EFFECT OF FINANCIAL MANAGEMENT STRATEGY ON MARKET VALUE OF QUOTED ICT BUSINESSES IN NIGERIA.

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ABSTRACT

The number of listed ICT firms and market value of their shares is abysmally low in Nigeria, even with the current rapid global and local development in the sector. The increasing number of ICT companies and technological firms with huge market opportunities has not yielded the deserved economic impact. This study is borne out of the rapid development of ICT sector globally and in Nigeria specifically, also the divergent opinion and theories in existence relating to Financial leverage (FL) and Liquidity rate (LR) and its effect on stock market behavior towards Share price of a company elicited interest for this study. This academic work is will investigate effect of Financial management strategies such as financing and liquidity policies on market value of quoted ICT businesses in Nigeria. Retrospective research design was adopted for this study and the sample included all the (10) ten listed ICT firm in Nigeria between 2013 to 2022 (10 years). The study employed secondary data using descriptive statistics and regression analysis technique to conduct empirical analysis in order to ascertain of the connection between the dependent variable which is Market value proxy by Market price per share (MPPS) and independent variable which is Financial management strategies proxy by Financial leverage (FL) and Liquidity rate (LR), control variable is Firm size proxy by SZ. It was revealed that FL has negative insignificant effect on MPPS, LR has a positive and insignificant effect on MPPS. The study concluded that firms with higher financial leverage tend to have slightly lower market prices per share, while firms with higher liquidity rates tend to have higher market prices per share. It was suggested that government should encourage a large numbers of unlisted ICT firms to be listed in the stock market and also facilitate loans at lower rate to support the development of the industry and the economy in general.

Keywords: Financial leverage, Liquidity rate, Firm size, Financial Management strategy, Market Value.

INTRODUCTION

The Nigerian Information and Communication Technology (ICT) sector had provided more than $75.6 billion in foreign and local investments, thereby making huge national Gross Domestic Product (GDP) of 15% in 2021 fiscal year as reported by (NBS, 2022). With

this huge development coming from ICT sector, it is obvious that the country should focus on ways to enhance the performance of the various companies operating within the ICT sector in Nigeria to sustain and maximize the huge potentials from the sector for economic improvement. To achieve this, the connection between market value and financial management strategy of quoted ICT businesses in Nigeria will be adequately examined in this study.

Market value (MV) is the amount an asset can be obtained for in a free market determine by existing market forces. It is the projected value and price that a potential customer will pay for an asset or liability in an unrelated business transaction. Market value of business entity represents its worth in a financial market and is mostly determined by multiplying stock price by total number of ordinary shares. It is the returns that a business presently generates and those that it will acquire in subsequent years indicated as amount that can be derived using suitable valuation methods (Dang, et al., 2020). A business market price per share (MPPS) represents the opinion of investor on its potential to make and increase its profits in the future, for example a high MPPS tends to discourage potential takeover. The earning history and price to earnings ratio can also be used to determine if shares are adequately priced. In essence, MV and MPPS are vital to determine the prosperity and management ability to compete favourably in a dynamic business environment. If an organization's primary role is to increase shareholders wealth, then market value should be the major focus. Research on business value of quotted ICT firm in Nigeria is necessary because it is obvious that most of the Listed firm in ICT sector (which is few in number) have low market price per share, there is need to examine and identify what could be the factor for the low market value of those companies. In order to accomplish major corporate objectives, namely the welfare of the shareholders, company management must be concerned with the firm's value. Hence a company valuation that has dramatically improved can send a favorable signal to investors.

In today's world, corporate entities (including the ICT firms in Nigeria) are faced with many managerial decisions and challenges relating to business transactions and operational activities. To be above board, organizations require strategies targeted towards resolving business challenges in order to ensure that corporate objectives remained achievable. Financial planning, which includes financial management strategies, serves as the fundamental foundation for corporate strategy. Financial management strategies are the broad guidelines and policies that a company uses to achieve laudable organizational goal, those policies and strategies does not have a specific standard but they are modified to suit organizational visions and goals. Finance strategy essentially aids in creating a road map that businesses may follow to manage the uses, sources, and allocation of its finances. Financial leverage which is an important element of financial management strategy is used by businesses to obtain borrowed funds in lieu of equity in order to improve earnings. The leverage impact is usually positive; this is because earnings of the firm will increase if the income from the debt financed investment is higher than the interest payable. Shareholders wealth will be maximized when business enterprise is able to secure more debt yet leverage must be maintained at a level that will not lead to bankruptcy when it becomes impossible to pay back debt. Modigliani, and Miller, (1958) proposed the hypothesis that a levered and unlevered companies operating in the same industry with identical investment opportunity will have the same market value provided that there is a perfect capital market and absence of tax. While Jensen, (1986) asserts that debt, financing decrease the excess funds available to managers, thereby decreasing the chances of misusing

organization funds. This is because shareholders claim on earnings of the company is residual but debt financing interest and principal payment is obligatory. Leverage lower agency cost and eventually increase market value of firm (Adongo, 2012).

Effective liquidity management is also essential to a company's existence. All current asset and current liability components should be maintained so that a business can maintain a proper liquidity structure. An organization can fulfill its obligations on schedule if it has enough liquid assets. The impact of liquidity management on profitability and share prices is remarkable and should be managed effectively (Ehiedu, 2014). To prospective investors, high liquidity can be interpreted as a negative signal which could lead to fall in market price but the greater the liquidity of some business, the higher the flexibility in production and sales, which increases profitability and consequently leading to increase in MV.

Financial management is a critical and fundamental aspect of business managements, it is also at the heart of any business success. Inefficient financial management in a highly unstable and competitive environment remains a major challenge responsible for business failure in recent time. According to Regina, (2012), there is huge deficiency in the current state of accounting and financial management strategy among many companies in Nigeria. To this end and in order to firmly ascertain (without controversy) the connectivity between adequate financial management strategy and stock market reaction to shares of listed ICT firm in Nigeria, this research work remains purposeful. The research provide means of sustaining and maximizing the potential of the ICT sector to improve economic development in the country.

In addition, market value of ICT businesses quoted on Nigerian Exchange Group remain very low even with the huge potential existing within the sector, only about three (3) of the 10 listed ICT firm have market price above ₦10 which could be an indication of inefficient financial management policy.

Studies relating to effect of financial management strategies on firm value are scanty and it gives an insightful and resourceful gap which will be adequately bridged in this study. Most of the available research employed financial leverage and Liquidity variables individually as a measure of effect on Firm Value. Also, none of the research cover up to the year 2022, and the sectors focused had been majorly consumer goods, manufacturing and banking sectors. This study will focus on ICT sector whose considerable contribution to Nigeria's economy growth through 17.83% Gross Domestic Product (GDP) increase in 2020.

The focus of this study is to ascertain effect of financial management strategies such as financing and liquidity policies on market value of quoted ICT businesses in Nigeria and underlisted hypotheses was developed as a roadmap for achieving the anticipated outcome.

Ho_1: Financial leverage (FL) has no significant influence on market price per share (MPPS) of quoted ICT businesses in Nigeria.
Ho_2: Liquidity rate (LR) has no significant influence on market price per share (MPPS) of quoted ICT businesses in Nigeria.

LITERATURE REVIEW
Conceptual Framework
Financial Management Strategy

Financial strategy, which includes financial management strategies, serves as the fundamental foundation for corporate strategy. Financial management strategies are the broad guidelines and policies that a company uses to achieve laudable organizational goal, those policies and strategies does not have a specific standard but they are modified to suit organizational visions and goals. Finance strategy essentially aids in creating a road map that businesses may follow to manage the uses, sources, and allocation of finances. It strives to make sure that financial management is in line with an organization's corporate and business objectives.

Financial management strategy refers to durable business plan which focuses on uses, sources, and allocation of finances. It strives to make sure that financial management is in line with an organization's corporate and business objectives. Such financial management decisions ranges from financing policy to investment policy, liquidity plan and capital structure decision (Saroja, and Radhika, 2015).

The aim of business management strategy is to explore key financial policies to improve on performance of business organizations, and present in details, the numerous advantages for putting in place adequate and professional financial management strategies to boost companies' operations. Financial management is a specialist's job, falling within the purview of the Finance Manager due to the many uncertainties and complexities involved. Inefficient financial management in an unstable and competitive environment remains a major challenge responsible for business failure in recent time.

Financial Leverage (FL)

Financial leverage is the investment authority or fund advantage that a business has over others in the same industry and market. It means ability of a business to secure undiluted funds to finance its investment and operational activities. Financial leverage which is an important element of financial management strategy is used by businesses to obtain borrowed funds in lieu of equity in order to improve earnings. The leverage impact is usually positive; this is because earnings of the firm will increase if the income from the debt financed investment is higher than the interest payable. Shareholders wealth will be maximized when business enterprise is able to secure more debt yet leverage must be maintained at a level that will not lead to bankruptcy when it becomes impossible to pay back debt. Modigliani, and Miller, (1958) proposed the hypothesis that a levered and unlevered companies operating in the same industry with identical investment opportunity will have the same market value provided that there is a perfect capital market and absence of tax. While Jensen, (1986) asserts that debt, financing decrease the excess funds available to managers, thereby decreasing the chances of misusing organization funds. This is because shareholders claim on earnings of the company is residual but debt financing interest and principal payment is obligatory. Leverage lower agency cost and eventually increase market value of firm. It is calculated as:

Financial Leverage = Total Liabilities

Total Equity

Liquidity Rate (LR)

All business concern is said to depend on effective liquidity rate. Adequate liquidity management is therefore a top priority. Effective liquidity management is also essential to a company's existence. All current asset and current liability components should be maintained so that a business can maintain a proper liquidity structure. An organization can fulfill its obligations on schedule if it has enough liquid assets. The impact of liquidity rate on profitability and share prices is remarkable and should be managed effectively (Ehiedu, 2014). To prospective investors, high liquidity can be interpreted as a negative signal which could lead to fall in market price but the greater the liquidity of some business, the higher the flexibility in production and sales, which increases profitability and consequently leading to increase in market value. Capability of a business to manage its liquidity position in such a way to meet financial obligations as and when due depicts its level of liquidity and requires adequate and professional financial forecast to identify areas where cash are tied down unnecessarily and reduce lags in debt recovery from customer. This must be done in a humanly possible ways to avoid damaging the business image. Measurement of liquidity rate in this research is:

Current Ratio = $\dfrac{\text{Current Asset}}{\text{Current Liabilities}}$

Market Value

According to Modigliani and Miller, (1961), a company's asset earnings power determines its value, which suggests that when this factor is positive, the business is doing well and will have a higher-than-average profit margin. The assets that a company owns represents its market value, it is significant since it reveals the owners' level of prosperity. The manager is in charge of maximizing the business market value, which is the primary objective of any organization, as the representative of the business's owners (Bhabra, 2007). Market value Market value (MV) is the amount an asset can be obtained from a free market determine by existing market forces. It is the projected value and price that a potential customer will pay for an asset or liability in an unrelated business transaction. Market value of business entity represents its worth in a financial market and is mostly determined by multiplying stock price by total number of ordinary shares. It is the returns that a business presently generates and those that it will acquire in subsequent years indicated as amount that can be derived using suitable valuation methods (Dang, et al., 2020). If an organization's primary role is to increase shareholders wealth, then market value should be the major focus. In order to accomplish one of the long-term corporate objectives, namely the welfare of the shareholders, company management must be concerned with the firm's value. Hence a company valuation that has dramatically improved can send a favorable signal to investors.

Market Price Per Share (MPPS)

For listed companies, the share price is largely determined by the effect of market forces which is also based on the level of corporate performance of such companies. The market price can be examined through the use of price to book value mechanism to ascertain viability of different shares by investors. The existence of price to book value is crucial for investors to choose their investment strategies since it allows them to forecast if certain stocks are overvalued or undervalued (Sudiyatno, et al., 2020). When measurement of price to book value ratio is greater than one this means share market price is greater than book value and such is characteristic of companies that are performing well. When the success

of the shareholders is the primary goal of the company, a high price to book price represents the level of shareholder wealth.

A business market price per share (MPPS) depicts investor conception of its potential to make and increase its income in the future, for example a high MPPS tends to discourage potential takeover.

Firm Size

In empirical corporate finance research, business size is frequently employed as a significant and key factor. Firm size can be represented using various financial terms which includes sales, value added, total number of workforce or value of equity shares. According to Syed et.al., (2020) firm size represent the total value of equity share of companies and his submission will be adopted under this study. Firm size also refers to the total no of Shares ranking for dividend a company has. The amount of equity capital investment of company can be used to measure their different size and other variables to arrive at research findings. However, in this academic work, the influence of financial management strategy on market price will be examined in relation to each firm size as a moderating variable.

Empirical Review

Khan, et al., (2022), in their study assessing effect of liquidity on assets value return. Specific objective of the article was to examine effect of liquidity on stock return in two different markets setting, Pakistan and the UK. Out of a total of 60 companies selected, 30 of them are from Pakistan and the remaining 30 from the UK. The research period covers the years 2005 to 2019 (15 years). According to the result of Pakistani data analysis, it was revealed that liquidity has a unfavourable and remarkable influence on assets return, but interest rate and HML (HML stands for return differential between businesses book and market values) had considerable positive effect on stock return. It is obvious that the liquidity of Pakistani companies is a major concern for investors given that higher liquidity would result in lower stock returns. Liquidity has a negligible negative impact on regression results on UK data. It was recommended that government should place a priority on boosting the economy as a whole since doing so can improve organizational performance, which in turn can increase stock return. The sample size for each country is far below the minimum threshold of normal research population sample size of 10% as supported by (Bürkner, 2017).

Jean and Edouard (2021) studied dividend influence on firm value: A study of companies quoted at the Rwanda Stock Exchange using sample size is 8 out of the 10 businesses quoted on the Rwanda Stock Exchange. Panel regression model was used to guide the study and period of study was 2015 to 2019 (5years). Findings, revealed that dividend policy among the quoted businesses in Rwanda has significant effect on profitability, the capital contributed from shareholders and firm value. Since business profitability and dividend policy are positively correlated, management was advised to increase sales and reduce costs in order to maximize profitability. The study used 5 years' time period of study which is not enough to make such conclusion in research outcome, a period of 10 years or more would have been more appropriate.

Influence of debt leverage on the value of businesses in Nigeria was studied by Edere, and Ujuju, (2020). It focuses on establishing existing connection between capital combination and worth of business enterprises in Nigeria. Hypothesis were formulated to test panel

data obtained for eighteen (18) years (2000 to 2017), using a cross section of five (5) firms. From the result obtained from the Ordinary Least Squares (OLS) regression analysis, it was concluded that long-term, medium-term, and short-term finances have a unfavourable and remarkable influence on business worth. It was recommended that to prevent a heavy debt load and the interest costs connected with borrowing, management should concentrate on optimal financial structure for the company. Five numbers of firms were used as sample which is far less than the normal 10% minimum sample as asserted by (Bürkner, 2017).

Influence of Liquidity administration on the financial performance of Deposit Money Banks in Nigeria, by Ugwu, et al., (2020), looked into how Nigerian banks fared in terms of managing their liquidity. 18 out of 21 financial institutions quoted at the Nigerian Exchange group (NEG) from 2011 to 2017 (7 years) was sampled. In order to increase analysis accuracy, the article employed retrospective approach to conduct tests and analysis using SPSS software. The study discovered that banks' profitability was favorably and significantly impacted by liquidity management. It was shown that asset quality had a sizable beneficial impact on the performance measures. The analysis also demonstrated that the performance metrics are positively and significantly impacted by the liquidity ratio. The study in its recommendation encouraged banks to prioritize liquidity management in order to boost the overall net worth of shareholders. Liquidity management is therefore necessary to reduce potential default risks. The study could have used robust analysis software like E-VIEW or STATA statistical analysis tools.

Significance of financial administration Tools to growth of small and medium scale enterprises (SMEs) in Nigeria was investigated by Adeyanju, (2019). The study relies on primary data and a survey research design. Structured questionnaires are used as the data collection tool. Personal interviews were used to supplement this with a group of respondents who had insufficient education. A total of 100 SMEs was taken into consideration, however only 50 were chosen because the statistics were insufficient and lacking. Thus, 200 questionnaires were distributed to a chosen population of 50 SMEs (on average, 4 were distributed to each SME). Regression analysis using ANOVA test tools results showed that financial administration tools have a favourable and remarkable influence on the improvement of SMEs. Based on these conclusions, the report advises SMEs to continuously work to implement the necessary financial management technologies. Primary data cannot be relied upon to establish an empirical evidence in research nowadays and as such the result lack merit and require further study.

Influence of business strategy and corporate performance on its value: empirical study on Jakarta Islamic Index was investigated by Hariyanto, et al., (2019). 30 out of the 90 firms listed in the Jakarta Islamic Index between 2013 and 2017 (5 years) were samples from which descriptive data were collected. Data analysis using path analysis reveals that business strategy did not affect business worth, while corporate performance had a favourable and remarkable influence on business worth. It was recommended that to maximize shareholder wealth, managers should enhance corporate strategy. The period of research is low while a more robust research technique than path analysis would have been better and more reliable.

Tahu, and Susilo, (2017) investigated influence of Liquidity, debt financing and financial performance on business worth (dividend strategy as control variable) in production businesses quoted at Indonesia Stock Exchange. Objective was to ascertain how liquidity,

debt financing, and financial performance influence business value. Population of the study was 170 Indonesia Stock Exchange-listed businesses and 30 of them were chosen as the study's sample. Statistical Product and Service Solutions (SPSS) was employed as an application tool for the hypothesis testing process, which included analytical methodologies and moderated multiple regression analysis. Liquidity has favourable and unremarkable influence on business worth. Leverage in the results of this study has unfavourable and unremarkable influence on the worth of businesses. Findings indicated that the only real factor positively affecting the company's worth is profitability. This indicated that a corporation might benefit more from high profitability, which is shown in the high value of Tobin's Q. It was recommended that subsequent research should include other moderating variables apart from dividend which was the only one used in the research. The research focused on manufacturing sector of the economy and also employed a SPSS tool which is not as robust in result generation as STATA software used in this study.

Influence of debt financing on growth in selling price: empirical evidence from India was explored by Pandya (2016). The article examines, using empirical data, how debt financing influences growth in selling price in the context of businesses quoted on the Bombay Stock Exchange. Selected sample of 30 companies from among the 197 group A companies quoted at the Bombay Stock Exchange were used for analysis. The study used between 2010 to 2014 (5years) and it was found that financial leverage had a positive significant relation to market value added. The findings demonstrated that the debt financing is the most important predictor of growth in selling price for businesses quoted at the Bombay Stock Exchange. As a result, financial managers should ensure optimum interest coverage on loans in order to maximize growth in stock return. The research period is 5 years and ANOVA tools were employed making the result less reliable.

Influence of debt financing on corporate performance of businesses: empirical evidence from Pakistan by Zahoor et al., (2015). The study examined how loan capital affects the performance of Pakistani business entities. For estimation, panel regression analysis methodology was used to test the influence of debt financing on 154 textile businesses quoted in Pakistan between 2006 and 2011 (6years). Results indicated that debt financing is unfavourably related to corporate performance. The negative relationship is in line with the assumptions of pecking order theory. Leverage and business performance have a negative relationship according to the regression results. The findings showed that large companies needed fewer loans since they had adequate internal resources. The conclusions of this research agreed with the outcome reached by Gleason et al. (2000). Larger companies benefit from economies of scale, innovative technology, and cheaper funding because of their size. Therefore, higher performance of Pakistani textile enterprises was as result of reduction interest cover of capital employed. The study conducted robust test and the conclusion maybe acceptable but for the short period of the study and consideration on only leverage as factor affecting performance.

Cheng and Tzeng (2011) studied influence of debt financing on business worth. The paper used the regression analysis for testing effect of leverage on business values using financial variables having influence on this relationship. The sample was 302 out of population of 645 businesses quoted at Taiwan Securities Exchange (TSE) between 2000-2009 (10years). From the empirical results, it was revealed that, worth of debt financed businesses are higher than that of businesses with no debt if bankruptcy probability is not considered.

However, If debt finance benefit and cost is considered simultaneously, the debt financing is favourably and remarkably connected to business worth before reaching optimal capital combination and the positive influence of debt financing to the business worth tends to be stronger when the company financial quality is better. The study used robust STATA analytical tools but the scope was only limited to Financial Leverage without taking other financial management strategies into consideration.

Theoretical Framework
Pecking order Theory
The pecking order theory of capital combination was propounded by Donaldson (1961) which is one of the notable assumptions of debt financing. It contradicts the traditional approach of businesses having a particular mixture of borrowed and ownership funds to reduce finance cost. The theory was tested by Myers, and Majluf, (1984) and they opined that it was driven by the desire to enhance financial performance; the management of the company utilizes a hierarchical system to choose which form of funding will be used to pay its assets first. According to the hierarchy theory, businesses should prioritize internal funding over borrowed capital and employ internal resources before issuing debt, while ownership funds should be the last resort. Pecking order assumptions asserts that debt financing influences business financial performance favourably. Businesses must maintain its fluidity at reasonable level to improve business worth and avoid the likelihood of bankruptcy (Myers, 2001). The theory assumed that if businesses are considering options to raise capital, internal financing (through retained earnings) is usually number one point of call, before debt financing and finally ownership fund. Businesses that use borrowing give off a positive impression about their potential in the future. This suggests that there are more investment prospects for the company, and the messaging is consistent with maximizing shareholder wealth (Adongo, 2012). However, the limitations of the theory include inability to put into consideration influence of tax, agency cost and bankruptcy cost most especially when debt investment could pay accumulated debt.

Trade - off Theory
Trade-off theory argued that organizations will use both debt finance as well as equity funds to finance their activities bearing in mind the cost and benefits of both. The classical concept of trade-off assumption was propounded by Kraus and Lichtenberger (1973), it posits that perfect debt ratio (supreme capital combination) is arrived at by comparing benefits of debt financing (such as reduction in tax liability) in with its demerits. The optimal capital composition will be the level that maximizes the benefits from investments considering both tax savings and cost of financial distress. At this level of capital composition, business will have highest market value. Modigliani and Miller (1958) capital composition theory support the assumption that businesses which employ debt financing are likely to have higher market value. However, the theory opined that there is a limit to financing a business with debt because additional tax saving from each extra unit of debt falls as leverage rises. Adongo (2012), affirmed that the trade-off expects big businesses will use high debt financing considering that they will have a high tax assessment rate and low bankruptcy hazard.

Signaling Theory
The theory focused on information gaps among various stakeholders in a business, (management, investors, and employees). This knowledge gap influences choice like when the present stock price is below the value, which indicates that management won't release

fresh securities to the market. The idea demonstrated that managers can use information on liquidity, leverage level and earnings from investments as tools to communicate confidential knowledge about a business achievement and prospects to outsiders due to information asymmetry between management and outside shareholders. Investors can therefore assess a company's share worth using this information. Thus, financial management strategies such as liquidity position, leverage rate and capital structure information are regarded as pertinent under this paradigm. Akoto and Gatsi (2010), in their submission asserts that business managers usually have insider information concerning operational performance and future prospect of businesses than stakeholders, and that as a result, may raise the debt composition of organization. Debt requires businesses to pay a predetermined amount of interest and principal loan over a period of time, if companies don't pay their debts when they should, they risk going bankrupt. Additionally, managers pay a price for bankruptcy since they risk losing their employment. Managers would take every precaution to avoid it because they are aware of it and want to keep their jobs. These factors make serve as signal that a business that obtain more debt is most likely to have a favourable future prospect.

This research work will follow the theoretical assumption of the signal theory to ascertain connection between debt financing and liquidity with share price of quoted ICT businesses in Nigeria Exchange group. The theory assumed that increase in leverage and effective liquidity management predict increase in share price in the future.

METHODOLOGY
Retrospective research design was adopted for this study and the purpose is to determine effect of financial management strategies such as financing and liquidity policies on market value of quoted ICT business in Nigeria. The Population consist of (10) ten listed ICT firm in Nigeria Exchange Group (NGX) and total sampling technique was used (entire population was sampled) between 2013 to 2022 (10 years). Secondary data was used and descriptive and regression analysis technique was employed to conduct empirical analysis of the panel data to ascertain relationship between the dependent variable which is Market value proxy by Market price per share (MPPS) and independent variable which is Financial management strategy proxy by Financial leverage (FL) and Liquidity rate (LR), control variable is Firm size proxy by value of share capital (SZ). Model of (Abubakar, et al, 2021) was used and is as stated below:

$$MPPS_{it} = \beta_0 + \beta_1 FL + \beta_2 LR + \beta_3 SZ + \varepsilon_{it} \quad \text{.........................(i)}$$

Where:
MPPS= Market Price Per Share.
FL = Financial leverage.
LR = Liquidity rate.
SZ=Firm Size
ε=Error term

Apriori Expectation
Expectation of this study is in line with the assumption of the formulated hypothesis as mentioned earlier in this research that financial leverage (FL) and Liquidity rate (LR) have no remarkable influence on market price of quoted ICT business in Nigeria.

Variable Measurement Table 1

PROXY	TYPE	MEASUREMENT	SOURCE
MPPS	Dependent Variable	MPPS= Market Capitalization/No of shares	Adefila, et.al., (2010)
FL	Independent Variable	Total Liabilities Total Equity	Pandya, (2016)
LR	Independent Variable	Current Asset Current Liabilities	Ehiedu, 2014
SZ	Control variable	Market value of equity	Syed, et. al., (2020)

Source: Author Compilation (2023)

RESULT AND DISCUSSION

Table 2 below presents the summary of nature of four (4) variables from sampled listed ICT firm in Nigeria.

Table 2: Descriptive Analysis

Variable	Obs	Mean	Std. dev.	Min	Max
MPPS	100	63.92608	189.6042	.2	1450
FL	100	9.15901	19.01468	0	79.94397
LR	100	3.450048	7.980466	.0267829	41.35743
SZ	100	.55	.2886751	.1	1

Source: STATA 12 (2023)

The table above shows the descriptive statistics of four variables: market price per share (MPPS), financial leverage (FL), liquidity rate (LR), and firm size (SZ). The mean MPPS is 63.93, with a standard deviation of 189.60, implying that no wide separation of data from means value. The minimum MPPS is 0.2 and the maximum is 1450. The mean FL is 9.16, with a standard deviation of 19.01. The minimum FL is zero and the maximum is 79.94. The mean LR is 3.45, with a standard deviation of 7.98. The minimum LR is 0.03 and the maximum is 41.36. The mean SZ is 0.55, with a standard deviation of 0.29, suggesting that no wide variation across the sampled businesses.

Table 3: Shapiro-Wilk W Test
Decision Rule: Sharpiro-Wilk W Test is a pre-estimation test used to analysis the normality or otherwise of variables in regression analysis. Null hypothesis depicts that data are normally distribute and decision is to reject the null hypothesis where the p-value is less than 5%.

Variable	Obs	W	V	z	Prob>z
MPPS	100	0.88840	9.214	4.926	0.00000
SZ	100	0.91622	6.917	4.290	0.00001
FL	100	0.93003	5.777	3.891	0.00005
LR	100	0.92752	5.984	3.969	0.00004

Source: STATA 12 (2023)

As shown in Table 3 above the 4 variables (MPPS, SZ, FL, LR) are not normally distributed, the null hypothesis is hence rejected because the p-value of all the variables are not significant at 0.05 significance level. There is need to conduct more analytic test.

Table 4: Correlation Analysis
Correlation analysis is used to analyse quantitative data to know the relationship between independent and dependent variables and its pattern in research analysis.

	MPPS	SZ	FL	LR
MPPS	1.0000			
	100			
SZ	-0.9106	1.0000		
	0.0000			
	100	100		
FL	-0.0722	-0.0166	1.0000	
	0.4751	0.8700		
	100	100	100	
LR	0.3388	-0.4605	-0.3513	1.0000
	0.0006	0.0000	0.0003	
	100	100	100	100

Source: STATA 12 (2023)

Table 4 above shows correlation of variables under study which are MPPS, FL, LR and SZ of quoted ICT businesses in Nigeria. It was revealed that MPPS has strong negative relationship of 91% with SZ. MPPS also has moderate positive relationship of 34% with LR. *MPPS has weak negative relationship of 7% with FL. SZ has weak negative relationship of 2% with FL. SZ also has moderate negative relationship of 46% with LR. FL has moderate negative relationship of 35% with LR. With the exception of SZ that has strong relationship of 91% with the dependent variable the result is line with assumption

of Gujarati (2004), that a correlation coefficient below 0.8 between independent variable shows absence of possible multicollinearity

Multicollinearity Test
Multicollinearity test is done to know validity and ascertaing if there is substantial connection among explanatory variables that can affect the result of the linear regression model. VIF of 1 shows no multicollinearity, while VIF of 10 or more indicates severe multicollinearity

Null Hypotheses: There is no high degree of variance of coefficient among the explanatory variables.

Table 5: Variance Inflation Factors

Variable	VIF	1/VIF
LR	1.52	0.659136
SZ	1.33	0.751704
FL	1.20	0.836264
Mean VIF	1.35	

Source: STATA 12 (2023)

Table 5 indicates that none of the variables have a high VIF, which means that they are not highly correlated with each other. The highest VIF is for LR, which has a value of 1.52, followed by SZ, which has a value of 1.33, and FL, which has a value of 1.20. The mean VIF is 1.35, which is below the commonly used threshold of 5. This suggests that regression model does not suffer from multicollinearity problems and that coefficients are reliable estimates.

Test of Heteroskedasticity
The test was conducted to examine the robustness of the estimates and to know whether the residuals are constant over a range of measured value.

H0: No Conditional heteroskedasticity (residual is homoscedastic)

Table 6: Test of Heteroskedasticity

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Breusch-Pagan/Cook-Weisberg test for heteroskedasticity
Assumption: Normal error terms
Variable: Fitted values of MPPS

H0: Constant variance

    chi2(1) =  13.93
Prob > chi2 = 0.0002
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Source: STATA 12 (2023)

Decision Rule

The data shows that MPPS is influenced by FL, LR and FS and from the result of p-value 0.0002, there is no reason to reject the null hypothesis of constant variance, indicating there is no heteroskedasticity in the error terms. This means that there is constant variance in the residual.

Hausman Test

Hausman specification test is a regression model specification test used in deciding what is appropriate between random and fixed effects regression models in statistical analysis method.

H0: Random effect is more appropriate for the Panel regression analysis.
H1: Fixed effect is more appropriate for the Panel regression analysis

Table 7: Hausman Test
. hausman fe_results re_results

| | ——— Coefficients ——— | | | |
	(b) fe_results	(B) re_results	(b-B) Difference	sqrt(diag(V_b-V_B)) Std. err.
FL	-.0366497	-.0433462	.0066965	.0117957
LR	.0476906	.0168506	.0308399	.0208698

b = Consistent under H0 and Ha; obtained from **xtreg**.
B = Inconsistent under Ha, efficient under H0; obtained from **xtreg**.

Test of H0: Difference in coefficients not systematic

$$chi2(2) = (b-B)'[(V\_b-V\_B)^{(-1)}](b-B)$$
$$= 3.02$$
Prob > chi2 = 0.2211
Source: STATA 12 (2023)

Decision Rule
From Table 7 we have chi2 of 3.02 and p-value of 0.2211 which is greater than 0.05. Random effect is prefer as there is no reason to reject the null hypothesis, with this robust outcome the random effect regression estimators was used for the test of the hypothesis formulated for this research as indicated below.

Table 8: Random-Effects Regression Analysis

```
Random-effects GLS regression                Number of obs     =      100
Group variable: ID                           Number of groups  =       10

R-squared:                                   Obs per group:
    Within  = 0.0135                                     min =       10
    Between = 0.8700                                     avg =     10.0
    Overall = 0.8335                                     max =       10

                                             Wald chi2(3)      =    57.77
corr(u_i, X) = 0 (assumed)                   Prob > chi2       =   0.0000
```

MPPS	Coefficient	Std. err.	z	P>|z|	[95% conf.	interval]
FL	-.0433462	.0385486	-1.12	0.261	-.1189002	.0322077
LR	.0168506	.078898	0.21	0.831	-.1377867	.171488
SZ	-3.046773	.4140167	-7.36	0.000	-3.858231	-2.235316
_cons	-1.121371	.4341745	-2.58	0.010	-1.972337	-.2704044
sigma_u	.87867018					
sigma_e	.50993729					
rho	.74805085	(fraction of variance due to u_i)				

Source: STATA 12 (2023)

Table 8 shows results of a random-effects GLS regression that examines relationship between market price per share (MPPS) and three independent variables: financial leverage (FL), liquidity rate (LR), and firm size (SZ). This regression is based on a sample of 100 observations from 10 different firms. The R-squared values indicated that model explains 87% of between-group variation (Independent variables explanation of MPPS from company to company: cross sectional) and 1.35% of within-group variation in MPPS (percentage explanation of MPPS form year to year: time series). Overall R-squared is 83.35%. Wald chi-square test shows that the model is statistically significant at 0.1% level. Coefficient of SZ is negative and significant at 0.1% level, implying that larger firms have lower MPPS. Coefficients of FL and LR are not significant at 5% level, suggesting that they have no effect on MPPS.

Discussion of Findings
As evidenced from the tables presented above which consists of descriptive analysis and summarized the main features of variables used, such as MPPS, FL, SZ and LR, Shapiro-Wilk test rejected null hypothesis of normality of data for all the variables and further test were conducted (Correlation analysis, multicollinearity, heteroskedasticity and Hausman tests) and Random effect regression adopted shows that a large part of listed ICT firm in Nigeria have lower MPPS, FL has **negative** and insignificant effect on MPPS (meaning businesses having high debt finance have slightly lower market prices per share), while LR has **positive** and insignificant effect on MPPS (meaning businesses having high liquidity rates have higher market prices per share). With this result, the null hypotheses **(H01)** and **(H02)** proposed for this study which says that FL has no significant effect on

MPPS and that LR has no significant effect on MPPS are thus accepted. This conclussion is consistent with submissions of (Ugwu, et al., 2020), and (Tahu, and Susilo, 2017) where they concluded that LR has positive effect on MPPS, the result however is against the conclusion of (khan, et al., 2022), and (Edere, and Ujuju, 2020) where LR was reported to have negative effect on MPPS.

CONCLUSSION AND RECOMMENDATIONS

The aim of this study is to investigate influence of financial management strategies such as financing and fluidity policies on selling price of quoted ICT businesses in Nigeria and evident from test, results and conclusion, the outcome is in line with the apriori expectations. The research concluded that FL has negative insignificant effect on MPPS, LR has a positive and insignificant effect on MPPS while a large number of the listed ICT firm in Nigeria have low MPPS. Therefore, it is obvious that financial leverage (debt financing) and Liquidity management (LR) policies of listed ICT firms in Nigeria could have a great positive effect in improving the market values of those companies but this has not been adequately managed to yield the desired result in improving their market value. This conclusion also affirmed assertion of Regina (2012), as earlier stated in this research and the reason could be due to high finance cost (interest rate). Therefore, the following recommendation were made;

i.   Business enterprise should tap into the opportunity of financial leverage as it has capacity to improve market value if adequately utilized.

ii.   Adequate liquidity management should be put in place to prevent excessive accumulation of unproductive liquid assets because this will adversely affect market value.

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