

Effect of corporate attributes on value of Quoted Consumer Service firms in Nigeria

By

Nweke-Nwosu Ekene Gloria & Akam Vincent Chimere

Department of Accountancy,
Chukwuemeka Odemegwu Ojukwu University,
Anambra.

Corresponding e-mail: gnwosu1950@gmail.com

Abstract

The information from a firm can influence the choice of investors and other stakeholders which in turn determines the value of the firm from time to time. However, the extent that internal factor impact on the value of firms has been questioned in recent times, yet not exhaustively answered by researchers in developing countries. This study therefore evaluates the effect of corporate attributes on value of quoted consumer service firms in Nigeria. In carrying out this study, panel data were collected and analysed using ordinary least square regression. The study finds that firm performance, assets tangibility, firms size, and firm growth have significant positive effect on firm value of consumer service firms' goods. Capital structure has positive insignificant effect on firm value while firm age has negative insignificant effect on firm value of consumer service firms' goods quoted in Nigeria.

Keywords: corporate attributes, performance, assets tangibility, firm size, firm age, firm growth, firm value

Introduction

Globalization and technology have enhanced the production and circulation of goods and services faster and in a more efficient ways. This has also increased the level of competition as goods from developed nation flood the market leading to the death of local industries and firms which could not survive the level of competition as their products are not of equal quality and price with the foreign goods. To survive, firms in developing countries must have some unique attributes that could enable them to compete favorably.

The firm size, leverage, performance, growth rate, age, assets tangibility, and liquidity policy, quality of human capital and its development etc are some of the unique features that set a firm apart from others. These features impact on the policies, management style, performance, and value of the firms. According to Shehu (2012), these features affect the firm's decision both internally and externally. Firm growth, for instance influences resource allocation levels since firms with high growth rates tend to preserve more liquidity than firms with low or stagnant growth. A company in its early stages of development will tend to hold more resources in liquid form to take advantage of investment opportunities. Empirical studies have shown that firm in growth stage avoid dividend payment while some pay low dividend to shareholders, as most resources are re-invested (Davies & Macfubara, 2018). To meet the demands of its clients, a high-performing corporation with high turnover will require a greater degree of operation (high inventory, processing, and cash). Age has been argued to be related with experience, which leads to standardisation, coordination, and speeding up operations. Older firms are more likely to have standard operating procedures for most activities and well-defined policies for many aspects of operations. In older firms, liquidity policies, like other company policies, are formed through time, tested, and altered in comparison to newer firms.

Firm value can be affected by its resources usage which can be generated from internal or external sources. The value of firms has been attributed to factors within and outside the control of the firms. Those features mostly internal distinguish one firm from another and can be key in determining the level of value of firms in highly competitive sector. The value of firms has been measured empirically with reference to the market prices of the firms' share (Gharaibeh & Qader, 2017). As a market derived value, it depends on the power of demand and supply. The investor who demands for the stock to hold or resell relies on information emanating from the firm from time to time. Their understanding of the viability and future prospect of the firms could influence their desire to hold or resell the firms' stock. There are attributes that could convince them of the viability and survival of the firm. The assets tangibility, profitability, age, and size of the firm are among the attributes that could influence the stance and decision of the investor to hold or sell the firm's stock. This relationship shall be explored to establish the extent those features could impact on the value of the firms.

The value of a firm's determined by the market forces is influenced by information from the firms (internal) from time to time. Studies have shown that not only external factors that determine the value of firms. However, the extent those internal features impact on the value of firms has been questioned yet not exhaustively answered by researchers. In this study firm growth, asset tangibility, and capital structure, as part of company attributes that impact on value are explored. The main objective of this study is thus to evaluate the effect of corporate attributes on value of quoted consumer service companies in Nigeria.

The rest of the paper is organised as follows. In section 2, we examine the various concepts and theories that underpin, the impact of corporate attributes on value of quoted consumer service companies in Nigeria. Section 3 describes the sample and the variables used in our empirical model. Next, we present the results of the study. In section 4 we discuss those results and engage in further post hoc analysis of their significance. Finally, we examine the consequences of these results for future research and managerial practice.

Conceptualization

Firm value: Firm's market value is the total of the market values of all existing instruments, which include ordinary stock, preferred stock, and debt. According to Gharaibeh and Qader, (2017), firm value is the market prices of the firms' share (Gharaibeh & Qader, 2017). Tobin's Q (the q-ratio) is a widely used valuation model in corporate finance and accounting, relating investment to a company's stock value. It accounts for risk exposure and is proven to be a reliable measure of value creation among firms. The q-ratio is used in this study as it is a reliable and equivalent measure of firm value (Marvadi, 2015).

Assets Tangibility: Assets tangibility refers to the proportion and presence of noncurrent assets used by an organization in generating cash inflow. Akinsulire (2011) defines assets tangibility as the proportion of a company's investment in property, plant, and equipment relative to its total asset value. Assets tangibility can influence performance from two perspectives: cost perspective, as having tangible assets gives lenders confidence in loan repayment and ensures fund safety. In a downturn economy, high assets tangibility can lead to companies stripping assets to raise funds, potentially impacting profitability.

Corporate Size: Corporate size, defined by total assets, scale of operations, and number of employees, is a crucial factor in determining a company's size (Vieira, 2010). Studies have shown that larger companies have more resources and can generate superior performance due to their ability to use economics of scale and scope (Almajali, 2012). Companies can be measured by total assets or

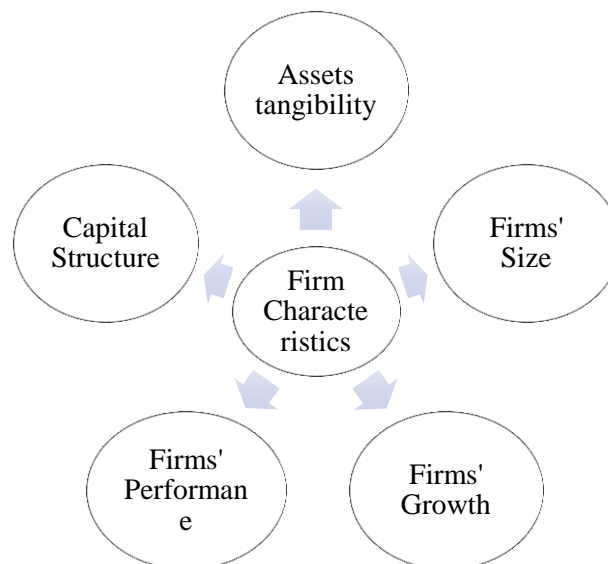
total capitalization. This study uses corporate size as natural logarithms of a company's total assets as an independent variable, as it is one of the most influential characteristics of a company. This approach aligns with previous studies that have measured corporate size using various metrics.

Corporate performance: Corporate performance is the ability of an organization to effectively manage its resources to achieve its financial and non-financial objectives. It can be divided into financial and non-financial performance, with financial performance measured using various standards like gross profit, net profit, return on equity, and return on assets. In this study, corporate performance was measured using return on asset and Tobin q, a market-based performance measure.

Corporate Growth: Corporate growth refers to the constant increase in revenue and assets of a company, with growth opportunities varying across sectors and individual companies. According to Sri (2013) corporate growth is the change in the company total assets, revenue and revenue generating capability over a given time. Equity financing is often chosen for growth due to low risk and cost, while companies experiencing low growth may prefer debt issuance. Corporate growth is not one-sided and should cut across all aspects of the company. It is unclear whether sales growth leads to increased profitability and market value. Asset growth, measured by plant and equipment value and research intensity, may indirectly affect sales growth and development.

Firm Age: According to Pickering, (2011) firm age refers to the number of years a company has been officially formed. It is often associated with declining physical functioning and the firm's ability to compete. Aging can lead to a decline in performance, necessitating re-engineering or takeover. However, firms can specialize and standardize processes to improve performance. In this study, firm age is defined as the length of incorporation, from the date of incorporation to the current date.

Capital Structure: According to Hirdinis (2019), a company's capital structure is the mix of debt and equity used to fund its operations and growth. The debt-to-equity ratio measures a company's financial structure. Managers balance debt and equity to find the optimal capital structure. Industries may have different capital structures, with mining and cyclical businesses often unsuitable for debt due to unpredictable cash flow profiles. The optimal capital structure is determined by the proportion of debt and equity.



Source: Gloria (2021).

The above shows the various firms characteristics used in the study, those characteristics differentiate one firm from other.

Theoretical

Penrose in 1959 propounded the growth theory which states that a firm has a collection of resources which enable it to achieve its goals. Those resources put together if effectively utilized gives the firm a competitive edge and determines its survival. The notion promotes relying on internal qualities to provide a competitive advantage to an entity.

Company Growth Theory: Penrose in 1959 propounded the growth theory which states that company is a collection of resources whose complementary productive services are made cohesive by and can be specific to the company. The theory conceptualizes the nature of the company as a collection of physical and human resources whose complementary productive services are made cohesive by and can be specific to the company. This unique collection of resources, particularly the company's existing human resources, provides both an inducement to expand and a limit to the rate of expansion for the company (Odesa 2019). Campello and Giambona, (2013) believe that the effective deployment of these attributes toward the achievement of the company goal can enhance the company chances of operating profitably, guarantee short and long run growth and stability. Firstly, the company must have the right resources and deploy the resources to the best uses. Hence for the company to compete favorably and achieve growth, we argue that the company must have the right classes of assets, deploy them effectively, and coordinate their uses (operating efficiency).

Exposition

The relationship between each of the dependent variables and corporate value is depicted below Assets Tangibility, Corporate Size, Corporate Growth, Corporate performance, Corporate Age, and Capital Structure.

Assets Tangibility and Corporate Value

Assets tangibility can influence the level of corporate value from two perspectives: one from a cost perspective. Having tangible assets gives the lender the confidence of repayment of their loan. Even at default, the repossession of these assets assures the lender of the safety of their fund. Second, in a downturn economy where cost of borrowing is high, companies with high level of assets tangibility can embark on assets stripping in other to raise fund to meet its obligations.

The tangibility of a company's assets plays a role in determining the cost of borrowing, which may affect the profitability of companies especially companies that are highly levered. Economic theory and empirical studies have suggested that collateral is commonly used in loan contracts to reduce credit risks by decreasing the expected rate of default and increasing the expected loan recovery rates. The use of collateral act as disciplinary tool, as collateral requirements provide lenders the right to repossess collateral at the event of borrower default. Using an asset as collateral can restrict borrowers from asset substitution (Campello & Giambona, 2013). *The study therefore hypothesizes that: **HO: Assets tangibility has no significant effect on value of quoted companies.***

i. Corporate Size and Corporate Value

Company size plays a significant role in explaining the kind of relationships the company has within and outside its operating environment. In line with this, Maja and Josipa (2012) opined that larger companies tend to have more influence on their stakeholders, when such is leveraged upon may enable them to perform better. Company's size is believed to influence other factors like; company's assets, cash holding. Larger organizations have access to resources, greater market power, and economies of scale, which they can use to generate stronger competitive capability than their smaller companies. Maja and Josipa (2012) study on the influence of company size on the financial value of

companies between 2002 and 2010. The study finds that company size has a positive significant impact on the company profitability. Similarly, the study of Dogan (2013), and Serrasqueiro and Nunes (2008) on the effect of company size on profitability has shown that company size is positively related with profitability. Another study by Tarawneh (2006) found that company's size had positive impact on company value while company market share does not. *The study therefore hypothesizes that: **HO: Corporate size has no significant effect on value of quoted companies.***

ii. Corporate Growth and Corporate value

According to Sri (2013) corporate growth is the change in the company total assets, revenue and revenue generating capability. Mai (2006) believed that a company has growth opportunity when the company has high probability to grow. Companies' growth opportunity varies across sectors and the individual company, this determines their financing decision (Akinsulire, 2011). Company growth is not one sided, as growth should cut across various aspect of the company, however, company growth is empirically viewed from sales, and assets perspective. Company growth through the growth in sales is the increase in the sales revenue. But it remained unclear whether an increase in sales leads to increase profitability and market value in a given accounting year and in a succeeding year. Asset growth is the persistent increase in the total assets, which can be measured by increase in plant and equipment value, and research intensity, may also affect sales growth in a base year or succeeding year, indirectly affecting the development and market value (Safdar, Hazoor, Toheed & Ammara, 2013). *The study therefore hypothesizes that: **HO: Corporate growth has no significant effect on value of quoted companies.***

Firm Age and Corporate value

Firm age is believed to be the number of years of incorporation of the company; even though some believe that listing years should be the age of the company. Firm age is usually associated with experience in operations and management. Older firms tend to have standards for most activities and well-established policy for various aspect of operations. From the experience gathered over the years can help them formulate policy that could enhance the performance and value of their firms. Value enhancing policies like other corporate policies are established over time, tested and adjusted in older firms compared to in new firms. However, another view holds that Aging as it is with human process so also with the firm. An older firm, whose quality of assets deteriorated, slow to change hence tend to lose their ability to compete. At this point, their returns would decline but they could rely on their goodwill generated over the years (Loderer, Neusser, & Waelchli, 2009). *The study therefore hypothesizes that: **HO: Firm Age has no significant effect on value of quoted companies.***

Capital Structure and Corporate Value

The capital structure shows the proportion of debt and equity securities used in financing the firm. The use of debt financing can be employed by a company to achieve a specific or temporary objective, such as acquisition of another business, to affect a buy-out, to purchase shares or fund a one-time dividend, or to invest in self-sustaining cash-generating assets. However, high debt may be beneficial in boom periods; and it may cause serious cash flow problems in recession periods because there might not be enough sales revenue to cover the interest payment (Tudose, 2012). Meeting the debt servicing obligation will require the use of resources which is liquid in nature. However, the use of debt also attracts tax shield. One can argue that debt servicing obligation can reduce the value of the company. The use of capital structure though it carries fixed interest may be beneficial in economic boom periods, and it may cause serious cash flow problems in recession periods, because there might not be enough sales revenue to cover the interest payment (Tudose, 2012). However, Abruytan (2014) argued contrary, believing that companies using debt tends to

keep low level of cash and cash equivalent (liquid assets) as they prefer taking opportunity of investments using available fund prior taking on equity. The return on those investments enhances the value of the firms. *The study therefore hypothesis that: **HO: Capital structure has no significant effect on value of quoted companies.***

Methodology

- **Research Design**

The study adopted the ex post facto research design and used longitudinal data collected from the annual financial report of the firms quoted under the consumer service sector of the Nigeria Exchange Group. The data collected from the firms were analysed using regression analysis. The study covers the period of 2012 to 2021 and used data collected from 20 quoted consumer service firms. To avoid data bias the study was limited to ten years.

- **Variable Description and Measurement**

Tobin's Q: this would be used to measure the market value of a company. The model relates investment to the company's stock valuation, which is meant to reflect the present discounted value of expected future profits. Tobin's Q further assumes that the maximized value of the company can be measured by its stock valuation. Under these assumptions, the stock valuation would capture all relevant information about expected future profitability, and significant coefficients on cash-flow variables after controlling for Tobin's Q could not be attributed to additional information about current expectations.

Those variables were operationalized as follows:

Variables	Measurement / proxy	Authority
Firm value	Tobin q= market value of equity/ book value of assets. Tobin Q: Sum of total assets less the book value of equity plus the market value of equity, divided by total assets.	Olatunji and Tajudeen (2014) Jeroh (2019)
Assets tangibility	Total Tangible Assets of each company, divided by their respective figures for Net Profit After Tax for each year.	Jeroh (2019)
Capital structure	Debt to equity ratio	Jeroh (2019)
Company growth	Changes in total revenue (% Δ Revenue)	Mohammed and Usman (2016) Agnes (2013)
Company size	Log of assets	Agnes (2013), Pickering (2011)
Firm Age	Firm age is measured with the year of incorporation; hence the firm age is the length of incorporation that is, date of incorporation till date.	Pickering, (2011)
Company performance	Return on assets	Dun and Bradstreets (2011)

Model Specification

The model for the study was anchored on the sub-objective of the study.

The model was adopted from the work of Mohammed (2016). The Mohammed (2016) model establishes the relationship between the dependent firm value and independent variables- firm characteristics which comprises firm size, liquidity, operating efficiency, firm growth and leverage.

The model was modified to suit the variables selected for this study, as follows:

$$\text{TobQ} = f(\text{ASTAN}, \text{FSIZE}, \text{FGRWT}, \text{FAGE}, \text{CAPST}, \text{FPERM}) \dots\dots\dots 2$$

Where: TobQ = Tobin Q; FSIZE = Firm Size; ASTAN = Assets tangibility; FGRWT = Firm Growth; FAGE = Firm Age; CAPST = Capital Structure; FPERM = Firm Performance; C_0 = Constant

Data Analysis, Interpretation and Recommendation

- **Data Presentation:** The study adopted the ordinary least square regressions analysis to identify the causal effects relationship that exists between corporate attributes and firm performance. The study, however, conducted some preliminary analysis such as descriptive statistics.
- **Descriptive Statistics:** Table 4.1 below, is the descriptive statistics result of the data covering the period of ten years (2012 – 2021) of the quoted companies is used for the study. See appendix 1. The descriptive statistics result shows that on average the consumer service company used in the study has positive value on the average (0.586) within the period under study. The difference between the mean value, maximum value and minimum value shows that some of the companies incurred losses within the period under review.

The result reveals that on average, consumer service companies maintain about 46 percent of their assets in physical (non-current) assets. Some companies have assets tangibility maximum of 76 and minimum assets tangibility of 23. The differences in the asset tangibility reveal the extent of liquidity that some companies maintain. As the level of uncertainty due to government policies, insecurity, fluctuation in exchange rate etc in the business environment increases, most companies prefer holding a high proportion of their assets in liquid and near liquid form.

The result shows that the average company size is 32.61, maximum size is 58.8 while the minimum value is 19.01. This reveals that some consumer service firms used in the study are large while others are small. This reveals that our samples are not dominated by either big or small companies. There are big companies, small and medium size companies among the consumer service companies used in the study.

Company growth has a mean value of 0.25, maximum value of 0.55 and minimum value of 0.01. The result shows that some companies achieve a high growth rate while some experience low growth rate. The result reveals that some companies achieved a high growth rate within the period while others achieved a low growth rate within the period under review. This may have accounted for the differences in the level of performance.

Company age has been associated with standard, as old company is assumed to have formulated operative standard in various area of the company operation. The result shows that company age has a mean value of 20.3 years, maximum value of 67 years and minimum value of 1 years (as at 2012). The result of corporate stability shows a mean value of 24.8 among the consumer service companies.

Maximum value of 64.0 shows that some consumer services have high level of debt-to-equity ratio. Operating with a high level of debt could increase the risk of bankruptcy for the firms. The difference between the mean, maximum and minimum value shows that the majority of companies used in the study maintain debt levels below the average.

Correlation Analysis.

In examining the relationship that exists among the variables and check for multi-colinearity, the study employed the spearman rank correlation, and the results are presented in appendix 2.

The result shows that company value (TOBQ) has positive but weak association with operating performance (ROA 0.063). this means firm value is positively associated with the level of performance when measured using return on assets. Firm value has positive associations with firms' size, firm growth. This indicates that the higher the firm growth, the firm performance the higher the firm value would be. While firm age, capital structure and assets tangibility have negative association with firm value. This indicates that the higher the level of capital structure and assets tangibility, the lower the value of the firms would tend to be.

The result shows that company performance (return on assets) has positive association with firm size, capital structure, firm growth, and firm age but negative association with assets tangibility, the result shows that operating efficiency is positively associated with performance when measured using return on assets. Assets tangibility is positively associated with capital structure (CAPST 0.236). This reveals the more company invest in tangible assets the more their debt-to-equity tend to be. This result can holds true under a short run. On the long run, the return on the investment in assets can be used to reduce the level of debt or increase the retain earning which would increase the equity portion of the ration (debt / equity) and reduce the impact of debt to a negligible ratio.

Fixed and Random Effect Test

The summary result of Tobin q model, Hausman effect test used by the study to select between fixed and random effect, which affect the data used in the study is presented below.

Table 4.3.1 Correlated Random Effects - 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	39.162249	7	0.0000

The probability value is below 10 percent which suggests that fixed effect is preferred to random effect.

Regression analysis result

The analysis result of the return on assets model shows an R-sq of 0.7378 and R-sq (adj) 0.682 respectively. The R-squared adjusted value of 0. 682 (68.2%) indicates that corporate attributes can explain about 68.2 percent of changes in the level of firm value among consumer service companies in Nigeria. The F-statistics value of 13.32, and its probability value of 0.00, shows that the firm value regression model used is well specified and the specification is statistically significant at 1% levels.

Assets tangibility and company value: The result shows that assets tangibility positively affects the value of quoted consumer service companies in Nigeria. The positive effect of asset tangibility on company value is statistically significant among consumer service companies in Nigeria. Company with much tangible assets can benefit from cost of financing as their assets could serve as shelter from high borrowing cost as lender relies on assets as collateral. This finding has supported the belief that assets is a key factor in securing favorable borrowing. This finding from the study is in line with the study of Daniel and Tilahun (2012) which examines the impact of corporate characteristics on value of insurance companies in Ethiopia. Their study finds assets tangibility is positively significant with company value.

Company size and company value: The finding shows that company size positively affects the value of quoted consumer service companies in Nigeria Exchange Group. The positive effect of company size on value of consumer service companies in Nigeria is statistically significant in driving level of value among consumer service companies in Nigeria. This finding implies that company that enjoys economic of scale resulting from their size would enhance their market value than others. The finding is in line with the finding from the study of Daniel and Tilahun (2012) who found significant effect of company size on value of insurance companies in Ethiopia and Mohammed (2018) in Nigeria but contrary to the finding from the study of Janthorn and Navee (2015).

Firm performance and company value: The study finds that performance positively affects the level of value of consumer service companies quoted in Nigeria Exchange Group. The positive effect of performance on value is insignificant among consumer service companies in Nigeria. The finding implies companies enhancing their performance would have better market value than others, as performance directly and positively impacts market value. The finding is in line with the finding from the study of Irom, Okpanachi, Nma and Tope (2018), who evaluates the effect of company attributes on the value of listed manufacturing companies in Nigeria and finds positive and significant effect on value (value).

Company growth and company value: The study finds that company growth positive and significant effects the value of quoted companies in Nigeria Exchange group. This reveals that increasing the growth rate will significantly drive or lead to higher value as investors are more interested in growing firms than stagnate firms. This finding implies that growing firm would have more value than non-growing firms. The finding is contrary to the finding from the study of Janthorn and Navee (2015) who found that company growth has insignificant effect on companies' characteristics on value of Thai manufacturing companies but in line with the finding from the study of Kabiru and Ibrahim (2019).

Company age and company value: The result shows that company age negatively affects the value of quoted companies in Nigeria Exchange group. Though company age negatively affects the value of companies, the level of effect is statistically insignificant on value of consumer service companies in Nigeria. The result shows that most old firms have lesser value. As firms get older, their value tends to reduce. Most old firms respond slowly to changes, innovation and characterize with bureaucracy. This reduces their response rate to new development which could affect their market value. The finding from the study is similar with the findings from the study of Irom, Tope, Nma and Okpanachi (2018) who found company age has insignificant effect on company profitability among listed consumer goods companies in Nigeria.

Capital structure and company value: Capital structure positively affects value of quoted companies in Nigeria. Though capital structure positively affects value of companies, and the effect is insignificant in driving a major change in the value of companies. This reveals that the capital

structure of firm impact on their market value. A capital structure with high debt can cause major crisis for the firms in a downturn economy like ours. As the cost of servicing the debt is high while inflation and cost of production is affecting the production cost and consequently the profit. This implies firm must maintain optimal capital structure. The finding is contrary to that of similar study of Jeroh (2019) who found capital structure to have positive effect on company value.

Conclusion

Corporate organizations to compete favorably and survive on the long run must meet demand of its stakeholders. For the firm to do this, the firm must have some attributes which can support its drives to attain its goal of meeting stakeholders' expectations. Effective utilization of those unique attributes gives the firms an edge in a competitive market. Attributes like size, assets tangibility, performance, age, firm growth, capital structure can influence the level of market value.

A high performing firm will attract more investors hence the demand for the stock would be high and the stock value also. Value enhancing policy like other firm policies are established over time, tested and adjusted in older firms as against those of new firms. Company with high level of assets tangibility would have more favorable loan/financing terms than company with less tangible assets, as debt are secured on tangible assets especially in developing economy like Nigeria. The findings of this study have shown that some firms' characteristics lead to better market value than others. Firms' size, firm performance, firms' growth, capital structure, and assets tangibility positively affect the market value while firm's age negatively affect the market value of firms in Nigeria. Further study should be undertaken to examine adopting interaction approach in order to ascertain the best combination of those attributes that can drive value better.

Recommendations

1. The study recommends that management of consumer service companies should increase the level of their asset's tangibility. Though this may increase the cost of operations because of associated cost like maintenance and depreciation cost, however, if well utilize, the short and long run benefit would outweigh the cost thereby leading to higher bottom line and value for the firm.
2. The management of consumer service companies should consider increasing their size to enjoy the benefit of economic of scale, and lower unit overhead cost which can positively impact on their value.
3. The management of consumer service companies should adopt measures (like cost reduction strategy, mass production etc) that shall increase their profit. This would enhance the possibility of achieving better value.
4. The management of consumer service companies in Nigeria should consider their company age when formulating policy and programs that will be geared toward enhancing their value, as natural entropy and age do affect firms competitiveness (life cycle theory).
5. The engage in growth driven investment/activities/programs as such would enable them take advantage of economic benefit associated with size. As the investment in growth enhancing programs would significantly drive the value of the company at least in the nearest future.
6. The management of consumer service firms should ensure optimal debt/equity ratio as excess debt could increase the cost of finance and risk of bankruptcy especially in unstable economy like ours.

References

Abubakar, M., Isah S. & Usman, M. (2018). The impact of size and age on firm- level performance, some evidence from India, *Review of Industrial Organization*, 12, 231-241.

- Agnes K. (2013). Relationship between company characteristics and financial performance of life insurance companies in Kenya. *A research project submitted in partial fulfillment of the requirements for the award of degree in Master of science in finance, university of Nairobi*
- Akinsulire, O. (2011). Financial management: *Ceemol Nigeria Limited*, 7th Edition. 54
- Almajali, Y. A., Alamro, S. H., & Al-Soub, Y. Z. (2012). Factors affecting the financial performance of Jordanian insurance companies Listed at Amman Stock Exchange. *Journal of Management Research*, 4(2) 33- 49
- Campello, M., & Giambona, E. (2013). Real assets and capital structure, *Journal of Financial and Quantitative Analysis* 48, 1333–1370.
- Davies, S.D., & Macfubara, M.S. (2018). Financial risk and value relevance of accounting information: Evidence from Nigeria quoted insurance firms. *Journal of Accounting and Financial Management*, 4(3), 45-63.
- Dogan, M. (2013). Does company size affect company profitability? Evidence from Turkey. *Journal of Finance and Accounting*, 4(4).
- Dun, N. & Bradstreets, N (2011). Company characteristics, capital structure and operational performance: A Vietnamese study, in *Proc. the APEA 2011 Conference*, Busan, 2011.
- Gharaibeh, A., & Qader, A.(2017). Factors influencing firm value as measured by the Tobin's Q: Empirical evidence from the Saudi stock exchange (TADAWUL). *International Journal of Applied Business and Economic Research*, 15(6), 333-358.
- Hirdinis, M. (2019). Capital structure and firm size on firm value moderated by profitability. *International Journal of Economics and Business Administration*, 7(1), 174-191.
- Irom M., Okpanachi J., Nma A & Tope E. (2018). Effect of Company Attributes on Return on Asset of Listed Manufacturing Companies in Nigeria. *Journal of Accounting, Finance and Auditing Studies* 4/3 (2018) 223-240
- Janthorn S. & Navee C. (2015). Investigation of Thai manufacturing public companies' characteristics and financial strategies towards financial performance's improvement. *Journal of Economics, Business and Management*,3(3), March 2015.
- Jeroh, E. (2019). Corporate financial attributes and the value of listed financial service firms: the Nigerian evidence. *International Journal of Accounting, Financial and Management Research*, 2(7), 138-150.
- Kabiru, S., Ibrahim, A., & Ibrahim M. A. (2019). Company attributes and company value of listed consumer goods companies in Nigeria. *Journal Of Research In Humanities And Social Science*, 7(5), 40-99.
- Loderer, C., Neusser, K., & Waelchli, U. (2009). Firm Age and Performance, *European Financial Management*, 36(4), 345-367.

- Mai, M. U. (2006). Analisis Variabel-Variabel yang Mempengaruhi Struktur Modal Pada Perusahaan-Perusahaan LQ-45 di Bursa Efek Jakarta, *Ekonomika*, Hal. 228- 245. PoliteknikNegeri, Bandung.
- Maja, P. & Josipa, V. (2012). Influence of company size on its business Value. *Croatian Operational Research Review*, 3: 213-23.
- Marvadi, C.R. (2015). Determinants of shareholder value creation in Indian banking sector. *International Journal of Business and Administration Research Review*, 1(12), 75-84.
- Mohammed, A. & Usman, S. (2016). Corporate attributes and share value of listed pharmaceutical firms in Nigeria. *Journal of Arts, Science & Commerce*, 7, 88-98.
- Odesa J. (2019). Corporate dynamics and financial performance of listed agricultural firms in Nigeria. *International Journal of Marketing, Financial Services and Management Research*, 2(7), 138-150.
- Olayinka Erin & Alex Adegboye (2021). Do corporate attributes impact integrated reporting quality? Empirical evidence. *Journal of Financial Reporting and Accounting* 8(2), 22-38
- Pickering, E. (2011). The dynamic relationship between accounting numbers and share prices on the Jakarta stock exchange. *International Review of Business Research Papers*, 5(5),16-24.
- Safdar, H., Hazoor, M., Toheed, A. & Ammara I. (2013). Impact of company's characteristics on stock value: A case of Non-financial listed companies in Pakistan. *Asian Economic and Financial Review*, 3(1):51-61
- Serrasqueiro, Z. & Nunes, P. (2008). Performance and size: empirical evidence from Portuguese SMEs. *Small Business Economics*, 31 (2), 195 – 217.
- Shehu, M. (2009). The impact of company characteristics on market value of quoted manufacturing companies in Nigeria (*non-published*) M.Sc Dissertation Submitted to the Department of accounting, Faculty of Administration, Ahmadu Bello University, Zaria Nigeria
- Sri, H. (2013). Profitability, growth, opportunity, capital structure and company value. Bulletin of Monetary Economic and Banking, October 2013.
- Tarawneh, M. (2006). A comparison of financial performance in the banking sector: some evidence from Omani commercial Banks. *International Research Journal of Finance and Economics*, Issue 3 (2006).
- Tudose, M. B. (2012). Capital structure and firm performance. *Economy Transdisciplinary cognition*, 15(2); 76-82.
- Vieira, R.S. (2010). Relationship between liquidity and profitability. An exploratory study of airline companies between 2005 and 2008.

APPENDIX

Appendix 1: Descriptive Statistics

	TOBQ	ROA	ASTAN	FSIZE	CAPST	FGRWT	FAGE
Mean	1.229324	0.586085	0.463986	32.61932	0.248114	0.247402	20.25267
Median	1.130000	0.610000	0.440000	32.06000	0.270000	0.230000	18.00000

Maximum	4.920000	1.190000	0.760000	58.83000	0.640000	0.550000	67.00000
Minimum	7.830000	-0.400000	0.230000	19.01000	0.030000	0.010000	1.000000
Std. Dev.	0.917705	0.279916	0.104344	8.801715	0.106823	0.116291	14.61592
Skewness	2.865527	-0.673540	1.037788	0.749291	0.382816	0.335449	0.859375
Kurtosis	35.95601	3.476098	4.069279	3.195801	3.333709	2.437043	3.410842
Jarque-Bera Probability	13100.96 0.000000	23.90015 0.000006	63.82646 0.000000	26.74281 0.000002	8.167201 0.016847	8.980580 0.011217	36.56384 0.000000
Sum	345.4400	164.6900	130.3800	9166.030	69.72000	69.52000	5691.000
Sum Sq. Dev.	235.8112	21.93889	3.048536	21691.65	3.195100	3.786604	59815.06
Observations	200	200	200	200	200	200	200

Appendix 2 Correlation: TOBQ, ROA, OPEF, ASTAN, FSIZE, CAPST, FAGE

	TOBQ	ROA	ASTAN	FSIZE	CAPST	FGRWT	FAGE
ROA	0.063						
ASTAN	-0.093	-0.169					
FSIZE	0.044	0.153	-0.286				
CAPST	-0.142	0.033	0.236	-0.033			
FGRWT	0.037	0.054	-0.089	0.073	-0.204		
FAGE	-0.013	0.149	-0.163	-0.056	-0.051	-0.016	

Cell Contents

Pearson correlation

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	39.162249	7	0.0000

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
ROA	-0.001847	-0.001203	0.000001	0.3975
OPEF	1.196698	0.508280	0.185751	0.1102
FSIZE	0.008924	0.007035	0.000006	0.4568
CAPST	0.262476	0.229006	0.003927	0.5933
FGRWT	0.608024	0.564430	0.004343	0.5083
FAGE	-0.004569	0.001574	-0.000012	0.0754
ASTAN	0.074074	0.239525	0.045055	0.1396

Cross-section random effects test equation:

Dependent Variable: TOBQ

Method: Panel Least Squares

Date: 8/20/23 Time: 16:53

Sample: 2012 2021

Periods included: 10

Cross-sections included: 20

Total panel (unbalanced) observations: 200

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.143456	0.285981	0.501627	0.6175
ROA	0.001847	0.002090	0.883850	0.3798
ASTAN	1.196698	0.496078	2.412320	0.0184
FSIZE	0.008924	0.005041	1.770357	0.0810
CAPST	0.262476	0.212242	1.236681	0.2203
FGRWT	0.608024	0.215039	2.827501	0.0061
FAGE	-0.004569	0.004972	-0.919010	0.3612

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.737818	Mean dependent var	0.538736
Adjusted R-squared	0.682427	S.D. dependent var	0.302554
S.E. of regression	0.170500	Akaike info criterion	-0.535572
Sum squared resid	2.063995	Schwarz criterion	-0.082071
Log likelihood	39.29737	Hannan-Quinn criter.	-0.352961
F-statistic	13.32026	Durbin-Watson stat	1.526091
Prob(F-statistic)	0.000000		