on value relevance of accounting information on share prices movements is topical and ongoing globally. This study sought to find out whether accounting information has equal value relevance in determining share price movements in all sectors of an economy using quoted consumer and industrial goods companies in Nigeria. That is, to find out if there is a variation as to the type of accounting information that is relevant in different sectors.

From the study findings, it is revealed that investors in different sectors may have to look for diverse accounting information in their respective investment decision sphere. This is attributed to the fact that the two sectors studied showed that different accounting information have value relevance which depend on the nature of the sector and the product dealt with. However, the findings are similar to those of Karunarathne and Rajapakse (2010), Bismark and Kingsley (2018) who confirmed value relevance of accounting information in share price movements in their respective studies.

5.0 Conclusion and Recommendations

The investigation has confirmed the value relevance of accounting information on share price movement with the pointer that different accounting numbers are needed in different sectors. This disposition is shown on Table 13.

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Table 13: Summary of Relevance of Sectors' Accounting Numbers

Sector	Accounting Variable Relevance	Recommendations/Expected Action
Consumer Goods	CFO and EPS P-Value <0.05 BVPS P-Value > 0.05	Investors in this sector should rely most on the results of the statement of profit or loss and other comprehensive income and the statement of cash flow.
Industrial Goods	EPS P-Value < 0.05 BVPs and CFO P-Value > 0.05	Investors in this sector should rely most on the results of the statement of profit or loss and other comprehensive income

Source: Researchers' Compilation (2022)

5.1 Limitation of the Study

The data used for the study are panel covering all the selected companies that may not have adopted the same accounting policies, be equal is size and volume of activities. More so, we consider only three (3) accounting numbers from the wealth of information available in financial statements. However, it is our assumption that the data made use of guarantee reliable inference drawn therefrom and suitable for policy analysis.

5.2 Implications from the study findings

The business implications of the findings are as follows:

i. The investors in the sectors studied would be motivated by the result on which accounting numbers to rely mostly when decisions are to be taken.
ii. The regulatory bodies at the accountancy and capital market levels would need to understand the need for uniformity in adoption of accounting policies and compliance with reporting framework to enhance comparability.

5.3 Suggestions for Further Studies

It is suggested that mixed research design involving use of secondary and primary data to garner information from those operating at both the stock market and company management be carried out. This would mean qualitative and quantitative data are combined to establish a more holistic conclusion.

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