COMPETITOR FINANCIAL STATEMENT PERFORMANCE APPRAISAL ANDFINANCIAL PERFORMANCE OF QUOTED MANUFACTURING FIRM IN NIGERIA

Erorogha Akpos Yikarebogha (PhD)
Department of Accounting, Faculty of Management Sciences
Federal University Otuoke, Bayelsa State
eyikarebogha@yahoo.com
+234 8034332885
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Abstract
focus of the study is on competitor financial statement performance appraisal and its relationship with financial performance of manufacturing companies in Nigeria. The population of the study is the sixty-nine quoted manufacturing companies in the Nigerian Exchange Group, while sixty (60) of them were used as sample using the purposive sampling technique. The scope of the study covers the period 2014 -2023. Ex-post facto research design was adopted, with data obtained from the financial statements of the different companies involved in the study. Four (4) dimensions of financial performance were used for this study, which are net profit before tax, earnings per share, return on equity and return on assets against competitor financial statement performance appraisal. This led to the formulation of four (4) hypotheses that were tested using spearman rank correlation for the analyses. The results indicated that, while net profit before tax, return on equity and return on assets have significant relationship with competitor financial statement performance appraisal, earnings per share on the other hand, showed an insignificant relationship with competitor financial statement performance appraisal. The study therefore recommended that for companies intending to improve their net profit before tax, return on equity and return on assets, managers of manufacturing firms should engage more on competitor financial statement performance appraisal, while for companies intending to shore up the value of their earnings per share, competitor financial statement performance appraisal is not an option to engage in.
Keywords: Competitor accounting, CFSPA, NPBT, ROE, EPS, ROA.

Introduction

The business world today is operated in a competitive environment where operators are aware of their rivals. A healthy rivalry results in a better price and products for the end users of their products. In a business world where there exists competition, a player operating in the environment may not be able to ascertain how profitable it is, except when a comparative analysis is conducted on its profitability ratios and that of its competitors which are obtainable from their financial statements (Yikarebogha, 2024). Firms intending to stay ahead of their competitors need to apply some strategic moves in order to achieve that goal. Many leading firms have been engaging in the practice of wanting to outsmart their rivals, and this is commonly referred to today as competitor accounting. Akenbor and Okoye (2011) describes the practice as "know your enemy accounting".

Competitor accounting is a strategic approach within management accounting, focused on analyzing and understanding competitors' financial and non-financial data so as to gain insight into their strength, weaknesses, strategies and market positioning. It is a strategic approach to evaluating and tracking the financial and operational performance of a company's key competitors. This information helps a business anticipate competitor's moves, improve its own strategies, and make informed decisions. One of the strategies employed by rivals in attempting

to outsmart their fellow competitors is the competitor financial statement performance appraisal. It involves the gathering, analyzing and evaluating data from their competitor's financial statements, and using such information to plan and organize their own activities in order to stay ahead in the industry.

In Nigeria today, there are several manufacturing firms competing to pushing their products to the market so as to gain relevance by capturing the minds of the consumers of their products. This is allowed because of the free-market operation that is permissive, hence, these firms using competitor financial statement performance appraisal as a strategy. Studies have been conducted to ascertain whether this strategy has been effective.

Thisstrategy has been examined by authors like Anucha (2019), Phornlaphatrachakorn (2019), Thapayom (2019), Okoye *et al*. (2015), Akenbor and Okoye (2011), etc, and their results did not show consistency based on the performance proxies employed, hence the embarking of this study.

Statement of Hypotheses

Ho1: The evaluation of competitor financial statements and net profit before taxes do not significantly correlate.

Ho2: There is no statistically significant correlation between return on equity and the evaluation of competitors' financial statements.

Ho3: Earnings per share and the evaluation of competitors' financial statements performance do not significantly correlate.

Ho4: There is no statistically significant correlation between return on assets and the evaluation of competitor financial statements appraisal.

2.0 Literature Review

Competitors Financial Statement Performance Appraisal

Guilding (1999) defines rivals' financial statement performance appraisal as the numerical evaluation of their publicly available statements as a component of determining their primary sources of competitive advantage. Trend analysis and ratios from the financial statement of competitors are used as a guide to appraising the performance of competitors in the industry. It is the analyzing of the financial health, profitability, and efficiency of competing firms in your industry.Financial statements from competitors can be used to assess their overall strength and position as well as to verify their cost projections (Hesford, 2008). Analyzing competitors' financial performance is one of the most crucial methods for determining how strong they are in a given industry. Organizations must assess how well they are implementing their strategies by analyzing financial statement patterns and ratios and considering the effects of this assessment on suppliers, competitors, and customers.

Concept of Financial Performance

Financial performance is one indicator of a company's capacity to generate revenue by utilizing resources from its primary business. Furthermore, the term is used as a general indicator of a business' overall financial health during a given period of time. Pandey (2005) described financial performance as the assessment of how well a firm can utilize its assets to generate revenues and profits. However, a more general definition of financial success would be the extent to which the company's financial goals are being or have been met. Financial measures including revenue, profitability, return on investment, liquidity, solvency, and operational

efficiency can all be used to evaluate financial success. A company's financial performance tells us how successfully it uses its resources to generate profits and pay its debts. Additionally, it can be used to compare industries or sectors collectively or to compare similar businesses within the same industry. An examination known as financial performance analysis is carried out to ascertain a company's financial performance. In order to fully diagnose the profitability and soundness of the company's finances, financial performance analysis involves analyzing and interpreting financial statements.

Competitor Financial Statement Performance Appraisal (CFSPA): The firm's liquidity, or the ratio of current assets to current liabilities, will be used to gauge this.

Mathematically, it is CFSPA = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Net Profit Before Tax

The operating profit of a measurable business before taxes is known as net profit before taxes. It includes abnormal items as well as equity/loss statistics, but it does not include extraordinary items as defined by the International Financial Reporting Standard (IFRS), which is subject to periodic amendments. After deducting all cost charges, unusual expenses, one-time expenses, and loan interest, it is the combined net profit before taxes. Earnings before taxes (EBT) or pre-tax profit are other names for profit before taxes. The metric displays all of a business's pre-tax profits. The various expenses that a business must pay before calculating operating profit are displayed in an income statement run-through. Costs of goods sold (COGS) are subtracted from gross profit. COGS and all other operational costs are influenced by operating profit. Earnings before interest and tax (EBIT) is another name for operating profit. Only taxes and interest are left to deduct after EBIT before calculating net income. A company's tax liability is determined by its pre-tax profit.

Return on Equity

The remaining profits belong to regular shareholders. The dividend rate is flexible; profits can be kept in the company or given to shareholderThe net profit after taxes, however, represents their return. The owners' investment is calculated by calculating the return on shareholder equity. The net value, or shareholders' equity, will contain the paid-up share capital, reserves, surplus, and share premium less cumulative losses. Another way to determine net worth is to deduct total obligations from total assets (Pandey, 2005).

ROE stands for return on equity, which is the ratio of a company's net income to its shareholders' equity. Return on equity (ROE) measures a company's profitability and the efficiency with which it generates those profits. A company's return on equity (ROE) shows how well it can convert equity capital into profits.

$$\text{Return on Equity} = \frac{\text{Profit after taxes}}{\text{Net worth (Equity)}}$$

Earnings per Share

The financial indicator known as earnings per share is calculated by dividing the net earnings available to common shareholders by the average number of outstanding shares for a given time period. The EPS data illustrates the fluctuations in the company's earnings per share. Comparing a company's earnings per share (EPS) to those of other businesses and the industry average is crucial.

EPS only displays the company's profitability on a per-share basis; it does not account for the amount of money retained in the company or distributed as a dividend. But as a profitability index, it is a widely used ratio (Pandey, 2005). To ascertain if a company's share price is comparatively "expensive" (high P/E ratio) or "cheap" (low P/E ratio), EPS is commonly employed in conjunction with the share price. The EPS formula indicates a company's ability to produce net profits for ordinary shareholders.

$$\text{Earnings per Share} = \frac{\text{profit after tax}}{\text{No of share outstanding}}$$

Return on Asset

As a good indicator of profitability, and a veritable means of assessing the financial performance of an organization, the return on assets shows the portion of the organization's profit that is generated from its total assets. This claim is consistent with that of Prastowo (2002), who views Return on Assets (ROA) as a ratio that assesses how well a business uses its assets to generate profits. According to Brigham and Ehrhardt (2011), it is frequently employed as a method to calculate the rate of return on total assets after taxes and interest expenses. This demonstrates how effectively a business uses its resources to produce the intended profit. While a smaller proportion indicates inefficient or underutilization of assets, a larger percentage indicates better and more efficient use of assets. It is calculated mathematically as;

$$\text{Return on Assets (ROA)} = \frac{\text{Profit Before Tax}}{\text{Total Assets}} \times 100$$

Theoretical framework

Competitive Strategy Theorydeveloped by Porter in 1980 in his famous book titled "Competitive Strategy: Techniques for Analyzing Industries and Competitors". The theory described as the corner stone of strategic management and business studies, focuses on how organizations can achieve competitive advantage in their markets by making deliberate choices about positioning, resource allocation, and differentiation. The theory analyzes the competitive forces that shapes an industry. According to him, these forces determine an industry's profitability and serves as a guide to firms in crafting their strategies.The forces are (a) the threat of new entrants: the ease with which new competitors can enter the market; (b) suppliers' bargaining power: the ability of suppliers to influence terms and prices; (c) buyers' bargaining power: the ability of customers to negotiate terms and prices; and (d) the threat of substitute goods and services: the possibility that other options will supplant current offerings, and (e) industry rivalry: the intensity of competition among existing competitors. The theory helps organizations create sustainable advantages in their respective industries by providing frameworks to achieving their position, respond to challenges, and capitalize on opportunities. The theory can further assist organizations in understanding the competitive environment, identifying competitive advantage, strategic allocation, adapting to change, improved decision making, and sustainable growth, among others.

The Survival-Based Theory

The "survival of the fittest" notion, or survival-based theory, was conceived by Herbert Spencer (Miesing & Preble, 1985). He created the idea of social Darwinism by fusing Darwin's theory of natural selection and evolution with Adam Smith's invisible hands. The premise of this theory, which was quite popular in the late 19th and early 20th centuries, was that only the

most fit and powerful rivals would win out in accordance with the rule of nature, so benefiting the social group as a whole. Social Darwinism holds that competition typically acts hedonistically to produce the best-suited business, which either survived and prospered by successfully adapting to its environment or emerged as the most successful and profitable of all. Consequently, this premise justifies unethical politics and fierce business competition. According to the survival-based view of strategic management, organizations must implement strategies that are centered on conducting extremely efficient operations and are able to react quickly to changes in the competitive environment in order to survive (Khairuddin, 2005). This is because the organization that survives is the one that is best equipped to adapt to its surroundings.

Empirical Review

A study by Usman and Bello (2019) examined the use of the competitor focused accounting (CFA) method as a competitive advantage in food and baking businesses in the Nigerian states of Kano, Jigawa, and Bauchi. The study's population consisted of all nine (9) food and baking businesses in the three states, while the study's sample consisted of three (3) from each state. Ninety (90) questionnaires were distributed, of which seventy-eight (78) were collected, and the data was analyzed using the frequency table and the one-sample t-test.The findings of the research show that the food and baking companies in the three (3) states utilized all of the elements of the competitor-focused accounting method that were looked at, including competitor position monitoring, competitor cost assessment, and competitor appraisal based on financial data.It was consequently advised that the competition-oriented accounting approach should be more explicitly adopted in food and baking firms in the states. Last but not least, they ought to implement a thorough accounting system by making sure that financial statement creation and record keeping receive the highest attention, since they have received less attention.

A study on the corporate profitability and competitors' accounting of Nigerian manufacturing companies was conducted by Akenbor and Okoye (2011). A total of 100 (one hundred) manufacturing companies included in the 2009 Nigerian Stock Exchange fact book made up the study's population. The Central Bank of Nigeria (CBN) Statistical Bulletin for fifteen years (i.e., 1994-2008) and company annual reports from a variety of years were the sources of secondary data. To analyze the collected data, multiple regression analysis was employed. The study found that a manufacturing firm's profitability is significantly improved by competitor accounting.

Phornlaphatrachakorn (2019) conducted a study on the marketing and accounting practices of rival companies in Thailand that deal with electronics and electrical appliances. The study used a structured questionnaire and a sample size of 175 electronics and electrical appliance companies in Thailand. The study hypotheses were tested using multiple regression analysis and correlation analysis. The study found that competitor financial statement performance appraisal has significant influence on marketing capabilities and financial performance.

Egbuhuzor *et al.* (2021) examined the profitability and competition accounting of Nigerian listed financial companies. utilizing net profit margin as a measure of profitability and competitors' financial statement performance evaluation as one of the competition accounting aspects. To represent the sample, 40 financial institutions were selected from a total of 53. The

financial accounts of the several financial institutions provided the data, and multiple regression analysis was used for the analyses. The findings showed a negligible correlation between net profit margin and rival financial statement performance evaluation.

Using data from Thailand auto parts manufacturers, Thapayom (2019) investigated competition and customer accounting as a strategic technique for achieving objectives. Six hundred and eighteen (618) questionnaires were administered to the respondents by mail, out of which one hundred and thirty-six (136) valid responses were received. Multiple regression analysis was adopted for the analyzing data obtained, and the findings indicated that competitive advantage is significantly enhanced by competitive position monitoring and competitive performance evaluation.

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In an attempt to ascertain the relevance of competitor accounting, Okoye *et al*. (2015) evaluated the financial performance and competitor-focused accounting (CFA) of a few manufacturing companies listed on the Nigerian Exchange Group. Two hundred and twenty-four (224) respondents were selected from the 56 manufacturing enterprises that made up the study's population. The questionnaire served as the main tool for gathering data, and the annual reports of the companies being studied served as the secondary tool. The study's findings showed a strong positive correlation between financial performance and the evaluation of competitors' financial statements.

3.0 Methodology

Using an ex-post facto research design, this study collected data from the financial statements of sixty (60) manufacturing companies, which make up the sample size, out of a potential sixty-nine (69) quoted in the Nigerian Exchange Group (NGX), which will represent the study's population from 2014 to 2023. Using the purposive sampling technique, the sample size was chosen. The selection of the sixty (60) businesses was predicated on the availability of the necessary data for the covered time frame.

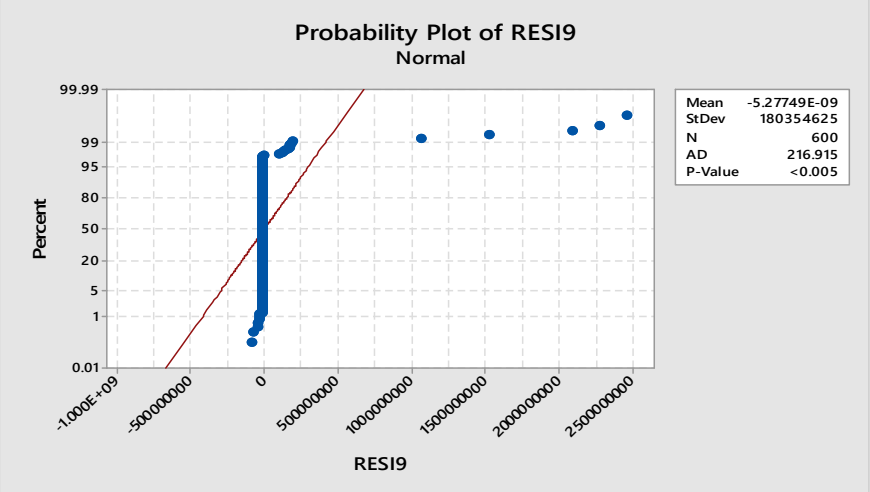
1.0 Tests for Normality Assumption of the Data

Normality of Errors AssumptionCompetitor Financial StatementPerformance Appraisal(CFSPA) versus Net Profit Before Tax (NPBT).

The residuals from the data must be regularly distributed in order to meet this condition. A particular hypothesis can be tested when the residuals are regularly distributed. Here, we used the Anderson-Darling Statistic to compare each dependent variable with the independent variable in order to test the normalcy assumption.We used the Anderson-Darling test for normalcy to check for mistakes that were distributed normally. The following are the hypotheses of the Anderson-Darling test:

H0: The distribution of errors is normal
H1: The distribution of errors is not normal

Figure 1
Normal Probability Plot of Residual for CFSPA& NPBT



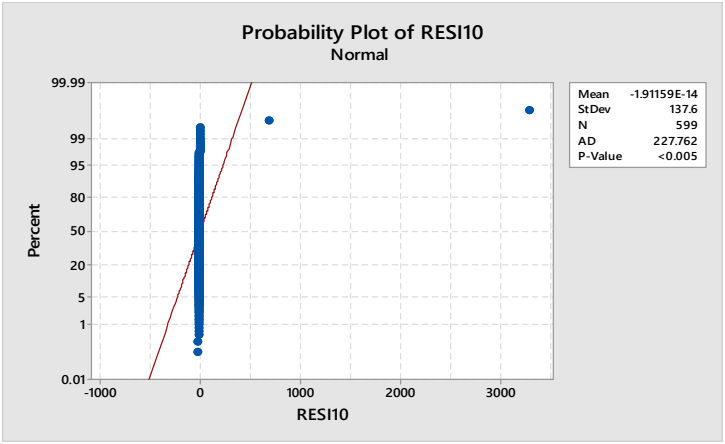
Source: Minitab software.

Figure 1 shows a probability plot of residual for competitor financial statement performance appraisal affect and net profit before tax variables. The Anderson-Darling test statistic value is 216.915 with a p-value of less than 0.005. The null hypothesis is rejected since the p-value (< 0.005) is below the significance level of 0.05. This suggests that the normality-distributed error assumption is not met.

Normality of Errors Assumption– Competitor Financial Statement Performance Appraisal(CFSPA) versus Return on Equity (ROE)

We used the Anderson-Darling test for normalcy to check for mistakes that were distributed normally. The following are the hypotheses of the Anderson-Darling test:
H0: The distribution of errors is normal
H1: The distribution of errors is not normal

Figure 2
Normal Probability Plot of Residual for CFSPA& ROE



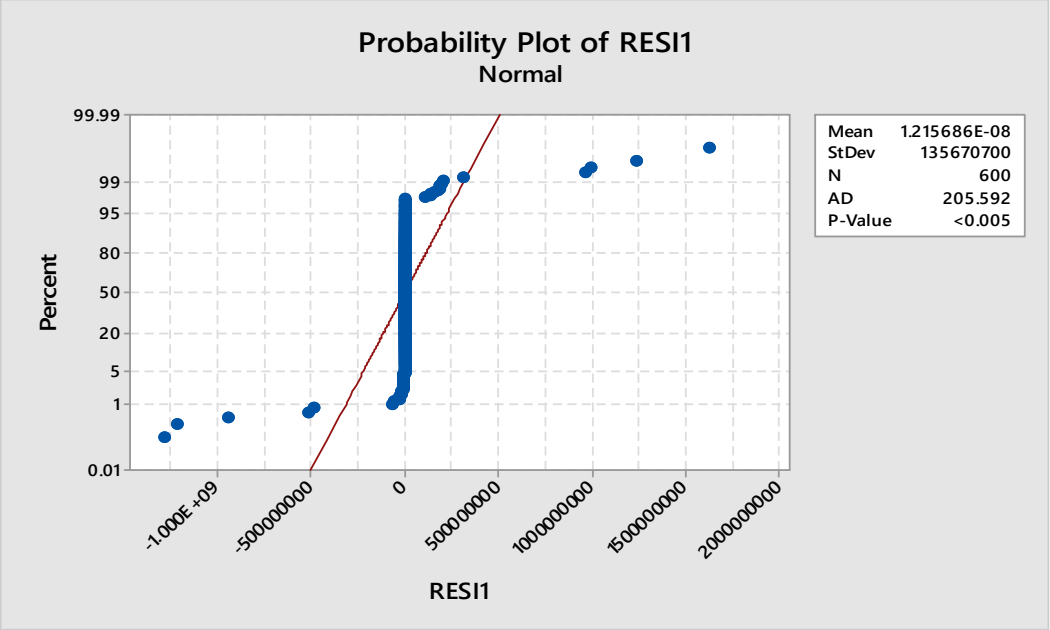
Source: Minitab software

Figure 2 above shows a probability plot of residual for competitor financial statement performance appraisal affect and return on equity variables. The Anderson-Darling test statistic value is 227.762 with a p-value of less than 0.005.The null hypothesis is rejected since the p-value (< 0.005) is below the significance level of 0.05. This suggests that the normality-distributed error assumption is not met.

Normality of Errors Assumption– Competitor Financial Statement Performance Appraisal(CFSPA) versus Earnings per Share (EPS)

We used the Anderson-Darling test for normalcy to check for mistakes that were distributed normally. The following are the hypotheses of the Anderson-Darling test:
H0: The distribution of errors is normal
H1: The distribution of errors is not normal

Figure 3
Normal Probability Plot of Residual for CFSPA& EPS



Source: Minitab software

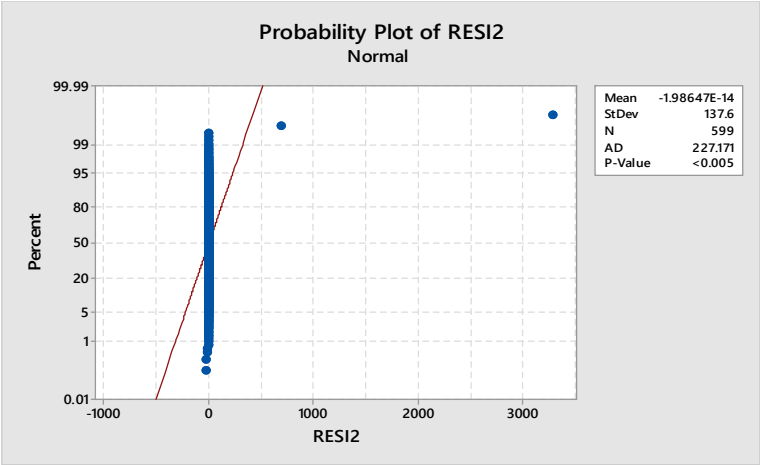
Figure 3 above shows a probability plot of residual for competitor financial statement performance appraisal affect and earnings per share variables. The Anderson-Darling test statistic value is 205.592 with a p-value of less than 0.005. The null hypothesis is rejected since the p-value (< 0.005) is below the significance level of 0.05. This suggests that the normality-distributed error assumption is not met.

Normality of Errors Assumption– Competitor Financial Statement Performance Appraisal(CFSPA) versus Return on Assets (ROA)

The Anderson-Darling test for normalcy was used to check for mistakes that were distributed normally. The following are Anderson-Darling test hypotheses:
H0: The distribution of errors is normal.

H1: The distribution of errors is not regular

Figure 4
Normal Probability Plot of Residual for CFSPA& ROA



Source: Minitab software

Figure 4 above shows a probability plot of residual for competitor financial statement performance appraisal affect and return on assets variables. With a p-value of less than 0.005, the Anderson-Darling test statistic value is 227.171. Because the p-value (< 0.005) is less than the significance level of 0.05, the null hypothesis is rejected. This suggests that the normality-distributed error assumption is not met.

Having conducted normality test for all four (4) bivariate data in this study, it was observed that the normality assumption was not fulfilled in all the 4 bivariate variables. Hence, the hypothesis one to hypothesis four was tested using the Kendall-Theil Sen technique, while the Spearman rank correlation was used for the research questions one to four, both being nonparametric statistics.

Research Question One
To what extent does competitor financial statement performance appraisal affect net profit before tax of listed manufacturing companies in Nigeria?

Table 1
Spearman's Rank Correlation Summary for Competitor Financial Statement Performance Appraisaland Net Profit before Tax

Variables	**N**		**R**
Competitor financial statement performance appraisal	600		
		Low Relationship	**0.281**

Net Profit Before Tax	600

Source: Extracted from SPSS Output

Table 1 above demonstrates the outcome about research question one. The outcome indicates a low Spearman rank correlation coefficient of 0.281. This suggests that the evaluation of rival financial statements has a minimal impact on the net profit before taxes of Nigerian manufacturing companies that are quoted.

Testing of Hypothesis One

Ho_1: The evaluation of competitor financial statements and net profit before taxes do not significantly correlate.

Table 2

Coefficients Summary for Theil-Sen Analysis of CFSPA and NPBT

Response: NPBT	**Estimate**	**MAD**	**V value**	**p-value**
Intercept	-1.544	35.603	76689	0.002
CFSPA	9.843	32.785	132983	0.000

Residual standard error: 181600000 on 598 degrees of freedom

Source: Extracted from R-Studio Output

The result in Table 2 above shows that the median absolute deviation (MAD), a robust measure of variability for competitor financial statement performance appraisal, is 32.785. With a corresponding p-value of 0.000 and a V-value statistic of 132983, the significance threshold is below 5% (0.05). This suggests a result that is statistically significant. As a result, the null hypothesis, which claimed that there is no meaningful correlation between the net profit before taxes of Nigerian listed manufacturing companies and the evaluation of the financial statements of their competitors, is rejected. Therefore, the study comes to the conclusion that there is a substantial correlation between the net profit before taxes of stated manufacturing businesses in Nigeria and the performance evaluation of their competitors' financial statements.

Research Question Two

In what manner does competitor financial statement performance appraisal affect the return on equity of quoted manufacturing companies in Nigeria?

Table 3

Spearman's Rank Correlation Summary for Competitor Financial Statement Performance Appraisaland Return on Equity

Variables	**N**	**R**
Competitor financial statement performance appraisal	600	

	Very Low Relationship	**0.178**
Return on Equity		
600		

Source: Extracted from SPSS Output

The outcome pertaining to the second study question is displayed in Table 3 above. The outcome shows an extremely low Spearman rank correlation coefficient of 0.178. This suggests that the return on equity of listed manufacturing companies in Nigeria is only marginally impacted by competitor financial statement performance review**.**

Testing of Hypothesis Two

Ho_2: There is no statistically significant correlation between return on equity and the evaluation of competitors' financial statements

Table 4

Coefficients Summary for Theil-Sen Analysis of CFSPA and ROE

Response: ROE	**Estimate**	**MAD**	**V value**	**p-value**
Intercept	0.05124	0.09344	120451	0.000
CFSPA	0.02789	0.07041	128202	0.000
Residual standard error: 1953 on 598 degrees of freedom				

Source: Extracted from R-Studio Output

Table 4 above shows that the median absolute deviation (MAD), a robust measure of variability for competitor financial statement performance appraisal, is 0.07041. With a corresponding p-value of 0.000 and a V-value statistic of 128202, the significance threshold is below 5% (0.05). This suggests a result that is statistically significant. As a result, the null hypothesis—which claimed that there is no statistically significant correlation between the return on equity of Nigerian listed manufacturing companies and the evaluation of their competitors' financial statements—is rejected. Thus, the study comes to the conclusion that there is a statistically significant correlation between the return on equity of the mentioned manufacturing companies in Nigeria and the evaluation of competitor financial statements.

Research Question Three

In what regard does competitor financial statement performance appraisal affect earnings per share of quoted manufacturing companies in Nigeria?

Table 5

Spearman's Rank Correlation Summary for Competitor Financial Statement Performance Appraisaland Earnings per Share

Variables	**R**
N	

Competitor financial statement performance appraisal	600		
		Very Low Relationship	**0.112**
Earnings per Share	600		

Source: Extracted from SPSS Output

The outcome of the third study question is displayed in Table 5 above. The outcome shows an extremely low Spearman rank correlation coefficient of 0.112. This suggests that the impact of rival financial statement performance evaluation on the earnings per share of Nigerian manufacturing companies that are listed is negligible.

Testing of Hypothesis Three

Ho_3: Earnings per share and the evaluation of competitors' financial statements performance do not significantly correlate.

Table 6
Coefficients Summary for Theil-Sen Analysis of CFSPA and EPS

Response: EPS	**Estimate**	**MAD**	**V value**	**p-value**
Intercept	0.76788	1.74588	132886	0.000
CFSPA	0.07836	1.00631	95815	0.159
Residual standard error: 5474 on 598 degrees of freedom				

Source: Extracted from R-Studio Output

The result in Table 6 above shows that the median absolute deviation (MAD), a robust measure of variability for competitor financial statement performance appraisal, is 1.00631.Since the null hypothesisthat there is no significant relationship between competitor financial statement performance appraisal and earnings per shareis accepted, the study comes to the conclusion that there is no relationship between competitor financial statement performance appraisal and earnings per share of quoted manufacturing companies in Nigeria. The V-value statistic is 95815 with a corresponding p-value of 0.159, which is greater than the 5% (0.05) level of significance and indicates a statistically insignificant result.

Research Question Four
To what extent does competitor financial statement performance appraisal affect the return on assets of listed manufacturing companies in Nigeria?

Table 7
Spearman's Rank Correlation Summary for Competitor Financial Statement Performance Appraisaland Return on Assets

Variables	**N**	**R**

Competitor financial statement performance appraisal	600		
		Low Relationship	**0.323**
Return on Assets	600		

Source: Extracted from SPSS Output

The outcome for research question four is displayed in table 7 above. The outcome indicates a low Spearman rank correlation coefficient of 0.323. This suggests that the evaluation of competitors' financial statements has little bearing on the return on assets of Nigerian manufacturing companies that are quoted.

Testing of Hypothesis Four

Ho_4: There is no statistically significant correlation between return on assets and the evaluation of competitor financial statements appraisal.

Table 8

Coefficients Summary for Theil-Sen Analysis of CFSPA and ROA

Response: ROA	**Estimate**	**MAD**	**V value**	**p-value**
Intercept	0.006242	6.748250	85419	0.000
CFSPA	3.453372	5.099487	149593	0.000
Residual standard error: 241300 on 598 degrees of freedom				

Source: Extracted from R-Studio Output

The result in table 8 above shows that the median absolute deviation (MAD), a robust measure of variability for competitor financial statement performance appraisal is 5.099487. With a corresponding p-value of 0.000 and a V-value statistic of 149593, the significance threshold is below 5% (0.05). This suggests a result that is statistically significant. As a result, the null hypothesis—which claimed that there is no statistically significant correlation between the return on assets of quoted manufacturing companies in Nigeria and the performance evaluation of their competitors' financial statements—is rejected. Thus, the study comes to the conclusion that there is a statistically significant correlation between the return on assets of mentioned manufacturing companies in Nigeria and the evaluation of rival financial statements.

5.0 Summary of Findings

Following the analyses conducted and the results discussed, the findings of the study can be summarized as follow:

i. The relationship between competitor financial performance appraisal and net profit before tax of quoted manufacturing companies in Nigeria is statistically significant, but to a very low extent. This implies that manufacturing firms intending to boost their net profit before tax using competitor financial statement performance appraisal will get a boost level that is low since the analysis revealed significant but low relationship.

ii. The relationship between competitor financial performance appraisal and return on equity of quoted manufacturing companies in Nigeria is statistically significant, but to a very low extent. This by implication implies that manufacturing firms using competitor financial statement performance appraisal to enhance their return on equity will obtain a result that will be very low even though it is significant. The worry here however would be whether the benefit derived in return on equity is commensurate with the cost involved in the financial statement performance appraisal.

iii. The relationship between competitor financial performance appraisal and earnings per share of quoted manufacturing companies in Nigeria is statistically very low and insignificant. This implies embarking on competitor financial statement performance appraisal by manufacturing firms in Nigeria in order to improve on the firm's earnings per share will be an exercise in futility because of the insignificant and very low relationship the result revealed.

iv. The relationship between competitor financial statement performance appraisal and return on assets of manufacturing firms in Nigeria is statistically significant but low. Again, this indicates that manufacturing firms embarking on this strategy in order to enhance their return on assets will get a result that is low. In order words, the return on assets will be increased, but with a low margin.

Conclusion

According to the data gathered and examined, the debates that ensued after the analyses, and the conclusions drawn, empirical data showed a substantial correlation between net profit before taxes, return on equity, and return on assets and the evaluation of competitor financial statement performance, even though the relationship is low as indicated in tables 1, 3 and 7 respectfully in the analyses conducted. This is consistent with the research conducted by Thapayom (2019) and Phornlaphatrachakorn (2019). However, an insignificant and very low relationship exist between competitor financial statement performance appraisal and earnings per share, and this sis supported by the study of Egbuhuzor *et al*. (2021) which states that there is no significant correlation between earnings per share and the evaluation of rival financial statements. Given the foregoing, it can be inferred that the financial performance of Nigerian manufacturing companies is significantly correlated with the evaluation of rival financial statements.

Recommendations

Upon conclusion of this study, it is therefore recommended that:

i. That manufacturing companies intending to improve their net profit before tax can engage in the practice of competitor financial statement performance appraisal since statistically, results have shown that there is a significant relationship between the two variables, even though the relationship is low.

ii. Just as the case in net profit before tax, manufacturing companies that desires to improve their return on equity can embark on competitor financial statement performance appraisal so as to shore up their return on equity. But it must be stated that the level of improvement of the return on equity will be very low.

iii. That manufacturing firms that so desired to enhance their earnings per share using competitor financial statement performance appraisal are discouraged from doing so sin the result from the analysis revealed a very low and insignificant relationship.

iv. That if improvement of return on assets are the objectives of manufacturing companies in Nigeria, then competitor financial statement performance appraisal will be encouraged to be practiced even though the significant result will be low.

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