ISSN : 2350-0743

www.ijramr.com

International Journal of Recent Advances in Multidisciplinary Research
Vol. 05, Issue 01, pp.3366-3374, January, 2018

RESEARCH ARTICLE

EFFECT OF ACCOUNTING INFORMATION ON MARKET SHARE PRICE OF SELECTED FIRMS LISTED ON NIGERIA STOCK EXCHANGE

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ARTICLE INFO

Article History:
Received 14th October, 2017
Received in revised form
06th November, 2017
Accepted 09th December, 2017
Published online 30th January, 2018

Keywords:
Accounting Information,
Share Price,
Investment Decision.

ABSTRACT

The main objective of this study is to ascertain the effect of Accounting Information on Market Share Price of Information, Communication and Technology (ICT) firms listed on Nigeria Stock Exchange. The specific objectives are to ascertain the effect or otherwise of Dividend per share, Earnings per Share and Return on Equity on Market Share price of ICT firms listed on the floor of Nigeria Stock Exchange from 2010-2016. Ex-post fact research design was used for this study. Secondary data were sourced from the publications of Nigeria stock exchange. Inferential statistics of the hypotheses were carried out with the aid of E-view 9.0 statistical software using Co-efficient of correlation and Simple Linear Regression (SLR) analysis. Findings of this study shows that Dividend per Share, Earnings per Share and Return on Equity has a positive and statistically significant effect on Market Share Price 5% significance level. It is recommended among others that since accounting variables have significant influence on market share price, there should be better accounting information disclosure and improved quality financial reporting by ICT firms in Nigeria.

INTRODUCTION

The primary objective of every investor trading on the stock market is to make a fortune rather than a misfortune. This could be attributed to why a good understanding of the stock price of companies in which investment will be made is vital to investors. The importance of accounting information can be judged by the ability of financial information contained in the financial statements to explain stock markets measures (Vishnami and Krishah, 2008, cited in Paul and Juliana, 2015). It is widely believed that efficient stock market serves as a catalyst for economic growth and development of a country and in a bid to enhance private capital for the development of companies in Nigeria, the Nigerian Stock Exchange (NSE) was established in 1961 to facilitate the improvement of the capital market (Maku and Atanda, 2010). Therefore, reliable accounting information has been considered to be an essential pre-requisite for stock market growth as investors require adequate information about the stock market to take informed investment decision (Oyerinde, 2006). Junjie, Gang and Chao (2013) suggest that in stock market, many factors such as financial policy, monetary policy, industrial policy, foreign trade policy, accounting information, investors' expectation, market supervision and other internal factors can possibly cause a change in the stock price.

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But amongst all these, accounting information has been perceived to be the most important factor used by investors, as investment decisions can be made on the basis of a company's stock and an organization's stock price is a comprehensive reflection of the company's future profit (Serife and Uger, 2012). It is germane to note that financial statements will only be employed by an investor when evaluating the stock price of an enterprise on the Stock Exchange Market only if it provides useful information to them. For this purpose, accounting information must certainly encompass two qualitative features: relevance and reliability; to be acceptable and useful to investors (Adaramola and Oyerinde, 2014). To this end, accounting information obtained from the financial statement will be redundant if either or none of the two qualitative features exist. Beisland (2009) opined that one of the major objectives of financial reporting is to provide equity investors with information relevant for estimating company value. Accounting information reduces information asymmetries, which lead to adverse selection in transaction activities in the stock market (Kyle 1985) cited in Nicholas, George, Eleftheriou and Sorros (2011) as well as to enhance liquidity, which lowers the discounts at which firms must issue capital (Diamond and Verrecchia 1991 as cited in Nicholas, George, Eleftheriou and Sorros 2011). Accounting information is a unified structure within an entity, such as a business firm, that employs physical resources and other components to transform economic data into accounting information, with the purpose

of satisfying the information needs of a variety of users (Dey, 2007).

Statement of Problem

It is believed that accounting information plays an important role in reflecting the market share price. Accordingly, this study aims to find out to what extent is the importance of accounting information in deciding market share price of Information, Communication and Technology firms listed on Nigeria Stock Exchange. Currently, the world and human life has been transformed from information age to a knowledge age (Curtis, 1995), and knowledge has been recognised as the most valuable asset. In fact, knowledge is not impersonal like money and does not reside in a book, a data bank or a software program (Choe, 1996). Choe believed that knowledge is always embodied in a person, taught and learned by a person, used or misused by a person. Accounting information (such as inventory turnover ratio, liquid ratio, return on net worth, net book value, dividend per share, earnings per share, return on equity amongst others) is an unbiased tool for an effective administration. Poor accounting information jeopardizes administrative effectiveness, which makes managers malnourished administratively especially in Nigerian business and industry. The consequence of this has been the current distressed syndrome that Nigerian businesses and industries are facing, most especially the Information, Communication and Technology (ICT) sector. Huber (1999) stressed that companies must learn to manage their intellectual assets (that is, knowledge) in order to survive and compete in the 'knowledge society'. Indeed, knowledge management is concerned with the exploitation and development of the knowledge assets (Chang, 2001). Information is indispensable for decision making in any business organization.

The problem however lies in the quality and validity of the information, that is, if it is timely, adequate, and clear. The major purpose of the use of accounting information (such as inventory turnover ratio, liquid ratio, return on net worth, net book value, dividend per share, earnings per share, return on equity amongst others) is to minimize risk, failure and uncertainties with regards to market share price and also stay ahead of competitors. Notwithstanding the immense benefit of use of accounting information, it is generally acknowledged that most unqualified accountants generate inaccurate information and so result in failure of organizations to achieve desired goal. These problems largely contribute to the failure of the use of accounting information in business to monitor share price with the result that inaccurate decisions are made to the detriment of the organization. It is only through accounting information that managers and external users get a picture of the organization as a total entity. Managers who fail to realise this do not appreciate an accountant's analysis in respect of financial accounting information generated. This may lead to poor decision being taken, poor valuation of a business entity and may affect the profitability and performance of the organisation. Thus, this study seeks to show how accounting information (such as inventory turnover ratio, liquid ratio and return on net worth) can be derived from corporate financial reports and their usefulness for stock market. Again, the observation of investors and finance managers of the effect of accounting variables on stock prices has necessitated this study. Accounting information variables such as Dividend per share (DPS), Earnings per Share (EPS), Book value per Share (BVPS), Cash flow per Share (CFPS), Return on Equity (ROE) will help investors to determine the expected returns on their investment and variations if any from one accounting period to another. Based on the foregoing therefore, it becomes pertinent that this study investigate the relevance of accounting information in determining the stock price of ICT firms the Nigerian Stock Exchange (NSE).

Objectives of the Study

The main objective of this study is to determine the effect of Accounting Information on Market Share Price of ICT firms listed on Nigeria Stock Exchange.

The specific objectives are to;

- Ascertain the effect of Dividend per Share (DPS) on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.
- Determine the effect of Earnings per Share (EPS) on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.
- Ascertain the effect of Return on Equity on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.

Research Hypotheses

In line with the objectives of the study, the following alternative hypotheses are formulated:

H_1: Dividend per Share (DPS) has significant effect on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.

H_2: Earnings per Share (EPS) have significant effect on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.

H_3: Return on Equity significantly affects Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.

Conceptual Review

Accounting Information

Accounting Information is information which describes an account for a utility. It processes financial transactions to provide external reporting to outside parties such as to stockholders, investors, creditors, and government agencies etc. And non accounting information is information which cannot be measured in monetary terms to make investment decisions by the investors (). This type of investment is called as ethical investment. Financial information is essential in making sound investment decisions and it will reduce the informational asymmetry problem between the firm's managers and the investors (Hossain, Khan, Yasmin, 2004; Amahalu, Nweze, and Obi, 2017). For financial reporting to be effective, accounting information must be relevant, complete and reliable. The primary purpose of the financial statements is to provide information about a company in order to make better decisions for users particularly the investors.(Germon and Meek 2001). It should also increase the knowledge of the users and give a decision maker the capacity to predict future actions. Therefore, relevance accounting information can be described as an essential pre requisite for stock market growth (Oyerinde, 2009).

Dividend per Share (DPS)

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding. Dividend per share (DPS) is the total dividends paid out by a business, including interim dividends, divided by the number of outstanding ordinary shares issued. A company's DPS is usually derived using the dividend paid in the most recent quarter, which is also used to calculate the dividend yield. DPS can be calculated by using the following formula:

$$DPS = \frac{D - SD}{S}$$

D - Sum of dividends over a period (usually 1 year)
SD - Special, one time dividends
S - Shares outstanding for the period

Earnings per Share (EPS)

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability. Calculated as:

$$= \frac{\text{Net Income - Dividends on Preferred Stock}}{\text{Average Outstanding Shares}}$$

Return on Equity (ROE)

Return on equity (ROE) is a measure of profitability that calculates how many dollars of profit a company generates with each dollar of shareholders' equity. The formula for ROE is: ROE = Net Income/Shareholders' Equity. ROE is sometimes called "return on net worth." Return on equity (ROE) is a ratio that provides investors with insight into how efficiently a company (or more specifically, its management team) is managing the equity that shareholders have contributed to the company. Below is some insight into how to calculate it.

Market Share Price (MSP)

The market price per share of stock usually termed simply "share price" is simply the naira amount that investors are willing to pay for one share of the company's stock. It has no specific relation to the value of the company's assets, such as book value per share, which is based on the information from a company's balance sheet (Peavler, 2017).

Accounting Information and Market Share Price

The ultimate goal of almost all firms is to increase their bottom line. Firms probably have distinct policies regarding wealth distribution however if they fail to increase their profits they are likely to face the issues to support their activities through raising capital. As a result increasing the shareholders' value is important for both the shareholders' and the management of the firm. The value of any publicly listed firm can be derived from its share price. Nevertheless, share prices are volatile due to the impact of macro and micro economic factors. The managers usually depend on accounting information for measuring the performance of firm and this information is also of interest for the potential investor to select appropriate stock.

Several empirical studies have been done to showing the influence of accounting information on stock prices. The accounting information is an effective tool to anticipate the share prices. Ball and Brown (1968) in Muhammad (2016) established the argument that if a company has surplus profit then the investors can earn unusual return. The phenomenon confirmed the association of organizational profit and share prices.

Dividend per Share and Market Share Price

Dividend per share is defined as gross dividend divided by number of ordinary shares. It indicates the retention policy of the company as investors would always prefer higher ratio to continue to retain investment in the company (Siyanbola and Adedeji, 2014). According to Khan (2012), dividend per share is important for investors as they consider dividends not only the source of income but also a way to assess company from investment point of view and whether the company is cash generative or not and determining if a company pays more dividends than fewer funds available for investment in future projects. Also lenders are also interested in the amount of dividend that a company declares, as more amounts is paid as dividend means less amount would be available to the company for servicing and redemption of their claims (Okoye, Amahalu, Nweze, and Obi, 2016). There are mainly two schools of thoughts that presents two different opinions about the dividend policy of a company and its impact on stock price, one school of thought followed the opinion of Miller and Modigliani (1961) concept of dividend irrelevance theory in which they explain that dividend policy does not affect the stock prices and considered dividend policy irrelevant while the second school of thought followed the point of view of Gordon (1963) and considered dividend policy relevant in relation to the value of the firm and the market price of shares (Khan, 2012). Companies also realize that investors pay close attention to their dividend returns, and that the insecurity of their investments may affect the valuation of the firm's shares in the long run (Abiahu and Amahalu, 2017). This makes the volatility of stock prices as important to firms as it is to investors (Okafor and Mgbame, 2011).

Earnings per Share and Market Share Price

The International Accounting Standards Board (IASB) in its International Accounting Standards (IAS) 33 define Earnings per share as the amount of current period earnings or profit (or loss) attributable to a unit of ordinary share. Earnings per share has a significant impact on the market/stock price of an entity as it affects the calculation of an entities stock price (Idekwulim, 2014; Amahalu, Agbionu, and Obi, 2017). Earnings per share can be used as a performance indicator of the financial standing of the company during the year and it indicates the progress of the company in the near future. In other words, Earnings per share is a measurement of a business performance as the net income figure takes into account both the results of the company's operations and the effect of financing (Seetharaman and Raj, 2011). There are two arguments regarding the predictive power of earnings per share on stock prices. One group argues that, stock prices go up and down as this can be observed in a situation when there is good news or higher earnings per share reports, the price of the firm goes up, but if there is bad news, the price goes down. This group maintains that stock prices are not directly determined by earnings per share, but it is directly determined by the

balance between the demand and supply of firm stock prices and this demand and supply causes the stock prices to fluctuate. In contrast, the other group argues that earnings per share does not determine market/stock prices (Umar and Musa, 2013). The future profit of the firm is the most fundamental factor that affects stock prices and the earnings information has been considered to contain the greatest informational content of all the accounting information because it contains the important discussion concerning the relationship between accounting earnings and stock prices (Chang, Yahn-Shir, Chi-Wei, Ya-Wen, 2008).

Return of Equity (ROE) and Market Price Share

Return on equity tells what percentage of profit that company makes for every monetary unity of equity invested in the company. ROE does not specify how much cash will be returned to the shareholders, since that depends on company's decision about dividend payments and on how much the stock price appreciates. However, it's a good indication of generating a return that is worth whatever risk the investment may entail (Berman, Knight and Case 2013). ROE is usually calculated by dividing net profit by average shareholders' equity. Bao (2000) pointed out stock price's trend is based on information, and the economic function of stock market depends on price's reaction for the information. Wang and Liang (2000) believe stock investment cannot be done without accounting information. Real, reliable and timely accounting information can help investor make the best decision, but fake information cannot.

Theoretical Review

Theory of Market Value Relevance

The concept of the value relevance of accounting information is defined as the ability of accounting numbers to summarize the information underlying the stock prices, thus the value relevance is indicated by a statistical association between financial information and stock prices or returns (Jianwei and Chunjiao, 2007). Francis and Schipper (1999) define market value relevance as a statistical association between financial information and prices or returns. This study is underpinned by the theory of market value relevance because it is pertinent to note that financial statements will only be employed by an investor when evaluating the stock price of an enterprise on the Stock Exchange Market only if it provides useful information to them. For this purpose, accounting information must certainly encompass the primordial features of relevance and reliability; to be acceptable and useful to investors. To this end, accounting information obtained from the financial statement will be redundant if either or none of the two qualitative features exist. Beisland (2009) opined that one of the major objectives of financial reporting is to provide equity investors with information relevant for estimating company value.

MATERIALS AND METHODS

Research Design

This study is concerned with the effect of Accounting Information on Market Share Price of ICT firms listed on Nigeria stock exchange from 2010-2016. The research design employed in this study is the ex-post facto research design. An Ex-post Facto research determines the cause-effect relationship among variables. Ex-post Facto seeks to find out the factors that are associated with certain occurrence, conditions, events or behaviours by analyzing past events or already existing data for possible casual factors Kothari and Garg (2014).

Population of the Study

The population of the study consists of the eleven (11) ICT firms listed on the floor of the Nigerian Stock Exchange from 2010 to 31st December 2016. They include; Courteville Business Solution Plc, Omatek Ventures Plc, Mtech Communications Plc, Computer Warehouse Group Plc, NCR Nigeria Plc, Tripple Gee and Company Plc, E-Tranzact International Plc, Chams Plc, Starcomms Plc, IHS Plc, Mass Telecom Innovation (MTI) Nig. Plc. The reason for the choice of this time frame is availability of published annual report and accounts of the selected organizations and to have a fairly, reasonably, reliably and up-to-date available financial data.

Sample Size and Sampling Method

Eight (8) listed ICT firms represent the sample size for this study. These are; Courteville Business Solutions Plc, Omatek Ventures Plc, Mtech Communications Plc, NCR Nigeria Plc, Tripple Gee and Company Plc, E-Tranzact International Plc, Chams Plc, Mass Telecom Innovation (MTI) Nig. Plc. Data were gathered from the published financial statements of the eight (8) quoted firms for a seven (7) year period spanning from 2010-2016, using judgmental sampling method (that is all the ICT firms that filed their annual financial statements with NSE from 2010-2016 without missing any year was selected for this study).

Source of Data

This study made use of secondary data precisely. The data were sourced from publications of the Nigerian stock exchange (NSE), fact books and the annual report and accounts of the listed ICT firms, particularly the comprehensive income statement and statement of financial positions of these companies as well as their respective notes to the accounts. Both the dependent and independent variables were computed from the data extracted from publications of the Nigerian stock exchange (NSE), the annual report and accounts of the listed firms and ratios were computed from the figures as reported in the annual reports.

RESEARCH VARIABLES

Independent Variables

The drivers for the independent variable (Accounting Information) are Dividend per Share, Earnings per Share and Return on Equity.

- **Dividend per Share (DPS_{it}):** Dividend per share (DPS) is the total dividends paid out by a business, including interim dividends, divided by the number of outstanding ordinary shares issued for company *i* in time *t*.

DPS can be calculated by using the following formula:

$$DPS = \frac{D - SD}{S}$$

D - Sum of dividends over a period (usually 1 year)
SD - Special, one time dividends
S - Shares outstanding for the period

- **Earnings per Share (EPS_{it}):** EPS are the portion of a company's profit that is allocated to each outstanding share of common stock, serving as an indicator of the company's profitability for company *i* in time *t.* EPS is often considered to be one of the most important variables in determining a stock's value.

EPS is calculated as:
EPS = net income ÷ average outstanding common shares

- **Return on Equity (ROE_{it}):** ROE is a measure of how well a company uses investments to generate earnings growth for company *i* in time *t*.

$$ROE = \frac{\text{Net Income} \times 100}{\text{Shareholder Equity}}$$

Dependent Variable

The dependent variable in this study is:

•**Market Share Price (MSP):** The market price per share of stock usually termed simply "share price" is simply the naira amount that investors are willing to pay for one share of the company's stock. It has no specific relation to the value of the company's assets, such as book value per share, which is based on the information from a company's balance sheet.

Model Specification

The study adopts the valuation framework developed by Ohlson (1995) to examine the value relevance or degree of association between the stated variables. In the empirical models, market share price is a linear function of dividend per share, earnings per share and return on equity.

The equations are as follows:

$$MSP_{it} = \beta o + \beta_1 DPS_{it} + £_{it} \quad \ldots\ldots\ldots\ldots\ldots\ldots(1)$$

$$MSP_{it} = \beta o + \beta_2 EPS_{it} + £_{it} \quad \ldots\ldots\ldots\ldots\ldots\ldots...(2)$$

$$MSP_{it} = \beta o + \beta_3 ROE_{it} + £_{it} \quad \ldots\ldots\ldots\ldots\ldots\ldots(3)$$

Where

MSPjt = market share price for firm $_i$ at the end year t
EPS_{it} = earnings per share for firm i at the end of year t
ROE_{it} = return on equity for firm i at the end of year t
DPS_{it} = dividends per share for firm i at the end of year t
£ = error term (part of the market share price which is not interpreted by the model)
βo = the intercept
β_1 is coefficient of dividend per share (DPS)
β_2 is coefficient of earning per share (EPS)
β_3 is coefficient of return on equity (ROE)

A Priori Expectation

The theoretical (A priori) expectations about the signs of the coefficients are as follows: βo >0, β_1>0.

It is expected that the sign of the coefficients of Accounting Information parameters (DPS, EPS, and ROE) should be positive. The resulting evidence should suggest that accounting information parameters have significant influence on market share price and they have joint explanatory power in determining market share prices of ICT firms in Nigeria.

Decision Rule

Accept the alternative hypothesis (H_1) if the p-value of the test is less than 0.05, otherwise reject.

Data Presentation

The data presented below were obtained from publications of the Nigerian Stock Exchange (NSE), fact books, annual report and accounts of selected ICT firms listed on the floor of Nigeria stock exchange from 2010 to 2016.

Table 1. Correlation Matrix

	MSP	DPS	EPS	ROE
MPS	1.0000	0.6294	0.6206	0.3451
DPS	0.6294	1.0000	0.5809	0.4646
EPS	0.6206	0.5809	1.0000	0.8867
ROE	0.3451	0.4646	0.8867	1.0000

Source: Researcher's computation using E-View 9.0, 2017

The correlation matrix result in table 4.1 depicts that MSP has a positive relationship with the DPS, EPS and ROE.

Test of Hypotheses

Test of Alternative Hypothesis 1

H_1: Dividend per Share (DPS) has significant effect on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange

Model Specification

$$MSP_{it} = \beta o + \beta_1 DPS_{it} + £_{it} \quad \ldots\ldots\ldots\ldots\ldots\ldots(1)$$

Table 2. Simple Linear Regression analysis testing the association between MSP and DPS

Dependent Variable: MSP				
Method: Least Squares				
Date: 04/21/17 Time: 18:51				
Sample: 2010 2016				
Included observations: 7				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.067074	1.616250	3.135080	0.0258
DPS	6.766489	3.736130	1.811096	0.0099
R-squared	0.596140	Mean dependent var		2.457143
Adjusted R-squared	0.475368	S.D. dependent var		2.274538
S.E. of regression	1.936208	Akaike info criterion		4.394296
Sum squared resid	18.74450	Schwarz criterion		4.378842
Log likelihood	-13.38004	Hannan-Quinn criter.		4.203284
F-statistic	31.20068	Durbin-Watson stat		1.992673
Prob(F-statistic)	0.000289			

Source: Researcher's computation using E-View 9.0, 2017

Interpretation of Regression Result

Table 4.2 has shown the meaningful role of DPS in determining the strength of Share price. The results are satisfactory in terms of standard analytic tests. The value of R-

square is showing that 60% of the total variation in dependent variable is explained by independent variable to the determination of share price while the remaining 40% is caused by other explanatory factors outside this model and this is captured by the error term. There is no problem of autocorrelation in the model as shown by the value of Durbin-Watson stats of 1.992673. The overall performance of the model is satisfactory as shown by Prob(F-statistics) = 0.000289. From the above factual information it is clearly obvious that there is a positive significant relationship between the Market Share Price and Dividend Per Share.

MSP = 5.067074 +6.766489DPS + £

This implies that DPS has significant impact on market share prices and that DPS is significant in forecasting the prices of stock.

Decision Rule

Accept the alternative hypothesis (H_1) if the p-value of the test is less than 0.05, otherwise reject.

Decision

The P-value of the test is 0.000289 which is less than 0.05. Hence, H_o is rejected and H_1 is accepted.

Conclusion

Since there is strong evidence that market share prices are influenced by dividend per share at 5% level of significance. This research concludes that accounting variable such as dividend per share has significant influence on market share price of ICT firms listed on the floor of Nigeria Stock Exchange for the period of 2010 to 2016.

Test of Alternative Hypothesis II

H_2: Earnings per Share (EPS) have significant effect on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.

Model Specification

$MSP_{it} = \beta o + \beta_1 EPS_{it} + £_{it}$ ……(2)

Table 4.3 Simple Linear Regression analysis testing the association between MSP and EPS

Dependent Variable: MSP				
Method: Least Squares				
Date: 04/21/17 Time: 18:59				
Sample: 2010 2016				
Included observations: 7				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.952576	2.108815	2.822711	0.0370
EPS	5.401332	3.052318	2.769583	0.0070
R-squared	0.685102	Mean dependent var		2.457143
Adjusted R-squared	0.562122	S.D. dependent var		2.274538
S.E. of regression	1.953824	Akaike info criterion		4.412411
Sum squared resid	19.08715	Schwarz criterion		4.396956
Log likelihood	-13.44344	Hannan-Quinn criter.		4.221399
F-statistic	33.31426	Durbin-Watson stat		1.209325
Prob(F-statistic)	0.000021			

Source: Researcher's computation using E-View 9.0, 2017

Interpretation of Regression Result

MSP = 5.952576 +5.401332EPS + £

The above model tested the effect of Earnings per Share (EPS) on Market Share Price (MSP). The result shows that Earnings per Share have positive significant impact on Market Share Price. This can be seen from the coefficients and probability of t-stat in table 4.3 above; β_1= 5.401332**,** Prob = 0.0070. The probability of t-statistics for Earnings per Share is lower than the acceptable 5%. Furthermore, the R- squared which is the coefficient of determination shows the magnitude of variations caused on market share price by the explanatory variable Earnings per Share to be about 68.5%. This indicates that about 68.5% variation in Market Share Price is attributed to the influence of Earnings per Share while the remaining 31.5% is caused by other explanatory factors outside this model and this is captured by the error term. Thus, the result indicates that Earnings per Share has a strong positive relationship with Market Share Price, since R2 is above 50% at about 68.5%, the stated independent variable in the model is good enough to explain Market Share Price. The significance level is 0.0070; this in essence shows that there is a significant relationship between the variables. Hence, we reject our null hypothesis and accept our alternative hypothesis which says that Earnings per Share have a significant effect on Market Share Price.

Decision: From Table 4.3, at the adopted level of significance 0.05, the F-statistics is 33.31426 with the P-value 0.000021, which is less than 0.05. Therefore, reject the null hypothesis and accept the alternative, which says that Earnings per Share have a positive effect on the Market Share Price of ICT firms listed on the floor of Nigeria Stock Exchange at 5% significant level. This implies that there is a significant relationship between Earnings per Share and Market Share Price.

Test of Alternative Hypothesis III

H_3: Return on Equity (ROE) has significant effect on Market Share Price (MSP) of ICT firms listed on Nigeria Stock Exchange.

Model Specification

$MSP_{it} = \beta o + \beta_1 ROE_{it} + £_{it}$ (3)

Table 4.4. Simple Linear Regression analysis testing the association between MSP and ROE

Dependent Variable: MSP				
Method: Least Squares				
Date: 04/21/17 Time: 19:01				
Sample: 2010 2016				
Included observations: 7				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.556632	1.603132	2.218552	0.0773
ROE	0.231890	0.282075	0.822085	0.0000
R-squared	0.719071	Mean dependent var		2.457143
Adjusted R-squared	0.657115	S.D. dependent var		2.274538
S.E. of regression	2.338592	Akaike info criterion		4.771931
Sum squared resid	27.34506	Schwarz criterion		4.756477
Log likelihood	-14.70176	Hannan-Quinn criter.		4.580920
F-statistic	25.75823	Durbin-Watson stat		1.485872
Prob(F-statistic)	0.000000			

Source: Researcher's computation using E-View 9.0, 2017

Interpretation of Regression Result

According to the result of the analyzed data in table 4.4, the function of Simple Linear Regressions was built in the model below:

MPS=3.556632+0. 0.231890 ROE

The results of the pooled regression exploring the functional relationship between return on equity and market share price are presented in table 4.4. The results showed that information on return on equity has a direct/positive relationship with share prices of ICT firms in Nigeria. That is, movement in share prices is significantly influenced by movement in return on equity. The result also showed that ROE is statistically significant in explaining variations in share prices at 5% level of significance. Testing the overall significance of the model, the results also confirmed that the model is statistically significant at 5% level of significance with the Prob (F-statistic)=0.000000. Durbin-Watson statistics of 1.485872 showed that the data are free from problem of serial correlation.

Decision Rule

Accept the alternative hypothesis (H_1) if the p-value of the test is less than 0.05, otherwise reject.

Decision

The P-value of the test is 0.000000 which is less than the critical P-value of 0.05. Hence, H_o is rejected and H_1 is accepted.

Conclusion

Since there is strong evidence that market share prices are influenced by Return on Equity at 5% level of significance. This research concludes that accounting variable such as ROE has significant influence on market share price of ICT firms listed on the floor of Nigeria Stock Exchange for the period of 2010 to 2016.

FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of Findings

- Dividend per Share has a positive statistically significant relationship with Market Share price of ICT firms listed on the floor of Nigeria Stock Exchange at 5% level of significance.
- Earnings per Share have a positive statistically significant relationship with Market Share price of ICT firms listed on the floor of Nigeria Stock Exchange at 5% level of significance.
- Return on Equity has a positive statistically significant relationship with Market Share price of ICT firms listed on the floor of Nigeria Stock Exchange at 5% level of significance.

Conclusion

This study investigated the effect of Accounting Information on Market Share Price of ICT listed on Nigeria Stock Exchange from 2010 to 2016, using Simple Linear Regression. The R-squared coefficient of determination was adopted to show the degree of variation of Market Share Price that is explained by the explanatory variable. Also, the T-Statistic and F-Statistic were adopted to show the degree at which the independent variable affects the dependent variable. This study selected 8 companies for the period 2010–2016. The regression analysis reveals a significant and positive effect of accounting information on market share price. Individual regression of the proxies for Accounting Information shows that Dividend per Share, Earnings per Share and Return on Equity has positive and statistical significant effect on market share price. The resulting evidence suggests that accounting information parameters have significant influence on share price and they have joint explanatory power in determining market share prices. The study concluded that the firms that increase information disclosure transparency can increase accounting earnings; thereby, increasing stock market price.

Recommendations

- Since Dividend per Share has a direct and positive influence on Market Share Price, ICT firms in Nigeria should comply with the standards that can improve quality of information in their company.
- Since Earnings per Share have significant influence on market share price, there should be better accounting information disclosure and improved quality financial reporting by ICT firms in Nigeria.
- Since Market Share Prices are influenced by Return on Equity, ICT firms in Nigeria should adopt ethical standards in the preparation and presentation of their accounting information in order to increase their accounting earnings.

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