CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Businesses are established by owners as a means of creating wealth. The ability of the established businesses to achieve this objective is usually measured by the financial performance of the firm. The financial performance of a firm provides both the owners and the managers a gauge of the financial health of the business, its viability, and in some cases, an index of the compensation of the managers and top executives. In some cases, the aggregate financial performance of the major firms in an economy indicates the economic health of the entire nation. These inform the amount of emphasis that is placed on the measurement of firms' financial performance.

There are many commonly used measures of financial performance ranging from absolute measures such as revenue, net profit and capital budget to ratios such as earnings per share (EPS), EPS growth, return on investment (ROI), return on capital employed (ROCE), return on equity (ROE), price earnings (PE) ratio, dividend yield and asset turnover ratio. Others have advocated the use of measures that have some economic dimension such as the economic value added (EVA) and the refined economic value added (REVA) (Bayrakadaroglu, Erosy & Citak, 2012; Evans, 2000). Whatever the financial indicators used to measure a firm's performance, they are usually based on accounting financial statements which are subject to manipulations because the generally accepted accounting principles (GAAP) upon which the financial statements are based allow for considerable amount of flexibility (Alexander, Pritton & Jorissen, 2007).

The need to engage in earnings management arises, in part, from agency problem. As a result of the separation of ownership from control (management) in modern businesses, the interests of managers are sometimes in conflict with those of the shareholders. This conflict emanates, almost naturally, because the separation places the managers in a privileged position that gives them the latitude to take decisions that could either converge with or entrench the value maximization of the firm. Thus, managers could use their control over the firm to achieve personal objectives at the expense of those of other stakeholders (Hassan & Ahmed, 2012a). To do this, Kang and Kim (2011) noted that managers could influence reported earnings by making accounting choices or by making operating decisions discretionally.

The responsibility for preparing and publishing external accounting information lies with the firm's management and directors. Ideally, managers use their inside knowledge of the firm's current state and business circumstances to prepare the information, thus, giving a "true and fair view" of the firm's financial position and performance (Spohr, 2005). This creates the condition for information asymmetry. Information asymmetry occurs when one party in the business has an information advantage over the others. This is usually the place of the managers over other parties who are the external information users. This allows the managers to use their discretion to prepare and report accounting information opportunistically (Scott, 2003). Corporate governance structures are frequently seen as effective tools to guarantee the quality of financial statements (Jeanjean, 2000). Most of the corporate scandals and collapse of the last decade seems to show evidence of a relationship between weakness in corporate governance structures and poor quality financial reporting as companies whose audited financial statements have signaled clean bill of health collapsed shortly after only for subsequent investigations to reveal that weak governance practices and poor and unfaithful financial reporting culture were at the root of such collapse.

The cases of Enron, WorldCom, HIH and Pamalat are iconically emblematic (Cuong, 2011). The recent global financial crisis is also blamed on poor corporate governance (Brown & Corgens 2009; Hsiao, Lin & Hsu, 2010).

Sanda, Mikailu and Garba (2005), note that economists have long been concerned with ways to address this problem which arises from the incongruence of the interests of the equity owners and managers. This is what has led to the development of the agency theory (Namazi, 2013; Marchesi, Sabani, & Dreher, 2009; Gurbaxani & Kremerer, 2008). Recent studies have extended this theory to include other stakeholders. The stakeholders' theory considers the relationship with other stakeholders and not just the shareholders. According to this theory, a firm may be seen as a nexus of contracts between management on the one side and employees, shareholders, creditors, government and all other stakeholders on the other side. In both theories, the managers have opportunistic information advantage over other parties. And if practices are wrong, this advantage can be and is usually used at the expense of the other stakeholders. This is the reason why most researchers advocate good corporate governance practices to protect the interests of other stakeholders. Good corporate governance by boards of directors and audit committee is recognized to influence the quality of financial reporting, and this also affects investors' confidence (Uadiale, 2012).

Corporate governance has been widely studied for its relationship with financial performance. Though there are inconsistent findings between financial performance and various mechanisms of corporate governance, it appears to be consistent with theoretical expectation that corporate governance is directly related with financial performance. Corporate governance has become an important topic for investors, firms and government as they recognize the need to compete both domestically as well as globally. Corporate governance seems to be recognized now as a key

business discipline assisting economic growth, promoting and maintaining investors' confidence. A company's corporate governance structure influences a number of its business models including: the setting of company objectives and how the objectives are to be achieved, the monitoring and assessment of risk; and performance optimization (Australian Securities Exchange, 2007).

Corporate governance structures and practices play an important role in determining the cost of capital in the global capital market. Organization for Economic Cooperation and Development (OECD) (2004) observed that the presence of an effective corporate governance system, within individual companies and across an economy as a whole, assists in providing the confidence necessary for the proper functioning of a market economy, as a result of which the cost of capital is reduced and companies are encouraged to become more efficient in the use of corporate resources (Brown & Gorgens, 2009). Corporate governance scandals and accounting failures such as Maxwell in the UK and Enron in the US have been dominating business debates during the last decade. Increasingly worrisome and of ethical concern are the problems which are recognized as symptoms of failing corporate governance and system of accountability and control in publicly quoted firms (Robinah, 2006).

Corporate governance has to do with the different ways to protect stakeholders' interests including getting reasonable return on capital, reduction in misappropriation of their assets, amongst others. It presents a set of mechanisms through which outside investors protect themselves against expropriation by the insiders (the managers). Such mechanisms include the law, rules and functions (Chi-Keung, 2012; La Porta, Lopez-Silances, Shleifer & Vishney, 2002). Corporate governance has established a number of mechanisms to protect stakeholders' interest. This protection appears a necessary condition for the proper functioning of the financial

market. Some of the governance mechanisms are aimed at influencing earnings management. For instance, the demand for the audit committee is aimed at, amongst others, ensuring that the representativeness of the audited financial statement can reasonably be guaranteed. The same is the need for the independence of the board and the external auditors.

Overall, economic performance would likely suffer because many good business opportunities would be missed if corporate governance is not right. There may be temporary financial problems as individual firms could find it difficult to raise money through the capital market as there would be a collapse of investor confidence. Businesses would rely entirely on own internally generated cash flows and accumulated financial resources to finance on-going operations and profitable investments since outside investors would not lend to the firms or buy their equity securities as they cannot be assured of adequate returns on their investment (Emmons & Schmid, 1999; Shleifer & Vishny, 2002).

1.2 The Research Problem

Over the years, corporate collapse and corporate scandals have dominated and plagued the business world. The situation seems to have persisted because of the agency problem, as most often, there is little or no alignment in the interests of the principal and those of the agents. The agents, usually, through their information advantage, are able to engage in practices that may not enhance the value maximization objective of the business. This may endanger owners' investments, leading to distress, failures and scandals. These corporate failures, scandals and distress (such as those of Enron, WorldCom, HIH, Oceanic Bank, Union Bank and Cadbury) may be traceable to weak corporate governance structures (Genen, 1984; Weidenbaum, 1986; Mizruchi, 2004; Jesover & Kirkpatrick, 2005).

To stem this ugly tide various efforts have been made to strengthen the corporate governance practices of firms. For example, in Nigeria, the Companies and Allied Matters Act (CAMA) 1990 was introduced to align corporate governance practice in Nigeria with internationally accepted corporate governance best practices. In 2003, the Securities and Exchange Commission of Nigeria (SEC) set up a committee to examine the corporate governance practices of public companies in Nigeria. In 2006 the Central Bank of Nigeria (CBN) notes major weaknesses in the corporate governance of banks in Nigeria, and came up with the "Code of Corporate Governance for Banks in Nigeria Post Consolidation." Similar steps have been taken in different other nations of the world, for instance, the Sarbanes-Oxley Act 2002 in the USA, Cadbury Report 1992, Higgs Report 2003 and Smith Report, and the Combined Code 2003, in the UK, and the Ramsay Report 2001, in Australia (Rashid, De Zoysa, Lodh & Rudkin, 2010).

With all these efforts, corporate failures, corporate scandals and business distresses have continued unabated, thus necessitating a closer examination of the relationship between corporate governance and corporate financial performance. The problem to be addressed in this study therefore is: how is corporate governance related to firm financial performance in Nigeria? This will bring to the fore the role of other factors in the financial performance of firms in Nigeria. This study also acknowledges the issue of different methods of measuring firm performance, while most studies had adopted return on asset (ROA) others used return on equity (ROE) and some also used the Tobin Q. This study used earnings per share and the growth of EPS as the barometer for measuring firm performance, since most research on firm performance ignores EPS. Earnings per share is a vital input for stock valuation, firm earnings benchmarking and can also assess the historical performance of companies.

1.3 The Objectives of the Study

The main objective of this study is to examine the impact of internal corporate governance structures on firm financial performance, so as to determine the extent to which socio-cultural and non-governance factors contribute to financial performance. To achieve this purpose, the specific objectives include to:

(i) To determine how board independence influences firms' earnings per share performance.

(ii) To examine how board size influences firms' earnings per share performance.

(iii) To determine the impact of audit committee independence on firms' earnings per share performance.

(iv) To analyze the impact of board gender diversity on firms' earnings per share performance.

1.4 The Research Questions

To achieve the above specific objectives, the following pertinent research questions were formulated to guide the study.

(i) To what extent does board independence influence on firms' earnings per share performance in Nigeria?

(ii) To what extent does board size influence firms' earnings per share performance in Nigeria?

(iii) To what extent does audit committee independence impact on firms' earnings per share performance in Nigeria?

(iv) To what extent does board gender diversity impact firms' earnings per share performance?

1.5 The Research Hypotheses

The following research hypotheses are tested in this study to answer the above research questions. The hypotheses were stated in the null form:

Hypothesis One (H_1)

The influence of Board Independence on firms' earnings per share performance is not significant.

Hypothesis Two (H_2)

The influence of Board size on firms' earnings per share performance in Nigeria is not significant.

Hypothesis Three (H_3)

The impact of audit committee independence on firms' earnings per share performance is not significant.

Hypothesis Four (H_4)

The impact of board gender diversity on firms' earnings per share performance is not significant.

1.6 Significance of the Study

This study will be of tremendous value to investors, corporate regulators, preparers of accounting information, academics and other users of financial statement information.

The study will provide investors some caveats to guide them in using financial statements for making investment decisions. The study will provide corporate regulators with a fair assessment of the practice and application of corporate governance principles and mechanisms by firms in Nigeria. Preparers of accounting information will be provided with a guiding code on the value

relevance of accounting information. To academics, the study stirs the waters further by raising fundamental questions on the value relevance of accounting information in decision making. The results of the study will serve as a base for further studies on corporate governance, earnings management and the use of published accounting information for decision making. Generally, the study will be relevant to all accounting information users; it will show to them that the accounting measures in the financial statements may not be totally reliable.

1.7 Scope of the Study

The first articulated code of corporate governance was introduced in Nigeria in April 2003 by the Securities and Exchange Commission (SEC) (Report of the Committee on Corporate Governance of Public Companies in Nigeria, 2003). This study investigates the impact of corporate governance, earnings management on financial performance over the period from 2005 to 2014, because it is within this period that SEC drew the attention of public companies to the issue of corporate governance in Nigeria. The study is based on the practices of listed companies because these are the companies upon which the rules and monitoring roles of SEC apply, and they are the companies whose stocks investors invest in after assessing performance based on published annual financial statements.

1.8 Limitations of the Study

One major limitation of this study is that it relies on data obtained from the secondary source of published annual statements of companies. Such published annual statements are usually subject to accounting choices and earnings management practices, the depth of such practices cannot be ascertained from the face value.

The study is restricted to a period of ten (10) years. To obtain more generalizable results, the researcher obviously requires an analysis of practices over a longer period of time. However, the limitations pertaining to this study does not in any way invalidate our findings.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter presents a systematic review of existing relevant literature on corporate governance practices and financial performance. The relationship between these variables is also carefully reviewed from prior empirical studies.

2.2 Conceptual Issues: Corporate Governance

Business forms and structures have continued to evolve down the ages starting from the basic household or family or individual trades through partnerships, joint ventures, corporations to public conglomerates. These different business forms involve differing stakeholders and therefore different interactions between the stakeholders.

The idea of corporate governance is rooted in the principal-agency theory (the interaction between the principal and the agents) or more widely, the interactions between the various stakeholders. Contemporary businesses are such that the ownership and control of businesses are detached. Control in modern businesses is vested in managers/directors of such companies. The owners are usually shareholders with diverse orientations and from diverse locations. While the shareholders are the principals, the managers/directors are the agents. The auditor is usually required to stand in the gap for the shareholders in the principal-agent relationship. The failure, sometimes, of some companies and the accompanying scandals have suggested that the work of the auditor might not be adequate in all cases; hence regulators now demand that there should be an audit committee. All these are to ensure that the interests of all parties are well protected. Therefore corporate governance presents the arrangement for the protection of all such interests. According to Hassan and Ahmed (2012a) corporate governance is a mechanism put in place to

reduce agency cost that results from the conflict of interests that exists between managers and shareholders. They noted that the conflict is almost natural and that it results because of the separation of ownership from control of modern businesses which gives the managers the latitude to take decisions that may be at variance with the value maximization objective of the firm. This means that managers can use their control of the company to achieve personal objectives at the expense of those of the shareholders. For instance, as noted by Kang and Kim (2011) management could manipulate reported earnings by using accounting procedures that will favour higher profits so as to be entitled to higher bonuses. It is in this same sense that Abdoli and Pourkazemi (2011) see corporate governance system as a "monitoring mechanism to control management and financial behaviour". The mechanism ensures that managerial behaviour takes cognizance of the interests of shareholders, and financial decisions are taken to enhance the value maximization objective of the firm.

Basically, the goal of corporate governance is to promote the accountability of the management by mechanisms that try to reduce the principal-agent problems (Kang & Kim, 2011). Rogers (2006) also noted that corporate governance is about building credibility, ensuring transparency and accountability, as well as maintaining an effective channel of information disclosure that would foster good corporate performance. It is also about how to build trust and sustain confidence among the various interest groups that make up the organization. Osisioma (2013) sees the issue of corporate governance to revolve around the requirement for responsibility for defined standards, and the accountability for the attainment of those standards.

In a more succinct manner, Mayer (1999) defined corporate governance as the sum of the processes, structures and information used for directing and overseeing the management of an

organization, such processes and structures do not have to take care of the interests of shareholders only but those of all stakeholders.

In a rather more operational manner, corporate governance is defined as how an organization is managed, its corporate and other structures, its culture, the policies and strategies and the ways in which it deals with its various stakeholders (Bernett, 2002; cited in Edwards & Clough, 2005). Corporate governance is two dimensional. The two dimensions are the responsibility of the board of directors. Edwards and Clough (2005) identified these two dimensions as: **Performance**: monitoring the performance of the organization and the chief executive officer (CEO). This also includes strategy-setting, organizational goals and developing strategies for achieving them, and being responsive to changing environmental demands, including prediction and management of risk. The objective is to enhance organizational performance; and **Conformance**: compliance with legal requirements and corporate governance and industry standards and accountability to relevant stakeholders.

Though focus in recent times have been on corporate governance practices because of the high level corporate scandals and corporate collapse such as those of Enron, WorldCom and Pamalat, amongst others, scholars' interests in corporate governance have been around for much longer. The pioneering efforts of Berle and Means (1932) can be said to have been the first effort at examining the problem of corporate governance. They pointed out that the large size of modern corporations could create a possibility of the separation of control from ownership and this, of course, would create some new problems.

Such problems have actually occurred through the years. There were the Asian crisis, the crisis of the Latin Americas and more recently the 2008 global economic crisis which was orchestrated by collapse of the US sub-prime mortgage market (Otu, 2009; James, Park, Jha, Jongwanich,

Tarada-Hagiwara & Sumulong, 2008). All these crises reflected failures of corporate governance. To respond to such failings, regulators over the world have recommended certain practices meant to put in place codes of best practices. For instance, in the UK there was the Cadbury Report (1992), the Greenbury Report (1995), the Hampel Report (1998), the Higgs Report (2003) and the Combined Code on Corporate Governance (2003). In Australia there exist five (5) standards on corporate governance. In the US, following the collapse of Enron in 2001 the Sarbanes-Oxley Act 2002 was put in place, this is to regulate corporate governance practices in the US (Hamid, 2008). It represents a landmark regulation to define new terms on which certain corporate governance practices are to be carried out. There are also the New York Stock Exchange corporate accountability and listing standards. In Nigerian, outside Official Acts of Parliament, the first articulated code of corporate governance came in the form of the Report of the Committee on Corporate Governance of Public Companies in Nigeria (2003). The committee was set up by the Securities and Exchange Commission (SEC); the Central Bank of Nigeria (CBN) published the code of Corporate Governance for Banks in Nigeria Post Consolidation in 2006.

As noted above, the role of corporate governance is to reduce the divergence of interests between shareholders and managers (Roodposhti & Chashmi, 2011). Thus, corporate governance is more relevant when managers have incentives to deviate from shareholders' interests (Alam, 2009). Roodposhti and Chashmi (2011) listed one instance of management deviation from shareholders interest through the management of earnings by using accounting accruals. Corporate governance emerged in East Asian countries because of the East Asian financial crisis of 1997/1998. Poor governance standards are usually largely responsible for weakening investor's confidence; this is usually a recipe for financial induced crisis in an economy. The case of Enron

and WorldCom in the US are iconic in illustrating the effects of poor governance practices on performance.

2.2.1 Principles of Corporate Governance

There are some basic principles that form the basis of good corporate governance practices which are usually referred to as the code of best practices. Such basic principles are discussed hereunder.

2.2.1.1 Board Independence

The most dominant notion in corporate governance is that the board of directors should be independent of management and the company (Hermanson, 2003). Roodposhti and Chashmi (2011) posit that independence can be achieved by the inclusion of parties that are disinterested. Boards of directors can play a significant role in controlling agency problems. From an agency perspective, the ability of the board to act as an effective monitoring mechanism depends on its independence (Beasley, 1996; Gercia-Meca & Sanchez-Ballesta, 2009). The independence of the board is usually seen as a function of the extent to which the board is composed of non-executive directors.

To safeguard the independence of boards of directors, directors with certain affiliations with the firm are required to disclose such relationships. Such relationships include: employment by the corporation or an affiliate within the last five years; any family relationship closer than second cousin; affiliation in the last two years with a concern that has had a customer, supplier, banker or creditor relationship with the corporation; affiliation with an investment banker that performed services for the company within two years or will do so within one year; holding control of corporate stock; and association with a law firm engaged by the corporation. It is believed that

these relationships will prevent such board members from executing certain duties without conflict of interests particularly when they are non-executive members.

Any of these relationships will likely create conflict of interests in the directors and so may not be able to execute his role properly. Several studies have been done in the past that border on board independence. Dunn (1987) notes that boards dominated by outsiders are arguably in a better position to monitor and control managers. Using stock returns and operating performance as dependent variables, Salehi and Baezeger (2011) and Byrd and Hickman (1992) establish that firms with high proportion of outside directors will perform better.

2.2.1.2 CEO Duality

Most corporate governance practices recommendations suggest the separation between the roles of the board chairman and the chief executive officer (CEO) of the firm. It is recognized that the concentration of the two roles in one person will be a source of excessive power and it will mean that the board may not be able to effectively monitor the management (Dedman, 2000; Jensen, 1993). Also, there is likely to be a lack of independence between management and the board if the chairman is also the CEO, (Roodposhti & Chashmi, 2011). This situation is likely to lead to a difficulty in the board's ability to perform its monitoring and oversight role. Cornett, McNutt and Tehranian (2006) observed that CEO/chairman duality would also be associated with greater use of discretionary accruals – earnings management.

Gul and Leung (2004) found that CEO dominance is associated with lower voluntary corporate disclosure among Hong Kong companies. They therefore argued that CEO dominance combines decision management and decision control, which could erode the ability of the board to exercise effective control. Most prior empirical studies suggest that CEO dominance is likely to lead to

greater opportunistic managerial behaviour because of the reduction in the ability of the board to effectively monitor the executives (Finkelstein & D'Aveni, 1994). Roodposhti and Chashmi (2011) noted that it is justifiable to assume that there is positive association between CEO dominance and earnings management; Booth and Deli (1999) found that the separation between CEO and board chair positions appears to positively influence the information content of accounting earnings.

As it is the case in many family-based Asian banks (Malaysian banks), boards dominated by insiders are not expected to play their role as effective monitors and supervisors of management. This is particularly so when the board chairperson is also the firm's CEO. In addition, outside directors provide firms with windows or links to the outside world, thereby helping to secure critical resources and expand networking (Daily & Ellstrand, 1996).

2.2.1.3 Board Size

Board size refers to the number of directors on the board. There seems to be no agreement on the optimum size of boards in literature. Jensen (1993) argues that smaller boards are more effective in monitoring the CEO's actions. This is also the conclusion reached by Yermiack (1996). These studies therefore suggest that board size is negatively related to earnings management. However, Zahra and Pearce II (1989) argue that larger boards are capable of monitoring the actions of top management. This position is consistent with John and Senbet (1998), who find that the board capacity to monitor increases as the number of directors increases. However, Cornett, Marcus and Tehranian (2008) found inconclusive result linking board size with impact on accrual accounting. Studies by Rauf, Johari, Buniamin a Rahman, (2011), Bello (2011) and Kouki, Elkhaldi, Atri, and Souid (2011) all fail to find conclusive evidence of any relationship between board size and earnings management.

Zahra and Pearce II (1989) suggest that a larger board has greater ability to safeguard shareholders' interests since it has more capabilities. Xie, Davidson and DaDalt (2003) hinge such greater ability on a broader range of experience. Rahman and Ali (2006) believe that the greater capability is because of the varied expertise of such boards. There is however no consensus on the appropriate characteristics of the board. For instance, Yermiack (1996) show that companies with smaller boards have higher market valuation. Rauf, Johari, Buniamin and Rahman (2011), show that there is no significant positive relationship between board size and earnings management, this finding is consistent with that of Bello (2011). Similarly, Forbes and Daniel (1999) argue that although board size is not truly a demographic attribute, it is not likely to affect the functioning of the board. Bonn, Yosikawa and Phan (2004) argue that board size as an important determinant of effective corporate governance; the board is an effective corporate governance mechanism in theory.

It however stands to reason that as board size increases, so does the expertise, competences and experience of the board and that these would put the board in a better position to perform its oversight and monitoring roles. However, as board size increases so it is likely that the problems of communication and co-ordination of the board might increase, thus cancelling out the gains brought in by diversity in experience and expertise.

2.2.1.4 Audit Committee Independence

One key element of corporate governance is reliable and transparent financial reporting. In the agency theory, it is assumed that the agents will use opportunistic managerial decisions to pursue their interests at the expense of those of the principals and this may be concealed from the principals through various accounting choices. The audit committee is needed to help provide the assurance on the transparency and reliability of the financial reporting process. Yasser,

Enterbang and Mansor (2011) identify the objectives of the audit committee to include: determine the appropriate measures to safeguard company's assets; review the preliminary announcements of results prior to publication; review the quarterly and annual financial statements of the company prior to their approval by the board of directors; facilitating external auditors and coordinating internal and external auditors; review the scope and extent of internal audit and ensuring that the internal audit function has adequate resources; ascertain that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective; review the company's statement on internal control system prior to endorsement by the board of directors; determination of compliance with relevant statutory requirements; and monitor compliance with the best practice of corporate governance.

The Sarbanes-Oxley Act (2002), the CBN's Code of Corporate Governance for Banks in Nigeria Post Consolidation (2006) and the Report of the Committee on Corporate Governance of Public Companies in Nigeria (2003) require that every corporate entity sets up an audit committee so as to enhance the integrity of financial statements. The audit committee is also required by the Companies and Allied Matters Act (CAMA) 1990. The Report of the Committee on Corporate Governance of Public Companies in Nigeria (2003) recommends that the audit committee should be composed of by a majority of non-executives who should be independent. The Companies and Allied Matters Act (CAMA) (1990) Section 359(5) requires that the audit committee shall be made up of a membership of equal number of directors and representatives of shareholders which shall not exceed six (6). Chi-Keung (2012) noted that logically an audit committee financial expertise can improve financial information quality and enhance credible financial

statements as they can provide better accounting and financial advice to the board and better able to monitor the internal control system and quality of external audit work.

The need for the audit committee is linked to the need to further protect the shareholders. In the agency theory, shareholders require protection because the agents (managers) may not always act in the best interest of the principals (shareholders) (Namazi, 2013; Fema & Jensen, 1983; Hutchinson, Percy & Erkurtoglu, 2008).

For the audit committee, CAMA 1990 ensures that there is a significant independent element – at least equal member of directors and representatives of the shareholders – the representatives elected at the annual general meeting are to provide the independence. The Report of Corporate Governance of Nigerian Companies (2003) recommends that the committee should be made of not more than one executive and the chairman of which should be a non-executive director.

The audit committee is one of the special committees required to be established by the board. It is the ultimate monitor of the financial reporting process. Its primary purpose is to ensure credible financial reporting. Hutchinson, Percy and Erkurtoglu, (2008) associated audit committee independence with audit committee effectiveness. Again, prior research has found mixed results about the association between the level of audit committee independence and earnings management.

Some studies have found a negative association between audit committee independence and earnings management (Bedard, Chtourou & Courteau, 2004; Klein, 2002; Peasnell, Pope & Young, 2006), while Peasnell, Pope and Young (2005) and Xie, Davidson, and DaDalt (2003), both find no significant association between the level of audit committee independence and earnings management. McMullen and Raghunandan (1996) find that greater audit committee independence is associated with better reporting quality and a reduced likelihood of fraud.

2.2.1.5 Board Structure, Meetings and Gender Diversity

The board of directors is a principal organ of internal corporate governance. Many prior studies around the world have explored the relationship between board features and corporate governance, on the one hand, and between board characteristics and earnings management and corporate performance on the other. For instance, Fema and Jensen (1983) suggest that the function of the board of directors is to minimize the agency costs that arise from separation of ownership and control in firms.

The major concerns are the size and structure of the board: outside directors, and whether the CEO and chairperson positions are held by the same individual. Composing board of directors is an important corporate governance mechanism which can control manager's opportunistic behaviour and reduce earnings management. Board composition includes the determination of the mix of independent and executive directors, designating audit, compensation, nominating and the mix of qualifications and expertise and the proportion of female directors on the board (Chi-Keung, 2012). As observed by Oba (2013), this is an area in which little is known – a possible link exists between a board's gender mix and performance of the firm. Certain countries have begun implementing gender quota system in business settings. Norway is identified to have done this (Hoel, 2008). Kaplan and Minton (1994) showed that outside directors can stabilize and modestly improve corporate performance. Adams and Ferreira (2009) found that female directors can better monitor manager's behaviour, and so female directors can improve the earnings quality of firms.

2.2.1.6 Auditor Type and Independence

The external auditor is saddled with the huge responsibility of ensuring good corporate governance practices. The external auditor has the responsibility of providing the general public with an independent opinion on whether the financial statements of public companies represent the position that they are supposed to present, and that there is no material concealment or misstatement of material facts.

The reason often stated for the failure of Arthur Andersen at Enron is the lack of independence. Lindstrom (2009) notes that the external audit firm, Arthur Andersen, failed to act, in part, because it made more money providing Enron with consultancy services than it did providing auditing services". Because of its various involvements with the audit client, Arthur Andersen was precluded from exercising independent, objective judgments in its dealing with the company as an auditor. To prevent this, the Commission of European Communities (2002) recommended that:

> *When carrying out a statutory audit, an auditor must be independent from his audit client both in mind and in appearance. A statutory auditor should not carry out a statutory audit if there is any financial, business, employment or other relationship between the statutory auditor and his client.*

2.2.2 Approaches to Corporate Governance

There are two contrasting approaches to corporate governance. The first is somewhat narrow and this is the basis of the basic definition of corporate governance. This view sees corporate governance as concerning the relationship between a principal and the agent. In this approach the financiers are the principals, that is, the shareholders and bankers; while the agents are the managers with both formal rules and procedures. The focus of this approach to corporate

governance is to ensure maximum returns to the investors – the principal. The threat of hostile take-over provides the ex-ante incentive for the managers to fulfill this goal as well as to discipline managers if they are under-performing or diverting too large a share of net value to themselves. The agent is expected to always act in the interest of the principal. To do this, the agent must at all times be seen to have catered for such interests, he must be guided by the rules which will enable him maximize the wealth of shareholders and he must act transparently. The system of control adequate in this approach is the outside and arm's length control (Diplock, 2005). This is the principal-agent approach.

The second approach is broader and is called the stakeholders approach. In this approach, the focus of corporate governance is on the entire network of formal and informal relationships which determine how control is exercised within corporations and how the risks and returns are distributed among the various stakeholders. Beside the owners (or financiers) and managers, employees are prominent stakeholders whose interests must also be catered for. There are also the creditors, government and the host community with interests that must be taken care of by the business when making decisions. The thrust of this approach is that companies should be made to serve a number of groups rather than treat the interest of shareholders as overriding to those of all others. The system of control adequate in this approach is a whole network of controls (Diplock, 2005).

2.3 Concept and Measurement of Firm Performance

A firm's financial performance is a subjective measure of how well a firm is using its assets in its primary mode of business to generate revenues. The term is also used to define a firm's financial health over a given period of time. It can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. In other words, financial performance

is measuring the results of a firm's policies and operations in monetary terms. The results are reflected in the firm's return on investment, return on asset and value added, earnings per share and growth in these variables. A firm's financial performance is different from the firm's business performance in that the business performance is made up of both financial performance and non-financial performance. Business performance includes other performances such as total quality management, performance in terms of human resources, community relation, production, marketing and sales management (Business Dictionary.com, accessed December 5, 2012).

A firm's financial performance can be evaluated from an analysis of the accounting data of the firm but the whole of business performance cannot be evaluated from accounting data alone. Many people, surprisingly, including business executives, have little or no understanding of the financial performance measures of their companies. Though they may survive or thrive in spite of this lack of understanding, at other times, this financial blindness leads to wrecked companies. Business growth can be achieved by establishing a basic understanding of financial performance indicators.

A firm's financial performance can be evaluated on many different parameters, the most important being the industry in which it operates. It is also heavily dependent on the nature of the market in which the firm competes. A firm that is in a highly competitive market with many players will be primarily evaluated on top line growth since it is a mature market, it will be difficult for the firm to increase its margins but good top line growth will indicate that the firm is eating into the competition's market share. On the other hand, a technology company will probably be evaluated on the basis of its growth in margins. This is because product life cycles are shorter and they need to get maximum results for the money (blurtit.com, Accessed December 9, 2012).

Financial performance measurements place emphasis on the use of published financial statements. These financial statements, as the researcher may note, are subject to various forms of manipulations – earnings management. This threatens the value relevance of these statements both in the area of decision making and that of value judgment as is imperative in financial performance measurement (Akers, Giacomino & Bellovary, 2007). It is probably for this reason that the focus on the usefulness of financial statements has been at the centre of public debate for over three decades (Dunn, 2012). The fundamental objective of corporate reports is to communicate economic measurements of and information about the resources and performance of the reporting entity useful to those reasonably entitled to such information. More succinctly, the reasons why financial statements are produced are "to provide information about the financial position, performance and financial adaptability of an enterprise that is useful to a wide range of users for assessing the stewardship of management and for making economic decisions". That is, financial statements are produced basically to enable financial performance assessment and analysis of an organization (Dunn, 2012).

It is very difficult to establish a universally acceptable financial performance measurement system. As noted by Venanzi (2012), the choice of performance measures is one of the most critical challenges facing organizations. During the 1990s, many managers recognized that the traditional accounting-based measurement systems were no longer adequate. The felt inadequacies in the traditional accounting-based performance measures have led to a variety of performance measurement innovations and changes, ranging from such systems as financial metrics like economic value added (EVA) to balanced scorecards of integrated financial and non-financial measures.

As highlighted by Riedl and Srinivasan (2008) prior research on disclosure choices emphasized financial performance metrics and has generally focused on alternative settings, particularly pro forma reporting. In this context management reporting reflects opportunism.

One commonly used financial performance measure is profit or net income or earnings. This is also referred to as the bottom line. In analyzing financial performance of major oil companies in the U.S by Pirog (2012), profit was among the four indicators analyzed. Stern (2012) identified seven ways to measure financial performance to include: profit, cash flow**,** statement of financial position strength, risk, owner's time invested, valuation**,** and business owner's net worth.

Other more commonly used measures of performance are return on assets (ROA), return on equity (ROE) and return on sales (ROS). These measures of performance incorporate efficiency. They do not talk of only profit as an absolute value but profitability which measures efficiency (Evans, 2000; Zhang & Wang, 2005). These are ratios which, according to Evans (2000), are simply relationships between two financial balances or financial calculations. These relationships establish references so that it can be understood how well firms are performing financially. For instance, ROE is a measure of how well management has used capital invested by the shareholders, it tells us the percent returned for the amount invested by the shareholders. It is calculated by dividing net income by average shareholders' equity (including retained earnings).

Another well recommended measure of financial performance is economic value added (EVA). This is a proprietary adaptation of residual income. It is a modified version of residual income: the main modifications consist of adjustments designed to convert accounting income and accounting capital to economic income and economic capital respectively. The EVA is determined as adjusted operating income minus capital charge and it is assumed that a manager's

actions only add economic value when the resulting profits exceed the cost of capital. It is calculated as:

EVA = NOPAT – cost of capital x capital invested
= (ROIC – cost of capital) x capital invested

Where**:**
NOPAT = Net operating profit after tax
ROIC = Return on invested capital
= NOPAT/capital invested
Invested Capital = Net fixed assets + current assets - current liabilities – cash
Or

Invested Capital = Net fixed assets + non-cash working capital
NOPAT = EBIT (1 - tax rate)
Or
NOPAT = Net income + interest expenses (1 – tax rate) – net-operating income (1 – tax rate) (Venanzi, 2012).

Bacidore, Boquist, Milbourn and Thakor (1997) advanced a "high-level performance measure": the refined economic value added (REVA). They defined REVA as:

$REVA = NOPAT - K_w (MV_{t-1})$
Where**:**
$NOPAT_t$ = the firm's NOPAT at the end of period t
MV_{t-1} = the total market value of the firm's assets at the end of period t – 1
K_w = weighted cost of capital
MV_{t-1} is given by the market value of the firm's equity plus the book value of the firm's total debts less non-interest bearing current liabilities, all at the end of period t – 1.

The principal difference between EVA and REVA is that REVA assesses its capital charge for period t on the market value of the firm at the end of the period t – 1 rather than on the economic book value of the assets in place (Bacidore et al, 1997).

Earnings per share (EPS): Another measure of financial performance is earnings per share (EPS). This is still earnings based. It is obtained by dividing the operating income by the number

of shares issued by the firm. The popularity of this measure is based on the following attributes: Investors need a simple metric that summarizes corporate performance, which is easy to understand and is relatively comparable across companies. EPS satisfies these criteria; The EPS gets the broadest distribution and coverage by the media; Analysts assimilate all the available information and summarize it in one number, that is, EPS; and analysts evaluate a firm's progress based on whether a company hits consensus EPS and investment banks assess analysts' performance by evaluating how closely they predict the firm's predicted EPS (Graham, Harvey & Rajgopal, 2005; Venanzi, 2012).

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

$$\frac{\text{Net Income-Dividends on preferred stock}}{\text{Average Outstanding Shares}}$$

It is a major component used to calculate the price-to-earnings valuation ratio. It is one of the most carefully followed metrics in investing (Investopedia.com/terms/e/eps.asp). EPS is similarly seen as the amount of income that belongs to each share of common stock. As an important tool for investors, it is used for valuing stock (www.ycharts.glossary/term/eps). This is further clarified to mean the portion of a company's earning, net of taxes and preferred stock dividends, which is allocated to each share of common stock. It is carefully scrutinized metric that is often used to as a barometer to gauge a company's profitability per unit of shareholder ownership. It is a key driver of share prices (www.investinganswer.com/financial-dictionary).

$$\text{EPS} = \frac{\text{Profit after tax (PAT)}}{\text{Number of ordinary Shares}}$$

The EPS is chosen because, as a ratio quantity, it offers a relative measure of performance which helps to eliminate externalities. This has become the most important computation for many investors. No financial statistic is cited more widely than the EPS. Specifically, the desirability of the EPS hinges on its feature: The market prices of common stocks are closely related to EPS; it is used in the evaluation of the profitability of corporations; it helps to determine whether the market price of ordinary stock is reasonable (by computing price-earnings ratio, which is obtained by dividing market price of shares by the earnings per share) (Mosich,1989); it tells how much profit was generated on per share basis and EPS growth shows how the company's earnings is growing on per share basis (Maditinos, Wang, 2005; Evans, 2000). It establishes a reference that provides a relationship between different financial balances.

It is appropriate to indicate, at this moment, that banks are traditionally assessed based on CAMELS. This acronym stands for:

C	-	Capital
A	-	Asset quality
M	-	Management
E	-	Earnings
L	-	Liquidity
S	-	Sensitivity to market risks (Rogers, 2002).

This implies that banks are not evaluated on the same basis as other corporate entities because of the peculiarity in the nature of their business.

A survey of previous researches shows that various measures have been adopted as measures of performance. Hassan and Ahmed (2012a) used earnings before interest and tax (EBIT) less discretionary accruals as proxy for performance when they studied 25 non-financial firms listed on the Nigerian Stock Exchange from 2008 to 2010. Yasser, Entebang and Mansor (2011) measured performance as return on equity (ROE) and net profit margin when they studied the 30 firms listed on KSE-30 in Pakistan, between 2008 and 2009, Rahmawati and Dianita (2011) used

return on assets (ROA) in their study of the effect of corporate social responsibility on financial performance using a sample of 27 manufacturing companies listed in Indonesian Stock Exchange (IDX) using data for the years from 2006 to 2008.

In this study, the indicators to be used will be earnings per share and earnings per share growth. The researcher adopted earnings ratio because, it offers summarized corporate performance metric which is simple and easy to understand by all (Graham, Harvey & Rajgopal, 2005). The researcher adopted ratio because it offers the ability to establish references so that The researcher can establish relationships between different financial balances or financial calculations (Evans, 2000). It would be desirable to conduct inter-entity analysis and inter-temporal analysis which can only be meaningfully done through ratios so as to normalize the calculations and remove externalities such as inflation and other unintended influences. For this study, The researcher will use the EPS and EPS growth as measures of financial performance.

2.4. Empirical Studies

The variables of this study have been the subject of many studies, the empirical results are mixed. Such findings are reviewed hereunder.

2.4.1 Corporate Governance and Performance

Many studies have been undertaken to examine the effects of corporate governance on corporate performance. Such studies are based on different financial performance measures and different corporate governance measures. Bayrakdaroglu, Ersoy and Citak (2012) using Turkey data, employed such measures as economic value added (EVA), market value added (MVA) and cash value added (CVA) as measures of corporate financial performance and found that these measures will partially increase if CEO is not a member of the board at the same time. The

results of their study at the same time suggested that the size of the board does not have a significant effect on performance which is not consistent with theoretical expectations. On the other hand, ownership concentration was found not to have significant relationships with EVA and CVA.

Brown and Gorgens (2009) observe a more inconsistent relationship between corporate governance and financial performance. They found that there was a negative relationship between sales growth and corporate governance rating in 2004 but by 2006, the relationship between sales growth and corporate governance was positive and significant.

Emmons and Schmid (1999) provide evidence that better investor protection and a stronger rule of law are both related to better corporate performance of firm that require external finance. Cornett, McNutt and Tehranian (2009) explore how corporate governance measures related to the performance of banks in the U.S. during the period of the financial crisis and found that corporate governance variables had a significant impact on 2008 market returns for the largest banks.

Firth, Fung and Riti (2002) could not find evidence of a convincing relationship between corporate governance and firm performance when they studied 549 companies listed on the Shanghai and Shenzhen Stock Exchanges, and used shareholding structure, board composition as measures of corporate governance. But Al-Haddad, Alzurqan and Al_Sufy (2011), studying 44 industrial firms listed in Amman Stock Exchange found that: there is a direct positive relationship between profitability (measured either by EPS or ROA) and corporate governance: there is a positive direct relationship between liquidity and corporate governance; there is a positive direct relationship between dividend per share and corporate governance; and there is a positive direct relationship between company size (measured by log TA) and corporate

governance (where TA = total assets). They concluded that profitable Jordanian firms are more transparent and when the company has good corporate governance practices, it will be reflected in enhancing the firm value and its performance.

Similarly, in a study of companies surveyed by Indonesian Institute of Corporate Governance (IICG) and listed on the Indonesian Stock Exchange, Nuryaman (2012) found that corporate governance significantly influences ROI and ROE but has no effect on company's net profit margin (NPM). The study done in nearby Pakistan by Yasser, Entebang and Mansor (2011), to a large extent, confirmed the results of the study by Nuryaman (2012). Yasser et al. (2011) find a positive and significant relationship between ROE and board size; as well as a weak positive relationship between ROE and CEO duality: there is a positive significant relationship between ROE, board composition and audit committee, there is no significant relationship between PM and board size, board composition and audit committee, there is no significant relationship between PM and CEO duality, and there is a significant relationship between PM and board size, board composition and audit committee – a truly mixed bag. Erkens, Hung and Matos (2012) provided evidence that financial firms with higher institutional ownership and more independent board had worse stock returns than others during the global financial crisis. This is contrary to theoretical expectation. They provided possible justification for this as: firms with higher institutional ownership took more risk prior to the crisis, which resulted to large shareholder losses during the crisis, and firms with more independent boards members raised more equity capital during the crisis, which led to a wealth transfer from existing shareholders to debtholdeers.

In Nigeria, Sanda *et al.* (2005) using 180 companies listed on the Nigerian Stock Exchange (NSE) utilized PE ratio, ROA, ROE, and Tobin Q as proxies for financial performance, and

found evidence to support previous findings: that separating the positions of CEO and chair works in favour of the firms; there is need to maintain a board size of ten persons; there is need for a reasonable number of individuals and/or corporate bodies with more than a typical share of equity as this will encourage them to undertake the monitoring process – blockholders or concentration of ownership, there is no evidence that the presence of outside directors promotes firms' performance, and firms run by expatriate CEO tend to perform better than those run by indigenous ones.

Hassan and Ahmed (2012a) document that corporate governance impacts on financial performance when performance is considered to take into account the opportunistic tendencies of managers. In the public sector, Robinah (2006) studied public Universities in Uganda and found that financial performance was significantly affected by corporate governance, board roles, contingencies and board effectiveness.

The agency theory states that better corporate governance should lead to higher stock prices or better long-term performance, amongst other benefits, because when managers are better supervised, agency costs are decreased (Albanese, Dacin and Harris, 1997). However, as Gompers, Ishii, and Metrick (2003) suggest, the evidence of a positive association between corporate governance and firm performance may be traced to the agency explanation. In this connection, the relationship between corporate governance and firm performance, the most studied governance practices include board composition, independence, size and shareholders activities.

2.4.2 Board Independence and Financial Performance

The composition of board members is theoretically expected to help reduce the agency problem (Weisbach, 1988). Empirical studies on the effect of board membership and structure on

performance generally show mixed results and to an extent contrary to what would theoretically be expected from the agency cost argument. While some find no such relationship in terms of accounting profits or firm's value (Weisbach, 1988; Daily & Dalton, 1992; Daily & Ellstrand, 1996; Klein 1998; Weir & Laing 2001; Bhagat & Bolton 2005), other studies find better performance for firms with boards of directors dominated by outsides (Hendry, 2003; Vafeas, 1999). Daily and Dalton (1992) provided analysis of 54 empirical studies of board composition and 31 empirical studies of board leadership structure and their relationship to firm financial performance. They find little evidence of a relationship between board composition or leadership and firm financial performance.

In the case of a sample of 228 small, private firms in Shanghai in the People's Republic of China, Laing and Li (1999) as cited in Sang-Woo and Lum (2004), observe that the presence of outside directors is positively associated with higher returns on investment, though they did not find such a relationship for board size or the separation of the positions of CEO and board chairperson. Furthermore, Bohren and Bernt (2003) show that the amount of stock owned by individual outside directors is significantly correlated with various measures of firm performance as well as CEO turnovers in poorly performing companies.

Salehi and Baezeger (2011) show that the market rewards firms for appointing outside directors. Anderson, Mansi and Reeb (2004) in their study show that the cost of debt, as proxied by bond yield spreads, is inversely related to board independence. However, Forsberg (1989) investigates the relationships between the proportion of outside directors and various performance measures and finds no relationship between the two variables. Hermalin and Weisbach (1999) also observe no association between the proportion of outside directors and Tobin's Q; Bhagat and Black

(2002) also find no linkage between the proportion of outside directors and Tobin's Q, return on assets, asset turnover and stock returns.

Sanda, Mukaila and Garba (2005) use a pooled OLS regression analysis of quoted companies in Nigerian Stock Exchange to find no evidence to support the idea that boards with higher proportion of outside directors perform better than other firms. Attiya and Robina (2007) in Pakistan analyze the relationship between firm value (Tobin's Q) and governance sub-indices (board ownership and shareholdings). The results indicate that corporate governance does matter in Pakistan and that board composition has significant effects on firm performance.

Thus, the relationship between the proportion of outside directors, a proxy for board independence, and firm performance is mixed. Studies using financial statement data and Tobin's Q find no link between board independence and firm performance, while those using stock returns data or bond yield data find a positive link. Similarly, the study by Sanda, Garba and Mikailu (2005) found evidence that the representation of outside directors is linked to firm performance and thus suggested that regulatory authorities should ensure sizeable outside directors recognizing the importance of an appropriate mix of both insider and outside directors, Ayuso and Argandona (2007) conclude that directors who represent the firm's internal and external stakeholders will also bring strategic information to the board.

However, Shukeril, Shinl and Shaaril (2012) find that there is a significant negative association of board independence with firm performance, using ROE as proxy for performance. This contradicts theoretical expectations. While board independence is certain to bring about objectivity and a solution to the agency problem it may also have costly communication problems and a lack of motivation as no personal interest is being exercised. This could explain the inconclusiveness in research findings on the variables.

2.4.3 Board Size and Financial Performance

Unlike in board composition, a fairly clear negative relationship appears to exist between board size and firm performance (Yermiack, 1996). Eisenberg, Sundgren, and Wells (1998), document a similar pattern for a sample of small and mid-sized Finish firms. Their study also revealed that board size and firm value are negatively correlated.

Guest (2009) and Topal and Dogan (2014) in their studies also confirm that; limiting board size is believed to improve firm performance because the benefits by larger boards of increased monitoring are outweighed by the poorer communication and decision-making of larger groups.

A large board is likely to be less effective in substantive discussion of major issues and to suffer from free-rider problems among directors in their supervision of management (Hermalin & Weisbach 2002). Mak and Li (2001) conduct an empirical analysis of firms listed on the Stock Exchange of Singapore. They stated that the sign and significance of the relationship between board size and performance is sensitive to the estimation method. They concluded that the board characteristics are endogenous and failing to take endogeneity into account may yield a significant relationship with performance, which in reality does not exist.

Mak and Kusnadi (2002) also assert an inverse relationship between board size and firm value. Their observation is based on a comparative study done on the firms listed on Singapore Stock Exchange (SGX) and Kuala Lumpur Stock Exchange (KLSE). Board effect was found in both countries. They further supported Healey (2003) that large groups are less effective than small groups in decision-making. Diwedi and Jain (2002) conducted a study on 340 large, listed Indian firms for the period 1997 – 2001. This study found a weak positive relation between board size and performance of the firm.

Beiner, Drobetz, Schmid and Zimmermann (2003) conduct a study over companies listed on the Swiss Stock Exchange (SWX). The study did not find a significant relationship between board size and firm valuation, as measured by Tobin's Q. they suggested that Swiss firms, on average choose their number of board members just optimally.

Mak and Yuanto (2003) have the same findings about firms listed in Singapore and Malaysia when they found that firm valuation is highest when board has five directors. Bennedsen, Kongsted and Nielsen (2006) study the relationship between board size and performance of 500 Danish firms. Their study also showed a negative relation between the two variables. Adams and Mehran (2002) assess the relationship between banking firms' performance (represented by Tobin's Q) and board size and found a non-negative relationship between board size and Tobin's Q. They further explained that the board size is significantly related to the characteristics of the sample firms' structures.

Yermiack (1996) conducts a study on 452 US firms between 1984 and 1991. He took Tobin's Q as an approximation of market valuation. He documented an inverse relation between board size and firm value. He further asserted that the fraction of lost value occurs more when size of board is increasing from small to medium (for example from 6-12) as compared to the firm whose board size is increasing from medium to big (that is, 12-24). Also, Akpan (2015)found that board size is significantly and negatively related with firm performance in Nigeria.

In Manas and Saravanan (2006), it was concluded that the absence of a relationship between board size and corporate governance exists in Indian banks. In Ghana, it has been identified that small board sizes enhance the performance of MFIs (Kyereboah-Coleman & Nicholas-Biekpe, 2006). While in the study conducted in Nigeria, Sanda, Mikailu and Garba (2005) find that, firm performance is positively related with small size as opposed to large boards. In their study,

Booth and Deli (1999) and Anderson, Mansi and Reeb (2004) try to find out the relationship between board size and ratio of debt to assets (book leverage). They presented a different result that firms with bigger boards have lower cost of debt. Contrary to the theory that larger boards are ineffective monitors, they stated that board plays an important advisory role that enables firms to gain access to low-cost debt. They observed that the board will be larger in firms with high leverage.

Adams and Mehran (2003) also try to assess the applicability of same board size for all classes of firms. Klein (1998) argues that the CEO's need for advice will increase with the complexity of the organization. Coles, Daniel and Naveen (2004) examine the relationship between board size and performance across different types of US firms. They explored the question of applicability of ideal board size with each class of firms. It was observed that Tobin's Q increases as board size for firms that have greater advising requirements. That is, Q is positively associated with board size in diversified firms, larger firms, and in firms with higher leverage. Moreover, when firm-specific knowledge of insiders is relatively important measured by R and D intensity, Q is positively related to representation of insiders on the board. Haniffa and Hudaib (2006) also conclude in their study that larger board size has a greater range of expertise to monitor the actions of management effectively.

2.4.4 Audit Committee independence

Theoretically, audit committee independence is expected to provide diversity on the audit committee, the diversity of the audit committee is expected to add to the ability of the committee to enhance monitoring and complement the internal control mechanisms of the company, because the independent representation on the audit committee will enhance transparency and

faithful representation of the financial reporting process, by not serving the interests of the management and executive but those of other stakeholders. It is probably with this in view that the Report of the Committee on Corporate Governance of Public Companies in Nigeria (2003) recommends that the audit committee should comprise of strong independent persons. And operationalising the "comprised of strong independent persons", it recommends that the committee should be composed with "not more than one executive member". This goes a step further than CAMA (1990) which demands that the audit committee be composed of equal number of directors and representatives of shareholders (CAMA, 1990; Section 359 (4)).

With a strong independent element, the committee will be able to perform its monitoring tasks more effectively. It will also have less motivation for expropriating firm's assets. Their experience will obviously help to supplement any inadequacy in skills of the executive members of the committee (Gupta, Otley & Young, 2008).

Saat, Karbhari, Xiao & Heravi (2012) studying listed firms on Bursa Malaysia, find that a negative correlation exists between a committee composed entirely by independent members and firm performance but that the presence of a higher proportion of independent directors on the committee will facilitate the objective deliberation and impartial evaluation of the firm's business and financial risks and vigilance. This means that the effectiveness of the audit committee is affected by the collective commitment of the members to fulfill their oversight duties and the cooperation of management to supply needed information. The executive members on the committee will facilitate this. For Bansel and Sharma (2016), audit committee independence is found to have various degrees of significance of effects on different measures of firm performance; the effect is only significant at10% level of significance with ROE, and 5%

level of significance with Tobin Q, but no significant effect on ROA and market capitalization even at10% level of significance.

Bouaziz (2012) using ROA as proxy for financial performance finds that the independence of the members of the audit committee has a significant effect on financial performance of Tunisian companies. However, Hutchinson and Zain (2009) find that firms with fewer independent directors on the audit committee have a positive firm's growth which means that there is a positive effect of internal auditor quality on firm performance for the high growth firms with more executive directors on the audit committee. Past studies heavily support the negative relationship between audit committee independence and measures of firm performance though this is far from being entirely unanimous as some studies have evidence to the contrary.

2.4.5 Board Gender Composition – Number of Women on the Board

Diversity on the board is clearly well encouraged in corporate governance literature. Such diversity as is often advocated includes: combination of executive, independent and non-executive directors, diversity of experience and expertise and skill (Rhodes and Peckel, 2010). Other areas of diversity often ignored include: Social diversity, racial diversity and gender diversity.

Board gender diversity is becoming a strategic issue as some institutional investors are beginning to see gender diversity as a crucial criterion of the investment policy (Carter, Simikins & Simpson, 2003). Some research studies have shown that boards' gender diversity falls within the scope of the so called "business case" of diversity that was introduced by Cos and Blake (1991) and Robinson and Dechant (1997). It is argued that board gender diversity will benefit the firm in financial terms which should be regarded in the context of shareholder value (Dang, Nguyen

& Vo, 2012). Women, ordinarily, are more careful and this may be brought to bear on risk taking and this is likely to lead to better protection of the firm's investments and assets. They are also sometimes more painstaking and this may lead to better investment decisions. Some studies appear to be inclined to suggestions that more women on corporate boards will produce better results than what is currently experienced where corporate boards are almost the exclusive preserve of men (Bagudu, Badru & Alfa, 2015).

As noted by O'Reilly III & Main (2012), at the bottom of the argument is the belief that increased demographic diversity among corporate boards will help to improve decision making and hence positively affect firm performance. Apart from the increased number of women who are getting educated and the social awareness being created about gender equality, the increase in the number of women on the board is explained by the robustness of the evidence of performance effect of board gender diversity (Daily, Certo & Dalton, 1999; Hillman, Cannella & Harris, 2002; Lublin, 2011; Valenti, 2008). O'Reilly and Main (2012) raise a poser; "If there were no convincing business case for the appointment of women outsiders, why would a CEO or a board approve a token to the board?"

Several previous empirical studies strongly support more women on the board of directors. Oba (2013) finds that female directors' presence had a positive statistical significance on financial performance using returns on capital employed (ROCE) as a proxy for financial performance.

This is supported by the results of the findings by Man and Kong (2011) and Burke (2000) which suggest that the presence of women directors and firms' performance are correlated positively. Also, Dang, Ngurjen and Vo (2012) find that firms with at least three (3) women on corporate boards have a better performance, as measured by Tobin's Q and returns on assets (ROA), and they are significantly large in terms of sales. Similarly, Prihatiningtias (2012) finds no link

between board gender diversity and firm social and environmental performance, but believes that women board members may bring positive effects in organizational improvement which may enhance performance as a whole.

However, Shukeril, Shinl & Shaaril (2012) find no relation between board gender diversity and firm performance, "that increasing or decreasing females on the board would not give significant effect to firm performance". There appears, therefore, to be conflict in findings from empirical studies on the relationship between board gender diversity and firm performance. What this may mean is that the mere presence of females on corporate boards does not add to performance but how the females on the boards are able to use their different skills, experience and expertise to bring about positive improvements in the performance of such boards.

2.4.6 Other Corporate Governance Mechanisms

2.4.6.1 Ownership Structure

When a firm's owners are also the managers, there is alignment effect, that is, an overlapping between ownership and control would reduce conflict of interests (agency problem) and this will lead to higher firm value (Chi-Keung, 2012). The relationship between blockholders and firm performance is sometimes negative and sometimes positive. Franks and Mayer (2001) observe a very strong positive relationship between ownership concentration and firm value particularly where there is strong block ownership by banks. Thus, firm performance is positively related to concentrated equity ownership. However, Craswell, Taylor and Saywell (1997) note a situation of a weak curvilinear relation between insider ownership and performance in Australia. Hassan and Ahmed (2012b) note that ownership structure is a subset of corporate governance that related to the nature of ownership of the equity shareholding of a firm. It concerns who acquires the

firm's equity shares, and they found that it has a significant impact on earnings management in Nigerian quoted beverage firms. The need for an effective ownership structure arises out of the separation of firm's ownership from its control which has been made complex by the level of growth and size of today businesses.

Various variables have been used as proxies for ownership structure. For instance, Yeo, Tan, Ho and Chen (2002) used managerial ownership. Dabo and Adeyemi (2009), Klai and Omri (2011) and Shehu (2011) all use institutional shareholding while Hashim and Devi (2008) and Klai and Omri (2011) use family ownership. The evidence that the various studies have yielded is inconclusive. For instance, Johari, Saleh, Jaffar and Hassan (2008) finds that managerial shareholding has a positive impact on discretionary accruals; Yeo et al (2002) find evidence that managerial ownership can be an effective mechanism within an ownership range of 25%. Beasley (1996) finds that institutional investment is negatively related with financial fraud.

Farooq and El Jai (2012) find that ownership concentration can either have alignment effect which reduces managers' opportunistic behaviour or have an entrenchment effect which increases earnings management. Roodposhti and Chashmi (2010) find a negative relationship between ownership concentration and earnings management. In the same vein, prior research suggests that concentrated family ownership has the tendency to either reduce or exacerbate agency problem. Hashim and Devi (2008) find a positive and significant relationship between family ownership and financial reporting quality. On the other hand, Klai and Omri (2011) suggest that the power of families reduces the quality of financial information. This is because family owners have the tendency to develop a network of relationships that align them with managers in order to pursue their personal interests at the expense of minority shareholders

interests. These findings are supported by Wang (2006) who finds a positive relationship between family ownership and discretionary accruals.

2.4.6.2 Institutional Shareholders

Institutional shareholders are organizations such as banks, insurance companies and pension funds that hold large volumes of shares. The institutional shareholders would be more informed than the individual shareholders. They could have more time to spend in searching for information about the firm and its industry unlike the individual shareholders who are limited in time for monitoring the firm's performance – they are more powerful to monitor the performance of the firm. They normally invest large money in the firm and are such motivated to monitor their interests in the firm. They can mount pressure on the mangers if the firm is under-performing (Chi-Keung, 2012).

Institutional investors can be considered as sophisticated investors and typically they perform a monitoring role in reducing pressures for myopic behaviour (Isenmila & Elijah, 2012). Previous literature suggests that institutional ownership can be very instrumental in monitoring the firm. For instance, Ferreira and Matos (2008) investigate the role of institutional investors using data from 27 countries and found that higher ownership through foreign and independent institutions lead to higher firm value, higher operating performance and lower capital expenditures.

Cheng and Reitenga (2009) find that active institutional blockholders exercise their monitoring powers fully when there is a strong pressure to increase earnings but when there is a strong pressure to decrease earnings, the effect of active institutional blockholders is inconclusive. Koh (2003) finds that the relationship between institutional ownership and aggressive earnings management was positive at lower level of institutional ownership and negative at higher level of

institutional ownership in Australian firms. In a similar manner, Hassan and Ahmed (2012) using listed Nigerian firms observe that institutional investors negatively impact earnings management. Marwa (2012) observes that one increasingly important issue relating to institutional investors concerns the role of institutional shareholders' activism by pension funds and insurance companies and that they could take active role in monitoring management: it is found that ownership by institutional investors is positively related to earnings performance and corporate value (Mitanni, 2010).

2.4.6.3 The Legal/Regulatory System

Shareholders provide their capital to firms so as to gain the control rights in return. This creates a contractual relationship which is governed by charters and bylaws between the shareholders and the firms (Roberts & Sufi, 2009; Chi-Keung, 2012). The shareholders can seek legal redress from the court if managers violate the contract under common law. The shareholders have different rights under company law – such as voting rights, appointment and removal of directors (e.g. CAMA 1990 Section 224(1d)). The shareholders can also vote on executive service compensation contracts, alteration of firm charters and bylaws. In return, management has the day to day control of the firms subject to statutory requirements including qualification, function, disclosures, removals and limitation on power, a duty of care and a fiduciary duty and shareholders voting rights. The legal protection will usually generate high cost to shareholders and worse still it requires certain proportion of shareholders to seek injunctions to managers' certain actions or seek remedial from the firms (Chi-Keung, 2012).

Studies provide different results on shareholders' protection by law. Weisbach (1988) provides evidence that firms with more outside directors would remove top manager when firm performance is poor. In French civil law, countries provide the least protection for shareholders.

Enforcement of law is stronger in the German, while weakest enforcement is observed in French civil law (Chi-Keung, 2012). Shareholders have the least relative protection compared with employees and creditors. Thus, shareholders need strong protection such as duty of care and duty of loyalty. Fiduciary duty seeks to control self-dealing and self-interest. There are different rules and regulations that deal with both elements including independent directors' approval sub-committees of boards, disclosures of financial information and shareholder approval to compensation. In Nigeria, the requirement of CAMA 1990 and both the Report of the Committee on Corporate Governance of Public Companies in Nigeria (2003) and the CBN's Code of Corporate Governance for Banks in Nigeria Post Consolidation (2006) require a balance of executive and independent elements in the board of directors, such that no individual or group of individuals can have unfettered power in a decision making process. This is why the Code recommends that "no one person should combine the post of chairman/chief executive officer and no two members of the same extended family should occupy the position of the chairman and that of the chief executive officer or executive director of any bank in Nigeria at the same time (CBN, 2006). Similarly, it is required that all Nigerian firms set up an audit committee of at least six members with equal number of directors and representatives of shareholders. The members of the committee, majority of which should be independent non-executive directors, should be disclosed. Okoye and Ofoegbu (2011) noted that regulations in Nigeria (Codes of corporate governance) were issued in response to emerging issues of corporate governance triggered off by corporate scandals (and corporate failures) in the western world … and these codes are seen to be capable of helping to restore investors' confidence and faith in the financial reporting process.

Different countries have different rules to control excess compensation for top managers. In Nigeria and the UK, it is required that listed companies use remuneration committees to establish compensation, and contracts exceeding two years must be approved by shareholders and must disclose total annual compensation with individual remuneration. The US has more relaxed requirements; the board may set up its salary, and disclosure rules are similar to those of Nigeria and the UK, the difference being that it is required to disclose five top officials individually. In Hong Kong, the rule requires that contract exceeding 3 years for listed companies must be approved by the shareholders and need to disclose total emoluments (Chi-Keung, 2012).

The laws restrict certain actions of self-dealing and self-interest in some cases. This can be enforced by the court. The plaintiff can seek redress from the court by suffering from those actions. In some cases the court gives the right to the firm charters and bylaws to enforce shareholders interest (Easterbrook & Fischel, 1991). The law gives power to the majority, but this in itself creates another agency problem between the majority and the minority (Chi-Keung, 2012).

2.4.6.4 The Takeover Force

Corporate takeover, over the years, has been a characteristic feature of the business environment, particularly in the US. Takeover plays an important role in capital reallocation, when the actual value of a firm and its potential value are significantly different; there is incentive for outside parties to be interested in its control (Chi-Keung, 2012). Even firms with cost inefficiency would take a high risk of being taken over when its actual value is significantly lower than its potential value (Frydman, Frydman & Trimbath, 2001). Takeover may not always be negative, takeover usually occurs at a premium and through the takeover, cost efficiency can be improved and overall performance enhanced (Healy, Palepu & Ruback, 1992; Lichtenberg, 1992; Switzer,

1996). Takeover can pressure firm management to keep firm value high so as not to be taken over and the management laid off. One reason why hostile takeover occurs is to replace under-performing management because of their inability to maximize shareholders' wealth (Weisback, 1988). Thus, takeover forces managers to do better for shareholders' interest in that the firm value can be reflected in the share price.

Bertrand and Mullainathan (2000) measure takeover force as part of a composite governance variable by classifying the measurement of corporate governance into internal and external governance. The external governance is the level of anti-takeover protection. Firms have higher anti-takeover protection when management implement some defenses including poison polls and staggered board to prevent takeover; it means that corporate governance from the market is lower. If the managers of a firm did not do well, the firm will be inefficient and the shares would have low valuation. This takeover defense may hurt shareholders' interests. They use these defenses to entrench themselves or benefit privately. It would attract other firms which have more efficient management to take them over at a low price. When the new managers improve the victim firm, its share prices would increase. Thus, lower anti-takeover protection level would provide more market control for the firm and higher level of external governance. Overall, takeover helps to effectively control management self-interest (Chi-Keung, 2012). Takeover is part of the process that eventually reorganizes inefficient organizations (Shivdasani, 1993).

2.4.6.5 Shareholders' Activities

Baysinger and Butler (1985) find little evidence that corporate governance resolutions initiated by shareholders lead to better firm performance. Smith and Watts (1992) report a positive performance effects for the Shareholder's activities of the California Public Employees Retirement System. Huson, Malatesta and Parrino (2004) show that financial institutions could

be fairly effective in pushing target companies to take steps to comply with their corporate governance proposals. They also found that any short-term valuation effects resulting from activities are dependent on the specific type of governance issues targeted. Gillan (2006) find that shareholder proposals by individuals have small, positive announcement effects, while proposal by institutional investors have a small but significant negative effect on stock prices. Overall, the empirical literature on shareholder's activities in the United States seems to indicate that it has a negligible impact on corporate performance (Black, Jang & Kim, 2003).

In another study, Frankel, Johnson and Nelson (2002) show a negative relationship between earnings and auditor's independence, but Ashbaugh, Lafond and Mayhew (2003) and Lacker and Richardson (2004) provide contrary evidence, arguing that the study dwelt more on intrinsic factors. Agrawal and Chadha (2005) find no relationship between neither audit committee independence and the probability that a firm restates its earnings nor the extent auditors provide non-audit services and the probability that a firm restates its earnings.

Furthermore, several studies have examined the separation of CEO and chairman, positing that agency problems are higher when the same person holds both positions. Using a sample of 452 firms in the annual Forbes magazine rankings of the 500 largest U.S. public firms between 1984 and 1991, Yermiack (1996) shows that firms are more valuable when the CEO and board chair positions are separate. Core, Holthausen and Larcker (1999) also find out that CEO compensation is lower when the CEO and board chair positions are separate.

Gompers, Ishii and Metrick (2003) use Investor Responsibility Research Center data, and conclude that firms with fewer shareholders rights have lower firm valuations and lower stock returns. They classified 24 governance factors into five groups: tactics for delaying hostile takeover, voting rights, director protection, other takeover defenses, and state laws. Most of these

factors are anti-takeover measures so this index is effectively an index of anti-takeover protection rather than a broad index of governance. Millin (2002), in USA, study the possible link between the corporations' financial performance and its commitment to ethics. The emphasis of the paper was on attempting to find a link between overall financial performance and an emphasis on ethics as an aspect of corporate governance. Millin found that 26.8% of the 500 largest US public corporations are committed to ethical behaviour towards stakeholders, or emphasize compliance with codes of conduct. The financial performance of these corporations ranked higher than that of those corporations that did not behave in this way. The statistical significance of the difference was high.

Spong and Sullivan (2007), in their study on corporate governance of banks, outline that the previous studies by Davis and Cobb (2009), Lawal (2012), Vafeas (1999), Daily and Dalton (1992), Mehran (1995), Daily and Ellstrand (1996), Salehi and Baezeger (2011), Klein (1998), Weir and Laing (2001), Bhagat and Bolton (2005), Bhagat and Black (2002) and Sanda, Mikailu and Garba (2005) all on board composition and performance, focused primarily on corporate governance of firms while none looked at effect of board composition on bank's value.

Bolton (2006) criticizes these studies on board size and performance because they considered just a single measure of governance. Bolton further observed that these studies are also restricted to the Organization for Economic Cooperation and Development (OECD) framework only.

As further observed, most prior studies on corporate governance and performance make use of the market based performance measures and not accounting performance measures. The foregoing, therefore, indicates that previous studies have yielded inconsistent findings on the relationship between corporate governance and financial performance of firms. Some findings contradicted theoretical expectations. This has to be accepted and indeed expected because

corporate governance is not a "one-size-fits-all" concept. Even firms within a defined ethnic, geographical locality, capital base, risk profile, corporate history and business activity, the same corporate governance system may not be expected to yield the same results across board. The management and personnel arrangements and requirements of each company will be substantially unique. It would therefore not be practicable or reasonable to place all companies within a single defined set of structures and processes. Corporate governance principles should have some degree of flexibility and be allowed to evolve in the light of changing realities and circumstances of a company (Brown & Gorgens, 2009).

2.4.7 Control Variables - Audit Types, Firm Size and Earnings Management

2.4.7. 1 Firm Size

As firms grow, it may become more difficult to sustain and maintain impressive performance (Banz, 1981). This derives from the fact that smaller firms are expected to be more creative, innovative and easily amenable to changes as situations demand; this enhances their value (Lin & Chen, 2007).

It may, however, be argued that large firms have direct effect on firm performance (Aljifri & Moustafa, 2007). This is expected as larger firms have more resources to commit to research, development and innovation which can lead to better adaptability and profit performance they have better economies of scale. This is supported by Kumar (2004), who observed that large firms are more efficient than small firms because of economies of scale, skilled employees and market power. It is also likely that larger firms are better performers because they have the ability to diversify their skills and investments (Ghosh, 1998).

Firm size is usually measured as the Log of the total assets (Log TA) of the firm (Alzharani, Ahmad & Aljaaidi 2011; Choi, Han & Lee, 2011). Using ROA as measure of performance,

Alzharani, Ahmad & Aljaaidi (2011) conclude from their findings that firm size has significant negative effect on firm performance. This is also supposed by the result of the study by Hudaib and Haniffa (2006). The possible reason advanced for this is that smaller firms in the context are more innovative, creative and change more readily, thus enhancing their values than the larger ones.

The results from the studies by Aljifri & Moustafa (2007) show contrary evidence; the results indicate that there is a positive relationship between firm size and performance. This controversy could be explained by the fact that while there are advantages to be gained from firm size, the firms with larger size must remain innovative, creative and willing to embrace changes so as to stay competitive.

2.4.7.2 Audit Type

The type of firm is sometimes used as surrogate for audit quality, and audit quality is believed to reflect higher quality of internal and operational controls and hence firm value and performance. Financial reports that have been audited by the Big–4 (KPMG, Ernest and Young, Akintola Williams Deliotte and PWC) are often perceived to be of better quality than those audited by the non-Big–4 audit firms. This is because the large audit firms are thought to have a reputation to safeguard and therefore will ensure an independent quality audit service. The large audit firms also have better financial resources and skilled personnel, research facilities, superior technology to undertake large company audit than do smaller audit firms. Their larger client portfolios enhance their abilities to resist management pressures. Smaller audit firms provide more personalized services due to limited client portfolios but are expected to succumb more easily to management demands (Lys & Watts, 1994). It is thus expected that the size of audit firm is an important feature that reflects the independence of the auditor.

There is a large volume of empirical literature on the relationship between audit firm size (or type) and audit quality which eventually leads to improvement in firm value. On one hand, some studies argue that larger audit (Big–4) firms produce higher quality audits (Etemadi, Farajzadeh, & Amirkhani, 2013); Dye, 1993).

There are other studies whose results indicate that there is conclusive evidence to disagree with the hypothesis that large audit (Big-4) firms are associated with higher quality audits (Krishnan, 2005; Salehi & Mansoury, 2009).

2.4.7.3 Earnings Management

Earnings, sometimes called "bottom line" or "net income" are the single most important items in the financial statements. They indicate the extent to which the company has engaged in value added activities. They justify resource allocation, they are often times used in performance evaluation of corporate managers. Increased firm's earnings represent increase in the firm's value. Theoretically, the value of a firm's stock is the present value of the future earnings. It should however be pointed out that earnings value is the result of accounting manipulation. That is, the reported earnings of an organization depend on the accounting choices adopted by that organization. Earnings management represents a deliberate attempt to manipulate the financial reporting process. In a very formal perspective;

> *Earnings management occurs when managers use judgment in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting numbers (Healy & Wahlen, 1999).*

Earnings management is not to be confused with illegal activities to manipulate financial statements and report results that do not reflect economic reality; earnings management are reasonable and legal management decision making and reporting intended to achieve stable and predictable financial results.

According to Spohr (2005), the search for a proper definition of earnings management includes the question as to what activities can be regarded as earnings management. He noted that judgment in financial reporting that fits earnings management definition includes estimation of, for example, the economic life-time of long-term assets, losses from bad debts and asset impairments that are dependent on the future and choices between accounting methods.

Studies have shown that aggressive earnings management increases information asymmetry between insiders and outsiders; it has the potential to reduce shareholders wealth and demonstrates lower accounting quality (Teoh, Welch & Wong, 1998). Dechow and Dichev (2002) suggest that high earnings management signified lower quality and less persistent earnings.

Insiders are likely to engage in aggressive earnings management to divert resources to themselves. The executives are likely to manage earnings upwards when facing extremely poor pre-managed earnings, and are close to periods of performance evaluation because of the benefits associated with overstating earnings. Egbunike, Ezelibe and Aroh (2015) found that corporate governance practices have significant influence on earnings management practices among Nigerian quoted companies.

An example is performance-related bonus scheme; most often, managers' compensation and bonus plans are tied to the earnings reported for a period. What may be expected, therefore, is to overstate earnings when faced with poor performance so as to be entitled to higher bonuses, and

to understate them when earnings are beyond the maximum level at which no additional bonus is earned, the additional earnings are thus saved for the future when earnings are not high enough to earn sufficient bonus (Abdelghany, 2003; Bergstresser & Phillippon, 2006; Healy, 1985).

The definition of earnings management that The researcher is using describes it as reasonable and proper practices that are part of a well managed business that delivers value to shareholders. Earnings management is primarily achieved by management actions that make it easier to achieve desired earnings level and it is done through: accounting choices from among GAAP; and operating decisions (sometimes referred to as economic earnings management)

An example of GAAP accounting choice is whether to be an early adopter of a new accounting standard or to wait some years when the accounting standard is required for all companies. An example of management operating decision (economic earnings management) is whether to acquire a new plant for use in operations or to lease the plant so as to gain tax advantages. Another is whether to implement a special discount or incentive programme to increase sales for a particularly quarter when revenue targets are not being met.

Spohr (2005) posits that earnings management can be detected through accounting method choice and timing. Accounting method choice is interpreted to include both the choice of a particular accounting method such as the choice of capitalizing an intangible asset or expensing it and the choice of how to apply the method. The choice of the application of the method in the case of intangible asset refers to the determination of an appropriate depreciation procedure. The manager has discretion as to the timing when an event is shown in accounting, for instance, when the bad debt or impaired assets are written off. Another dimension of this is the timing of the transaction that affects the reported earnings, for instance, R&D projects or advertisement campaigns may be timed so that the expenses affect the earnings of subsequent period. A third

dimension is the appropriate timing of asset disposals and the consequent realization of gains and losses in the income statements. The areas where such accounting choices have been studied include inventory valuation, depreciation method choices and capitalization vs. expense decision concerning intangible assets and interest (Fields, Lys & Vincent, 2001; Watts & Zimmerman, 1986). Other areas are the choice to capitalize R&D or expense them (Aboody & Lev. 1998). Spohr (2005) notes that an arguably more expensive form of timing propensity is the adjustment of investment decisions to achieve a short-term earnings goal. Dechow and Sloan (1991) show that CEOs spend less on R&D in their last years in office so as to improve short-term earnings performance. Other motives why R&D expenditures are altered are to reach positive and increasing earnings, avoid earnings decreases and smooth earnings (Barber, Fairfield & Haggard, 1991; Bushee, 1998; Mande & File, 2000).

In general, Sun and Rath (2010) observe that managers have been found to engage in earnings management through changing accounting choices, real transactions, total accruals/discretionary accruals, specific accruals, earnings distribution approach and income smoothing. They further noted that the most researched of these approaches is the total accrual approach. This, as observed by Al-Fayoumi, Abuzayed and Alexander (2010) is the most damaging to the relevance of accounting information. Total accruals are the difference between net income and cash flow from operating activities. It is further divided into two: discretionary and non-discretionary accruals. Discretionary accruals are these adjustments to the cash flows that largely depend on manger's judgment of future uncertain events while non-discretionary accruals are those adjustments to the firm's flows that reflect the underlying economic conditions of the firm and are required by the accounting standards-setting bodies (Hassan & Ahmed, 2012b; Osisioma & Enahoro, 2006).

The problem with many accounting choices is that there are no clear posted limits beyond which a choice is obviously illegal. Thus, a perfectly routine accounting decision such as expense estimation may be illegal if the amount is extreme but perfectly legal if it is reasonable. GAAP does not tell managers what specifically is normal and what is extreme. It is more like a speed limit sign that simply says "*Don't Drive Too Fast*". At what point does "fast" become "too fast"? It is subjective and subject to abuse.

Accruals have the desirable feature of providing a summary measure of the firm's accounting choice. In earnings management research, they are generally divided into two parts: discretionary and non-discretionary accruals, of which the first is a proxy for earnings management. Discretionary accruals cannot be observed directly from financial statements, they are usually estimated through some kinds of models. These models form an expectation on the non-discretionary accruals level and the amount by which the actual observed accruals deviate from this level is assumed to be discretionary accruals (Spohr, 2005). Most of the models estimate firm's non-discretionary accruals from the firm's past accruals levels during periods when no systematic earnings management is assumed (Jones, 1991). The alternative is to use a cross-sectional approach where a firm's normal level of accruals in a period is given by a comparable firm's accruals in the same period (DeFond & Jiamhavlo, 1994). The problem with both the time series and the cross-sectional approach is that accruals vary with changes in business circumstances. The simplest of these models tested hypotheses on earnings management behaviour by arranging the observations in the sample into groups based on their hypothesized earnings management behaviour and tested by pair wise comparisons of mean total accruals (scaled by lagged total assets) between groups for which different earnings management behaviour was assumed. This process led to the following model (Healy, 1985; Young, 1999).

$$DAC_{i.t} = \frac{TA_{i,t}}{A_{i,t-i}}$$

Where:

$DAC_{i.t}$ = Discretionary accruals for firm i in period t.

$TA_{i.t}$ = Total accruals for firm i in period t

$A_{i,t-1}$ = Total assets for firm i in period t-i

DeAngelo (1991) estimated the firm's non-discretionary accruals from the previous period and, therefore, this can be viewed as a time-series version of Healy model. The DeAngelo (1991) model is given as:

$$DAC_{i-t} = \frac{TA_{i-t} - TA_{i,t-1}}{A_{i,t-1}}$$

Friedan (1994) assumed non-discretionary accruals to be proportional to operating activities as measured by sales. This has come to be known as the modified De Angelo model and has the advantage that it does not place high requirements on the availability of data. It allows non-discretionary accruals to fluctuate between periods due to changes in circumstances. The model is specified as:

$$DACi,t = \frac{TA_{i,t}}{S_{i,t}} - \frac{TA_{i,t-1}}{S_{i,t-1}}$$

The most popular of the models is perhaps the Jones (1991) model. It estimates non-discretionary accruals with an OLS regression with changes in sales and level of property, plant and equipment as the explanatory variables with data from between 14 and 32 years per firm. The model is given as:

$$\frac{TA_{i,t}}{A_{i,t-1}} = \beta_{0,i}\frac{I}{A_{i,r-1}} + \beta_{1,i}\frac{\Delta REV}{A_{i,t-1}} + \beta_{2,i}\frac{PPE}{A_{i,t-1}} + \varepsilon_{i,t}$$

Where:

ΔREV = Change in sales from period t-1 to product t for firm i

PPE = Gross property, plant and equipment for firm i in year t

$\varepsilon_{i,t}$ = Error term for firm i in year t.

Since this model was first introduced, there have be several modifications to it (Spohr, 2005). Fluctuations in firm performance can be hidden by insiders' usage of accounting discretion; insiders can hide poor current performance by reporting future revenues and delaying recognition of current costs. On the other hand, they can under-report good current performance with the intension of effectively creating reserves for the future. One can expect that there is a negative relation between the change in accounting accruals and the change in cash flow if insiders adopt accruals to boost the fluctuation in firm's performance (cash flow volatility) (Dechow, 1994; Zhang & Uchida, 2011).

Investors and analysts do have problems in valuing accruals correctly, but the importance of accounting earnings in firm valuation has been increasing over the years (Bernard, 1995). Much of the interest in fundamental analysis was the result of residual income valuation model as presented by Ohlson (1995). The discounted abnormal earnings are not a unique valuation method since it is based on the same theoretical foundations as discounted dividend model. The fact that the discounted abnormal earnings model is based directly on accounting data and contains information dynamics means that making an assessment of future earnings makes it a good tool for demonstrating how earnings management affects value. The discounted abnormal earnings model is based on dividend model, and firm value which is equal to the present value of expected future dividends:

$$V_t = \sum_{1+r}^{\alpha} \frac{E_t(d_{1+t})}{(1+r)^t}$$

Where:

V_t = Value of the firm at time t

d_t = Net dividends paid at time t

r_t = Discount rate

$E_t\{\ \}$ = Expected value operator conditioned on the available information at time t

This relation leads to dividend policy irrelevancy because the amount paid out as dividends is matched by a drop in the market value (Ohlson, 1995). This relation can be written as:

$$V_t = b_t + \sum_{1+r}^{\alpha} \frac{E_t(X_{1+t+-} b_{1+t-} 1}{(1+r)^t} - \frac{E(b_{t+\alpha})}{(1+r)^{\alpha}}$$

Where:

b_t = Book value of equity at time t

X_t = Earnings for the period

The abnormal earnings for the period t – 1 to t (X^a) is defined as:

$$X^a_t = X_t - r*b_{t-1}$$

It is known as abnormal "earnings" because "abnormal earnings" is the expected return on the book value invested at the beginning of the period. Thus, abnormal earnings can also be expressed as the earnings minus the charge for the use of capital. By this definition, the period is profitable when earnings exceed the firms cost of capital (Ohlson, 1995). This means that if the firm's earnings are just equal to the required cost of capital, the investors will not be willing to pay more than the book value for the firm's shares. This implies that the firm's value is the sum of book value and the present value of expected future abnormal earnings:

$$V_t = b_t + \sum_{1+r}^{\alpha} \frac{E_t(X^a{}_{1+t})}{(1+r)^t}$$

This relation shows that the value of the firm is expressed in accounting numbers and it originated from the dividend discounted model, with the assumption of clean surplus. Earnings management affects firm's value in three different ways in the discounted abnormal earnings model (Spohr, 2005). First, he noted that the positive component of managed earnings directly increases book value and firm's value by the same amount. Secondly, the managed earnings are likely to affect the estimated future abnormal earnings through information dynamics (Ohlson, 1995). Due to the positive serial correlation between abnormal earnings, higher earnings during

this period are likely to lead to revised estimations about future abnormal earnings. Finally, earnings management may affect firm value through the cost of capital (Spohr, 2005).

From valuation point of view, it would be better if the value of a firm could be read directly from the statement of financial position. This would be the case if assets and liabilities reflect proper estimates for expected net present value of the firm's future cash flows. The problem however is that the estimation of fair values for assets without observable market price would be dependent on how managers' competence and discretion would be reliable. Reliability on the other hand, is taken to the extreme if only information of the last period's cash flows is reported. When cash flows are examined within a limited time frame, they suffer from matching and timing problems and therefore often give the wrong picture of the period's performance. The two extremes of relevance, where net assets on the statement of financial position equals the fair value of the company, and where only the occurred cash flows are reported and reliability is compromised through the use of earnings.

By measuring a period's performance with earnings, the matching and timing problems inherent in cash flows are decreased through the use of revenue recognition and matching principles (Dechow, 1994). The revenue recognition principle states that revenues should be recognized when the firm has delivered a product or produced a substantial portion of it, and the cash receipt is reasonably certain. The matching principle requires that revenues recognized during a period be matched with the associated costs (Weetman, 2003). Over the life time, a firm's cash flows and earnings are the same, but when accounting principles are applied over finite time periods, cash flows have to be adjusted to produce earnings numbers. These adjustments are made with accruals on the statement of financial position, and hence, earnings are the sum of a period's change in accruals and cash flows (Spohr, 2005).

Managers use their opportunistic knowledge of the firms' business circumstances to make adjustments to accruals. Although this necessary use of managerial discretion in accruals estimation is open to opportunism and errors, there is a vast body or research showing that earnings are a useful performance measure.

Such research shows that share prices react to changes in earnings than to changes in cash flows is a natural conclusion (Spohr, 2005). This conclusion is supported by other research findings (Dechow, 1994; Dechow, Kothari & Watts, 1998). Although earnings are a useful accounting measure of performance, the accruals component has continued to generate valuation problems, investors fail to correctly value total accruals because they over-estimate their persistence (Sloan, 1996). Dechow and Dichev (2002) suggest that the valuation problems in accruals are not due to the intentional use of managerial discretion. They demonstrated that firms with high variability in cash flows have higher accruals estimation errors and thus lower difficulty in estimating accruals correctly than intentional accruals management. Another view that has nothing to do with opportunism or errors in estimation is that accruals and growth are associated, that it is growth, not accruals which are not valued by investors (Chan, Chan, Jegadeese & Lakonishok, 2001; Fairfield, Whisenant & Yohn, 2003).

The study by Adekani, Younesi & Hashemijoo (2012) show mixed results for various measures of firm performance and earnings management at various points in time such as prior-acquisition and post-acquisition periods. The study by Gong, Louis & Sun (2008) also find that significantly negative abnormal accruals usually surround open market repurchase announcements. This is done to create desired impression about firm's performance. Thus, earnings management is positively correlated with firm's performance. See appendix I for the summary of the effects of various corporate governance mechanisms from previous studies carried out in different settings:

2.5 Theoretical Framework

(a) Agency Theory

The theoretical framework upon which this study is based is the agency theory. This theory posits that there is information asymmetry between the principal and the agents; the agents; (the managers and directors) are likely to pursue interests that may be at variance with those of the principal, that is, the shareholders (Namazi, 2013).

The agency theory seeks to explain the relationship between managers and shareholders as a result of the separation of ownership from control of the modern day business. Theoretically, the manager is expected to act in a manner that tally's with the interests of shareholders. This may not, however, be the case as the manager enjoys more privileged information that makes it possible to pursue self-interest at the expense of that of shareholders. This may eventually affect the value maximization objective of the firm (Hassan & Ahmed, 2012a). This leads to the need to monitor managers, since the owners have much to lose should things go bad as a result of managers' opportunism (Usman & Yero, 2012).

Isenmila and Elijah (2012) note that agency problems occur when the interests of agents do not align with those of principals owing to the separation of management and ownership. In practice, the interests of those who have effective control over a firm can differ from the interests of those who supply the firm with external finance. The principal-agent problem is reflected in management pursuing activities which may be detrimental to the interests of the shareholders of the firm.

(b) Stakeholders' Theory

Sanda, Mikailu and Garba (2005), note that at first, the agency theory was applied to the relationship between managers and equity holders with no explicit recognition of the interests of

other parties. Subsequent researches have widened the scope to include other stakeholders such as employees, creditors and government. This approach attempts to align the interests of managers and all stakeholders, and has come to be regarded as the stakeholders' theory. The study therefore also draws from the stakeholders' theory**.**

Scholars note the presence of many parties interested in the well-being of the firms and that those parties often have competing interests (Sanda, Mikailu & Garba, 2005). For example, while equity holders might welcome investments in high yielding but risky projects, such investments might jeopardize the interest of debt holders.

This effectively means that managers will have multiple objective functions to optimize, which Jensen (2001) sees as a weakness of the stakeholders theory and thus proposed that there should be a refinement to the stakeholders' theory to become the enlightened stakeholders' theory. This modified version should have one objective function which is that managers should pursue the maximization of the long-run value of the firm which will be achieved once the interests of all major stakeholders are protected. Another appeal of this modified version is that it provides a simple criterion for managers to decide whether the interests of all stakeholders are being protected: invest a dollar of the firm's resources as long as that will increase by, at least one dollar, the long-run value of the firm (Sanda, Mikailu & Garba, 2005). This criterion may be weakened by the presence of a monopoly situation or externalities (Jensen, 2001).

Because of the opportunistic behaviour of agents, organizations will try to put in place mechanisms that will help to align the interests of the agents and principals. The role of the board is imperative to counter the "opportunistic behaviour of managers". This includes taking actions aimed at ensuring that transparent financial reporting reflects the real financial position of the company. In this sense, corporate governance framework serves as an effective tool in meeting

the expectations and needs of all stakeholders. The board may provide the monitoring of management that can lead to transparent and reliable reporting (Rauf, Johari, Buniamin & Rahman, 2011). In other words, by corporate governance, firms can ensure an alignment of the interests of the principals and the agents.

2.6 Summary of the Review

Over the years businesses have continued to evolve in terms of their governance practices and culture in response to changes in business forms and structures. The basic goal of corporate governance is to promote the accountability of management to stakeholders. The current emphasis on corporate governance is commonly hinged on the recent global economic crises which shook the world economies to their very fabric. This study is hinged on the theoretical framework of the agency theory. This theory seeks to explain the relationship between managers and stakeholders due to the separation of ownership from control of modern businesses. The managers are expected to always act in the interests of all stakeholders which may not always be the case as they may, instead, pursue self-interests at the expense of those of some other stakeholders. This basically leads to agency problems. To check the opportunistic behaviours of managers, current best practices seek to put in place mechanisms that will help to align the interests of the agents and principals. This is corporate governance.

The basic principles of corporate governance are: board independence – there should be significant independence elements on the board to allow it function independently of management; CEO duality – the separation of the roles of the board chair from that of the chief executive officer; board size – the board of directors should be optimally large and well-composed to bring about the needed diversity, competences, independence and experience; audit committee - this is to provide credence to the reliability and transparency of the financial

reporting process; and auditor independence – the auditor should be significantly independent of the management and the company (client) so as to be able to exercise independent judgment about the financial reports. The approaches that a firm can adopt in corporate governance are two: the principal-agent approach and the stakeholders approach. The measures that are used to ensure corporate governance are both internal and external. The internal corporate governance measures include: board structure, board composition and meetings; ownership structure and institutional shareholders. The external corporate governance measures include; the legal/regulatory system and takeover force.

Commonly, the managers are able to pursue self-interests through earnings management which takes place when managers use judgment in financial reporting and in structuring transactions to alter financial reports, and these have the potentials of misleading some stakeholders about the underlying economic performance of the company, or influence outcomes that depend on reported earnings figures. There have been several empirical studies on the relationships between corporate governance and corporate performance. Empirical literature suggests inconclusiveness in the relationships between corporate governance and corporate performance. This is probably due to the fact that corporate governance is not a "one-size-fits-all" concept.

In light of the foregoing, this study is intended to fill the gap in knowledge in the following respect: contribute to the investigation of the relationship between corporate governance measures and performance by adopting different measures of financial performance (earnings per share, EPS and EPS growth) while majority of other studies used ROA, ROE, ROS and total assets; and using evidence from Nigerian listed firms, knowing that evidence from different settings could lead to different conclusions: the vast majority of current studies on these variables

are based on foreign economic setting. A summary of the review empirical literature is given in Appendix I.

On the basis of this review, the expected relationships between the independent variables and our measures of firm financial performance are presented below as:

Board independence is theoretically expected to positively and significantly influence firm financial performance;

Board size is theoretically expected to positively and significantly influence firm financial performance;

Audit committee independence is theoretically expected to significantly influence firm financial performance;

Board gender diversity is theoretically expected to positively and significantly affect firm financial performance;

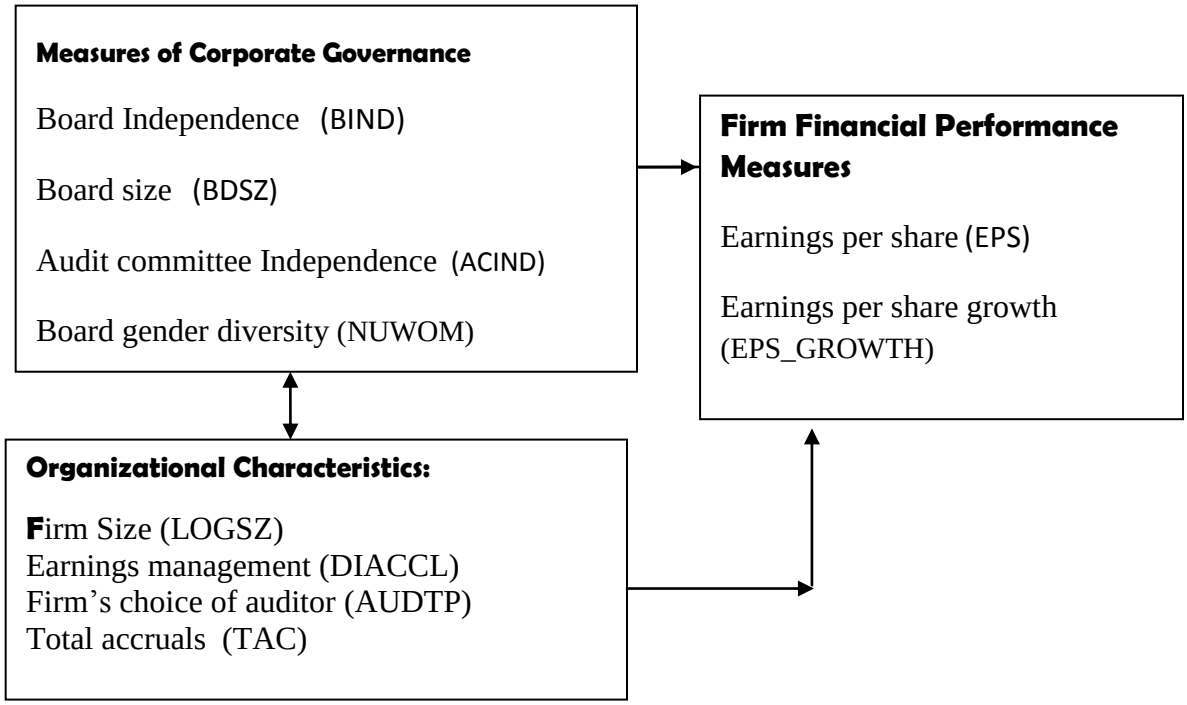
Firm size is expected to significantly affect firm financial performance;

Earnings management is expected to be associated with firm financial performance; and

Firm's choice of external auditor is expected to be associated with firm financial performance

Following the above, the conceptual model of this study is as shown in Figure 2.1 below.

Fig. 2.1: Researcher's Conceptual Framework



Source: Researcher's Conceptual Framework Built from the literature review (2015)

CHAPTER THREE

METHODOLOGY APPLIED IN THE STUDY

3.1 Introduction

In this chapter, The researcher discuss the sampling design, the population of the study, model for analysis, measurement of variables, sampling technique, data collection process and method of analysis.

3.2 The Research Design

The research design employed in this study is the cross-sectional design with time series properties. This is because data were collected from the study subjects just once. The various financial statements of various companies over the years provided data for the study. The study is essentially a causal study since the researcher attempts to explain the behaviour of variables from other variables.

As with many behavioural science researches, this study is not an experimental research but an ex post facto research since the researcher has no control over the variables in terms of being able to manipulate them (Cooper & Schindler, 2006).

3.3 Population of the Study

The population of this study comprises all the firms listed in the Nigerian Stock Exchange (NSE), whose stocks were actively traded in 2005 as base year. This is because these are the types of companies where the separation of ownership and control creates agency problem that would require corporate governance measures to protect the interests of other shareholders. They are the companies that investors invest in after evaluating published financial reports.

Excluded from this population are companies in the financial sector because the financial and allied sectors have their own financial reporting practices and the companies within these sectors have their own set of guidelines and governance systems (Hamid, 2008).

The population is a finite population of a size of 137 (comprising 117 in the first tier and 20 in the second tier). These are the active listed companies in NSE. Excluding the financial and allied sectors, the population becomes 122.

3.4 Sampling Techniques

The sampling method used in this study was planned systematically to ensure that the study subjects are clearly representative of the population intended for this research (the listed firms in the Nigerian Stock Exchange). To this end, the purposive random sampling method was used. Out of the population of 122 firms, 72 firms across sectors that most consistently published their audited annual financial statements over the period of interest were selected as the sample of the study. This is intended to ensure intra-homogeneity and inter-heterogeneity (Jackson, 2006). The sectors are classified as follows: manufacturing, brewery, service, construction, agro-allied, conglomerates, petroleum, building materials, healthcare, food, textile, packaging, computer and office equipment.

3.5 The Sample of the Study

As noted above, the sample is carefully selected so as to be truly representative of the population. Through the purposive sampling process, the study subjects are selected. The sample size is 72 (Seventy-Two) listed firms.

3.6 Model Specification

In light of the methodological knowledge gathered and empirical literature in previous chapters, the researcher specified a panel data multiple regression model. By definition, a panel data

multiple regression model is one that seeks to explain change or variation in the value of one variable called the dependent variable (firm financial performance) on the basis of changes in other variables known as the independent or explanatory variables using pooled data. The assumption in panel data regression is that the dependent variable is a linear function of the independent variables with consideration to the heterogeneity in the pooled firms. This means that panel regression assumes cross section heterogeneity (cross section fixed effect) and period heterogeneity (time fixed effect).

In the light of the above, the researcher specified the below listed two regression models for this study:

Model 1:

$$EPS = \beta_o + \beta_1 BDSZ_{i,t} + \beta_2 BIND_{i,t} + \beta_3 AUDCOID_{i,t} + \beta_4 NUWOM_{i,t} + \beta_5 LOGSZ_{i,t} + \beta_6 AUDTP_{i,t} + \beta_7 DISACCL_{i,t} + \ell \quad \ldots\ldots\ldots\ldots\ldots\ldots \quad (3.1)$$

Model 2:

$$EPS\_GROWTH = \beta_o + \beta_1 BDSZ_{i,t} + \beta_2 BIND_{i,t} + \beta_3 ACIND_{i,t} + \beta_4 NUWOM_{i,t} + \beta_5 LOGSZ_{i,t} + \beta_6 AUDTP_{i,t} + \beta_7 DISACCL_{i,t} + \ell \quad \ldots\ldots\ldots\ldots\ldots\ldots (3.2)$$

Where:

EPS = Earnings per share (Firm performance)

EPSGROWTH = Earnings per share growth (Firm performance)

BIND = Board Independence

BDSZ = Board size

ACIND = Audit committee Independence.

NUWOM = Women directors on the board

AUDTP = Firm choice of auditor

LOGSZ = Firm Size

DIACCL = Discretionary accruals as a proxy of Earnings management

TAC = PAT – OCF) (where PAT = Profit after tax and OCF = net operating cash flow. TAC=Total accruals).

ℓ = error term

3.7 Sources of Data and Operationalization of Variables

In this study, questionnaire was not used as the study was based on secondary data. Annual report documents, therefore, served as the research instrument for this study. The nature of this study necessitated the use of secondary data. The data for the selected quoted firms were sourced from both Nigerian Stock Exchange fact books and annual financial reports. The annual financial reports were accessed by practical visits to the Nigerian Stock Exchange trading floors in Benin and Lagos.

Operationalization of Variables

Dependent Variables; Firm Financial Performance

(a) Earnings per share (EPS)

Earnings Performance is commonly measured in different ways. In this study, it is measured as earnings per share. This is calculated as:

$$EPS = \frac{\text{Profit after tax (PAT)}}{\text{Number of ordinary shares}}$$

EPS is chosen because as a ratio quantity, it offers a relative measure of performance which helps to eliminate externalities. This has become the most important computation for many investors. No financial statistic is cited more widely than EPS. Specifically, the desirability of the EPS hinges on its features: The market prices of common stocks are closely related to EPS; it is used in the evaluation of the profitability of corporations; it helps to determine whether the market price of ordinary stock is reasonable (by computing price-earnings ratio, which is obtained by dividing market price of shares by the earnings per share) (Mosich, 1989); it tells how much profit was generated on per share basis and EPS growth shows how the company's

earnings are growing on a per share basis (Maditinos, Sevic & Theriou, 2006). It incorporates efficiency (Zhang & Wang, 2005; Evans, 2000). It establishes a reference that provides a relationship between different financial balances.

(b) Earnings per share (EPS) growth

$$EPSGROWTH = (EPS_t - EPS_{t-1})/EPS_{t-1}$$

EPS_t = Current year EPS

EPS_{t-1} = Past current year EPS

The use of this variable as a measure of performance is not as widespread as EPS, It was chosen as it is our belief that performance must include the ability to improve on previously attained levels of performance. Researchers who have adopted EPS growth as a measure of performance include: diBartolomeo (1999); Cordeiro, Veliyath & Erasmus (2000); Meditinos, Sevic & Theriou (2006) and Seetharaman & Raj (2011).

Independent Variables: Corporate Governance Variables

(a) **Board independence (BIND)** is measured as the proportion of the board that is made up of outside directors. It is calculated as the number of non-executive directors divided by the total number of directors. As a measure of corporate governance, this variable has been previously employed by Kaplan & Minton (1994); Weisbach (2011); Haung & Liu (2011); Uwuigbe (2011); Davis & Cobb (2009); Vafeas (1999); Daily & Dalton (1992); Sanda, Garba & Mikailu (2005) and Shukeril, Shinl & Shaaril (2012).

(b) Board Size (BDSZ) is simply the total number of directors on the board. This includes both the executive and non-executive independent directors who may also be referred to as outside directors. Board size as a measure of corporate governance, has been studied by many researchers, amongst whom are Guest (2009); Topal and Dogan (2014); Yermiack, (1996);

Hermalin & Weisbach (2002); Mak & Li (2001); Mak & Kusnadi (2002); Diwedi & Jain (2002); Beiner, Drobetz, Schmid & Zimmermann (2003); Haniffa & Hudaib (2006); Kyereboah-Coleman & Nicholas-Biekpe (2006) and Anderson, Mansi & Reeb (2004).

(c) Audit Committee independence (ACIND) is simply the ratio of the total number of non-executive directors to the total number of audit committee members. These include the representatives of shareholders and representatives of the directors. This measure of corporate governance was used by Gupta, Otley & Young (2008); Saat, Karbhari, Xiao & Heravi (2012); Bouaziz (2012); and Hutchinson & Zain (2009).

(d) Board gender composition (NUWOM) this is measured as the number of women on the boards. This measure of corporate governance has also widely been used in studies, researchers that have studied its influence on performance include: Carter, Simikins & Simpson (2003); Cos & Blake (1991); Robinson & Dechant (1997); Dang, Nguyen & Vo (2012); Oba (2013) and O'Reilly & Main (2012).

Control Variables

(a) Earnings management (DISACCL) is measured as the use of discretionary accruals; and this is the difference between net income and cash flow from operating activities divided by total assets (Hassan & Ahmed, 2012a).

External auditors type (AUDTP) which was measured by *dummy variable of 1 for big-4 audit firm and 0 otherwise.* As a measure of corporate governance, this variable was studied by Etemadi, Farajzadeh & Amirkhani, (2013); Dye (1993); Krishnan (2005); Lys & Watts (1994) and Salehi & Mansoury (2009)

Firm size (LOGSZ): this is measured as the log of total assets. This variable has also been studied by Lin and Chen (2009); Aljifri & Moustafa (2007); Kumar (2004); Ghosh (1998); Alzharani, Ahmad & Aljaaidi (2011); Choi, Han & Lee and Hudaib & Haniffa (2006).

3.8 Estimation Techniques

Generally, there are legal differences, defined in terms of corporate policies and specificities in the way quoted companies do business. This suggests that the quoted companies in Nigeria are very different from each other. This is coupled with the fact that the degrees of operating practices, nature of business and risk profiles of shareholders and management differ. Consequently, it is likely that examining the relationship between corporate governance and earnings performance of Nigeria quoted companies without considering such differences, no doubt, would impair our generalization and even our estimation process.

Against the background of the above, the panel data statistical analysis was adopted as it allows for consideration of the cross-sectional and time-series characteristics of the sampled companies. In essence, the panel data analysis accommodates 'time as well as the heterogeneity' effects of the quoted companies. In all, the panel data analysis captures the aforementioned characteristics by including the quoted companies specific effects which may be random or fixed.

Nevertheless, the fixed effects model could be costly in degrees of freedom because it is equivalent to the use of a dummy variable for every quoted company. The Random effects model, on the other hand, assumes the independence between the error terms and the independent variables. In any case, the researcher used the *Hausman test* to select between fixed and random panel estimation techniques. However, for ease of comparison, the simple pooled ordinary least square (OLS) as well as the fixed and random effects regression models are adopted in the study.

The panel data econometric technique adopted in this study is the unbalanced panel data regression technique. The use of unbalanced panel data regression methodology in this study is based on three fundamental justifications: (1) the data collected had time and cross sectional attributes and this will enable us to study firm performance over time (time series) as well as across the sampled firms (cross-section) (2) panel data regression provides better results since it increases sample size and reduces the problem of degree of freedom. (3) The use of panel regression would avoid the problem of muilticolinearity, aggregation bias and endogeneity problems (Greene, 2002).

The panel regression results are evaluated using individual statistical significance test (t-test) and overall statistical significance test (F-test). The goodness of fit of the model is tested using the coefficient of determination (R-squared). In this study, the researcher also conducted descriptive statistics and correlation analysis. In conducting all the data analysis, the researcher used the E-Views 8.0 Computer Software.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

In this study, the researcher sought to investigate the relationship between earnings per share performance, earnings per share growth (as measures of performance) and corporate governance attributes of selected quoted Nigerian companies in the non-financial sectors. To this end, in this chapter the researcher presents collected data, analyzes the collected data and tests the stated hypotheses, and provides a discussion of the findings made in the study. Thus, the researcher therefore provides the descriptive statistics of the collected data, provides a Pearson correlation matrix to examine the associations amongst the variables and provides E-Views estimation results of multiple regression analysis

4.2 Presentation of Data

Table 4.1 presents the data extracted from the various annual reports of the different quoted companies. On the whole, data were extracted from a total of seventy-two (72) companies over a period of ten (10) years. The data extracted for the companies covered the period from 2005 to 2014. The data in Table 4.1 were extracted from the companies and are here presented, some of which are raw, others are the result of preliminary computations of the data that form the basis for the computation of the values of the variables for the study (Appendix II).

The data shows a great diversity of organizations (that is, cross sectional data). For instance, the maximum value of EPS is 5616 kobo while the minimum value is –5213 kobo (this gives a range of 10829 kobo). Similarly the maximum EPS growth rate is 2378.3% while the minimum EPS growth rate is – 951%. The maximum board size is 16 while the minimum board size is 3. The

maximum board proportion of outside board members in the audit committee is 1 while the lowest is 0.09. In terms of profit size, the disparity is also obvious as high as ₦3938338,000 and in other cases as low as ₦9536209000. The same is observable for total assets employed by the companies under review, the highest being ₦400864761000 and the lowest being ₦137406000, and the maximum for net cash flow from operating activities is ₦54328647000 and the minimum being ₦24212187000 (Appendix II). The disparity in the data suggests that there is normality in the data collected, thus minimizing the possibility of skewness.

The data covers different sectors of the Nigerian real sectors such as beverages, educational, petroleum, agricultural and agro-allied sectors, mining, building materials, manufacturing, pharmaceuticals, hotel and tourism, construction and conglomerates. This also suggests that the data are representative enough of the quoted firms in Nigeria. The only sectors not represented in these data are the financial and allied sectors. As explained above, this is because these sectors adopt different reporting rules. The data from the sampled firms according to the above mentioned sectors are as shown in Appendix III in this study.

4.3 Descriptive Statistics

The variables for this study include earnings per share performance metrics (EPS and EPS_growth) as the dependent variables while the corporate governance metrics which form the independent variables were Board size (BDSZ), Board independence (BIND), audit committee independence (ACIND), Number of women on the boards (NUWOM) and three control variables which are external auditors type (AUDTP), discretionary accrual (DISACC) and firm size (proxied by LOGSZ or log of total assets). In order to explore the pooled data collected from our sampled companies' audited financial statements, the researcher conducted a descriptive statistical analysis

and Table 4.1 provides the summary of the descriptive statistics of the sampled 72 Nigerian quoted companies for over ten-year period (2005 to 2014) after exclusion of missing data, which were due to complete absence of audited financial statements and the non-listing of some companies in our sample between 2005 to 2014.

Table 4.1: Descriptive Statistics

	EPS	EPSGTH	DISACR	TOASTS	BDSZ	ACIND	BIND	AUDTP	NUWOM
Mean	224.6577	3.200421	0.013668	33658310	8.792523	0.504542	0.701327	0.630303	0.659813
Median	33.00000	-0.013000	-0.053600	7288161.	9.000000	0.500000	0.730000	1.000000	1.000000
Maximum	5616.000	2378.327	45.57430	9.85E+08	16.00000	1.000000	1.000000	1.000000	5.000000
Minimum	-5213.000	-951.0000	-43.06230	-1374061.	3.000000	0.170000	0.090000	0.000000	0.000000
Std. Dev.	694.5013	111.3094	3.499038	84884108	2.408618	0.119899	0.172386	2.343815	0.793331
Skewness	2.571104	17.03549	2.425749	6.335116	0.371577	0.640101	-0.741727	1.724136	1.291617
Kurtosis	30.99647	399.0870	128.4954	56.05781	2.588020	6.981591	3.204673	4.503541	5.066325
Jarque-Bera	18061.71	3523104.	351598.0	66332.56	16.09467	389.9254	49.98969	315.4541	243.9331
Probability	0.000000	0.000000	0.000000	0.000000	0.000320	0.000000	0.000000	0.000000	0.000000
Sum	120191.9	1712.225	7.312500	1.80E+10	4704.000	269.9300	375.2100	905.6568	353.0000
Sum Sq. Dev.	2.58E+08	6616141.	6537.904	3.85E+18	3097.970	7.676663	15.86876	2933.511	336.0860
Observations	535	535	535	535	535	535	535	535	535

Source: Computed from Appendix **III Using E-Views 8.0**

Table 4.1 shows the mean (average) for each of the variables, their maximum values, minimum values, standard deviation and Jarque-Bera (JB) statistics (for normality test). The results in Table 4.2 provide some insight into the nature of the selected Nigerian quoted companies that were used in this study. Firstly, the large difference between the maximum and minimum values of log of total assets (LOGSZ) shows that the sampled quoted companies in this study are not dominated by either large or small companies. Secondly, it was observed that on the average over the ten-year period (2005-2014), the sampled quoted companies in Nigeria were characterized by both large boards (16) and small boards (3) (Table 4.1). The researcher also observed that the maximum number of females on the boards of our sampled firms was 5. This shows that most of our sampled companies did not have a large female board representation and

this also indicates that woman are not well represented in the boards of most quoted companies in Nigeria, the average representation is less than 1. The results also show that over 63% of our sampled quoted companies were audited by big-4 auditors (KPMG, Ernest and Young, Akintola Williams Deliote and PWC). This means that a large number of our sampled quoted companies use quality audit firms to ensure good corporate governance and also to promote accurate reporting of earnings performance, if the auditor type determines audit quality. A look at the two earnings performance indicators as shown in the table indicates that on the average, over the ten-year period, Earnings per share (EPS) and EPS growth of the sampled quoted companies were 224.66 and 3.20% respectively, while their maximum and minimum values clearly show that there is a wide dispersion in the earnings per share performance of our sampled quoted companies. Maximum EPS and EPS_Growth were 5616 kobo and 2378.33% respectively, while their minimum values were (5213) kobo and -951% respectively. This confirms that our sampled companies are heterogeneous and our selected estimation techniques most likely take into consideration the cross-sectional effect of each company. This therefore justifies our use of panel regression rather than pooled regression estimation techniques.

Lastly, the probabilities of the Jarque-Bera (JB) values which test for normality or the existence of outliers or extreme values among the variables show that all the variables are normally distributed at 1% level of significance. This means for that all the variables outliers are not likely to distort our conclusion and are therefore reliable for drawing generalizations. This also implies that a least square estimation can be used to estimate the panel regression models.

4.4 Correlation Analysis

In examining the associations among the variables, the researcher employed the Pearson correlation coefficient (correlation matrix) and the results are presented in Table 4. 2.

Table 4.2: Pearson Correlation Matrix

	EPS	EPSGTH	DISACR	TOASTS	BDSZ	ACIND	BIND	AUDTP	NUWOM
EPS	1.000000								
EPSGTH	-0.002630	1.000000							
DISACR	-0.305118	-0.001623	1.000000						
TOASTS	0.191304	-0.005887	-0.006817	1.000000					
BDSZ	-0.222053	0.002078	0.068937	0.293764	1.000000				
ACIND	-0.213826	-0.064660	0.013472	-0.015163	-0.031747	1.000000			
BIND	-0.218808	-0.006859	0.021308	0.014329	0.016766	-0.038327	1.000000		
AUDTP	-0.132977	-0.024121	-0.006350	0.199650	-0.123193	-0.204287	0.024462	1.000000	
NUWOM	0.132796	0.032753	0.023370	0.064184	0.180559	-0.036291	-0.021477	-0.036172	1.000000

Source: Computed from Appendix III Using E-Views 8.0

The use of correlation test in most regression analyses is to check for multicolinearity and to explore the association between each explanatory variable and the dependent variable. Table 4.2 presents the correlation or association between earnings per share performance variables (EPS and EPS growth), corporate governance variables (BDSZ, BIND, ACIND and NUWOM) and the three control variables (DISACC, LOGSZ and AUDTP).

The findings as shown on the correlation matrix, show that quoted companies with more outside board of directors (BIND; EPS= -0.22) were negatively but weakly associated with earnings per share and was also negatively and weakly associated with earnings per share growth (EPS_GR = -0.007). This implies that most quoted companies with more independent board of directors are not likely to be companies with strong positive earnings per share performance. With respect to board size variable, the result (-0.222) implies that board size exhibits a negative and moderate association with earnings per share and was negatively and weakly associated with earnings per share growth as revealed by the result (0.002). This suggests that most quoted companies in our

sample with large boards of directors are not likely to be companies with strong positive earnings per share performance. With respect to Audit committee independence variable, the result (-0.21) indicates that earnings per share was negatively and weakly correlated with audit committee independence, while audit committee independence was negatively (-0.06) but also weakly associated with earnings per share growth. This also suggests that most quoted companies in our sample with large shareholders representations in audit committees are not strongly associated with better earnings per share performance. In addition, with respect to board gender diversity variable, that is, in terms of the number of women on the boards of companies, there is a positive (0.13) association between board gender diversity and earnings per share. This shows that companies with improving earnings per share are associated with more women in their boards. The result (0.03) indicates that the association between board gender and earnings per share growth is positive though weak. This implies that appointing women with reputation and management experience into quoted companies' boards could be a corporate governance mechanism to improve earnings for shareholders when properly harnessed as these women would bring their broad experience and education to the board which would provide a good and fertile ground for competitive and superior decision making in the firm.

The correlation results also reveal evidence that earnings per share have a positive association with large companies as indicated by the value (0.19). Similarly, there is also evidence that large companies are more associated with large boards and Big-4 audit firms with results (0.29) and (0.20) respectively.

In checking for multicolinearity, the researcher noticed that no two explanatory variables were perfectly correlated, or nearly so. This includes both the corporate governance and our control

variables. This means that there is the absence of multicolinearity problem in our model. Multicolinearity between explanatory variables may result to wrong signs or implausible magnitudes in the estimated model coefficients, and the bias of the standard errors of the coefficients.

4.5 Panel Multiple Regression Results

However, to examine the cause-effect relationships between the dependent variables (EPS and EPS_growth) and the corporate governance variables and our control variables as well as to test the formulated hypotheses, the researcher used a panel multiple regression analysis since the data had both time series (2005 to 2014) and cross-sectional properties (72 quoted companies). The panel data regression results obtained is decomposed into two: EPS and EPS_growth models and the results are as presented and discussed below.

4.5.1 EPS Model

The earnings per share (EPS) panel regression model examines how the selected corporate governance and control variables impact on companies' EPS. The general hypothesis of this model is that the effect of corporate governance measures on earnings per share is not statistically significant in Nigeria. Unlike previous studies that used mostly return on assets (ROA), return on equity (ROE) and Tobin Q as measures of performance, The researcher examines how corporate governance mechanism impacts on earnings per share of selected Nigerian companies since earnings per share is one of the most important variables board members often consider when making decisions on equity valuation, dividend payout, equity capital issuing and share reconstruction, it is also a handy variable when investors are making investment decisions (Sharma, 2012; Mushure, 2014). This study used a sample of 72 quoted companies in Nigeria between 2005 and 2014 period. In analyzing the data, the researcher

adopted an unbalanced panel multiple regression to identify the possible effects of firms' specific corporate governance measures on earnings per share performance in selected Nigerian quoted non-financial companies. The results of the estimation of the EPS model are as presented in Table 4.3 below.

Table 4.3: EPS Panel Regression Results

	Expected Sign	EPS (Fixed Effect)	EPS (Random Effect)
C		**638.71**	**453.92**
		(2.68)	(2.14)
		[0.01]*	[0.03]**
DISACC	+	**1.11**	**0.21**
		(0.17)	(0.03)
		[0.86]	[0.98]
LOGSZ	+	**9.96E-07**	**1.22E-06**
		(2.43)	(3.33)
		[0.02]**	[0.00]*
BDSZ	+	**-26.49**	**-6.26**
		(-1.65)	(-0.44)
		[0.10]	[0.66]
BIND	+	**-357.80**	**-299.70**
		(-2.09)	(-1.87)
		[0.04]**	[0.06]
ACIND	+	**-8.97**	**-50.09**
		(-0.04)	(-0.23)
		[0.97]	[0.82]
AUDTP	+	**-43.50**	**-51.16**
		(-0.63)	(-1.92)
		[0.53]	[0.05]
NUWOM	+	**166.60**	**156.54**
		(4.51)	(4.51)
		[0.00]*	[0.00]*
R-Squared		0.64	0.07
Adj-R-Squared		0.58	0.06
F-Statistic		10.9[0.00]*	4.02[0.00]*
Hausman Test (Chi-Sq)		-	11.9[0.10]
N(n)Unbalanced Observations		554{72}	554{72}

Source: Compiled from Appendix VI
Note: (1) Parentheses ( ) are t-statistic while bracket [ ] are p-values
(2) * , **, implies statistical significance at 1% and 5% levels respectively.

In testing for the cause-effect relationship between the dependent and independent variables in the EPS - corporate governance model, the two widely used panel data regression estimation techniques (fixed effect and random effect) were adopted.

Table 4.3 presents the two panel data estimation techniques results (fixed effect and random effect). The results revealed differences in the magnitudes of the coefficients, signs and the number of insignificant variables. The estimation of the fixed effect panel regression was based on the assumption of no correlation between the error term and explanatory variables, while that of the random effect, considers that the error term and explanatory variables are correlated. In selecting from the two panel regression estimation results, the Hausman test was conducted and the test is based on the null hypotheses that the random effect model is preferred to fixed effect model. A look at the p-value of the Hausman test (0.10) implies that the researcher should reject the null hypothesis and accept the alternative hypothesis at 5% level of significance. This implies that the researcher should adopt the fixed effect panel regression results in drawing our conclusion and recommendations. This also implies that the fixed effect results tend to be more appealing statistically when compared to the random effect.

From the above, the fixed effect results are the basis of our analysis. The fixed effect results as indicated in Table 4.3 show that the R-squared and adjusted R-squared values were (0.64) and (0.58). This coefficient of determination (R square) with a value of 0.64 means that about 64% of the total systematic variations in the dependent variable (EPS) have been explained by the explanatory variables taken together. The adjusted R-square shows that after adjusting for the degree of freedom the model could still explain about 58% of the total systematic variations in earnings per share (EPS). The above average R-squared value is realistic as it clearly shows that

modeling the heterogeneity effect of each company can help in better understanding the behaviour of earnings per share (EPS). In addition, the F-statistics (10.9) and its p-value (0.0) show that the EPS panel fixed regression model is generally significant and well specified. This implies that the EPS model passed the overall significance test at the 1% level. The researcher here presents the results on our control variables while the results on our corporate governance variables are used to test stated hypotheses below.

The auditor type (AUDITYPE) exhibited a negative but insignificant regression on performance (p-value = 0.53). Firm size (LOGSZ) result indicates a positive and significant impact on performance (p-value = 0.02). For earnings management (DISACC), result indicates a positive though insignificant impact on earnings performance (p-value = 0.86). Thus, all the control variables have some form of effects on performance in our model, however, none of firm size, auditor type and earnings management had significant impact.

4.5.2 EPS_Growth Model

The EPS_growth model focuses on evaluating the effect that the explanatory variables in this study tend to exert on the growth rate of earnings per share over the period under study among the sampled quoted firms. The essence is to determine whether the variables drive the growth in EPS rather than EPS itself. The empirical evidence resulting from the estimation of the model is as presented below in Table 4.4.

Table 4.4: EPS_Growth Panel Regression results

	Expected Sign	EPS_GR (Fixed Effect)	EPS_GR (Random Effect)
C		**68.82**	**45.34**
		(1.05)	(1.19)
		[0.29]	[0.23]
DISACC	+	**-1.56**	**-0.02**
		(-0.91)	(-0.01)
		[0.36]	[0.98]
LOGSZ	+	**1.61E-08**	**2.95E-09**
		(0.15)	(0.05)
		[0.88]	[0.96]
BDSZ	+	**4.69**	**-0.51**
		(1.07)	(-0.227)
		[0.29]	[0.82]
BIND	+	**-12.24**	**-5.10**
		(0.27)	(-0.177)
		[0.79]	[0.86]
ACIND	+	**-99.84**	**-67.03**
		(-1.58)	(-1.55)
		[0.12]	[0.12]
NUWOM	+	**12.77**	**4.26**
		(1.307)	(0.66)
		[0.20]	[0.51]
AUDTP	+	**-43.56**	**-1.87**
		(-2.34)	(-0.22)
		[0.13]	[0.41]
R-Squared		0.06	0.007
Adj-R-Squared		-0.10	-0.007
F-Statistic		0.37[1.00]	0.50[0.83]
Hausman Test (Chi-Sq)		-	9.73[0.20]
N(n)Unbalanced Observations		536{72}	536{72}

Source: Compiled from Appendix VI
Note: (1) Parentheses ( ) are t-statistic while bracket [ ] are p-values
(2) * , **, implies statistical significance at 1% and 5% levels respectively.

In Table 4.4, the researcher presented the fixed effect and random effect estimation results for the EPS_growth model. A cursory look at the F-statistics, R-squared and adjusted R-squared values for both the fixed and random effects models, clearly shows that corporate governance and our control variables cannot be used to statistically explain EPS_growth particularly in Nigeria. Regardless of the poor statistical property of the EPS_growth panel regression results, none of the variables under any of the effects method exhibited any significant effect at 5% level

of significance. Growth in EPS might be explained by the desire to create impression management in the form of earnings management which may not be represented by real development. Large jumps in EPS numbers create news and attract more directors' appointment. This justify why in most large growth in EPS, the companies are associated with large board of directors in Nigeria.

4.6 Testing of Hypotheses

Test Statistic

The statistical tool used in testing the stated hypotheses is the panel regression test procedure which uses the individual significance test (t-test) and the overall significance test (F-test). The goodness of fit of the model is tested using the coefficient of determination. The estimation of these statistics is done using the E-Views computer software. The main focus of testing in this study is to examine the significance of effects on the dependent variables by the explanatory variables.

Significance Level

The level of significance adopted in this study in testing the stated hypotheses of this study is 5%. This level is usually considered adequate for studies in management and other behavioural sciences.

Decision Rule

The critical p-value used in these tests is 0.05. Thus, the researcher accepts a given alternative hypothesis as being accepted if calculated p-value is less than or equal to 0.05, otherwise the researcher accepts the null hypothesis that there is no significant effect.

Hypothesis 1

H_o: The effect of Board Independence on firms' financial performance is not significant.

H_1: The effect of Board Independence on firms' financial performance is significant.

Computation

The test statistic is computed by E-Views software and the results are as shown in Table 4.6 below.

Table 4.5: Panel Regression Results on Board Independence and Firm Performance

	Expected Sign	**EPS (Fixed Effect)**	**EPS (Random Effect)**
BIND	+	**-357.80** (-2.09) [0.04]	**-299.70** (-1.87) [0.06]

Source: Extracted from Table 4.3 (E-Views Computations)

Decision

With a coefficient of -357.58 the results indicate that board independence negatively impacts firm performance, while the probability value of 0.04 indicates that the negative impact is significant. This leads to the rejection of the null hypothesis, thus accepting the alternative hypothesis that board independence significantly affects firm performance, and that such effect is negative.

Hypothesis II

H_o : The effect of Board size on firms' financial performance in Nigeria is not significant.

H_1 : The effect of Board size on firms' financial performance in Nigeria is significant.

Computation

The test statistic is computed by E-Views software and the results are as shown in Table 4.6 below.

Table 4.6: Panel Regression Results on Board Size and Firm Performance

	Expected Sign	EPS (Fixed Effect)	EPS (Random Effect)
BDSZ	+	**-26.49** (-1.65) [0.10]	**-6.26** (-0.44) [0.66]

Source: Extracted from Table 4.3 (E-Views Computations)

Decision

With a coefficient of -26.49 the results indicate that board size negatively impacts firm performance, while the probability value of 0.10 indicates that the negative is insignificant. This leads to the rejection of the acceptance hypothesis, thus rejection of the alternative hypothesis. The researcher accepts that board size does not significantly affect firm performance, and that such effect is negative.

Hypothesis III

H_0: The effect of audit committee independence on firms' financial performance is not significant.

H_1: The effect of audit committee independence on firms' financial performance is significant.

Computation

The test statistic is computed by E-Views software and the results are as shown in Table 4.7 below.

Table 4.7: Panel Regression Results on Audit Committee Independence and Firm Performance

	Expected Sign	EPS (Fixed Effect)	EPS (Random Effect)
ACIND	+	**-8.97** (-0.04) [0.97]	**-50.09** (-1.87) [0.82]

Source: Extracted from Table 4.3 (E-Views Computations)

Decision

With a coefficient of -8.97 the results indicate that audit committee independence negatively impacts firm performance, while the probability value of 0.97 indicates that the negative impact is insignificant because it is greater than 0.05. This leads to the acceptance of the null hypothesis, thus rejecting the alternative hypothesis. The researcher accepts that audit committee independence does not significantly affect firm performance, though such effect is negative.

Hypothesis IV

H_0: The effect of board gender diversity on firms' financial performance is not significant.

H_1: The effect of board gender diversity on firms' financial performance is significant.

Computation

The test statistic is computed by E-Views software and the results are as shown in Table 4.8 below.

Table 4.8: Panel Regression Results on Board Gender Diversity and Firm Performance

	Expected Sign	EPS (Fixed Effect)	EPS (Random Effect)
NUWOM	+	**166.60** (4.51) [0.00]	**156.54** (4.51) [0.00]

Source: Extracted from Table 4.3 (E-Views Computations)

Decision

With a coefficient of 166.60 the results indicate that board gender diversity positively impacts firm performance, while the probability value of 0.00 indicates that the positive impact is significant because it is less than 0.05. This leads to the acceptance of the alternative hypothesis, thus rejecting the null hypothesis. The researcher accepts the hypothesis that board gender diversity positively and significantly affects firm performance.

4.7 Discussion of Findings

In this study, the researcher sought to examine, both theoretically and empirically, the relationships between internal corporate governance structures and firm financial performance using Nigerian data. In doing this, the researcher adopted the models as found in the management literature that bear on corporate governance. This study used non-financial quoted companies in Nigeria that have consistently published their audited annual financial reports between 2005 and 2014. For this reason, a total of seventy-two (72) quoted companies formed the sample of this study; to ensure adequate observations for statistical analysis, the researcher adopted a panel multiple regression analysis to identify how the firms' specific corporate governance attributes influence firms' earnings per share (EPS) and EPS growth in the selected Nigerian quoted companies. The study employed the panel data regression estimation techniques to examine the effect of corporate governance metrics on firms' financial performance in the

Nigerian firms. the researcher deems it fit to measure corporate governance by board independence (BIND), board size (BDSZ), Audit committee independence (ACIND), board gender composition (NUWOM), while firm financial performance was measured by earnings per share (EPS) and earnings per share growth (EPSGRTH). Earnings management (DISACC), external auditor type (AUDTP) and firm size (LOGSZ), were used as control variables. The models specified in the study were estimated with the panel data regression techniques using E-views 8.0 computer software package. In estimating the models, the researcher first conducted the descriptive statistics for normality test, followed by the correlation analysis using the Pearson correlation method to check the association among the variables in the specified models. However, Jarque-Bera statistic shows that at 1% level of significance, all the variables were normally distributed, while the association test show that majority of the variables, though tend to exhibit positive association with other variables in the specification, but in a very weak manner.

Thereafter, *Hausman* test was conducted to determine whether to accept or reject the fixed effect or random effect estimation results, and based on the p-value of the test, the researcher had to accept the fixed effect results rather than the random effect results. For this reason, the fixed effect results formed the basis for our policy consideration and recommendations.

The **Board Independence (BIND)** variable**,** based on the coefficient of -357.80 and p-value of 0.04, was found to impact negatively on earnings per share (EPS), as well as passed the statistical significance test at 5% level. The finding does not accord with *apriori* expectation. For this reason, the researcher rejects the null hypothesis (H_1) which states that the effect of board independence on firms' financial performance is not significant. This finding negates the findings of Salehi and Baezeger (2011) and Byrd and Hickman (1992) who find that firms with

high proportion of outside directors tend to perform better. It also contradicts previous empirical evidence that better performed firms are dominated by outsiders' boards of directors (Davis & Cobb, 2009; Vafeas, 1999). The explanation for this finding is not farfetched. It is based on the argument that more outside directors implies more diversity in not only expertise, but in locations, backgrounds and orientations. Another possible explanation for this finding could be that the outside directors may not be truly independent of the activities of the companies, which may be a source of conflict of interests. Therefore, more outside directors implies more costs in coordination and communication, as well as, drastical drop in earnings. However, this finding partially corroborates the findings of Weisbach (1988); Daily and Dalton (1992); Daily and Ellstrand (1996); Klein (1998); Weir and Laing (2001) and Bhagat and Bolton (2005) who find neither positive nor significant relationship between accounting profits performance and board independence, the relationship between these variables is significant.

With respect to ***Board Size (BDSZ)*** variable**,** results indicate a negative (-26.49) but a statistically significant (p-value = 0.10) influence on the earnings per share (EPS) behaviour in the sampled quoted firms in Nigeria. The variable failed the statistical significance test at 5%, hence, the impact is significant. For this reason, the researcher accepts the null hypothesis (H_2) which states that the effect of board size on earnings per share as a firm's financial performance variable is not significant. This finding negates the finding of Yasser *et al*. (2011) which shows that there is a positive and significant relationship between performance and board size. This finding implies that large board size, especially in Nigerian scenario, is not significant in driving earnings performance rather, it amounts to higher directors' cost and a decrease in earnings performance. This implies that large boards increase cost rather than improving cost efficiency in most Nigerian companies.

The result with respect to the ***Audit committee independence (ACIND*** variable***)*** shows that the variable has a negative (-8.97) and insignificant impact on earnings performance (p-value =0.97) of our sampled quoted companies. This suggests that the researcher should accept hypothesis three (H_3), which states that the effect of Audit committee independence on firms' earnings performance is not significant. This finding negates the findings of Bouaziz (2012) and Gupta, Otley and Young (2008), who find that the independence of the members of the audit committee has a significant effect on financial performance of companies. The insignificant and negative impact of audit committee independence on earnings per share as shown in this finding implies that less attention should be given to audit committee independence when companies' goal is earnings improvement. This finding is justified since audit committee activities do not in any way improve earnings and their costs are quite small compared to the entire board of directors' cost. The independence of audit committee members may not reflect their expertise on financial matters which appears more relevant in auditing matters and they are not usually directly involved in decisions that might impact on performance enhancement, their works mainly border on the credibility and quality of financial reporting.

The ***Board Gender Diversity (NUWOM)*** variable**,** had a positively signed (166.60) coefficient, and statistically significant (p-value = 0.00) impact on earnings per share of the sampled quoted firms in Nigeria. This result, therefore, suggests that the researcher rejects hypothesis four (H_4), which states that the effect of board gender diversity on firms' financial performance is not significant. This implies that the inclusion of women on a company's board has a positive influence and is significant in improving EPS for shareholders. The finding supports the findings of Nguyen & Vo (2012), Man & Kong (2011) and Burke (2000), which find a positive and significant impact of women directors on firms' financial performance. On the other hand,

this finding negates the findings of Shukeril, Shinl and Shararil (2012) who find no significant relationship between board gender diversity and firm performance. The possible explanation for this is that the mere presence of females on the board does not guarantee higher firm performance without reference to the quality of skills, education, experience, expertise and contributions that the females bring to the boards. The seemingly current low contribution of female on the boards could be pointer to the fact that a very small number of females are on corporate boards and this may actually be the reason why their impact is not yet yielding the expected outcome – they seem to be on the boards as symbols of tokenism.

In the case of our control variables, the **Auditor type** (**AUDTP,** dummy variable) exhibited a positive (**-43.50**) but statistically insignificant (p-value = 0.53) impact on earnings performance among the sampled firms. This is apparently not in line with *apriori* expectation but the impact is insignificant. This means that the use of big audit firms is more of a reputation issue in corporate governance and has no significant impact in ensuring that shareholders get better earnings. In addition, for **Firm size (LOGSZ)** variable**,** the result indicates a positive **(**9.96E-07) and significant impact on earnings performance (EPS) (p-value = 0.02). The implication is that large quoted companies in Nigeria do guarantee better earnings per share than smaller companies. This clearly shows that size could be a strategy for competitive advantage in delivering better earnings performance results to shareholders in Nigeria. This finding is consistent with the findings of Hudaib and Haniffa (2006), Alzharani, Ahmad and Aljaaidi (2011) and Choi, Han and Lee (2012) who had similar results, but negates the findings of Aljifri and Moustafa (2007) who find no positive relationship between firm size and firm performance. There are gains from increased size of firms, though those gains can be lost if the firm is not creative and responsive enough to stay competitive and sustain such results.

Also, the **Earnings management** (**DISACC**) variable indicates a positive (1.11) but insignificant (p-value = 0.86) impact on earnings performance. This means that companies with higher EPS in Nigeria have higher earnings management strategies, but such companies are not necessarily manifesting better earnings performance in terms of meaningful EPS being generated for their shareholders.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the researcher sought to provide a summary of the findings made in the preceding chapter; on the basis of the findings, appropriate conclusions are made; thereafter, some recommendations are made on some ways forward. Also, some suggestions are made for further areas of study efforts. The contributions made to the body of knowledge by this study are also articulated in this chapter.

5.2 Summary of Findings

This study sought to investigate the relationship between corporate governance and earnings performance in Nigeria. To this end, our results show that the EPS fixed panel regression was found to be preferred to the random effect model, specifically, the researcher observes that Board Size (BDSZ) had a negative and insignificant influence on quoted companies' earnings per share (EPS). Board Independence (BIND) was found to be negatively and significantly impacting on earnings per share (EPS) of quoted companies in Nigeria. The researcher also observed that the gender diversity of the boards (NUWOM) had a positive and significant influence on earnings per share (EPS). In the case of Audit committee Independence (ACIND), the researcher found that the independence of audit committee had a negative influence on earnings per share the influence was statistically significant. In the case of our control variables, the researcher observed that Auditor type (AUDTP) tends to be inconsistent with *apriori* expectation though was statistically insignificant. The Log of total assets (LOGSZ) which proxies firm size had a positive and significant impact on earnings performance (EPS), while discretionary accruals (DISACC) which is a proxy for earnings management was positively associated with EPS but

was not statistically significant. In drawing our conclusion, the researcher neglected the EPS-growth regression results due to its poor statistical property and the erratic behaviour of EPS growth variable and focused on the EPS regression results.

5.3 Conclusion

This academic work examined the relationships between some measures of corporate governance and firm earnings per share performance using evidence from non-financial listed companies in Nigeria. The measures of corporate governance used in the study are: board independence, board size, audit committee independence and board gender diversity, firm size and auditor type (Big–4 vs. non-Big–4) and earnings management were also examined. The study used unique measures of firm performance EPS and EPS growth; while most other past studies have used ROA, ROI, ROCE and ROE as measures of performance, to the best of the researcher's knowledge. From the study the researcher can conclude and infer that large boards and board independence increase cost and reduce earnings per share rather than enhance firm performance, the gender diversity on the board of directors has a positive influence on firm earnings performance and is significant; audit committee independence does not meaningfully influence firm earnings performance; external audit firm type and earnings management as our control variables all have no significant relationship with firm earnings performance, however, firm size significantly affects earnings performance, and finally, the researcher also concludes that predicting earnings per share growth with corporate governance variables may not yield any reliable statistical conclusion due to the erratic nature of EPS growth.

5.4 Recommendations

Finally, based on the findings of this study, the researcher recommends that for corporate governance to improve the earnings performance of Nigerian quoted companies which is of key

interest to shareholders, these companies should adopt more cost reduction corporate governance schemes that also allow for optimal independent board composition, optimal board size, integrate more women in the boards and task the audit committees to pay more attention to company's strategies for improving shareholders' earnings, adopt optimal firm size and maintain a consciousness of the existence of earnings management. Based on the revealed empirical evidence of this study, the researcher therefore makes the following suggestions:

(a) **Improvement in board independence:** while cost efficiency of using more outside directors should be the major focus for ensuring better earnings for shareholders, the researcher also recommends that each firm should determine its optimum board independence structure, and appointing outside directors who are truly independent of the management and the activities of the firm should be ensured, as this is the only way that the board can bring meaningful impact to bear on their monitoring role of management with purposeful objectivity. It will also help in providing the needed diversity on the board that guarantees board enrichment in expertise and experience, it should however guide against over-heterogeneity that might hinder co-ordination on the board. Also, true independence should be the defining quality.

(b) Adoption of an optimal board size: the researcher recommends an optimal board size of nine (9) for most companies in Nigeria so as to avoid wasteful spending on large boards which is a major decreasing factor to earnings. While large boards clearly have both the positives and there are clearly negatives which call for the adoption of optimal board size by firms, firms should determine the size beyond which an additional board member will make the additional cost of the extra board member to be greater than the additional benefit of the board member; this is the optimal board size. Too large boards will mean

higher costs in communication, co-ordination, remuneration for the directors and a decrease in earnings performance.

(c) Promote board gender mainstreaming: to enhance the significance of the positive influence of board gender diversity on earnings performance, the researcher recommends that SEC and NSE should develop codes of best practices that foster board gender diversity, but this should be done in such a way that there is guaranteed meaningful gender diversity on the boards so that females are not elected to boards just as symbols on the boards or as tokenism and legitimacy since the mere presence of female directors on corporate boards does not, in itself, affect performance; females should be on the board only if they are qualified **a**nd have something to offer. More females should be encouraged on corporate boards – not mere symbols of tokenism.

(d) Expand the scope of audit committee engagement: since there is controversy on the relevance of audit committee independence in firm earnings performance and the fact that the independence of the audit committee is a desirable attribute in protecting the interests of all stakeholders, audit committees should expand their scope of engagement in their monitoring function to include earnings improvement plan review and screening of investment plans of firms so that their relevance will be appreciable. In this regard, a sizeable number of audit committee members should be those who possess some appreciable degree of financial literacy.

(e) Adoption of reputable audit firms (Big Four): the researcher recommends that the choice of auditors by firms in Nigeria should be looked into from the perspective of value creation for shareholders rather than reputation. The inability of the audit process to

suggest earnings improvement strategies, cost management improvements, detect frauds and errors that are reducing earnings further justify why the use of Big-4 audit firms is only a credibility thing and not that of value creation. The big audit firms obviously charge higher fees, though creating better reputation, but without actually creating much value added. The use of Big-4 audit firms should only be encouraged on a "need-to-use" basis.

(f) Adoption of optimal firm size: firms should ensure that they understand their optimal size to prevent unnecessary investments so that diminishing marginal returns do not set in. Firms carrying disproportionately too much assets earn no additional returns from the surplus assets but incur higher costs in maintaining such assets.

(g) **Consciousness of earnings management:** investors should always keep in mind that the accounting information about performance that they are using in analyzing financial statements may have actually been window dressed. So they should also always consider non-accounting factors in making investment decisions.

5.5 Suggestions for Further Studies

Based on the findings of this study, areas that emerged to require further studies are as follows: There would be need to study how to model earnings per share growth and corporate governance variables using non-linear regression models, identify the optimal number of women on the board that will trigger meaningful improvements in earnings performance. Also, future studies could be extended to studying the particular character traits and qualifications of female board members that will enhance firm earnings performance; further studies may also be carried out to clarify that increasing directors cost from using large board

and more outside directors destroy companies earnings rather than improving earnings to pay dividends.

5.6 Contributions to Knowledge

Apart from adding to the existing body of empirical evidence on corporate governance, the study contributed to knowledge in the following ways:

1. The researcher extended the measures of corporate governance in evaluating their influence upon firms' financial performance in Nigeria. On the other hand, most previous studies used ROA, ROE, ROCE, ROI and EVA as measures of firm performance, but this study in an innovative manner, utilized EPS and EPS_growth as measures of firm financial performance in explaining the effects of corporate governance on performance.

2. With respect to methodological approach, the researcher adopted panel multiple regression techniques rather than pooled multiple regressions and survey approaches as found in the literature, this the researcher believes is more revealing.

3. Lastly, to this study contributes significantly to the growing body of empirical studies on the effect of gender diversity of the boards on earnings per share performance. The finding in this regard, hence forms a foundation for future research.

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APPENDICES

APPENDIX I

Summary of Reviewed Related Empirical Literature

Study Author(s)	Research Objective(s)	Research Method	Research finding(s)
Kaplan & Minton (1994)	To investigate the determinants of appointment of outsiders to the boards of large nonfinancial Japanese corporations	Comparison with the US	Banks and corporate shareholders play a key role in monitoring and discipline in Japan
La Porta, Lopez-de-Silanes, Shleifer & Vishny (2005)	To present the effects of legal protection of minority shareholders and of cash flow ownership on firm valuation	A sample of 539 large firms from 27 wealthy economies, regression analysis.	There is higher valuation for firms in countries with better protection of minority shareholders and firms with higher cash flow ownership by the controlling shareholders.
Weisbach, (1988)	To examine the relationship between the monitoring of CEOs by inside and outside directors and CEO resignations	A sample of 495 publicly held companies between 1977 and 1980, regression	A stronger association between prior performance and probability of resignation for companies with outside-dominated boards
Touga & Tanaka (2011)	To determine the amount and/or the content of R&D spending for purpose of gaining short-term benefit	A sample of 53 Japanese electronics firms, regression analysis	Managers adjusted the amount of R&D spending according to expected income, they have tried to shorten the term in which the benefit of their R&D spending was realized to improve short-term

			performance
Dewi (2012)	To examine the impact of the implementation of corporate governance on firm value	A sample of companies willing to participate in Corporate Governance Perception Index, Mann-Whitney U Test	Only the value of the variable Market Value to Book Equity and the variable Market Value to Book Assets among the ten companies, CGPI showed a difference.
Abdoli & Pourkezmi (2012)	Examine any difference in wealth of shareholders using economic value added and wealth of shareholders using accounting figures	Regression statistical methods and Pearson tests	The difference between economic value added and wealth increment is significant; the relation of executive directors ratio and ownership concentration is positive but negative for the relation of non-executive director ratio.
Juniari & Natalia (2012)	To search the benefit of good corporate governance implementation on the cost of debt	A sample of all firms listed on Indonesian Stock Exchange (2004-2009), regression analysis	No evidence of a relationship between good corporate governance proxied by corporate governance score and cost of debt
Saat, Karbhari, Xiao & Haravi (2012)	To investigate the characteristics of audit committee members	A sample of 221 listed firm in Bursa, Malaysia, cross-sectional approach, Pearson	The presence of members with accounting experiences on the committee enhances performance; a negative relationship between composition of audit committee entirely by

		correlation	independent director and independent committee members' exclusive meeting with independent auditors, and performance
Fong (2006)	To analyze the possible motivations for earnings management from existing literature	Library research	Earnings management affects many areas of business third parties outside the company such as shareholders and creditors
Carcello, Hollingsworth, Klein & Neal (2006)	To examine the association between audit committee financial expertise alternate corporate governance mechanisms and earnings management	A sample of 350 firms with adequate data on Compustat, regression	Both accounting and certain non-accounting financial expertise reduce earnings management for firms with weak alternate corporate governance mechanisms; alternate corporate governance mechanisms are effective substitute for audit committee financial expertise.
Rezaei & Roshani (2012)	To examine the effect of discretionary accruals on future profitability, etc.	A sample of 167 firms for 2004-2009 in Iran, fixed effect regression method	Firm size, ownership structure, audit quality and the proportion of independent board members can influence the type of earnings management
Iturriaga & Hoffman (2003)	To analyze the ability to capital structure and ownership structure as mechanisms of control of managers and to reduce their accounting discretionary power	A sample of 185 non-financial firms in Chile, regression	Debt and ownership concentration reduce the manager's discretionary behaviour; earnings management is fostered by institutional investor ownership
Haung & Liu	To examine the	A sample of	CEO duality negatively

(2011)	relationship between governance and earnings management in non-profit hospitals	42 hospitals in Taiwan 2005-2008, Least square method	relates to earning management, information transparency insignificantly relates to earnings management
Amer & Abdelkarim (2011)	To examine the relationship between corporate governance characteristics and earnings management	A sample of 22 listed firms in Palestine Stock Exchange for 2009-2010, linear multiple regression	Inconclusive results between corporate governance characteristics and earnings management
Lee, Ku, Chen & Chen (2012)	To explore the impact of corporate governance factors on earnings management behaviour	A sample of 268 listed firms in Taiwan, regression	Discretionary accruals are positively related with free cash flow; debt to asset ratio has a negative relationship with discretionary accruals
Neffati, Fred & Schalck (2011)	To analyze how the risk level could be affected by some governance mechanisms and if risk motivates earnings management	A sample of 222 US firms from Fortune 1000 for 1994-2001, regression analysis	Earnings management is positively correlated with risk; good corporate governance practices have a positive impact on earnings management
Uwuigbe (2011)	To explore the relationship between internal corporate governance structures and firm performance in the Nigerian banking industry	A sample of 21 universal Nigerian banks, regression analysis	Board size is negatively related with performance proxied by ROE; board independence is negatively related with performance of banks; directors' equity interest is positively related with performance
Hamid (2008)	To investigate whether or not there is a relationship between corporate governance	Samples of 46, 46 & 44 non- financial firms listed in	There is a significant difference between the corporate governance structures of GLCs and

	structures and performance of Malaysian PLCs in the post-AFC period	Bursa, Malaysian for 2001, 2002 & 2003; regression analysis	NGLCs; there is support for the ambivalent relationship between performance and corporate governance structures
Sarkar, Sarkar & Sen (2006)	To investigate the impact of board characteristics on opportunistic earnings management	A sample of 500 large Indian firms, regression analysis	Diligent board are associated with lower earnings management, it is not board independence per se, but rather board quality that is important for earnings management; CEO duality and the presence of controlling shareholders on the board increases earnings management
O'Reilly & Main (2012)	To examine the effects of women outsider directors on firm performance	A sample of more than 2000 firms from 2001 to 2005	No evidence that adding women outsiders to the board enhances corporate performance
Oba (2013)	To investigate the predictive power of a board's gender mix on financial performance	Survey design, listed Nigerian companies excluding those in the financial and utility services	Both female directors presence and proportion had positive impacts on firm financial performance
Lu Ckereth-Rovers (2011)	To investigate the financial performance of Dutch companies with and with women on	A sample of 116 Dutch companies listed on the Amsterdam	That the representation of women in the boardroom should be higher and fewer all-male boards should

	their boards	Euronext Stock Exchange	occur
Sukeril, Shinl & Shaaril (2012)	To answer the question "do board characteristics affect firm's performance?"	A sample of listed firms on Bursa, Malaysia	Board size and ethnic diversity have positive relationship with ROE , while board independence has a negative relationship but no significant relationship for managerial ownership, CEO duality, and gender diversity
Hutchinson & Zain (2009)	To explore whether the relationship between internal audit quality and firm performance is associated with firm characteristics of information asymmetry and uncertainty and audit committee effectiveness	A preliminary study of 60 Malaysian firms	The association between internal audit quality and firm performance is stronger for firms with high growth opportunities and that this positive association is weakened by increasing audit committee independence
Alzharani, Ahmad & Aljaaidi (2011)	To investigate the relations between agency cost variables (firm size, leverage and auditor type) and firm performance	A sample of 392 firms on Saudi Stock Exchange, multiple regressions	Firm performance cannot be explained by the explanatory variables(firm size, leverage & auditor type)
Bouaziz (2012)	To study the impact of the presence of audit committee on the financial performance of Tunisian firms listed on the TSE	A sample of 26 firms, regression	The independence of audit committee, the size of audit committee and the expertise of audit committee members have a significant effect on financial performance

Salehi & Mansoury (2009)	To determine the factors that have positive or negative effect on audit quality	Questionnaire, Delphi group session, binomial test, a sample of 159 participants	Audit quality and audit independence are intricately related
Felo, Krishnamurthy & Solieri (2003)	To examine the relationship between audit committee composition, size and quality of financial reporting		Audit committee members with accounting expertise is positively related to financial reporting quality, there is a positive relationship between audit committee size and quality of financial reporting, audit committee independence is not related to financial reporting quality

APPENDIX II
Raw Data on Listed Companies (EPS, Profit, Cash Flow, Total Assets, Board Features & External Auditors)

	YEAR	EPS	BDSZ	NUWMN	PAT	CFO	TOASTS	NID	AUDC	NIACM	AUDTP
7-Up Bottling Coy	2005	233	10	0	954,296	2,711,869	13,985,964	6	6	3	Non Big 4
	2006	285	11	0	1,167,213	2,469,399	17,100,490	6	6	3	Non Big 4
	2007	238	10	0	1,219,402	2,890,751	21,647,427	6	6	3	Non biz 4
	2008	314	10	0	1,608,910	4,605,980	23,982,210	6	6	3	Non Big 4
	2009	298	10	0	1,529,674	4,712,186	31,879,851	6	6	3	Non Big 4
	2010	343	10	0	1,892,146	7,184,465	33,511,741	6	6	3	Non Big 4
	2011	399	10	0	2,277,544	6,995,524	40,231,991	6	6	3	Non Big 4
	2012		9	0	1,678,471	12,970,475	48,485,662	7	6	3	Big 4
	2013		9	0	2,856,504	16,515,437	51,370,170	7	6	3	Big 4
	2014		10	0	6,434,601	12,345,730	55,863,209	7	6	3	Big 4
Academy Press	2005	21	8	0				7	6	3	Non Big 4
	2006	31	10	0				7	6	3	Non Big 4
	2007	27	8	0	79,138	163,058	1,164,619	7	6	3	Non Big 4
	2008	15	10	0	111,776	240,365	1,315,293	7	6	3	Non Big 4
	2009	37	9	1	93,733	223,510	1,482,811	7	6	3	Big 4
	2010	26	10	1	135,030	276,995	2,027,385	7	6	3	Big 4
	2011	31	10	1	88,454	304,181	1,364,494	7	6	3	Big 4
	2012		9	1	92,280	345,379	2,821,876	6	6	3	Non-Big 4
	2013		8	1	55,052	616,588	3,548,063	6	6	3	Non-Big 5
	2014		8	1	102,005	687,915	3,791,868	6	6	3	Non-Big 6
African Petroleum (FORTE OIL)	2005	178	16	1				15	6	3	Big 4
	2006	274	10	1	2,161,530	(5,883,777)	28,218,890	9	6	3	Big 4
	2007	726	10	1	5,701,507	10,019,119	32,802,185	9	6	3	Big 4
	2008	647	10	1	5,103,116	(24,212,187)	71,592,156	9	6	3	Big 4
	2009	-878	10	1	(915,892)	9,344,654	81,852,100	9	6	3	Big 4
	2010	-254	10	1	(2,747,405)	12,806,968	69,029,503	9	6	3	Big 4
	2011	-1996	10	1			45,225,375	9	6	3	Big 4

					(9,536,209)						
	2012		8	2	1,007,507	1,931,035	42,512,938	5	6	3	Non Big 4
	2013		8	2	5,004,397	67,668	104,678,000	6	6	3	Non Big 4
	2014										
AG Leventtis (Nig)	2005	16	8	0				7	6	3	Non Big 4
	2006	18	8	0	1,336,170	1,192,316	5,788,129	7	6	3	Non-Big 4
	2007	30	8	0	1,309,176	1,192,316	10,816,129	7	6	3	Non-Big 4
	2008	36	10	0	2,118,670	821,103	13,786,870	9	6	3	Non-Big 4
	2009	40	8	0	2,362,649	(47,424)	16,432,878	4	6	3	Non-Big 4
	2010	28	10	0	748,657	335	19,555,878	9	6	3	Non-Big 4
	2011	40	10	0	1,019,098	522,559	21,103,306	9	6	3	Non-Big 4
	2012		9	0	284,169	641,126	12,324,215	5	6	3	Big 4
	2013		8	0	684,642	1,319,603	20,493,625	6	6	3	Big 4
	2014										
Aluminum Extrusion Industry	2005	741	9	0					4	2	Non Big 4
	2006	941	9	0	51,701	46,734	356,910	7	4	2	Non Big 4
	2007	2350	10	0	71,448	(16,033)	447,854	8	4	2	Non Big 4
	2008	3248	10	0	77,698	249,547	650,032	8	4	2	Non Big 4
	2009	3532	9	0		93,619	687,155	8	4	2	Non Big 4
	2010	274	9	0					4	2	Non Big 4
	2011	6	9	0					4	2	Non Big 4
	2012		9	0	45,112	81,746	1,605,396	8	4	2	Non Big 5
	2013										
	2014										
Ashaka Cement	2005	211	11	1	4,429,884	5,412,141	17,300,110	9	6	3	Big 4
	2006	231	11	1	3,377,481	2,767,081	1,847,436	9	6	3	Big 4
	2007	110	15	1	1,603,456	3,423,534	22,259,593	11	6	3	Big 4
	2008	121	13	1	2,070,045			11	6	3	Big 4
	2009	47	13	1	943,618	2,748,916		12	6	3	Big 4
	2010	151	13	1	3,004,894	2,871,401	59,829,913	12	6	3	Big 4
	2011	129	13	1	2,885,963	8,734,442	65,211,835	12	6	3	Big 4
	2012		12	1	3,124,848	3,315,218	67,325,232	11	6	3	Big 4
	2013		12	1	2,824,311	2,042,923	67,423,536	11	6	3	Big 5
	2014		12	1			71,526,871	11	6	3	Big 6

					4,566,667	2,190,474					
Avon Crown Caps & Containers	2005	28	6	0				5	4	3	Non Big 4
	2006	34	6	0	158,215	855,535	3,093,938	5	4	3	Non Big 4
	2007	10	8	0	172,641	470,468	4,111,181	5	4	3	Non Big 4
	2008	11	9	0	251,110	(395,824)	5,504,910	5	4	3	Non Big 4
	2009	6	8	0	236,548	523,148	13,033,740	5	4	3	Non Big 4
	2010	4	9	0	82,999	709,844	8,654,981	5	4	3	Non Big 4
	2011	15	9	0				5	4	3	Non Big 4
	2012		7	1	84,065	1,537,097	11,179,722	4	4	1	Non Big 5
	2013		7	1	(105,166)	1,745,057	9,909,033	4	4	1	Non Big 6
	2014		7	1	129,434	631,457	9,209,476	4	4	1	Non Big 7
B.O.C Gases	2005	23	7	0				5	4	2	Big 4
	2006	33	7	0	129,343	391,168	1,532,742	5	4	2	Big 4
	2007	58	6	0	228,374	222,070	1,761,738	5	4	2	Big 4
	2008	56	6	0	221,464	358,330	1,918,409	5	4	2	Big 4
	2009	63	6	0	249,484	372,244	2,039,412	5	4	2	Big 4
	2010	88	6	0	346,680	422,653	2,119,193	4	4	2	Big 4
	2011	941	6	0				4	4	2	Big 4
	2012		6	0	304,632	511,719	2,648,408	4	4	2	Big 5
	2013		6	0	262,757	536,523	2,887,279	4	4	2	Big 6
	2014		6	0	225,601	581,141	3,418,552	4	4	2	Big 7
Berger Paints	2005										
	2006	23	9	0				5	6	3	Non Big 4
	2007	37	10	0	81,678	487,596	1,998,474	6	6	3	Non Big 4
	2008	52	10	0	112,619	294,732	2,016,033	6	6	3	Non Big 4
	2009	95	9	0	205,633	347,292	2,040,689	5	6	3	Non Big 4
	2010	89	9	0	193,276	362,806	2,281,279	5	6	3	Non Big 4
	2011	203	10	0	442,463	200,847	2,605,446	6	6	3	Non Big 4
	2012		7	0	192,009	250,780	2,906,601	6	6	3	Big 4
	2013		9	0	251,346	311,797	3,536,641	8	6	3	Big 4
	2014										
Beta Glass	2005	48	10	0				5	6	3	Big 4
	2006	84	9	0	381,088	1,341,664	9,431,166	5	6	4	Big 4
	2007	191	12	0	866,252	2,620,454	12,122,220	6	6	2	Big 4

	2008	239	10	0	1,192,690	2,195,128	13,904,154	5	6	4	Big 4
	2009	277	11	0	1,384,776	2,949,571	13,230,304	6	6	4	Big 4
	2010	295	11	0	1,472,444	2,910,197	15,959,173	6	6	4	Big 4
	2011	355	12	0	1,774,660	2,735,475	18,021,590	6	6	4	Big 4
	2012		9	0	1,328,580	1,283,118	22,456,567	8	6	3	Big 4
	2013		9	0	1,467,344	2,922,972	27,166,481	8	6	3	Big 4
	2014										
Conoil	2005	490	12	0				8	6	4	Big 4
	2006	405	12	0	33,527,428	2,808,760	1,301,437	9	6	5	Big 4
	2007	374	10	1	39,380,338	2,593,476	(1,374,061)	6	6	4	Big 4
	2008	262	8	1	1,821,051	(11083445	56,795,634	3	6	3	Big 4
	2009	333	10	0				6	6	4	Big 4
	2010	402	10	0				6	6	4	Big 4
	2011	341	10	0	2,997,314	7,742,840	61,855,315	6	6	4	Big 4
	2012		7	1	714,981	(23,621,565)	83,095,975	3	5	1	Big 4
	2013		10	1	3,070,091	39,767,371	82,372,026	5	6	1	Big 4
	2014										
Cadbury Nigeria	2005	-390	13	0	2,710,921	1,122,502	32,065,142	7	6	3	Big 4
	2006	-428	10	0	(4,665,167)	(10,901,096)	29,664,227	6	6	4	Big 4
	2007	-66	9	1	(725,918)	4,013,615	25,911,844	5	6	3	Big 4
	2008	-244	8	1	(2,752,268)	1,784,686	23,901,206	5	6	3	Big 4
	2009	-84	8	1	(1,235,918)	4,357,898	25,246,926	5	6	3	Big 4
	2010	38	8	1	1,168,167	4,484,109	28,325,844	5	6	3	Big 4
	2011	29	8	1	3,670,555	5,619,557	33,656,352	6	3	3	Big 4
	2012		7	3	3,350,113	7,202,477	40,156,508	5	6	3	Big 4
	2013		7	3	6,023,219	6,513,983	43,172,624	5	6	3	**ig 4**
	2014										
CAP	2005	131	7	1	201,574	(3,210)	1,361,393	1	6	3	Big 4
	2006	149	6	1	207,748	496,367	1,545,108	1	6	3	Big 4
	2007	167	8	2	351,528	381,471	1,978,401	2	6	3	Big 4
	2008	350	8	1	735,642	627,187	2,221,429	2	6	5	Big 4
	2009	162	6	1	340,980	296,099	2,161,617	2	6	5	Big 4
	2010	315	7	1	882,856	804,648	2,370,301	3	6	5	Big 4

	2011	326	7	1	1,005,282	966,411	2,924,512	3	6	5	Big 4
	2012		6	2	1,115,554	913,532	2,875,802	4	6	3	Big 4
	2013		6	2	1,416,795	1,448,652	3,035,012	4	6	3	Big 4
	2014		6	2	1,662,425	1,341,425	3,080,881	4	6	3	Big 4
Cement Company of Northern Nigeria	2005	3.7	12	0	224,282	894,012	6,321,119	7	6	3	Non Big 4
	2006	3.2	10	0	(34,955)	2,189,342	8,065,518	6	6	3	Non Big 4
	2007	11	10	0				6	6	3	Non Big 4
	2008	134	9	0	1,530,524	697,532	8,795,421	5	6	3	Non Big 4
	2009	184	9	0	1,812,390	3,411,553	9,804,193	5	6	3	Non Big 4
	2010	101	9	0				5	6	3	Non Big 4
	2011	199	9	0				5	6	3	Non Big 4
	2012		9	0	1,196,061	1,089,589	14,241,655	7	6	3	Non Big 4
	2013		9	0	14,236,535	2,071,903	15,058,476	7	6	3	Non Big 4
	2014										
Chellarams	2005	86	5	0	32,143	50,361	3,260,977	4	4	2	Non Big 4
	2006	80	5	0	72,500	171,977	2,047,137	4	4	2	Non Big 4
	2007	74	5	0	277,593	167,278	5,661,521	4	4	2	Non Big 4
	2008	68	5	0	246,105	255,495	7,353,422	4	4	2	Non Big 4
	2009	-7	8	0	(373,111)	(928,191)	3,633,195	7	4	2	Non Big 4
	2010	61	7	0	449,920	1,744,525	9,420,350	6	4	2	Non Big 4
	2011	30	7	0	220,318		10,406,656	6	4	2	Non Big 4
	2012		7	0	231,632	(2,555,694)	14,831,380	3	6	3	Non Big 4
	2013		7	0	90,407	4,163,044	15,415,668	3	6	3	Non Big 4
	2014		6	0	(74,593)	(464,724)	16,858,978	3	6	3	Non Big 4
Constain (WA)	2005	176	8	0	(281,347)	(73,990)	2,647,343	6	4	3	Big 4
	2006	931	11	0	(1,488,639)	(281,324)	2,156,201	5	4	3	Big 4
	2007	215	6	0				3	4	3	Big 4
	2008	187	8	0				4	4	3	Big 4
	2009	110	7	0				4	4	3	Big 4
	2010	7	7	0	33,402	394,202	14,173,601	4	4	3	Big 4
	2011	-115	7	0	(1,247,450)	(181,328)	13,855,116	4	4	3	Big 4
	2012										
	2013										
	2014										

Cutix	2005	3	12	1				7	4	2	Non Big 4
	2006	2	13	1	54,321	(54,159)	418,573	7	4	2	Non Big 4
	2007	4	13	1	121,691	183,475	637,873	7	4	2	Non Big 4
	2008	5	12	1	114,482	179,299	759,108	7	6	3	Non Big 4
	2009	33	12	1	78,312	154,727	783,643	7	6	3	Non Big 4
	2010	20	13	1				7	6	3	Non Big 4
	2011	1.3	12	1	843,261	229,377	935,438	7	6	3	Non Big 4
	2012		9	2	79,014	90,961	943,686	8	6	2	Non Big 4
	2013		7	2	151,423	93,538	1,073,865	6	4	2	Non Big 4
	2014		7	2	207,116	126,655	1,744,670	6	4	2	Non Big 4
Dangote Sugar Ref.	2005	173	9	1				7	4	3	Big 4
	2006	167	9	1	16,657,068	-	38,999,570	5	4	3	Big 4
	2007	215	9	1	21,478,561	38,994,640	50,124,116	5	4	3	Big 4
	2008	182	9	1	21,871,047	13,817,511	58,173,389	5	4	3	Big 4
	2009	110	9	1				5	4	3	Big 4
	2010	94	9	1	11,282,240	(5,472,214)	62,293,982	5	4	3	Big 4
	2011	41	9	1	711,318	9,104,624	69,106,905	5	4	3	Big 4
	2012		9	1	10,735,450	28,538,422	83,051,450	7	6	3	Big 4
	2013		9	2	10,845,932	2,397,674	83,159,877	7	6	3	Big 4
	2014		10	2	11,635,779	15,495,897	92,801,302	8	6	3	Big 4
DN Meyer	2005	29	8	0				7	4	3	Big 4
	2006	25	8	0	60,753	119,555	1,097,222	7	4	3	Big 4
	2007	21	8	0	63,778	361,544	1,920,638	7	4	3	Big 4
	2008	-102	7	0	(29,647)	354,131	3,219,559	6	4	3	Big 4
	2009	-93	7	0	(627,069)	50,360	2,637,019	6	4	3	Big 4
	2010	-73	9	0	(236,374)	762,732	2,715,977	8	4	3	Big 4
	2011	-187	9	0	(97,974)	294,757	2,566,698	8	4	3	Big 4
	2012		9	1	(26,947)	(34,758)	2,581,419	8	4	4	Big 4
	2013		8	0	47,068	245,864	2,627,559	7	4	4	Big 4
	2014										
Eterna	2005	457	7	0				5	4	1	Big 4
	2006	467	7	0				5	4	1	Big 4
	2007	-2084	7	0	(406,636)	584,254	8,441,294	5	4	1	Big 4
	2008	-5213	7	0			9,092,090	5	4	1	Big 4

					(1,495,193)	(502,498)					
	2009	-132	5	0	722,751	2,572,355	9,278,500	4	4	1	Big 4
	2010	55	5	0	1,211,159	(2227353	14,711,813	4	4	1	Big 4
	2011	55	5	0				4	4	1	Big 4
	2012										
	2013										
	2014										
Evans Medical	2005	132	11	1				7	6	3	Big 4
	2006	30	11	1	132,204	(440,306)	3,819,377	7	6	3	Big 4
	2007	-72	11	1	(317,019)			7	6	3	Big 4
	2008	-105	11	1		(80,179)	4,347,755	7	6	3	Big 4
	2009	-183	11	1	(889,591)	454,044	3,967,146	7	6	3	Big 4
	2010	2	11	1	8,763	519,028	4,093,198	7	6	3	Big 4
	2011	12	11	1	94,515	486,247	4,346,301	7	6	3	Big 4
	2012		12	2	284,504	625,108	7,304,594	6	6	3	Big 4
	2013										
	2014										
First Aluminum	2005	0.02	9	0	8,428,575	29,818,454	40,979,178	8	6	6	Big 4
	2006	0.04	7	0	20,692,911	46,733,766	356,909,753	4	6	6	Big 4
	2007	-38	7	0	(491,584)	(89,186)	7,523,857	4	6	3	Big 4
	2008	-23	7	0	(298,652)	678,347	8,678,149	4	6	3	Big 4
	2009	2	6	0	48,316	1,439,556	10,714,690	4	6	3	Big 4
	2010	-16	6	0	(334,586)	566,606	10,507,953	4	6	3	Big 4
	2011	-0.04	6	0	(325,044)	7,845,667	11,857,099	4	6	3	Big 4
	2012		8	1	(1,004,393)	256,661	8,866,267	5	6	2	Non Big 4
	2013		7	0	97,123	872,151	8,570,793	4	6	2	Non Big 4
	2014		6	0	29,807	770,122	8,476,055	3	6	2	Non Big 4
Flour Mills of Nigeria	2005	265	12	0				10	6	2	Big 4
	2006	300	12	0	4,667,612	7,726,666	51,036,828	10	6	2	Big 4
	2007	481	12	0	7,474,460	4,446,080	76,141,884	10	6	2	Big 4
	2008	408	12	0	6,363,082	4,347,105	96,691,585	10	6	2	Big 4
	2009	223	13	0	3,891,754	7,107,512	137,520,418	11	6	2	Big 4
	2010	967	15	0	16,947,986	29,752,720	143,520,224	13	6	2	Big 4
	2011	452	15	0	8,486,935	18,664,095	163,261,863	13	6	2	Big 4

	2012		14	0	8,376,656	3,770,449	232,857,369	12	6	3	Big 4
	2013		14	0	7,726,671	18,661,551	280,247,210	12	6	3	Big 4
	2014		14	0	5,367,875	25,268,637	297,249,445	12	6	3	Big 4
FTN Cocoa Processors	2005	319	8	0				7	4	2	Big 4
	2006	163	8	0	16,088	(464,953)	1,257,534	7	4	2	Non Big 4
	2007	7	8	0	142,770	81,723	2,681,603	7	4	2	Non Big 4
	2008	8	6	1	196,027	(19,004)	3,195,045	4	4	2	Non Big 4
	2009	12	7	1	259,659	(112,172)	3,481,419	6	4	2	Non Big 4
	2010	2.89	7	1	63,647	321,458	4,344,103	6	4	2	Non Big 4
	2011	4.93	7	1	(243,808)	(243,808)	4,575,933	6	4	2	Non Big 4
	2012		7	0	(405,980)	212,846	4,389,402	3	4	2	Non Big 4
	2013		7	0	(286,076)	(90,321)	4,553,277	3	4	2	Non Big 4
	2014										
Glaxo Smithkline Consumers	2005	122	11	1	975,741		8,296,389	10	6	3	Big 4
	2006	113	12	1	1,082,293		8,429,347	11	6	3	Big 4
	2007	87	12	1	836,877	1,333,999	8,719,161	11	6	3	Big 4
	2008	134	9	1	1,277,441	2,036,907	9,611,282	8	6	3	Big 4
	2009	178	10	1				9	6	3	Big 4
	2010	257	8	1	1,977,394	2,295,037	14,253,912	7	6	3	Big 4
	2011	308	7	1	2,302,000	4,736,849	17,938,211	6	6	3	Big 4
	2012		9	1	2,823,526	3,725,370	217,977,271	7	6	3	Big 4
	2013		9	1	2,919,170	4,841,759	26,213,663	7	6	3	Big 4
	2014		10	1	1,848,842	1,352,052	27,992,868	8	6	3	Big 4
Greif Nigeria	2005	61	6	1				4	6	3	Big 4
	2006	71	7	0	30,216	252,519	870,376	5	6	3	Big 4
	2007	-37	6	0	(15,600)	108,534	738,125	5	6	3	Big 4
	2008	6	7	0	68,195	60,154	714,210	4	6	3	Big 4
	2009	-40	7	0	(17,258)	40,541	730,203	5	6	3	Big 4
	2010	102	6	0	43,633	56,832	675,084	4	6	3	Big 4
	2011	38	6	0				5	6	3	Big 4
	2012		5	0	36,386	65,792	713,816	4	6	3	Big 4
	2013										
	2014										

Guinness Nigeria	2005	254	13	0				12	6	3	Big 4
	2006	507	13	0				12	6	3	Big 4
	2007	784	13	0	10,691,080	15,275,703	71,809,427	12	6	3	Big 4
	2008	804	12	0	11,860,880	14,591,643	73,191,197	11	6	3	Big 4
	2009	918	13	0	13,541,189	11,281,730	73,868,737	12	6	3	Big 4
	2010	931	15	1				14	6	3	Big 4
	2011	1216	15	0	17,927,934	19,530,773	92,175,032	14	6	3	Big 4
	2012		12	3	14,671,195	21,224,240	106,009,667	9	6	3	Big 4
	2013		12	3	11,863,726	24,298,137	121,060,621	9	6	3	Big 4
	2014		12	3	9,573,480	19,157,202	132,328,273	9	6	3	Big 4
Ikeja Hotel	2005	31	9	1	434,132	1,916,715	12,990,319	7	6	4	Big 4
	2006	30	9	1	525,944	2,071,955	15,298,219	7	6	4	Non Big 4
	2007	50	9	1	697,751	(267,376)	14,879,510	7	6	4	Non Big 4
	2008	50	8	1	872,532	1,728,315	15,414,477	7	6	4	Non Big 4
	2009	56	8	1	1,172,065	2,317,558	16,973,589	7	6	4	Non Big 4
	2010	107	9	1	2,220,722	3,823,817	19,055,801	8	6	4	Non Big 4
	2011	63	9	1				8	6	4	Non Big 4
	2012										
	2013										
	2014										
IPWA PLC	2005	3	10	1		(6,623)		7	6	3	Non Big 4
	2006	14	10	1	68,578	28,129	656,187	7	6	3	Non Big 4
	2007	13	10	1	21,510	11,805	645,750	7	6	3	Non Big 4
	2008	-4	10	1	(4,438)	11,376	690,171	7	6	3	Non-Big 4
	2009	-1	10	1				7	6	3	Non-big 4
	2010	-12	10	1				7	6	3	Non-Big 4
	2011	-14	10	1				7	6	3	Non-Big 4
	2012										
	2013										
	2014										
Japaul Oil & Martine Services	2005	21	5	0				2	6	3	Non Big 4
	2006	1630	6	0	189,937	590,224	2,166,932	2	6	3	Non-Big 4
	2007	3242	6	0	378,116	(302,261)	4,879,694	2	6	3	Non-Big 4
	2008	1088	7	0	681,424	20,645,719	23,451,979	5	6	3	Non-Big 4
	2009	1167	8	0	730,903	(21,627)	24,082,899	5	6	3	Non-Big 4
	2010	1266	9	0	792,753	1,439,577	25,018,768	7	6	3	Non-Big 4

	2011 2012 2013 2014	3242	10	0				8	6	3	Non-Big 4
Julius Berger Nigeria	2005	173	10	1				9	6	3	Non Big 4
	2006	373	11	1	1,763,706	12,839,797	88,702,085	10	6	3	Non-Big 4
	2007	589	12	1	1,768,252	(300,300)	82,869,383	10	6	3	Non-Big 4
	2008	794	10	1	2,508,265	21,741,044	138,429,406	8	6	3	Non-Big 4
	2009	275	9	1	3,300,131	13,605,696	154,648,235	8	6	3	Non-Big 4
	2010	911	10	1	2,804,105	14,687,310	150,489,205	9	6	3	Non-Big 4
	2011	820	9	1	4,874,513	19,881,569	169,365,044	8	6	3	Non-Big 4
	2012		12	0	8,260,463	31,548,838	179,634,164	8	6	3	Big 4
	2013		12	0	8,425,344	15,922,650	227,261,257	8	6	3	Big 4
	2014		13	0	8,239,979	12,527,897	256,045,781	9	6	3	Non Big 4
Livestock Feed	2005	15	6	0				3	6	3	Big 4
	2006	24	6	0	748,424	(274,405)	321,738	3	6	3	Big 4
	2007	33	8	1	8,324	(47,107)	386,485	3	6	3	Big 4
	2008	28	7	1	45,741	93,662	996,418	5	6	3	Big 4
	2009	38	6	1	29,948	121,322	872,371	5	6	3	Big 4
	2010	24	6	1	28,304	(57,735)	1,076,658	5	6	3	Big 4
	2011	81	6	1	97,682	(11,729)	1,559,245	3	6	3	Big 4
	2012		8	1	139,084	(43,419)	2,072,321	4	6	3	Non Big 4
	2013		8	1	210,746	(175,817)	3,670,604	5	6	3	Non Big 4
	2014		8	1	254,170	(829,720)	5,752,787	5		3	Non Big 4
Longman Nig.(Learn Africa)	2005	82	9	2	119,843	135,808	1,015,146	8	6	3	Big 4
	2006	116	10	2	203,751	221,767	1,202,768	9	6	3	Big 4
	2007	157	11	3	276,793	21,454	1,859,497	10	6	3	Big 4
	2008	260	8	1	669,356	759,599	5,066,233	7	6	3	Big 4
	2009	92	9	1	709,486	(117,978)	5,256,880	8	6	3	Big 4
	2010	29	11	1	223,570	(176,232)	5,196,239	10	6	3	Big 4
	2011	99	10	2				9	6	3	Big 4
	2012		12	3	174,969	173,042	4,605,806	9	6	2	Big 4
	2013		11	3	100,132	(753,821)	4,633,105	9	6	3	Big 4

	2014		11	3	58,680	(211,412)	4,049,545	9	6	3	Big 4
May & Baker Nig.	2005	20	8	0				4	4	3	Big 4
	2006	30	9	0	211,470	795,754	3,964,572	4	4	3	Big 4
	2007	30	8	0	208,318	93,067	4,455,001	4	4	3	Big 4
	2008	60	6	0	417,962	240,578	5,726,108	3	4	3	Big 4
	2009	33	6	0	232,081	802,735	6,153,848	4	4	3	Big 4
	2010	20	8	0	192,977	579,802	6,816,912	5	4	3	Big 4
	2011	29	7	0	222,172	1,006,733	7,037,266	4	4	3	Big 4
	2012		7	2	75,943	(293,682)	8,069,406	5	6	3	Big 4
	2013		7	2	(103,089)	1,301,394	8,160,048	5	6	3	Non Big 4
	2014		7	2	63,340	2,100,221	8,095,708	5	6	3	Non Big 4
Marison Industries	2005	32	6	1				5	4	2	Big 4
	2006	30	6	1	8,147	44,546	190,907	5	4	2	Big 4
	2007	30	6	1	5,490	(1,437)	230,834	5	4	2	Big 4
	2008	60	6	1	14,449	19,481	58,946	5	4	2	Big 4
	2009	-14	6	1	(20,857)	25,643	593,104	5	4	2	Big 4
	2010	-22	6	1	(33,127)	5,312	557,713	5	4	2	Big 4
	2011	-17	6	1	(25,137)	4,122	577,550	5	4	2	Big 4
	2012		8	1	2,014	11,530	586,090	5	4	2	Non Big 4
	2013		8	0	(22,065)	(36,834)	526,215	5	4	2	Non Big 4
	2014										
National Salt Coy. (Nig)	2005	-39	3	0				1			Big 4
	2006	-19	3	0	(14,930)	11,727	207,150	1	6	3	Big 4
	2007	57	9	0	1,259,873	1,770,991	6,088,302	4	6	3	Big 4
	2008	49	9	0	1,298,293	1,851,830	7,488,842	7	6	3	Big 4
	2009	70	9	0	1,842,346	1,489,230	8,155,007	7	6	3	Big 4
	2010	62	12	0		1,208,791	7,867,840	7	0	3	Big 4
	2011	96	12	0		3,645,645	10,046,709	7	6	6	Big 4
	2012		9	1	2,766,308	3,240,019	10,689,542	7	4	2	Big 4
	2013		9	1	2,699,542	1,881,899	11,431,167	7	4	2	Big 4
	2014		9	1	1,867,038	4,209,545	12,555,885	7	4	2	Big 4
NCR Nigeria	2005	-156	5	0	31,259	(12,328)	393,630	4	6	3	Big 4
	2006	-580	5	0			1,535,129	4	6	3	Big 4

					(623,074)	(471,851)					
	2007	-30	5	0	(31,820)	722,300	3,607,109	4	6	3	Big 4
	2008	70	5	0	1,277,441	2,036,907	4,526,282	4	6	3	Big 4
	2009	870	5	0	944,863	(56,248)	1,236,135	4	6	3	Big 4
	2010	670	6	0	721,586	609,269	2,270,991	5	6	3	Big 4
	2011	1220	6	0	196,646	787,351	369,275	5	6	3	Big 4
	2012		5	0	(1,065,215)	1,174,323	5,358,324	5	6	3	Big 4
	2013		7	0	(19,373)	(794,948)	5,543,361	5	6	3	Big 4
	2014										
Neimeth Int. Pharm	2005	5	8	0				7	6	3	Big 4
	2006	6	8	0	82,228	(716,164)	2,635,691	3	6	3	Big 4
	2007	18	8	0	116,415	(96,950)	2,730,455	3	6	3	Big 4
	2008	15	11	0	98,267	(271,346)	3,270,432	5	6	3	Big 4
	2009	-55	11	0	(455,206)	164,127	2,888,727	5	6	3	Big 4
	2010	-15	11	0	(126,133)	399,746	2,786,056	5	6	3	Big 4
	2011	14	12	0				6	6	3	Big 4
	2012	12	11	0	98,267	(271,346)	3,270,432	5	6	3	Big 4
	2013		1	2	151,496	96,845	2,891,679	9	6	3	
	2014		1	2	(228,535)	89,515	2,782,488	9	6	3	Non Big 4
Nestle Nigeria	2005	963	10	0				9	6	3	Big 4
	2006	1071	8	0	5,660,329	7,172,906	26,244,230	6	6	3	Big 4
	2007	879	9	0	544,899	7,796,005	31,688,272	7	6	3	Big 4
	2008	1261	13	0	8,331,599	5,576,221	29,159,552	12	6	3	Big 4
	2009	1481	10	0	9,783,578	11,920,089	72,656,418	9	6	3	Big 4
	2010	1908	9	0	12,602,107	15,348,315	100,588,801	8	6	3	Big 4
	2011	2002	10	0				9	6	3	Big 4
	2012		8	2	21,137,275	35,596,875	88,963,218	5	6	3	Big 4
	2013		8	2	22,258,279	36,209,580	108,207,480	5	6	3	Big 4
	2014		8	2	22,235,640	23,495,038	106,062,067	5	6	3	Big 4
Nigerian Breweries	2005	38	15	1				8	6	3	Big 4
	2006	144	14	1	10,900,524		75,657,062	7	6	3	Big 4
	2007	250	14	1	18,942,856	25,289,284	9,548,282	7	6	3	Big 4
	2008	340	13	2	25,700,593	39,918,636	104,412,640	7	6	3	Big 4

	2009	369	12	0	38,050,756	54,328,647	235,701,196	6	6	3	Big 4
	2010	401									
	2011	503									
	2012		13	1	38,042,714	55,888,588	253,633,629	7	6	3	Big 4
	2013		13	1	43,080,349	95,167,850	252,759,633	7	6	3	Big 4
	2014		15	2	42,520,253	60,860,045	34,922,163	9	6	3	Big 4
Nigerian Enamel Ware	2005	117	7	0				3	6	3	Big 4
	2006	101	7	0	20,743	210,700	838,809	3	6	3	Big 4
	2007	85	7	0	24,539	(129,171)	1,197,102	3	6	3	Non Big 4
	2008	69	7	0	19,783	636,496	1,289,884	3	6	3	Non Big 4
	2009	220	7	0	63,481	(85,349)	1,242,049	3	6	3	Big 4
	2010	118	7	0				6	6	3	Big 4
	2011	139	7	0				6	6	3	Big 4
	2012		7	0	87,941	164,284	1,058,098	4	6	2	Big 4
	2013		7	0	73,970	(32,250)	2,203,388	4	6	2	Big 4
	2014		7	0	86,115	(719,515)	3,084,021	4	6	2	Big 4
Nigerian Ropes	2005	75	4	0	14,237			3	4	3	Non Big 4
	2006	85	3	0	22,754	81,469	675,792	2	4	3	Non-Big 4
	2007	69	4	0	22,013	(55,329)	632,693	3	4	3	Non-Big 4
	2008	220	6	0	29,721	138,807	769,469	2	4	2	Non-Big 4
	2009	-118	5	0	(128,423)	25,881	6,710,118	3	4	2	Non-Big 4
	2010	-1	5	0	(1,773)	(52,138)	636,221	4	4	2	Non-Big 4
	2011	2	6	0	5,136	19,920	719,325	5	4	2	Non-Big 4
	2012		10	0	(155,120)	(23,689)	619,204	5	4	2	Non Big 4
	2013		8	0	(223,208)	(163,166)	737,089	4	4	2	Non Big 4
	2014										
Northern Nig. Flour Mills	2005	2	12	0				10	3	1	Big 4
	2006	37	11	0	55,071	152,776	1,912,967	10	3	1	Big 4
	2007	-70	12	0	(104,406)	280,218	1,933,808	10	3	1	Big 4
	2008	39	11	0	57,586	489,173	2,358,347	10	3	1	Big 4
	2009	159	12	0				10	3	1	Big 4
	2010	276	12	0	410,205	(453,179)	2,567,244	10	6	1	Big 4
	2011	256	12	0	455,598	1,247,216	4,134,072	10	6	1	Big 4
	2012		12	0	5,043	(90,286)	3,358,028	8	6	3	Big 4

	2013		12	0	225,145	1,125,731	3,623,417	7	6	3	Big 4
	2014		12	0	233,545	(55,295)	3,266,615	7	6	3	Big 4
Oando	2005	329	12	0				3	6	3	Big 4
	2006	411	11	0				2	6	3	Big 4
	2007	751	12	0	6,343,567	(14,629,855)	162,684,055	3	6	3	Big 4
	2008	922	12	1	8,343,325	(13,769,263)	287,777,704	3	6	3	Big 4
	2009	1132	14	1				4	6	3	Big 4
	2010	829	16	1	2,482,612	10,830,484	324,022,700	4	6	3	Big 4
	2011	1092	16	2	3,446,643	(2,071,700)	400,864,761	5	6	3	Big 4
	2012										
	2013										
	2014										
Pharma Deko	2005	-507	10	2	8,216	(259,983)	1,252,539	9	6	3	Big 4
	2006	-397	10	2	(337,330)	412,648	1,437,636	9	6	3	Big 4
	2007	-355	10	2	(242,284)	207,677	1,497,600	9	6	3	Big 4
	2008	-208	10	2	(197,972)	78,377	1,487,556	9	6	3	Big 4
	2009	-464	10	2	(461,497)	(175,358)	1,245,405	9	6	3	Big 4
	2010	-466	10	2	(464,094)	17,055	1,936,994	9	6	3	Big 4
	2011	16	10	2	16,114	142,810	2,569,436	9	6	3	Big 4
	2012		9	0	740,945	658,184	2,782,811	7	6	3	Non Big 4
	2013		9	0	121,182	134,554	2,498,136	7	6	3	Non Big 4
	2014		10	0	101,007	442,808	2,839,229	8	6	3	Non Big 4
Presco	2005	68	12	1				6	6	3	Big 4
	2006	43	12	1	216,870	1,147,933	4,493,701	6	6	3	Non Big 4
	2007	7	12	1	37,251	1,127,221	4,661,163	6	6	3	Non Big 4
	2008	67	12	1	674,055	1,226,584	5,676,086	6	6	3	Non Big 4
	2009	24	12	1	239,427	814,652	7,589,291	6	6	3	Non Big 4
	2010	110	11	1	1,095,030	1,144,138	7,381,066	6	6	3	Non Big 4
	2011	178	11	1				6	6	3	Non Big 4
	2012		10	0	3,488,069	5,052,082	28,006,505	4	6	2	Non Big 4
	2013		10	1	1,337,202	1,986,391	32,663,299	4	6	3	Non Big 4
	2014		10	1	2,605,312	6,776,941	34,945,172	7	6	3	Non Big 4
PZ Cussons Nig.	2005	166	11	0				5	6	3	Big 4
	2006	152	14	1	323,587	770,401	41,872,194	7	6	3	Big 4

	2007	138	11	1	3,512,346	(517,688)	30,557,534	1	6	3	Big 4
	2008	124	11	1	3,950,935	7,845,082	50,397,241	8	6	3	Big 4
	2009	152	14	3	4,818,611	8,512,525	54,896,209	11	6	3	Big 4
	2010	167	12	2	5,301,942	14,103,776	58,958,513	9	6	3	Big 4
	2011	164	12	1	8,025,266	(420,663)	68,926,529	11	6	3	Big 4
	2012		12	3	2,410,498	3,459,722	64,406,797	6	6	2	Big 4
	2013		12	3	5,231,187	9,738,717	72,296,420	6	6	2	Big 4
	2014		12	3	5,082,747	7,451,110	70,965,735	6	6	3	Big 4
R T Briscoe Nig	2005	158	9	1				6	6	5	Big 4
	2006	146	8	1	531,776	325,521	5,377,139	2	6	5	Big 4
	2007	134	7	1	609,943	(634,609)	7,383,895	2	6	5	Big 4
	2008	111	7	1	628,017	420,620	9,690,913	2	6	5	Big 4
	2009	42	8	1	288,282	1,615,265	7,164,523	2	6	5	Big 4
	2010	19	6	1	151,964	(3,657,630)	9,428,936	1	6	3	Big 4
	2011	13	6	1	215,899	(3,564,811)	15,030,732	1	6	3	Big 4
	2012		6	1	(290,856)	1,282,867	14,114,930	4	6	3	Big 4
	2013		8	1	(92,016)	(722,006)	15,319,614	6	6	3	Big 4
	2014										
The Okomu Oil Palm	2005	219	10	1				9	6	3	Non Big 4
	2006	124	10	0	395,731	371,064	6,425,205	9	6	3	Non Big 4
	2007	29	10	0	139,794	577,158	7,042,137	9	6	3	Non Big 4
	2008	253	10	0	139,794	1,198,965	7,791,186	9	6	3	Non Big 4
	2009	115	10	0	549,524	1,085,426	7,980,336	9	6	3	Non Big 4
	2010	342	10	0				9	6	3	Non Big 4
	2011	385	10	0				9	6	3	Non Big 4
	2012		12	0	3,590,763	5,169,103	31,054,673	8	6	3	Non Big 4
	2013		11	0	2,092,174	2,671,516	30,050,647	7	6	3	Non Big 4
	2014		11	0	1,553,455	3,221,620	32,881,478	7	6	3	Non Big 4
Thomas Watt (Nig)	2005	20	9	1	(115,814)	(21,464)	264,432	8	4	2	Big 4
	2006	11	9	1	1,873	(40,303)	468,686	8	4	2	Big 4
	2007	-30	7	0	(29,200)	(14,087)	432,334	5	4	2	Non Big 4
	2008	1	7	0	2,023	(56,465)	608,018	6	4	2	Non Big 4
	2009	1	9	1				8	4	2	Big 4

	2010	-3	8	1	(5,527)	(24,322)	636,619	7	4	2	Big 4
	2011	-14	8	0	(30,140)	6,036	641,595	7	4	2	Big 4
	2012	-10	6	2	(27,774)	1,483	672,492	4	4	2	Non Big 4
	2013										
	2014										
Total Nigeria	2005	523	11	1				10	6	3	Big 4
	2006	741	12	1	2,516,693	(795,941)	26,296,146	9	6	3	Big 4
	2007	959	13	1	3,255,410	8,393,504	39,672,133	9	6	3	Big 4
	2008	1294	9	1	4,393,162	2,911,447	41,770,668	6	6	3	Big 4
	2009	1169	9	1	3,968,059	6,985,584	49,700,803	6	6	3	Big 4
	2010	1601	11	1	5,436,638	6,112,619	54,601,360	8	6	3	Big 4
	2011	1730	9	1	3,813,202	12,766,941	58,719,817	6	6	3	Big 4
	2012		13	2	4,670,917	(8,428,599)	76,067,065	10	6	2	Big 4
	2013		13	2	5,334,091	13,658,707	79,403,587	10	6	2	Big 4
	2014										
Tourist Coy of Nig.	2005	9	5	1	(224,556)	319,441	7,114,239	5	6	3	Big 4
	2006	-26	5	1	(296,616)	528,570	6,658,925	5	6	3	Big 4
	2007	11	5	1	(123,773)	228,107	7,859,788	5	6	3	Big 4
	2008	-60	4	1	(682,870)	48,063	9,211,414	4	6	3	Big 4
	2009	-60	10	1	(680,676)	(1,434,380)	13,230,990	10	6	3	Big 4
	2010	-67	10	1	(680,676)	(1,462,011)	11,373,501	10	6	3	Big 4
	2011	-86	10	1	(1,370,179)	850,602	11,393,501	10	6	3	Big 4
	2012		6	0	(522,250)	98,173	11,161,924	6	6	3	Non Big 4
	2013		8	0	125,050	490,137	11,088,160	8	5	2	Big 4
	2014		8	0	(602,547)	270,255	10,597,888	8	5	2	Big 4
Trans NationWide Exp.	2005	10	7	1				6	2	1	Non Big 4
	2006	22	7	1	28,580	(39,993)	187,396	6	2	1	Non Big 4
	2007	34	8	1	45,710	(48,152)	229,360	7	2	1	Non Big 4
	2008	36	7	1	47,497	85,995	270,036	6	2	1	Non Big 4
	2009	42	8	1	55,144	9,498	510,986	7	2	1	Non Big 4
	2010	38	8	1	33,048	39,536	542,622	7	2	1	Non Big 4
	2011	46	8	1	48,653	26,586	605,548	7	2	1	Non Big 4
	2012		9	2	(34,391)	26,649	605,067	8	4	2	Non Big 4

	2013		8	2	77,432	62,897	664,932	7	4	2	Non Big 4
	2014										
	2005	-17	6	1	43,524		1,281,241	5	4	2	Non Big 4
	2006	-5	6	1	20,686		1,346,244	5	4	2	Non Big 4
Tripple Gee & Coy	2007	15	7	1	52,081		1,535,376	6	4	2	Non Big 4
	2008	31	7	1	101,398	98,684	1,480,113	6	4	2	Non Big 4
	2009	29	7	1	143,272	134,810	1,596,195	6	4	2	Non Big 4
	2010	-10	7	1	(50,850)	58,695	1,427,564	6	4	2	Non Big 4
	2011	99	7	1				6	4	2	Non Big 4
	2012		6	1	6,234	82,661	1,713,203	2	4	2	Non Big 4
	2013		6	1	18,831	19,334	1,669,334	2	4	2	Non Big 4
	2014		6	1	15,495	160,932	1,750,530	2	4	2	Non Big 4
	2005	166	10	0				8	6	3	Big 4
	2006	152	12	0	962,395	(3,687,599)	36,996,885	9	6	3	Big 4
UAC (Nig)	2007	138	10	0	1,069,789	(2,781,943)	49,065,680	9	6	3	Big 4
	2008	124	9	0	6,789,360	16,034,652	95,206,521	7	6	3	Big 4
	2009	152	11	1	233,339	7,974,215	62,283,798	6	6	3	Big 4
	2010	169	11	1	5,450,802	1,465,149	69,531,311	8	6	3	Big 4
	2011	164	11	1	5,450,802	6,042,269	113,700,301	7	6	3	Big 4
	2012		9	1	7,102,951	9,429,353	122,975,593	6	6	3	Big 4
	2013		8	1	9,948,988	9,408,670	125,015,494	5	6	3	Big 4
	2014										
	2005	7	10	1				9	6	3	Big 4
	2006	-43	10	1	(617,263)	4,829,815	18,622,475	9	6	3	Big 4
Unilever Nig	2007	28	11	1	1,077,496	4,104,352	20,352,932	6	6	4	Big 4
	2008	69	12	1	2,596,533	4,803,177	23,492,656	8	6	5	Big 4
	2009	108	11	1	4,093,822		23,681,724	7	6	5	Big 4
	2010	111	10	2	4,180,620	8,800,214	15,935,341	5	6	3	Big 4
	2011	151	11	2	5,491,076	10,655,815	32,279,952	5	6	4	Big 4
	2012		8	0	5,597,613	7,164,096	36,497,624	3	6	2	Big 4
	2013		8	0	4,806,907	11,652,482	43,754,114	5	6	2	Big 4
	2014		7	1	2,412,343	(1,824,795)	45,736,255	4	6	2	Big 4
University Press	2005	90	9	0				7	6	3	Non Big 4

	2006	81	9	0				7	6	3	Non Big 4
	2007	73	9	0				7	6	3	Non Big 4
	2008	64	9	0				7	6	3	Non Big 4
	2009	80	9	0				7	6	3	Non Big 4
	2010	77	13	0				10	6	3	Non Big 4
	2011	58	12	0				9	6	3	Non Big 4
	2012		10	0	227,427	328,857	2,682,337	7	6	3	Non Big 4
	2013		10	0	260,702	167,758	2,788,439	7	6	3	Non Big 4
	2014		10	0	233,925	95,177	2,973,406	7	6	3	Non Big 4
UTC	2005	5	7	1				6	6	3	Big 4
	2006	5	7	1	52,561	(140,366)	1,373,591	6	6	3	Big 4
	2007	3	7	1	37,565	113,718	2,010,299	6	6	3	Big 4
	2008	8	7	1	93,257	173,464	2,681,934	6	6	3	Big 4
	2009	6	7	1	74,788	147,162	2,715,665	6	6	3	Big 4
	2010	6	7	1	79,802	298,963	2,594,952	6	6	3	Big 4
	2011	7	7	1				6	6	3	Big 4
	2012										
	2013										
	2014										
Vita Foam (Nig)	2005	16	7	0				4	6	3	Big 4
	2006	34	7	1	275,118	412,625	2,414,614	4	6	3	Big 4
	2007	25	7	1	419,314	(5,905)	3,422,555	3	6	3	Big 4
	2008	30	9	1	698,296	771,061	4,627,969	4	6	3	Big 4
	2009	25	11	2	512,532	701,234	5,450,215	2	6	3	Big 4
	2010	30	8	1	514,171	618,707	6,127,125	3	6	3	Big 4
	2011	64	11	1	566,936	87,459	9,446,128	2	6	3	Big 4
	2012		8	2	501,594	1,132,093	10,258,661	4	6	2	Big 4
	2013		8	2	410,313	1,536,886	9,961,038	4	6	2	Big 4
	2014		8	2	435,595	1,927,312	11,980,947	4	6	2	Big 4
Vono Producer	2005	76	8	0				6	6	3	Non Big 4
	2006	4	7	0	134	(91,008)	776,778	6	6	3	Non Big 4
	2007	-183	6	0	(548,142)	(152,932)	814,378	5	6	3	Non Big 4
	2008	-40	11	0	(120,166)	69,270	939,507	10	6	3	Non Big 4
	2009	-85	12	0	(253,597)	61,365	2,031,117	10	6	3	Non Big 4
	2010	-132	10	0	(396,974)	(116,570)	2,151,067	9	6	3	Non Big 4

	2011	-4	8	0	(86,664)	25,479	1,946,540	7	6	3	Non Big 4
	2012		6	1	(103,713)	(81,023)	1,887,393	4	6	3	Big 4
	2013		6	1	(4,884)	18,158	1,861,175	4	6	3	Big 4
	2014		6	1	(5,159)	(35,095)	1,856,104	3	6	3	Big 4
WAPCO	2005	374	13	0				10	6	3	Big 4
	2006	365	13	0	10,946,204	15,061,157	48,753,321	12	6	3	Big 4
	2007	356	13	0	10,678,652	7,052,516	50,595,931	10	6	3	Big 4
	2008	375		0	11,252,030	13,775,297	61,768,416	12	6	3	Big 4
	2009	168		0	5,055,398	9,459,432	87,163,077	12	6	3	Big 4
	2010	163		0	4,881,363	12,593,125	11,848,013	12	6	3	Big 4
	2011	107		0	8,639,387	31,341,223	152,507,595	12	6	3	Big 4
	2012		13	3	14,711,676	24,968,838	151,948,633	11	6	3	Big 4
	2013		13	3	28,267,183	36,939,298	161,081,711	11	6	3	Big 4
	2014		15	5	34,385,275	48,751,080	305,878,828	11	6	3	Big 4
SCOA	2005	-133.5	8	1	(867,168)	1,230,854	4090078	6	6	3	Non Big 4
	2006	108.6	8	1	705,715	943,518	3508200	6	6	3	Non Big 4
	2007	126.6	8	3	822,469	1,019,052	3259309	6	6	3	Non Big 4
	2008	35.7	8	3	231,910	59,540	4140589	6	6	3	Non Big 4
	2009	1.1	10	1	714,230	(144,679)	4635254	8	6	3	Non Big 4
	2010	0.33	10	1	212,653	291,580	4582002	8	6	3	Non Big 4
	2011	0.16	10	1	101,266		2222	8	6	3	Non Big 4
	2012	0.12	10	1	80,107		2221	8	6	3	Non Big 4
	2013	0.19	10	1	110,738	485,966	8057546	8	6	3	Big 4
	2014	0.28	10	1	179,477	690,557	9876219	8	6	3	Big 4
UNION DICON SALT PLC	2005	-2.08	6	1	(482,226)	194,871	545205	4	4	2	Non Big 4
	2006	-0.61	6	1	(142,180)	151,682	488024	4	4	2	Non Big 4
	2007	-0.81	6	0	(188,464)	63,131	327846	4	4	2	Non Big 4
	2008	-0.87	6	0	(203,154)	(121,623)	161496	4	4	2	Non Big 4
	2009	-0.42	6	0	(98,022)	(10,664)	124664	4	4	2	Non Big 4
	2010	-0.38	6	0	(88,657)	2,501	69645	4	4	2	Non Big 4
	2011	-0.18	6	0	(42,217)	(210)	68934	4	4	2	Non Big 4
	2012		8	0			88938	4	4	2	Non Big 4

	2013		8	0	(20,125)	11,963					
	2014				12,104	(1,711)	86427	4	4	2	Non Big 4
NIGERIA GERMAN CHEMICAL (NGC)	2005	0.79	8	0	121,365	286,684	2320990	5	4	1	Big 4
	2006	0.97	8	0	149,322	69,153	3001544	5	4	1	Big 4
	2007	0.89	8	0	137,424	232,798	3367652	5	4	1	Big 4
	2008	12	8	0	17,936	327,378	4875996	5	4	1	Big 4
	2009	0.19	8	0	137,424	232,798	3367652	5	4	1	Big 4
	2010	-3.05	12	0	(468,497)	2,033,309	7460106	8	4	1	Big 4
	2011	-1.05	12	0	538,072	866,975	8375830	8	4	1	Big 4
	2012	-4.85	11	0	(394,127)	926,630	8838895	7	4	1	Big 4
	2013	1.47	10	0	131,139	251,407	11092386	6	4	1	Big 4
	2014	7.28	9	0	504,129	824,156	12055345	5	4	1	Big 4
PREMIER PAINT	2005	0.14	7	0	4,252		148184	5	6	3	Non Big 4
	2006	0.27	5	0	8,446		158806	4	6	3	Non Big 4
	2007	0.1	6	0	6,115	4,511	163651	5	6	3	Non Big 4
	2008	0.14	6	0	8,682	8,528	226127	5	6	3	Non Big 4
	2009	(0.24)	7	0	(17,963)	(17,798)	213953	5	5	3	Non Big 4
	2010	(1.16)	7	0	(87,082)	5,540	167982	5	5	3	Big 4
	2011	(0.25)	11	1	(61,337)	(49,742)	274741	9	5	3	Big 4
	2012	0.82	9	1	(30,222)	(22,311)	291702	8	5	3	Big 4
	2013										
	2014										
UACN PROPERTY DEV COY PLC	2005	0.77	7	1	834,260	1,417,575	27154894	5	4	2	Big 4
	2006	0.88	7	1	962,395	(3,687,599)	39996885	5	4	2	Big 4
	2007	0.39	7	1	425,284		64011370	5	4	2	Big 4
	2008	3.35	7	1	3,682,867	15198881	64011370	5	4	2	Big 4
	2009	2.21	8	2	2,386,339	7,974,215	62283798	6	4	2	Big 4
	2010	1.69	8	2	2,278,026	1,465,149	69716183	6	4	2	Big 4
	2011	1.48	8	2	1,999,301	6,712,312	65369873	6	4	2	Big 4
	2012	161.13	10	2	2,180,310	(672,494)	71358619	8	4	2	Big 4
	2013	232.28	7	2	3,155,419	3,037,776	66551713	5	4	2	Big 4

	2014	210.00	7		3,589,077	234,916	68087621	5	6	3	Big 4
DANGOTE/BENUE CEMENT PLC	2005	4.53	10	0	2,243,940	8,344,201	19782055	8	6	3	Non Big 4
	2006	1.25	10	0	3,105,065	1,497,892	29110126	8	6	3	Non Big 4
	2007	23.00		0	11,622,109				6	3	
	2008	36.00		0	17,960,110				6	3	
	2009	95.00		0	47,251,326				6	3	
	2010	6.80	7	0	106,605,409	165,729,661	398699629	6	6	3	Big 4
	2011	8.12	7	0	125,909,831	164,109,364	534580879	6	6	3	Big 4
	2012	8.52	8	0	145,024,234	145,167,075	658200733	6	6	3	Big 4
	2013	11.85	9	0	201,198,088	281,738,274	843203275	7	6	3	Big 4
	2014	9.42	12	0	159,501,493	215,348,285	984720531	10	6	3	Big 4
NIGERIAN AVIATION HANDLING COY	2005	1.06	11	0	(90,000)	813,875	3450968	9	6	3	Non Big 4
	2006	1.45	11	0	(90,000)	721,889	3940585	9	6	3	Non Big 4
	2007	0.79	10	0	589,950	1,058,273	4929253	9	6	3	Non Big 4
	2008	0.82	11	0	802,910	(230,981)	5988382	8	6	3	Non Big 4
	2009	1.01	12	0	1,247,334	2,448,094	6763237	7	6	3	Non Big 4
	2010	0.96	10	0	1,177,504	1,109,194	7288161	6	6	3	Non Big 4
	2011	0.65	10	0	757,720	501,562	9844639	6	6	3	Non Big 4
	2012	0.41	10	0	593,237	4,104,311	10953483	6	6	3	Non Big 4
	2013	0.56	13	0	759,608	1,816,523	13599184	8	6	3	Non Big 4
	2014	0.39	11	0	568,553	1,702,778	14329989	8	6	3	Non Big 4
SMART PRODUCTS NIGERIA PLC	2005	-20.05	6	0	(6,602)	1,102	74513	4	4	2	Non Big 4
	2006	6.55	4	0	2,360	3,155	76537	3	4	2	Non Big 4
	2007	10.74	5	0	3,866	3,605,857	83646	4	4	2	Non Big 4
	2008	6.86	5	0	2,469		107681	4	4	2	Non Big 4
	2009	9.75	5	0	3,508	7,247	86226	4	4	2	Non Big 4
	2010	14.91	5	0	5,368	27,809	107681	4	4	2	Non Big 4
	2011	16.50	5	0	7,425	(10,032)	98276	4	4	2	Non Big 4
	2012	25.91	5	0	11,659	33,260	115801	4	4	2	Non Big 4
	2013	26.71	5	0	12,021	(6,073)	108084	4	4	2	Non Big 4
	2014										

UNION VENTURE & PETROLEUM PLC	2005	6.31	5	0	(1,609)	1,128	34079	4	4	2	Non Big 4
	2006	6.29	5	0	1,109	3,025	32889	4	4	2	Non Big 4
	2007	(23.82)	7	1	(6,812)	(6,752)	32434	6	4	2	Non Big 4
	2008	(37.31)	6	1	(9,242)	(6,854)	28942	5	4	2	Non Big 4
	2009	(37.62)	6	1	(10,760)	(4,038)	21774	5	4	2	Non Big 4
	2010	(35.31)	6	1	(9,242)	(6,854)	28942	5	4	2	Non Big 4
	2011	(0.02)	7	0	(2,035)	(15,946)	131938	6	4	2	Big 4
	2012	(0.09)	7	0	(48,167)	(599)	117053	6	4	2	Big 4
	2013										
	2014										
MRS OIL/TEXACO	2005	4.1	9	0	1,045,626	(902,416)	14272321	7	6	3	Big 4
	2006	5.12	9	0	1,312,647	2,362,619	17176254	7	6	3	Big 4
	2007	7.71	9	0	1959314		20936575	7	6	3	Big 4
	2008	-0.89	9	1	(225,425)	-4023104	11330442	7	6	3	Big 4
	2009	4.14	10	1	1,050,910	1,392,593	16608049	7	6	3	Big 4
	2010	7.27	10	1	1,847,327	1,694,444	41080104	7	6	3	Big 4
	2011	4.08	7	1	1,036,174	3,687,721	49401824	4	6	3	Big 4
	2012	0.81	7	1	205,121	2,194,215	55595688	4	6	3	Big 4
	2013	2.5	7	2	634,418	10,045,669	65694626	4	6	3	Big 4
	2014	2.94	7	1	746,404	4,097,706	57846626	4	6	3	Big 4
MOBIL OIL NIGERIA PLC	2005	10.08	6	0	2,422,530	4,391,806	14456270	5	6	3	Big 4
	2006	7.14	7	0	1,716,208	1,768,743	17415401	5	6	3	Big 4
	2007	4.71	7	0	1,131,103	3,324,202	18560849	5	6	1	Big 4
	2008	6.22	6	0	1,718,579	1,111,865	19914529	3	6	1	Big 4
	2009	9.46	6	1	2,841,963	5,541,279	22285107	3	6	1	Big 4
	2010	12.93	6	1	3,885,610	6,391,776	24524713	3	6	1	Big 4
	2011	12.14	6	1	4,082,059	6,910,024	31111593	3	6	1	Big 4
	2012	8.56	6	1	2,878,299	4,968,841	33563722	3	6	1	Big 4
	2013	9.65	6	1	3,480,785	11,536,145	40728522	3	6	1	Big 4
	2014	17.73	6	1	6,392,790	5,595,423	49226575	3	6	1	Big 4

Ssource: Extracted from various audited financial statements

APPENDIX III

Data for EPS and EPS_GROWTH Models

COMPANY	YEAR	EPS	EPSGRTH	DISACCR	LOGSZ	BDSZ	BIND	AUDCID	AUDTP	NUWOM
	2005	233		-0.1257	7.145692	10	0.6	0.5	0	0
7-Up Bottling Coy	2006	285	22.30%	-0.0761	7.233009	11	0.55	0.5	0	0
	2007	238	-16.50%	-0.0772	7.335406	10	0.6	0.5	0	0
	2008	314	31.90%	-0.125	7.379889	10	0.6	0.5	0	0
	2009	298	-5.10%	-0.0998	7.503516	10	0.6	0.5	0	0
	2010	343	15.10%	-0.1579	7.525197	10	0.6	0.5	0	0
	2011	399	16.30%	-0.1173	7.604572	10	0.6	0.5	0	0
	2012	524	31.30%	-0.2329	7.685613	9	0.78	0.43	1	0
	2013	892	70.20%	-0.2659	7.710711	9	0.78	0.43	1	0
	2014	2009	125.30%	-0.1058	7.747126	10	0.7	0.43	1	0
	2005	21				8	0.88	0.43	0	0
	2006	31	47.60%			10	0.7	0.43	0	0
Academy Press	2007	27	-12.90%	-0.0721	6.066184	8	0.88	0.43	0	0
	2008	15	-44.40%	-0.0978	6.119023	10	0.7	0.43	0	0
	2009	37	146.70%	-0.0875	6.171086	9	0.78	0.43	1	1
	2010	26	-29.70%	-0.07	6.306936	10	0.7	0.43	1	1
	2011	31	19.20%	-0.1581	6.134972	10	0.7	0.43	1	1
	2012	37	18.10%	-0.0897	6.450538	9	0.67	0.5	0	1
	2013	22	-40.30%	-0.1583	6.549991	8	0.75	0.5	0	1
	2014	40	85.30%	-0.1545	6.578853	8	0.75	0.5	0	1
	2005	178				16	0.94	0.2	1	1
African Petroleum (FORTE OIL)	2006	274	53.90%	0.2851	7.45054	10	0.9	0.33	1	1
	2007	726	165.00%	-0.1316	7.515903	10	0.9	0.33	1	1
	2008	647	-10.90%	0.4095	7.854865	10	0.9	0.33	1	1
	2009	-878	-235.70%	-0.1254	7.91303	10	0.9	0.33	1	1
	2010	-254	-71.10%	-0.2253	7.839035	10	0.9	0.33	1	1
	2011	-1996	685.80%	-0.2109	7.655382	10	0.9	0.33	1	1
	2012	187	-109.40%	-0.0217	7.628521	8	0.63	0.6	0	2
	2013	928	396.70%	0.0472	8.019855	8	0.75	0.5	0	2
	2014									
AG Leventtis (Nig)	2005	16				8	0.88	0.43	0	0
	2006	18	12.50%	0.0249	6.762538	8	0.88	0.43	0	0
	2007	30	66.70%	0.0108	7.034072	8	0.88	0.43	0	0
	2008	36	20.00%	0.0941	7.139466	10	0.9	0.33	0	0

	2009	40	11.10%	0.1467	7.215714	8	0.5	0.75	0	0
	2010	28	-30.00%	0.0383	7.291277	10	0.9	0.33	0	0
	2011	40	42.90%	0.0235	7.32435	10	0.9	0.33	0	0
	2012	21	-46.30%	-0.029	7.090759	9	0.56	0.6	1	0
	2013	52	140.90%	-0.031	7.311619	8	0.75	0.5	1	0
	2014									
	2005	741				9	0		1	0
Aluminum Extrusion Industry	2006	941	27.00%	0.0139	5.552559	9	0.78	0.29	0	0
	2007	2350	149.70%	0.1953	5.651136	10	0.8	0.25	0	0
	2008	3248	38.20%	-0.2644	5.812935	10	0.8	0.25	0	0
	2009	3532	8.70%	-0.1362	5.837055	9	0.89	0.25	0	0
	2010	274	-92.20%			9	0		0	0
	2011	6	-97.80%			9	0		0	0
	2012	41	583.70%	-0.0228	6.205582	9	0.89	0.25	0	0
	2013									
	2014									
	2005	211		-0.0568	7.238049	11	0.82	0.33	1	1
	2006	231	9.50%	0.3304	6.266569	11	0.82	0.33	1	1
Ashaka Cement	2007	110	-52.40%	-0.0818	7.347517	15	0.73	0.27	1	1
	2008	121	10.00%			13	0.85	0.27	1	1
	2009	47	-61.20%			13	0.92	0.25	1	1
	2010	151	221.30%	0.0022	7.776918	13	0.92	0.25	1	1
	2011	129	-14.60%	-0.0897	7.814326	13	0.92	0.25	1	1
	2012	279	116.30%	-0.0028	7.828178	12	0.92	0.27	1	1
	2013	252	-9.60%	0.0116	7.828812	12	0.92	0.27	1	1
	2014	408	61.70%	0.0332	7.854469	12	0.92	0.27	1	1
	2005	28				6	0.83	0.6	0	0
Avon Crown Caps & Containers	2006	34	21.40%	-0.2254	6.490512	6	0.83	0.6	0	0
	2007	10	-70.60%	-0.0724	6.613967	8	0.63	0.6	0	0
	2008	11	10.00%	0.1175	6.74075	9	0.56	0.6	0	0
	2009	6	-45.50%	-0.022	7.115069	8	0.63	0.6	0	0
	2010	4	-33.30%	-0.0724	6.937266	9	0.56	0.6	0	0
	2011	15	275.00%			9	0.56	0.6	0	0
	2012	24.6	63.90%	-0.13	7.048431	7	0.57	0.25	0	1
	2013	-0.3	-101.30%	-0.1867	6.996031	7	0.57	0.25	0	1
	2014	0.4	-223.10%	-0.0545	6.964235	7	0.57	0.25	0	1
B.O.C Gases	2005	23				7	0.71	0.4	1	0
	2006	33	43.50%	-0.1708	6.185469	7	0.71	0.4	1	0
	2007	58	75.80%	0.0036	6.245941	6	0.83	0.4	1	0
	2008	56	-3.40%	-0.0713	6.282941	6	0.83	0.4	1	0

	2009	63	12.50%	-0.0602	6.309505	6	0.83	0.4	1	0
	2010	88	39.70%	-0.0358	6.326171	6	0.67	0.5	1	0
	2011	941	969.30%			6	0.67	0.5	1	0
	2012	146	-84.40%	-0.0782	6.422985	6	0.67	0.5	1	0
	2013	126	-13.70%	-0.0948	6.460489	6	0.67	0.5	1	0
	2014	108	-14.10%	-0.104	6.533842	6	0.67	0.5	1	0
	2005									
	2006	23				9	0.56	0.6	0	0
Berger Paints	2007	37	60.90%	-0.2031	6.300699	10	0.6	0.5	0	0
	2008	52	40.50%	-0.0903	6.304498	10	0.6	0.5	0	0
	2009	95	82.70%	-0.0694	6.309777	9	0.56	0.6	0	0
	2010	89	-6.30%	-0.0743	6.358178	9	0.56	0.6	0	0
	2011	203	128.10%	0.0927	6.415882	10	0.6	0.5	0	0
	2012	177	-13.00%	-0.0202	6.463385	7	0.86	0.5	1	0
	2013	173	-1.80%	-0.0171	6.548591	9	0.89	0.38	1	0
	2014									
	2005	48				10	0.5	0.6	1	0
	2006	84	75.00%	-0.1019	6.974565	9	0.56	0.8	1	0
Beta Glass	2007	191	127.40%	-0.1447	7.083582	12	0.5	0.33	1	0
	2008	239	25.10%	-0.0721	7.143145	10	0.5	0.8	1	0
	2009	277	15.90%	-0.1183	7.12157	11	0.55	0.67	1	0
	2010	295	6.50%	-0.0901	7.20301	11	0.55	0.67	1	0
	2011	355	20.30%	-0.0533	7.255793	12	0.5	0.67	1	0
	2012	531	49.70%	0.002	7.351343	9	0.89	0.38	1	0
	2013	587	10.40%	-0.0536	7.434033	9	0.89	0.38	1	0
	2014									
	2005	490				12	0.67	0.5	1	0
	2006	405	-17.30%	23.6037	6.114423	12	0.75	0.56	1	0
Conoil	2007	374	-7.70%	-26.7724		10	0.6	0.67	1	1
	2008	262	-29.90%		7.754315	8	0.38	1	1	1
	2009	333	27.10%			10	0.6	0.67	1	0
	2010	402	20.70%			10	0.6	0.67	1	0
	2011	341	-15.20%	-0.0767	7.791377	10	0.6	0.67	1	0
	2012	206	-39.60%	0.2929	7.91958	7	0.43	0.33	1	1
	2013	885	329.40%	-0.4455	7.91578	10	0.5	0.2	1	1
	2014									
Cadbury Nigeria	2005	-390		0.0495	7.506033	13	0.54	0.43	1	0
	2006	-428	9.70%	0.2102	7.472233	10	0.6	0.67	1	0
	2007	-66	-84.60%	-0.1829	7.413498	9	0.56	0.6	1	1
	2008	-244	269.70%	-0.1898	7.37842	8	0.63	0.6	1	1

	2009	-84	-65.60%	-0.2216	7.402209	8	0.63	0.6	1	1
	2010	38	-145.20%	-0.1171	7.452183	8	0.63	0.6	1	1
	2011	29	-23.70%	-0.0579	7.527067	8	0.75	0.5	1	1
	2012	214	638.30%	-0.0959	7.603756	7	0.71	0.6	1	3
	2013	385	79.70%	-0.0114	7.635208	7	0.71	0.6	1	3
	2014									
	2005	131		0.1504	6.133984	7	0.14	3	1	1
	2006	149	13.70%	-0.1868	6.188959	6	0.17	3	1	1
CAP	2007	167	12.10%	-0.0151	6.296314	8	0.25	1.5	1	2
	2008	350	109.60%	0.0488	6.346632	8	0.25	2.5	1	1
	2009	162	-53.70%	0.0208	6.334779	6	0.33	2.5	1	1
	2010	315	94.40%	0.033	6.374803	7	0.43	1.67	1	1
	2011	326	3.50%	0.0133	6.466053	7	0.43	1.67	1	1
	2012	398	22.20%	0.0702	6.458759	6	0.67	0.75	1	2
	2013	405	1.60%	-0.0105	6.48216	6	0.67	0.75	1	2
	2014	475	17.30%	0.1042	6.488675	6	0.67	0.75	1	2
	2005	3.7		-0.106	6.800794	12	0.58	0.43	0	0
	2006	3.2	-13.50%	-0.2758	6.906632	10	0.6	0.5	0	0
Cement Company of Northern Nigeria	2007	11	243.80%			10	0.6	0.5	0	0
	2008	134	1118.20%	0.0947	6.944257	9	0.56	0.6	0	0
	2009	184	37.30%	-0.1631	6.991412	9	0.56	0.6	0	0
	2010	101	-45.10%			9	0.56	0.6	0	0
	2011	199	97.00%			9	0.56	0.6	0	0
	2012	190	-4.30%	0.0075	7.15356	9	0.78	0.43	0	0
	2013	2284	1099.80%	0.8078	7.177781	9	0.78	0.43	0	0
	2014									
	2005	86		-0.0056	6.513348	5	0.8	0.5	0	0
	2006	80	-7.00%	-0.0486	6.311147	5	0.8	0.5	0	0
Chellarams	2007	74	-7.50%	0.0195	6.752933	5	0.8	0.5	0	0
	2008	68	-8.10%	-0.0013	6.866489	5	0.8	0.5	0	0
	2009	-7	-110.30%	0.1528	6.560289	8	0.88	0.29	0	0
	2010	61	-971.40%	-0.1374	6.974067	7	0.86	0.33	0	0
	2011	30	-50.80%	0.0212	7.017311	7	0.86	0.33	0	0
	2012	64	113.60%	0.1879	7.171182	7	0.43	1	0	0
	2013	25	-61.00%	-0.2642	7.187962	7	0.43	1	0	0
	2014	-21	-182.50%	0.0231	7.226831	6	0.5	1	0	0
	2005	176		-0.0783	6.42281	8	0.75	0.5	1	0
Constain (WA)	2006	931	429.00%	-0.5599	6.333689	11	0.45	0.6	1	0
	2007	215	-76.90%			6	0.5	1	1	0
	2008	187	-13.00%			8	0.5	0.75	1	0
	2009	110	-41.20%			7	0.57	0.75	1	0

	2010	7	-93.60%	-0.0255	7.15148	7	0.57	0.75	1	0
	2011	-115	-1742.90%	-0.0769	7.14161	7	0.57	0.75	1	0
	2012									
	2013									
	2014									
	2005	3				12	0.58	0.29	0	1
	2006	2	-33.30%	0.2592	5.621771	13	0.54	0.29	0	1
Cutix	2007	4	100.00%	-0.0969	5.804734	13	0.54	0.29	0	1
	2008	5	25.00%	-0.0854	5.880304	12	0.58	0.43	0	1
	2009	33	560.00%	-0.0975	5.894118	12	0.58	0.43	0	1
	2010	20	-39.40%			13	0.54	0.43	0	1
	2011	1.3	-93.50%	0.6563	5.971015	12	0.58	0.43	0	1
	2012	30	-1.30%	-0.0127	5.974828	9	0.89	0.25	0	2
	2013	34	5.40%	0.0539	6.03095	7	0.86	0.33	0	2
	2014	47	4.60%	0.0461	6.241713	7	0.86	0.33	0	2
	2005	173				9	0.78	0.43	1	1
	2006	167	-3.50%		7.59106	9	0.56	0.6	1	1
Dangote Sugar Ref.	2007	215	28.70%	-0.3495	7.700047	9	0.56	0.6	1	1
	2008	182	-15.30%	0.1384	7.764724	9	0.56	0.6	1	1
	2009	110	-39.60%			9	0.56	0.6	1	1
	2010	94	-14.50%	0.269	7.794446	9	0.56	0.6	1	1
	2011	41	-56.40%	-0.1215	7.839521	9	0.56	0.6	1	1
	2012	179	336.40%	-0.2144	7.919347	9	0.78	0.43	1	1
	2013	181	1.00%	0.1016	7.919914	9	0.78	0.43	1	2
	2014	194	7.30%	-0.0416	7.967554	10	0.8	0.38	1	2
	2005	29				8	0.88	0.43	1	0
	2006	25	-13.80%	-0.0536	6.040295	8	0.88	0.43	1	0
DN Meyer	2007	21	-16.00%	-0.155	6.283446	8	0.88	0.43	1	0
	2008	-102	-585.70%	-0.1192	6.507796	7	0.86	0.5	1	0
	2009	-93	-8.80%	-0.2569	6.421113	7	0.86	0.5	1	0
	2010	-73	-21.50%	-0.3679	6.433926	9	0.89	0.38	1	0
	2011	-187	156.20%	-0.153	6.409375	9	0.89	0.38	1	0
	2012	-17	-91.10%	0.003	6.411859	9	0.89	0.5	1	1
	2013	29	-274.70%	-0.0757	6.419552	8	0.88	0.57	1	0
	2014									
Eterna	2005	457				7	0.71	0.2	1	0
	2006	467	2.20%			7	0.71	0.2	1	0
	2007	-2084	-546.30%	-0.1174	6.926409	7	0.71	0.2	1	0
	2008	-5213	150.10%	-0.1092	6.958664	7	0.71	0.2	1	0
	2009	-132	-97.50%	-0.1993	6.967478	5	0.8	0.25	1	0

	2010	55	-141.70%		7.167666	5	0.8	0.25	1	0
	2011	55	0.00%			5	0.8	0.25	1	0
	2012									
	2013									
	2014									
	2005	132				11	0.64	0.43	1	1
	2006	30	-77.30%	0.1499	6.581993	11	0.64	0.43	1	1
Evans Medical	2007	-72	-340.00%			11	0.64	0.43	1	1
	2008	-105	45.80%	0.0184	6.638265	11	0.64	0.43	1	1
	2009	-183	74.30%	-0.3387	6.598478	11	0.64	0.43	1	1
	2010	2	-101.10%	-0.1247	6.612063	11	0.64	0.43	1	1
	2011	12	500.00%	-0.0901	6.63812	11	0.64	0.43	1	1
	2012	117	874.70%	-0.0466	6.863596	12	0.5	0.5	1	2
	2013									
	2014									
	2005	0.02		-0.522	7.612563	9	0.89	0.75	1	0
	2006	0.04	100.00%	-0.073	8.552558	7	0.57	1.5	1	0
First Aluminum	2007	-38	-95100.00%	-0.0535	6.876441	7	0.57	0.75	1	0
	2008	-23	-39.50%	-0.1126	6.938427	7	0.57	0.75	1	0
	2009	2	-108.70%	-0.1298	7.02998	6	0.67	0.75	1	0
	2010	-16	-900.00%	-0.0858	7.021518	6	0.67	0.75	1	0
	2011	-0.04	-99.80%	-0.6891	7.073978	6	0.67	0.75	1	0
	2012	-95		-0.1422	6.947741	8	0.63	0.4	0	1
	2013	9	-109.70%	-0.0904	6.933021	7	0.57	0.5	0	0
	2014	3	-69.30%	-0.0873	6.928194	6	0.5	0.67	0	0
	2005	265				12	0.83	0.2	1	0
	2006	300	13.20%	-0.0599	7.707884	12	0.83	0.2	1	0
Flour Mills of Nigeria	2007	481	60.30%	0.0398	7.881624	12	0.83	0.2	1	0
	2008	408	-15.20%	0.0208	7.985389	12	0.83	0.2	1	0
	2009	223	-45.30%	-0.0234	8.138367	13	0.85	0.18	1	0
	2010	967	333.60%	-0.0892	8.156913	15	0.87	0.15	1	0
	2011	452	-53.30%	-0.0623	8.212885	15	0.87	0.15	1	0
	2012	718	58.80%	0.0198	8.36709	14	0.86	0.25	1	0
	2013	648	-9.70%	-0.039	8.447541	14	0.86	0.25	1	0
	2014	450	-30.50%	-0.0669	8.473121	14	0.86	0.25	1	0
FTN Cocoa Processors	2005	319				8	0.88	0.29	1	0
	2006	163	-48.90%	0.3825	6.09952	8	0.88	0.29	0	0
	2007	7	-95.70%	0.0228	6.428394	8	0.88	0.29	0	0
	2008	8	14.30%	0.0673	6.504477	6	0.67	0.5	0	1
	2009	12	50.00%	0.1068	6.541756	7	0.86	0.33	0	1

	2010	2.89	-75.90%	-0.0593	6.6379	7	0.86	0.33	0	1
	2011	4.93	70.60%	0	6.66048	7	0.86	0.33	0	1
	2012	-37	-848.60%	-0.141	6.642405	7	0.43	0.67	0	0
	2013	-26	-29.50%	-0.043	6.658324	7	0.43	0.67	0	0
	2014									
	2005	122		0.1176	6.918889	11	0.91	0.3	1	1
	2006	113	-7.40%	0.1284	6.925794	12	0.92	0.27	1	1
Glaxo Smithkline Consumers	2007	87	-23.00%	-0.057	6.940475	12	0.92	0.27	1	1
	2008	134	54.00%	-0.079	6.982781	9	0.89	0.38	1	1
	2009	178	32.80%			10	0.9	0.33	1	1
	2010	257	44.40%	-0.0223	7.153934	8	0.88	0.43	1	1
	2011	308	19.80%	-0.1357	7.253779	7	0.86	0.5	1	1
	2012	590	91.60%	-0.0041	8.338411	9	0.78	0.43	1	1
	2013	610	3.40%	-0.0733	7.418528	9	0.78	0.43	1	1
	2014	387	-36.70%	0.0177	7.447047	10	0.8	0.38	1	1
	2005	61				6	0.67	0.75	1	1
	2006	71	16.40%	-0.2554	5.939707	7	0.71	0.6	1	0
	2007	-37	-152.10%	-0.1682	5.86813	6	0.83	0.6	1	0
	2008	6	-116.20%	0.0113	5.853826	7	0.57	0.75	1	0
Greif Nigeria	2009	-40	-766.70%	-0.0792	5.863444	7	0.71	0.6	1	0
	2010	102	-355.00%	-0.0196	5.829358	6	0.67	0.75	1	0
	2011	38	-62.70%			6	0.83	0.6	1	0
	2012	171	349.10%	-0.0412	5.853586	5	0.8	0.75	1	0
	2013									
	2014									
	2005	254				13	0.92	0.25	1	0
	2006	507	99.60%			13	0.92	0.25	1	0
Guinness Nigeria	2007	784	54.60%	-0.0638	7.856181	13	0.92	0.25	1	0
	2008	804	2.60%	-0.0373	7.864459	12	0.92	0.27	1	0
	2009	918	14.20%	0.0306	7.868461	13	0.92	0.25	1	0
	2010	931	1.40%			15	0.93	0.21	1	1
	2011	1216	30.60%	-0.0174	7.964613	15	0.93	0.21	1	0
	2012	1989	63.60%	-0.0618	8.025345	12	0.75	0.33	1	3
	2013	1576	-20.80%	-0.1027	8.083003	12	0.75	0.33	1	3
	2014	1271	-19.30%	-0.0724	8.121653	12	0.75	0.33	1	3
Ikeja Hotel	2005	31		-0.1141	7.11362	9	0.78	0.57	1	1
	2006	30	-3.20%	-0.1011	7.184641	9	0.78	0.57	0	1
	2007	50	66.70%	0.0649	7.172589	9	0.78	0.57	0	1
	2008	50	0.00%	-0.0555	7.187929	8	0.88	0.57	0	1
	2009	56	12.00%	-0.0675	7.229774	8	0.88	0.57	0	1

	2010	107	91.10%	-0.0841	7.280027	9	0.89	0.5	0	1
	2011	63	-41.10%			9	0.89	0.5	0	1
	2012									
	2013									
	2014									
	2005	3				10	0.7	0.43	0	1
	2006	14	366.70%	0.0616	5.817028	10	0.7	0.43	0	1
IPWA PLC	2007	13	-7.10%	0.015	5.810064	10	0.7	0.43	0	1
	2008	-4	-130.80%	-0.0229	5.838957	10	0.7	0.43	0	1
	2009	-1	-75.00%			10	0.7	0.43	0	1
	2010	-12	1100.00%			10	0.7	0.43	0	1
	2011	-14	16.70%			10	0.7	0.43	0	1
	2012									
	2013									
	2014									
	2005	21				5	0.4	1.5	0	0
	2006	1630	7661.90%	-0.1847	6.335845	6	0.33	1.5	0	0
Japaul Oil & Martine Services	2007	3242	98.90%	0.1394	6.688393	6	0.33	1.5	0	0
	2008	1088	-66.40%	-0.8513	7.370179	7	0.71	0.6	0	0
	2009	1167	7.30%	0.0312	7.381709	8	0.63	0.6	0	0
	2010	1266	8.50%	-0.0259	7.398266	9	0.78	0.43	0	0
	2011	3242	156.10%			10	0.8	0.38	0	0
	2012									
	2013									
	2014									
	2005	173				10	0.9	0.33	0	1
	2006	373	115.60%	-0.1249	7.947934	11	0.91	0.3	0	1
Julius Berger Nigeria	2007	589	57.90%	0.025	7.918394	12	0.83	0.3	0	1
	2008	794	34.80%	-0.1389	8.141228	10	0.8	0.38	0	1
	2009	275	-65.40%	-0.0666	8.189345	9	0.89	0.38	0	1
	2010	911	231.30%	-0.079	8.177505	10	0.9	0.33	0	1
	2011	820	-10.00%	-0.0886	8.228824	9	0.89	0.38	0	1
	2012	1377	67.90%	-0.1296	8.254389	12	0.67	0.38	1	0
	2013	1404	2.00%	-0.033	8.356525	12	0.67	0.38	1	0
	2014	1373	-2.20%	-0.0167	8.408318	13	0.69	0.33	0	0
Livestock Feed	2005	15				6	0.5	1	1	0
	2006	24	60.00%	3.1791	5.507502	6	0.5	1	1	0
	2007	33	37.50%	0.1434	5.587133	8	0.38	1	1	1
	2008	28	-15.20%	-0.0481	5.998442	7	0.71	0.6	1	1
	2009	38	35.70%	-0.1047	5.940701	6	0.83	0.6	1	1

	2010	24	-36.80%	0.0799	6.032078	6	0.83	0.6	1	1
	2011	81	237.50%	0.0702	6.192914	6	0.5	1	1	1
	2012	14	-82.80%	0.0881	6.316457	8	0.5	0.75	0	1
	2013	21	51.50%	0.1053	6.564738	8	0.63	0.6	0	1
	2014	25	20.60%	0.1884	6.759878	8	0.63	0.6	0	1
	2005	82		-0.0157	6.006529	9	0.89	0.38	1	2
	2006	116	41.50%	-0.015	6.080182	10	0.9	0.33	1	2
Longman Nig.(Learn Africa)	2007	157	35.30%	0.1373	6.269395	11	0.91	0.3	1	3
	2008	260	65.60%	-0.0178	6.704685	8	0.88	0.43	1	1
	2009	92	-64.60%	0.1574	6.720728	9	0.89	0.38	1	1
	2010	29	-68.50%	0.0769	6.715689	11	0.91	0.3	1	1
	2011	99	241.40%			10	0.9	0.33	1	2
	2012	45	-54.20%	0.0004	6.663306	12	0.75	0.22	1	3
	2013	26	-42.80%	0.1843	6.665872	11	0.82	0.33	1	3
	2014	15	-41.40%	0.0667	6.607406	11	0.82	0.33	1	3
	2005	20				8	0.5	0.75	1	0
	2006	30	50.00%	-0.1474	6.598196	9	0.44	0.75	1	0
May & Baker Nig.	2007	30	0.00%	0.0259	6.648848	8	0.5	0.75	1	0
	2008	60	100.00%	0.031	6.75786	6	0.5	1	1	0
	2009	33	-45.00%	-0.0927	6.789147	6	0.67	0.75	1	0
	2010	20	-39.40%	-0.0567	6.833588	8	0.63	0.6	1	0
	2011	29	45.00%	-0.1115	6.847404	7	0.57	0.75	1	0
	2012	15	-46.60%	0.0458	6.906842	7	0.71	0.6	1	2
	2013	-21	-235.70%	-0.1721	6.911693	7	0.71	0.6	0	2
	2014	13	-161.40%	-0.2516	6.908255	7	0.71	0.6	0	2
	2005	32				6	0.83	0.4	1	1
	2006	30	-6.30%	-0.1907	5.280822	6	0.83	0.4	1	1
Marison Industries	2007	30	0.00%	0.03	5.3633	6	0.83	0.4	1	1
	2008	60	100.00%	-0.0854	4.770454	6	0.83	0.4	1	1
	2009	-14	-123.30%	-0.0784	5.773131	6	0.83	0.4	1	1
	2010	-22	57.10%	-0.0689	5.746411	6	0.83	0.4	1	1
	2011	-17	-22.70%	-0.0507	5.76159	6	0.83	0.4	1	1
	2012	3	-115.60%	-0.0162	5.767964	8	0.63	0.4	0	1
	2013	-29	-1195.60%	0.0281	5.721163	8	0.63	0.4	0	0
	2014									
National Salt Coy. (Nig)	2005	-39				3	0.33	0	1	0
	2006	-19	-51.30%	-0.1287	5.316285	3	0.33	3	1	0
	2007	57	-400.00%	-0.084	6.784496	9	0.44	0.75	1	0
	2008	49	-14.00%	-0.0739	6.874415	9	0.78	0.43	1	0
	2009	70	42.90%	0.0433	6.911424	9	0.78	0.43	1	0

	2010	62	-11.40%	-0.1536	6.895856	12	0.58	0.43	1	0
	2011	96	54.80%	-0.3629	7.002024	12	0.58	0.86	1	0
	2012	209	117.50%	-0.0443	7.028959	9	0.78	0.29	1	1
	2013	204	-2.40%	0.0715	7.058091	9	0.78	0.29	1	1
	2014	141	-30.80%	-0.1866	7.098847	9	0.78	0.29	1	1
	2005	-156		0.1107	5.595088	5	0.8	0.75	1	0
	2006	-580	271.80%	-0.0985	6.186145	5	0.8	0.75	1	0
NCR Nigeria	2007	-30	-94.80%	-0.2091	6.557159	5	0.8	0.75	1	0
	2008	70	-333.30%	-0.1678	6.655742	5	0.8	0.75	1	0
	2009	870	1142.90%	0.8099	6.092066	5	0.8	0.75	1	0
	2010	670	-23.00%	0.0495	6.356215	6	0.83	0.6	1	0
	2011	1220	82.10%	-1.5996	5.56735	6	0.83	0.6	1	0
	2012	-1973	-261.70%	-0.418	6.729029	5	1	0.6	1	0
	2013	-36	-98.20%	0.1399	6.743773	7	0.71	0.6	1	0
	2014									
	2005	5				8	0.88	0.43	1	0
	2006	6	20.00%	0.3029	6.420894	8	0.38	1	1	0
Neimeth Int. Pharm	2007	18	200.00%	0.0781	6.436235	8	0.38	1	1	0
	2008	15	-16.70%	0.113	6.514605	11	0.45	0.6	1	0
	2009	-55	-466.70%	-0.2144	6.460707	11	0.45	0.6	1	0
	2010	-15	-72.70%	-0.1888	6.44499	11	0.45	0.6	1	0
	2011	14	-193.30%			12	0.5	0.5	1	0
	2012									
	2013	23	65.50%	0.0189	6.46115	10	0.9	0.33		2
	2014	-29	-225.70%	-0.1143	6.444433	10	0.9	0.33	0	2
	2005	963				10	0.9	0.33	1	0
	2006	1071	11.20%	-0.0576	7.419034	8	0.75	0.5	1	0
Nestle Nigeria	2007	879	-17.90%	-0.2288	7.500899	9	0.78	0.43	1	0
	2008	1261	43.50%	0.0945	7.464781	13	0.92	0.25	1	0
	2009	1481	17.40%	-0.0294	7.861274	10	0.9	0.33	1	0
	2010	1908	28.80%	-0.0273	8.00255	9	0.89	0.38	1	0
	2011	2002	4.90%			10	0.9	0.33	1	0
	2012	5333	166.40%	-0.1625	7.94921	8	0.63	0.6	1	2
	2013	5616	5.30%	-0.1289	8.034257	8	0.63	0.6	1	2
	2014	5610	-0.10%	-0.0119	8.02556	8	0.63	0.6	1	2
Nigerian Breweries	2005	38				15	0.53	0.38	1	1
	2006	144	278.90%	0.1441	7.878849	14	0.5	0.43	1	1
	2007	250	73.60%	-0.6647	6.979925	14	0.5	0.43	1	1
	2008	340	36.00%	-0.1362	8.018753	13	0.54	0.43	1	2
	2009	369	8.50%	-0.0691	8.372362	12	0.5	0.5	1	0
	2010	401	8.70%							

	2011	503	25.40%			13			1	1
	2012	1006	100.00%	-0.0704	8.404207	13	0.54	0.43	1	1
	2013	1139	13.20%	-0.2061	8.402708	15	0.54	0.43	1	2
	2014	1124	-1.30%	-0.5252	7.543101	7	0.6	0.33	1	0
	2005	117				7	0.43	1	1	0
	2006	101	-13.70%	-0.2265	5.923663	7	0.43	1	1	0
Nigerian Enamel Ware	2007	85	-15.80%	0.1284	6.078131	7	0.43	1	0	0
	2008	69	-18.80%	-0.4781	6.110551	7	0.43	1	0	0
	2009	220	218.80%	0.1198	6.094139	7	0.43	1	1	0
	2010	118	-46.40%			7	0.86	0.5	1	0
	2011	139	17.80%			7	0.86	0.5	1	0
	2012	278	13779.60 %	-0.0722	6.024526	7	0.57	0.5	1	0
	2013	233	-15.90%	0.0482	6.343091	7	0.57	0.5	1	0
	2014	272	16.40%	0.2612	6.489117	7	0.57	0.5	1	0
	2005	75				4	0.75	1	0	0
	2006	85	13.30%	-0.0869	5.829813	3	0.67	1.5	0	0
Nigerian Ropes	2007	69	-18.80%	0.1222	5.801193	4	0.75	1	0	0
	2008	220	218.80%	-0.1418	5.886191	6	0.33	1	0	0
	2009	-118	-153.60%	-0.023	6.82673	5	0.6	0.67	0	0
	2010	-1	-99.20%	0.0792	5.803608	5	0.8	0.5	0	0
	2011	2	-300.00%	-0.0206	5.856925	6	0.83	0.4	0	0
	2012	-118	-5983.20%	-0.2123	5.791834	10	0.5	0.4	0	0
	2013	-169	43.90%	-0.0815	5.86752	8	0.5	0.5	0	0
	2014									
	2005	2				12	0.83	0.1	1	0
	2006	37	1750.00%	-0.0511	6.281707	11	0.91	0.1	1	0
Northern Nig. Flour Mills	2007	-70	-289.20%	-0.1989	6.286413	12	0.83	0.1	1	0
	2008	39	-155.70%	-0.183	6.372608	11	0.91	0.1	1	0
	2009	159	307.70%			12	0.83	0.1	1	0
	2010	276	73.60%	0.3363	6.409467	12	0.83	0.1	1	0
	2011	256	-7.20%	-0.1915	6.616378	12	0.83	0.1	1	0
	2012	6	-97.80%	0.0284	6.526084	12	0.67	0.38	1	0
	2013	253	4364.50%	-0.2485	6.559118	12	0.58	0.43	1	0
	2014	262	3.70%	0.0884	6.514098	12	0.58	0.43	1	0
Oando	2005	329				12	0.25	1	1	0
	2006	411	24.90%			11	0.18	1.5	1	0
	2007	751	82.70%	0.1289	8.211345	12	0.25	1	1	0
	2008	922	22.80%	0.0768	8.459057	12	0.25	1	1	1
	2009	1132	22.80%			14	0.29	0.75	1	1
	2010	829	-26.80%	-0.0258	8.510575	16	0.25	0.75	1	1

	2011	1092	31.70%	0.0138	8.602998	16	0.31	0.6	1	2
	2012									
	2013									
	2014									
	2005	-507		0.2141	6.097791	10	0.9	0.33	1	2
	2006	-397	-21.70%	-0.5217	6.157649	10	0.9	0.33	1	2
Pharma Deko	2007	-355	-10.60%	-0.3005	6.175396	10	0.9	0.33	1	2
	2008	-208	-41.40%	-0.1858	6.172473	10	0.9	0.33	1	2
	2009	-464	123.10%	-0.2298	6.095311	10	0.9	0.33	1	2
	2010	-466	0.40%	-0.2484	6.287128	10	0.9	0.33	1	2
	2011	16	-103.40%	-0.0493	6.409838	10	0.9	0.33	1	2
	2012	1489	9206.70%	0.0297	6.444484	9	0.78	0.43	0	0
	2013	242	-83.70%	-0.0054	6.397616	9	0.78	0.43	0	0
	2014	202	-16.60%	-0.1204	6.4532	10	0.8	0.38	0	0
	2005	68				12	0.5	0.5	1	1
	2006	43	-36.80%	-0.2072	6.652604	12	0.5	0.5	0	1
Presco	2007	7	-83.70%	-0.2338	6.668494	12	0.5	0.5	0	1
	2008	67	857.10%	-0.0973	6.754049	12	0.5	0.5	0	1
	2009	24	-64.20%	-0.0758	6.880201	12	0.5	0.5	0	1
	2010	110	358.30%	-0.0067	6.868119	11	0.55	0.5	0	1
	2011	178	61.80%			11	0.55	0.5	0	1
	2012	698	291.90%	-0.0558	7.447259	10	0.4	0.5	0	0
	2013	267	-61.70%	-0.0199	7.51406	10	0.4	0.75	0	1
	2014	521	94.80%	-0.1194	7.543387	10	0.7	0.43	0	1
	2005	166				11	0.45	0.6	1	0
	2006	152	-8.40%	-0.0107	7.621926	14	0.5	0.43	1	1
PZ Cussons Nig.	2007	138	-9.20%	0.1319	7.485118	11	0.09	3	1	1
	2008	124	-10.10%	-0.0773	7.702407	11	0.73	0.38	1	1
	2009	152	22.60%	-0.0673	7.739542	14	0.79	0.27	1	3
	2010	167	9.90%	-0.1493	7.770547	12	0.75	0.33	1	2
	2011	164	-1.80%	0.1225	7.838386	12	0.92	0.27	1	1
	2012	121	-26.00%	-0.0163	7.808932	12	0.5	0.33	1	3
	2013	264	117.00%	-0.0623	7.859117	12	0.5	0.33	1	3
	2014	256	-2.80%	-0.0334	7.851049	12	0.5	0.5	1	3
R T Briscoe Nig	2005	158				9	0.67	0.83	1	1
	2006	146	-7.60%	0.0384	6.730551	8	0.25	2.5	1	1
	2007	134	-8.20%	0.1685	6.868286	7	0.29	2.5	1	1
	2008	111	-17.20%	0.0214	6.986365	7	0.29	2.5	1	1
	2009	42	-62.20%	-0.1852	6.855187	8	0.25	2.5	1	1
	2010	19	-54.80%	0.404	6.974463	6	0.17	3	1	1

	2011	13	-31.60%	0.2515	7.17698	6	0.17	3	1	1
	2012	-49.450505	-480.40%	-0.1115	7.149679	6	0.67	0.75	1	1
	2013	-15.644297	-68.40%	0.0411	7.185248	8	0.75	0.5	1	1
	2014									
	2005	219				10	0.9	0.33	0	1
	2006	124	-43.40%	0.0038	6.807887	10	0.9	0.33	0	0
The Okomu Oil Palm	2007	29	-76.60%	-0.0621	6.847704	10	0.9	0.33	0	0
	2008	253	772.40%	-0.1359	6.891604	10	0.9	0.33	0	0
	2009	115	-54.50%	-0.0672	6.902021	10	0.9	0.33	0	0
	2010	342	197.40%			10	0.9	0.33	0	0
	2011	385	12.60%			10	0.9	0.33	0	0
	2012	1505.6999	291.10%	-0.0508	7.492127	12	0.67	0.38	0	0
	2013	438.65136	-70.90%	-0.0193	7.477854	11	0.64	0.43	0	0
	2014	325.70195	-25.70%	-0.0507	7.516951	11	0.64	0.43	0	0
	2005	20		-0.3568	5.422314	9	0.89	0.25	1	1
	2006	11	-45.00%	0.09	5.670882	9	0.89	0.25	1	1
Thomas Watt (Nig)	2007	-30	-372.70%	-0.035	5.635819	7	0.71	0.4	0	0
	2008	1	-103.30%	0.0962	5.783916	7	0.86	0.33	0	0
	2009	1	0.00%			9	0.89	0.25	1	1
	2010	-3	-400.00%	0.0295	5.80388	8	0.88	0.29	1	1
	2011	-14	366.70%	-0.0564	5.807261	8	0.88	0.29	1	0
	2012	-25	80.40%	-0.0435	5.827687	6	0.67	0.5	0	2
	2013									
	2014									
	2005	523				11	0.91	0.3	1	1
	2006	741	41.70%	0.126	7.419892	12	0.75	0.33	1	1
Total Nigeria	2007	959	29.40%	-0.1295	7.598486	13	0.69	0.33	1	1
	2008	1294	34.90%	0.0355	7.620871	9	0.67	0.5	1	1
	2009	1169	-9.70%	-0.0607	7.696363	9	0.67	0.5	1	1
	2010	1601	37.00%	-0.0124	7.737203	11	0.73	0.38	1	1
	2011	1730	8.10%	-0.1525	7.768785	9	0.67	0.5	1	1
	2012	2751	59.00%	0.1722	7.881197	13	0.77	0.2	1	2
	2013	3142	14.20%	-0.1048	7.89984	13	0.77	0.2	1	2
	2014									
Tourist Coy of Nig.	2005	9		-0.0765	6.852128	5	1	0.6	1	1
	2006	-26	-388.90%	-0.1239	6.823404	5	1	0.6	1	1
	2007	11	-142.30%	-0.0448	6.895411	5	1	0.6	1	1

	2008	-60	-645.50%	-0.0794	6.964326	4	1	0.75	1	1
	2009	-60	0.00%	0.057	7.121592	10	1	0.3	1	1
	2010	-67	11.70%		7.055894	10	1	0.3	1	1
	2011	-86	28.40%	-0.1949	7.056657	10	1	0.3	1	1
	2012	-46	-45.90%	-0.0556	7.047739	6	1	0.5	0	0
	2013	11	-123.90%	-0.0329	7.044859	8	1	0.25	1	0
	2014	-54	-581.80%	-0.0824	7.025219	8	1	0.25	1	0
	2005	10				7	0.86	0.17	0	1
	2006	22	120.00%	0.3659	5.27276	7	0.86	0.17	0	1
Trans NationWide Exp.	2007	34	54.50%	0.4092	5.360518	8	0.88	0.14	0	1
	2008	36	5.90%	-0.1426	5.431422	7	0.86	0.17	0	1
	2009	42	16.70%	0.0893	5.708409	8	0.88	0.14	0	1
	2010	38	-9.50%	-0.012	5.734497	8	0.88	0.14	0	1
	2011	46	21.10%	0.0364	5.782149	8	0.88	0.14	0	1
	2012	-35	-175.20%	-0.1009	5.781803	9	0.89	0.25	0	2
	2013	78	-325.20%	0.0219	5.822777	8	0.88	0.29	0	2
	2014									
	2005	-17		0.034	6.107631	6	0.83	0.4	0	1
	2006	-5	-70.60%	0.0154	6.129124	6	0.83	0.4	0	1
Tripple Gee & Coy	2007	15	-400.00%	0.0339	6.186215	7	0.86	0.33	0	1
	2008	31	106.70%	0.0018	6.170295	7	0.86	0.33	0	1
	2009	29	-6.50%	0.0053	6.203086	7	0.86	0.33	0	1
	2010	-10	-134.50%	-0.0767	6.154596	7	0.86	0.33	0	1
	2011	99	-1090.00%			7	0.86	0.33	0	1
	2012	3	-97.50%	-0.0446	6.233809	6	0.33	1	0	1
	2013	8	202.10%	-0.0003	6.222543	6	0.33	1	0	1
	2014	6	-17.70%	-0.0831	6.24317	6	0.33	1	0	1
	2005	166				10	0.8	0.38	1	0
	2006	152	-8.40%	0.1257	7.568165	12	0.75	0.33	1	0
UAC (Nig)	2007	138	-9.20%	0.0785	7.690778	10	0.9	0.33	1	0
	2008	124	-10.10%	-0.0971	7.978667	9	0.78	0.43	1	0
	2009	152	22.60%	-0.1243	7.794375	11	0.55	0.5	1	1
	2010	169	11.20%	0.0573	7.84218	11	0.73	0.38	1	1
	2011	164	-3.00%	-0.0052	8.055762	11	0.64	0.43	1	1
	2012	887		-0.0189	8.089819	9	0.67	0.5	1	1
	2013	1036		0.0043	8.096964	8	0.63	0.6	1	1
	2014									
Unilever Nig	2005	7				10	0.9	0.33	1	1
	2006	-43	-714.30%	-0.2925	7.270037	10	0.9	0.33	1	1
	2007	28	-165.10%	-0.1487	7.308627	11	0.55	0.67	1	1

	2008	69	146.40%	-0.0939	7.370932	12	0.67	0.63	1	1
	2009	108	56.50%	0.1729	7.374413	11	0.64	0.71	1	1
	2010	111	2.80%	-0.2899	7.202361	10	0.5	0.6	1	2
	2011	151	36.00%	-0.16	7.508933	11	0.45	0.8	1	2
	2012	296	166.60%	-0.0429	7.562265	8	0.38	0.67	1	0
	2013	254	-14.10%	-0.1565	7.641019	8	0.63	0.4	1	0
	2014	128	-49.80%	0.0926	7.660261	7	0.57	0.5	1	1
	2005	90				9	0.78	0.43	0	0
	2006	81	-10.00%			9	0.78	0.43	0	0
University Press	2007	73	-9.90%			9	0.78	0.43	0	0
	2008	64	-12.30%			9	0.78	0.43	0	0
	2009	80	25.00%			9	0.78	0.43	0	0
	2010	77	-3.80%			13	0.77	0.3	0	0
	2011	58	-24.70%			12	0.75	0.33	0	0
	2012	105	81.80%	-0.0378	6.428513	10	0.7	0.43	0	0
	2013	121	14.60%	0.0333	6.445361	10	0.7	0.43	0	0
	2014	108	-10.30%	0.0467	6.473254	10	0.7	0.43	0	0
	2005	5				7	0.86	0.5	1	1
	2006	5	0.00%	0.1405	6.137857	7	0.86	0.5	1	1
UTC	2007	3	-40.00%	-0.0379	6.303261	7	0.86	0.5	1	1
	2008	8	166.70%	-0.0299	6.428448	7	0.86	0.5	1	1
	2009	6	-25.00%	-0.0267	6.433876	7	0.86	0.5	1	1
	2010	6	0.00%	-0.0845	6.414129	7	0.86	0.5	1	1
	2011	7	16.70%			7	0.86	0.5	1	1
	2012									
	2013									
	2014									
	2005	16				7	0.57	0.75	1	0
	2006	34	112.50%	-0.0569	6.382848	7	0.57	0.75	1	1
Vita Foam (Nig)	2007	25	-26.50%	0.1242	6.53435	7	0.43	1	1	1
	2008	30	20.00%	-0.0157	6.66539	9	0.44	0.75	1	1
	2009	25	-16.70%	-0.0346	6.736414	11	0.18	1.5	1	2
	2010	30	20.00%	-0.0171	6.787257	8	0.38	1	1	1
	2011	64	113.30%	0.0508	6.975254	11	0.18	1.5	1	1
	2012	122	91.40%	-0.0615	7.011091	8	0.5	0.5	1	2
	2013	100	-18.20%	-0.1131	6.998305	8	0.5	0.5	1	2
	2014	106	6.20%	-0.1245	7.078491	8	0.5	0.5	1	2
Vono Producer	2005	76				8	0.75	0.5	0	0
	2006	4	-94.70%	0.1173	5.890297	7	0.86	0.5	0	0
	2007	-183	-4675.00%	-0.4853	5.910826	6	0.83	0.6	0	0

	2008	-40	-78.10%	-0.2016	5.9729	11	0.91	0.3	0	0
	2009	-85	112.50%	-0.1551	6.307735	12	0.83	0.3	0	0
	2010	-132	55.30%	-0.1304	6.332654	10	0.9	0.33	0	0
	2011	-4	-97.00%	-0.0576	6.289263	8	0.88	0.43	0	0
	2012	-37	820.00%	-0.012	6.275862	6	0.67	0.75	1	1
	2013	-2	-95.30%	-0.0124	6.269787	6	0.67	0.75	1	1
	2014	-2	5.60%	0.0161	6.268602	6	0.5	1	1	1
	2005	374				13	0.77	0.3	1	0
	2006	365	-2.40%	-0.0844	7.688004	13	0.92	0.25	1	0
WAPCO	2007	356	-2.50%	0.0717	7.704116	13	0.77	0.3	1	0
	2008	375	5.30%	-0.0409	7.790766			0.25	1	0
	2009	168	-55.20%	-0.0505	7.940333			0.25	1	0
	2010	163	-3.00%	-0.6509	7.073646			0.25	1	0
	2011	107	-34.40%	-0.1489	8.183291			0.25	1	0
	2012	1314	1127.90%	-0.0675	8.181697	13		0.27	1	3
	2013	1883	43.40%	-0.0538	8.207046	13		0.27	1	3
	2014	1561	-17.10%	-0.047	8.485549	15		0.27	1	5
	2005	-133.5		-0.5130	6.611	8	0.50	0.75	0	1
	2006	108.6	-181.3%	-0.0678	6.545	8	0.50	0.75	0	1
	2007	126.6	16.6%	-0.0603	6.513	8	0.50	0.75	0	3
	2008	35.7	-71.8%	0.0416	6.617	8	0.50	0.75	0	3
SCOA	2009	1.1	-96.9%	0.1853	6.666	10	0.38	0.80	0	1
	2010	0.33	-70.0%	-0.0172	6.661	10	0.38	0.80	0	1
	2011	0.16	-51.5%	45.5743	3.346	10	0.38	0.80	0	1
	2012	0.12	-25.0%	36.0680	3.346	10	0.38	0.80	0	1
	2013	0.19	58.3%	-0.0466	6.906	10	0.38	0.80	1	1
	2014	0.28	47.4%	-0.0517	6.994	10	0.38	0.80	1	1
	2005	-2.08	-842.9%	-1.2419	5.736	6	0.50	0.67	0	1
	2006	-0.61	-70.7%	-0.6021	5.688	6	0.50	0.67	0	1
	2007	-0.81	32.8%	-0.7674	5.515	6	0.50	0.67	0	0
Union Dicon Salt PLC	2008	-0.87	7.4%	-0.5048	5.208	6	0.50	0.67	0	0
	2009	-0.42	-51.7%	-0.7007	5.095	6	0.50	0.67	0	0
	2010	-0.38	-9.5%	-1.3089	4.842	6	0.50	0.67	0	0
	2011	-0.18	-52.6%	-0.6094	4.838	6	0.50	0.67	0	0
	2012		-100.0%	-0.3608	4.949	8	0.50	0.50	0	0

	2013			0.1598	4.936	8	0.50	0.50	0	0
	2014									
	2005	0.79		-0.0712	6.365	8	0.20	0.63	1	0
	2006	0.97	22.8%	0.0267	6.477	8	0.20	0.63	1	0
	2007	0.89	-8.2%	-0.0283	6.527	8	0.20	0.63	1	0
	2008	12	1248.3%	-0.0635	6.688	8	0.20	0.63	1	0
Nigeria German Chemical (NGC)	2010	-3.05	-125.4%	-0.3354	6.872	12	0.13	0.67	1	0
	2011	-1.05	-65.6%	-0.0393	6.923	12	0.13	0.67	1	0
	2012	-4.85	361.9%	-0.1494	6.946	11	0.14	0.64	1	0
	2013	1.47	-130.3%	-0.0108	7.045	10	0.17	0.60	1	0
	2014	7.28	395.2%	-0.0265	7.081	9	0.20	0.56	1	0
	2005	0.14	-98.1%	0.0287	5.170	7	0.60	0.71	0	0
	2006	0.27	98.6%	0.0532	5.200	5	0.75	0.80	0	0
	2007	0.1	-63.0%	0.0098	5.213	6	0.60	0.83	0	0
	2008	0.14	40.0%	0.0007	5.354	6	0.60	0.83	0	0
Premier Paint	2009	(0.24)	-271.4%	-0.0008	5.330	7	0.60	0.71	0	0
	2010	(1.16)	383.3%	-0.5514	5.225	7	0.60	0.71	1	0
	2011	(0.25)	-78.4%	-0.0422	5.438	11	0.33	0.82	1	1
	2012	0.82	-428.0%	-0.0271	5.464	9	0.38	0.89	1	1
	2013									
	2014									
	2005	0.77	-6.1%	-0.0215	7.433	7	0.40	0.71	1	1
	2006	0.88	14.3%	0.1163	7.602	7	0.40	0.71	1	1
	2007	0.39	-55.7%	0.0066	7.806	7	0.40	0.71	1	1
	2008	3.35	759.0%	-0.1799	7.806	7	0.40	0.71	1	1
UACN Property Dev Coy PLC	2009	2.21	-34.0%	-0.0897	7.794	8	0.33	0.75	1	2
	2010	1.69	-23.5%	0.0117	7.843	8	0.33	0.75	1	2
	2011	1.48	-12.4%	-0.0721	7.815	8	0.33	0.75	1	2
	2012	161.1	10787.2%	0.0400	7.853	10	0.25	0.80	1	2
	2013	232.2	44.2%	0.0018	7.823	7	0.40	0.71	1	2
	2014	210.0	-9.6%	0.0493	7.833	7	0.60	0.71		
Dangote/	2005	4.53	-97.8%	-0.3084	7.296	10	0.38	0.80	0	0

Benue Cement PLC	2006	1.25	-72.4%	0.0552	7.464	10	0.38	0.80	0	0
	2007	23.00	1740.0%							0
	2008	36.00	56.5%							0
	2009	95.00	163.9%							0
	2010	6.80	-92.8%	-0.1483	8.600	7	0.50	0.86	1	0
	2011	8.12	19.4%	-0.0715	8.728	7	0.50	0.86	1	0
	2012	8.52	4.9%	-0.0002	8.818	8	0.50	0.75	1	0
	2013	11.85	39.1%	-0.0955	8.925	9	0.43	0.78	1	0
	2014	9.42	-20.5%	-0.0567	8.993	12	0.30	0.83	1	0
Nigerian Aviation Handling Coy	2005	1.06	-88.7%	-0.2619	6.537	11	0.33	0.82	0	0
	2006	1.45	36.8%	-0.2060	6.595	11	0.33	0.82	0	0
	2007	0.79	-45.5%	-0.0950	6.692	10	0.33	0.90	0	0
	2008	0.82	3.8%	0.1726	6.777	11	0.38	0.73	0	0
	2009	1.01	23.2%	-0.1775	6.830	12	0.43	0.58	0	0
	2010	0.96	-5.0%	0.0094	6.862	10	0.50	0.60	0	0
	2011	0.65	-32.3%	0.0260	6.993	10	0.50	0.60	0	0
	2012	0.41	-36.9%	-0.3205	7.039	10	0.50	0.60	0	0
	2013	0.56	36.6%	-0.0777	7.133	13	0.38	0.62	0	0
	2014	0.39	-30.4%	-0.0792	7.156	11	0.38	0.73	0	0
Smart Products Nigeria PLC	2005	-20.05	-5241.0%	-0.1034	4.872	6	0.50	0.67	0	0
	2006	6.55	-132.7%	-0.0104	4.883	4	0.67	0.75	0	0
	2007	10.74	64.0%	-43.0623	4.922	5	0.50	0.80	0	0
	2008	6.86	-36.1%	0.0229	5.032	5	0.50	0.80	0	0
	2009	9.75	42.1%	-0.0434	4.935	5	0.50	0.80	0	0
	2010	14.91	52.9%	-0.2084	5.032	5	0.50	0.80	0	0
	2011	16.50	10.7%	0.1776	4.992	5	0.50	0.80	0	0
	2012	25.91	57.0%	-0.1865	5.063	5	0.50	0.80	0	0
	2013	26.71	3.1%	0.1674	5.033	5	0.50	0.80	0	0
	2014									
Union Venture & Petroleum	2005	6.31	-76.4%	-0.0803	4.532	5	0.50	0.80	0	0
	2006	6.29	-0.3%	-0.0583	4.517	5	0.50	0.80	0	0
	2007	(23.82)	-478.7%	-0.0018	4.511	7	0.33	0.86	0	1

PLC	2008	(37.31)	56.6%	-0.0825	4.461	6	0.40	0.83	0	1
	2009	(37.62)	0.8%	-0.3087	4.337	6	0.40	0.83	0	1
	2011	(0.02)	-99.9%	0.1054	5.120	7	0.33	0.86	1	0
	2012	(0.09)	350.0%	-0.4064	5.068	7	0.33	0.86	1	0
	2013									
	2014									
MRS Oil/Texaco	2005	4.1	-4655.6%	0.1365	7.154	9	0.43	0.78	1	0
	2006	5.12	24.9%	-0.0611	7.234	9	0.43	0.78	1	0
	2007	7.71	50.6%	0.0936	7.320	9	0.43	0.78	1	0
	2008	-0.89	-111.5%	0.3352	7.054	9	0.43	0.78	1	1
	2009	4.14	-565.2%	-0.0206	7.220	10	0.43	0.70	1	1
	2010	7.27	75.6%	0.0037	7.613	10	0.43	0.70	1	1
	2011	4.08	-43.9%	-0.0537	7.693	7	0.75	0.57	1	1
	2012	0.81	-80.1%	-0.0358	7.745	7	0.75	0.57	1	1
	2013	2.5	208.6%	-0.1433	7.817	7	0.75	0.57	1	2
	2014	2.94	17.6%	-0.0579	7.762	7	0.75	0.57	1	1
Mobil Oil Nigeria PLC	2005	10.08	242.9%	-0.1362	7.160	6	0.60	0.83	1	0
	2006	7.14	-29.2%	-0.0030	7.240	7	0.60	0.71	1	0
	2007	4.71	-34.0%	-0.1182	7.268	7	0.20	0.71	1	0
	2008	6.22	32.1%	0.0305	7.299	6	0.33	0.50	1	0
	2009	9.46	52.1%	-0.1211	7.348	6	0.33	0.50	1	1
	2010	12.93	36.7%	-0.1022	7.389	6	0.33	0.50	1	1
	2011	12.14	-6.1%	-0.0909	7.492	6	0.33	0.50	1	1
	2012	8.56	-29.5%	-0.0623	7.525	6	0.33	0.50	1	1
	2013	9.65	12.7%	-0.1978	7.609	6	0.33	0.50	1	1
	2014	17.73	83.7%	0.0162	7.692	6	0.33	0.50	1	1

SOURCES: Computed from Appendix II

APPENDIX IV

DESCRIPTIVE STATISTICS

	EPS	EPSGTH	DISACR	TOASTS	BDSZ	ACIND	BIND	AUDTP	NUWOM
Mean	224.6577	3.200421	0.013668	33658310	8.792523	0.504542	0.701327	0.630303	0.659813
Median	33.00000	-0.013000	-0.053600	7288161.	9.000000	0.500000	0.730000	1.000000	1.000000
Maximum	5616.000	2378.327	45.57430	9.85E+08	16.00000	1.000000	1.000000	1.000000	5.000000
Minimum	-5213.000	-951.0000	-43.06230	-1374061.	3.000000	0.170000	0.090000	0.000000	0.000000
Std. Dev.	694.5013	111.3094	3.499038	84884108	2.408618	0.119899	0.172386	2.343815	0.793331
Skewness	2.571104	17.03549	2.425749	6.335116	0.371577	0.640101	-0.741727	1.724136	1.291617
Kurtosis	30.99647	399.0870	128.4954	56.05781	2.588020	6.981591	3.204673	4.503541	5.066325
Jarque-Bera	18061.71	3523104.	351598.0	66332.56	16.09467	389.9254	49.98969	315.4541	243.9331
Probability	0.000000	0.000000	0.000000	0.000000	0.000320	0.000000	0.000000	0.000000	0.000000
Sum	120191.9	1712.225	7.312500	1.80E+10	4704.000	269.9300	375.2100	905.6568	353.0000
Sum Sq. Dev.	2.58E+08	6616141.	6537.904	3.85E+18	3097.970	7.676663	15.86876	2933.511	336.0860
Observations	535	535	535	535	535	535	535	535	535

SOURCES: Computed from Appendix III using E-Views 8.0

APPENDIX V

CORRELATION MATRIX

	EPS	EPSGTH	DISACR	TOASTS	BDSZ	ACIND	BIND	AUDTP	NUWOM
EPS	1.000000	-0.002630	-0.305118	0.191304	-0.222053	-0.213826	-0.218808	-0.132977	0.132796
EPSGTH	-0.002630	1.000000	-0.001623	-0.005887	0.002078	-0.064660	-0.006859	-0.024121	0.032753
DISACR	-0.305118	-0.001623	1.000000	-0.006817	0.068937	0.013472	0.021308	-0.006350	0.023370
TOASTS	0.191304	-0.005887	-0.006817	1.000000	0.293764	-0.015163	0.014329	0.199650	0.064184
BDSZ	-0.222053	0.002078	0.068937	0.293764	1.000000	-0.031747	0.016766	-0.123193	0.180559
ACIND	-0.213826	-0.064660	0.013472	-0.015163	-0.031747	1.000000	-0.038327	-0.204287	-0.036291
BIND	-0.218808	-0.006859	0.021308	0.014329	0.016766	-0.038327	1.000000	0.024462	-0.021477
AUDTP	-0.132977	-0.024121	-0.006350	0.199650	-0.123193	-0.204287	0.024462	1.000000	-0.036172
NUWOM	0.132796	0.032753	0.023370	0.064184	0.180559	-0.036291	-0.021477	-0.036172	1.000000

SOURCES: Computed from Appendix III using E-Views 8.0

APPENDIX VI

PARAMETERS' ESTIMATION RESULTS

A. EPS MODEL – FIXED EFFECT METHOD

Dependent Variable: EPS
Method: Panel Least Squares
Date: 06/22/16 Time: 12:24
Sample: 2005 2014
Periods included: 10
Cross-sections included: 72
Total panel (unbalanced) observations: 554

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	638.7135	237.9941	2.683736	0.0075
DISACR	1.113209	6.495572	0.171380	0.8640
BIND	-357.7971	171.1264	-2.090835	0.0371
BDSZ	-26.48835	16.07274	-1.648030	0.1000
TOASTS	9.96E-07	4.08E-07	2.439491	0.0151
ACIND	-8.969399	231.6462	-0.038720	0.9691
AUDTP	-43.49895	69.36836	-0.627072	0.5309
NUWOM	166.5992	36.97509	4.505715	0.0000

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.642264	Mean dependent var	220.4880
Adjusted R-squared	0.583520	S.D. dependent var	685.8237
S.E. of regression	442.5979	Akaike info criterion	15.15455
Sum squared resid	93049125	Schwarz criterion	15.77017
Log likelihood	-4118.810	Hannan-Quinn criter.	15.39505
F-statistic	10.93329	Durbin-Watson stat	2.227812
Prob(F-statistic)	0.000000		

SOURCES: Computed from Appendix III using E-Views 8.0

B. EPS MODEL – RANDOM EFFECT METHOD

Dependent Variable: EPS
Method: Panel EGLS (Cross-section random effects)
Date: 06/22/16 Time: 12:29
Sample: 2005 2014
Periods included: 10
Cross-sections included: 72
Total panel (unbalanced) observations: 554
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	453.9186	211.9200	2.141933	0.0326
DISACR	0.205724	5.972247	0.034447	0.9725
TOASTS	1.22E-06	3.67E-07	3.330298	0.0009
BDSZ	-6.260916	14.15680	-0.442255	0.6585
ACIND	-50.09386	218.3564	-0.229413	0.8186
AUDTP	-51.16006	26.62412	-1.921568	0.0552
NUWOM	156.5445	34.73683	4.506587	0.0000
BIND	-299.6976	160.2846	-1.869784	0.0620

Effects Specification		
	S.D.	Rho
Cross-section random	497.9459	0.5586
Idiosyncratic random	442.5979	0.4414

Weighted Statistics			
R-squared	0.068154	Mean dependent var	68.16241
Adjusted R-squared	0.056207	S.D. dependent var	463.9346
S.E. of regression	450.5298	Sum squared resid	1.11E+08
F-statistic	5.704836	Durbin-Watson stat	2.026285
Prob(F-statistic)	0.000002		

SOURCES: Computed from Appendix III using E-Views 8.0

C. EPS MODEL – HAUSMAN TEST

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	11.892296	7	0.1042

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
DISACR	1.113209	0.205724	6.524712	0.7224
TOASTS	0.000001	0.000001	0.000000	0.2015
BDSZ	-26.488346	-6.260916	57.918001	0.0079
ACIND	-8.969399	-50.093862	5980.465459	0.5949
AUDTP	-43.498950	-51.160064	4103.126037	0.9048
NUWOM	166.599205	156.544539	160.509815	0.4274
BIND	-357.797053	-299.697626	3593.092473	0.3324

Cross-section random effects test equation:

Dependent Variable: EPS

Method: Panel Least Squares

Date: 06/22/16 Time: 12:32

Sample: 2005 2014

Periods included: 10

Cross-sections included: 72

Total panel (unbalanced) observations: 554

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	638.7135	237.9941	2.683736	0.0075
DISACR	1.113209	6.495572	0.171380	0.8640
TOASTS	9.96E-07	4.08E-07	2.439491	0.0151
BDSZ	-26.48835	16.07274	-1.648030	0.1000
ACIND	-8.969399	231.6462	-0.038720	0.9691
AUDTP	-43.49895	69.36836	-0.627072	0.5309
NUWOM	166.5992	36.97509	4.505715	0.0000
BIND	-357.7971	171.1264	-2.090835	0.0371

Effects Specification

Cross-section fixed (dummy variables)

220.4880	0.642264	Mean dependent var	

685.8237	0.583520	S.D. dependent var
15.15455	442.5979	Akaike info criterion
15.77017	93049125	Schwarz criterion
15.39505	-4118.810	Hannan-Quinn criter.
2.227812	10.93329	Durbin-Watson stat
	0.000000	

SOURCES: Computed from Appendix III using E-Views 8.0

C. EPS_GROWTH MODEL – FIXED EFFECT METHOD

Dependent Variable: EPSGTH
Method: Panel Least Squares
Date: 06/22/16 Time: 12:39
Sample: 2005 2014
Periods included: 10
Cross-sections included: 72
Total panel (unbalanced) observations: 536

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	68.82154	65.60971	1.048954	0.2948
DISACR	-1.561864	1.718022	-0.909106	0.3638
ACIND	-99.84263	63.36938	-1.575566	0.1158
AUDTP	-43.55974	18.62563	-2.338699	0.0198
BDSZ	4.690809	4.391259	1.068215	0.2860
BIND	12.23865	45.95446	0.266321	0.7901
NUWOM	12.77142	9.861738	1.295048	0.1960
TOASTS	1.61E-08	1.08E-07	0.149101	0.8815

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.058825	Mean dependent var	3.192584
Adjusted R-squared	-0.101813	S.D. dependent var	111.2054
S.E. of regression	116.7294	Akaike info criterion	12.49292
Sum squared resid	6226964.	Schwarz criterion	13.12435
Log likelihood	-3269.102	Hannan-Quinn criter.	12.73995
F-statistic	0.366194	Durbin-Watson stat	2.532998
Prob(F-statistic)	1.000000		

SOURCES: Computed from Appendix III using E-Views 8.0

D. EPS_GROWTH MODEL – RANDOM EFFECT METHOD

Dependent Variable: EPSGTH
Method: Panel EGLS (Cross-section random effects)
Date: 06/22/16 Time: 12:41
Sample: 2005 2014
Periods included: 10
Cross-sections included: 72
Total panel (unbalanced) observations: 536
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	45.34319	38.05605	1.191484	0.2340
DISACR	-0.021320	1.448400	-0.014719	0.9883
AUDTP	-1.867447	2.292282	-0.814667	0.4156
BDSZ	-0.510228	2.277953	-0.223986	0.8229
BIND	-5.104237	29.31041	-0.174144	0.8618
NUWOM	4.260080	6.478376	0.657585	0.5111
TOASTS	2.95E-09	6.44E-08	0.045882	0.9634
ACIND	-67.03083	43.22179	-1.550857	0.1215

Effects Specification		
	S.D.	Rho
Cross-section random	0.000000	0.0000
Idiosyncratic random	116.7294	1.0000

Weighted Statistics			
R-squared	0.006635	Mean dependent var	3.192584
Adjusted R-squared	-0.006534	S.D. dependent var	111.2054
S.E. of regression	111.5682	Sum squared resid	6572258.
F-statistic	0.503837	Durbin-Watson stat	2.443250
Prob(F-statistic)	0.831852		

Unweighted Statistics			
R-squared	0.006635	Mean dependent var	3.192584
Sum squared resid	6572258.	Durbin-Watson stat	2.443250

SOURCES: Computed from Appendix III using E-Views 8.0

E. EPS_GROWTH MODEL – HAUSMAN TEST

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.728783	7	0.2045

** WARNING: estimated cross-section random effects variance is zero.

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
DISACR	-1.561864	-0.021320	0.853738	0.0955
AUDTP	-43.559737	-1.867447	341.659442	0.0241
BDSZ	4.690809	-0.510228	14.094085	0.1659
BIND	12.238651	-5.104237	1252.711870	0.6241
NUWOM	12.771423	4.260080	55.284526	0.2523
TOASTS	0.000000	0.000000	0.000000	0.8795
ACIND	-99.842627	-67.030833	2147.555305	0.4789

Cross-section random effects test equation:
Dependent Variable: EPSGTH
Method: Panel Least Squares
Date: 06/22/16 Time: 12:42
Sample: 2005 2014
Periods included: 10
Cross-sections included: 72
Total panel (unbalanced) observations: 536

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	68.82154	65.60971	1.048954	0.2948
DISACR	-1.561864	1.718022	-0.909106	0.3638
AUDTP	-43.55974	18.62563	-2.338699	0.0198
BDSZ	4.690809	4.391259	1.068215	0.2860
BIND	12.23865	45.95446	0.266321	0.7901
NUWOM	12.77142	9.861738	1.295048	0.1960
TOASTS	1.61E-08	1.08E-07	0.149101	0.8815
ACIND	-99.84263	63.36938	-1.575566	0.1158

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.058825	Mean dependent var	3.192584
Adjusted R-squared	-0.101813	S.D. dependent var	111.2054
S.E. of regression	116.7294	Akaike info criterion	12.49292
Sum squared resid	6226964.	Schwarz criterion	13.12435
Log likelihood	-3269.102	Hannan-Quinn criter.	12.73995

F-statistic	0.366194	Durbin-Watson stat	2.532998
Prob(F-statistic)	1.000000		

SOURCES: Computed from Appendix III using E-Views 8.0

NOTES ON THE APPENDICES

Variable	Description
EPS	Earnings Per Share
BDSZ	Board Size
NUWOM	Number of Women
PAT	Profit after Tax
CFO	Cash from Operating Activities
NID	Number of Independent Directors
TOASTS	Total Assets
NIACM	Number of Independent Audit Committee Members
AUDC	Number Of Audit Committee Members
AUDTP	External Auditor Type