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Financial Ratio Analysis and Market Price of Share of Selected Quoted Agriculture and Agro-allied Firms in Nigeria After Adoption of International Financial Reporting Standard

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Abstract

This study examined the relationship between Financial Ratio Analysis and Market Price of share in the Selected Quoted Agriculture and Agro-allied firm in Nigeria after Adoption of International Financial Reporting Standard(hereafter referred to as IFRS) from 2012 to 2016.The most extant literature on the relationship between Financial Ratio Analysis and Market Price in Nigeria were done when their financial statement is prepared as per Nigerian Accounting Standard and the results of most of these extant studies were mixed. Since Nigeria adopted IFRS in 2012 the relationship Financial Ratio Analysis and Market Price of Share is not yet fully known. This is a gap which this research study intended to address. This study used multiple regression analysis and is limited to the use of data taken from the selected firms' financial statement. Proxies used for Financial Ratio include Earnings per Share, Net Assets per Share, Liquidity Ratio, Debt Ratio, Return on Asset and Return on Equity. The result shows that Earnings per Share, Net Assets per Share, Debt Ratio and Return on Asset Ratio are positively and significantly related toNigerian Agriculture and Agro-Allied Quoted firms Market Price of Share. Also it was found that the Liquidity Ratio and Return on Equity Ratio are not significantly related to Nigerian Agriculture and Agro-Allied Quoted firms Market Price of Share.

Keywords: Returns on asset; Returns of equity; Agriculture and agro-allied; Market price; Earnings per share; Net assets per share; Debt ratio; Liquidity ratio.

1. Introduction

1.1. Backgroud to the Study

Basically the economic and monetary wells being of firms are usually judged from the accounting information provided by their financial statements and the analysis as well as interpretation of financial ratios obtained from such financial statements (Musallam, 2018). The content of the financial statements and the analysis as well as interpretation of financial ratios serves as a guide to both existing and potential investors in making economic decisions on whether to invest or to continue investing in the shares of such firms. In additional extant studies has shown that the information provided by firms' financial ratios and financial statements can cause changes in the

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market price of the firms' shares (Kohansal *et al.*, 2013); (Dadrasmoghadam and Akbari, 2015); (Enekwe, 2015); (Musallam, 2018); (Lawal A. T. *et al.*, 2017); (Lawal A. I. *et al.*, 2018).

Good financial ratios is prima facie evidence that a firm is performing well and by implication the shareholders wealth in the firm is being maximised and consequently will attract good market price for the firm' shares (Enekwe, 2015). Hence in line with previous studies, this paper focused on the relationship between the market price of share and financial ratios using selected quoted agriculture and agro-allied firms in Nigeria from 2012 to 2016. The choice 2012 to 2016 is based on the fact that Nigeria government made it mandatory for firms quoted on Nigeria Stock Exchange to adopt IFRS in the preparation of their financial statement from 2012. Consequently this study help to provide evidence on the type of relationship that exist between the market price of share and financial ratios after the adoption of IFRS.

Quoted Agriculture and Agro-Allied firms in Nigeria are chosen for this study due the push of Nigeria government toward Agriculture as a possible means to generate more revenue to sustain the Nigerian economy. It is expected that the result of this study would be useful to users of accounting information in making their economic decisions in relation to the Quoted Agriculture and Agro-Allied firms in Nigeria. Proxies used for Financial Ratio include Earnings per Share (hereafter referred as EPS, Net Assets per Share (hereafter referred as NAPS), Liquidity Ratio (hereafter referred as LR), Debt Ratio (hereafter referred as DR), Return on Asset (hereafter referred as ROA) and Return on Equity (hereafter referred as ROE) and the dependent variable is Market Price of Share (hereafter referred as MPS).

1.2. Research Questions

Answers were provided to the following specific research questions:

1. What is therelationship between the MPS of Quoted Agriculture and Agro-Allied firms after the adoption of IFRS in Nigeria andEPS?
2. What relationship exist between MPS of QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and NAPS?
3. What relationship exist between the MPS of QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and LR?
4. What relationship exist between MPS of QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and DR?
5. What relationship exist between MPS of QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and ROA?
6. What relationship exist between MPS of QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and ROE?

1.3. Research Objectives

The main objective examined in this research work is the relationship between MPS of Nigerian Agriculture and Agro-Allied Quoted firms and financial ratios after the adoption of IFRS. The specific objectives to be achieved by this study based on the issues raised above are as follows:

1. examine the relationship between MPS of Quoted Agriculture and Agro-Allied firms and EPS.
2. examine the relationship between the MPS of Quoted Agriculture and Agro-Allied firms and NAPS.
3. investigate the relationship between MPS of Quoted Agriculture and Agro-Allied firms and LR.
4. evaluate the relationship between MPS of Quoted Agriculture and Agro-Allied firms and DR.
5. investigate the relationship between MPS of Quoted Agriculture and Agro-Allied firms and ROA
6. investigate the relationship between MPS of Quoted Agriculture and Agro-Allied firms and ROE

1.4. Research Hypotheses

Constructive asnwers were provided to the research questions stated above in order to achieve the research objectives by testing the following research hypotheses stated in the null form:

Hypothesis 1:

H_0: There is no significant relationship between MPS of selected QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and EPS.

Hypothesis 2:

H_0: There is no significant relationship between MPSof selected QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and NAPS.

Hypothesis 3:

H_0: There is no significant relationship between MPS of selected QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and LR.

Hypothesis 4:

H_0: There is no significant relationship between MPS of selected QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and DR.

Hypothesis 5:

H_0: There is no significant relationship between MPS of selected QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and ROA.

Hypothesis 6:

H_0: There is no significant relationship between MPS of selected QuotedAgriculture and Agro-Allied firms after the adoption of IFRS in Nigeria and ROE.

2. Literature Review

2.1. Background to Financial Ratios

Financial ratios indicate the association between two numbers extracted from the financial statements of firms. The performance of firms can be assessed with the used of financial ratios over an accounting period or accounting periods. It can also be used to compare the performance one firm to the other or performances of more than two firms together. One of the two numbers will constitute the denominator while the other number will constitute the numerator. Financial ratios can be categorized as profitability ratios, liquidity ratios, financial stability ratios as well as investor ratios.

Involvement of all financial ratios in this study would be very cumbersome and for that reason only one or two ratios were selected under each category of financial ratios mentioned above. Profit is the ultimate aim of an organization and such organization will not remain a going concern if it fails to make adequate profits to keep it operating as a going concern. The profitability ratios are calculated to measure the operating efficiency of the company (Kabajeh *et al.*, 2012); (Agha, 2014); (Osman and Iddrisu, 2015); (Lawal A. I. *et al.*, 2017b). The three major profitability ratios used in related studies to measure the profitability of firms include ROA, ROE and ROI (Kabajeh *et al.*, 2012); (Osman and Iddrisu, 2015); (Babajide *et al.*, 2016a). ROA and ROE was adopted in this study.

Return on Asset (ROA): This expresses the net income earned by a company as a percentage of the total assets available for use by that company. ROA proposes that firms with higher number of assets should be able to earn higher levels of income. ROA measures the ability of management's ability to earn returns on the firm's resources (assets). The income amount used in this computation is income before the deduction of interest expense and taxation, since interest is the return to creditors for the resources that they provide to the firm. The amount of the resulting adjusted income is thereby the income before any distribution to those who provided funds to the company. Hence

$$ROA = \frac{\text{Profit before Interest and Tax}}{\text{Total Assets}}$$

Return on Equity (ROE): The Common or ordinary shareholders of a company are entitled to the residue profits. The dividend these shareholders receive from the profit is not fixed; the earnings may be distributed to shareholders as dividends or retained in the business as retained earnings. Nevertheless, net profit after tax represents their return. A return on shareholder's equity is computed to see the profitability of owner's investment. The shareholders' equity or net worth will include paid up share capital, share premium and reserves and surplus less accumulated losses. Net worth can also be calculated by subtracting total liabilities from the total assets (Choudhry, 2012); (Osman and Iddrisu, 2015); (Babajide *et al.*, 2016b). The ROE was adopted in this study and is calculated as:

$$ROE = \frac{\text{Profit after Interest and Tax and Preference Dividends}}{\text{Net Worth (equity)}}$$

Liquidity ratios include current ratio and acid test ratio and for the purpose of this study current ratio which is the main liquidly ratio is chosen for this study. Liquidity ratio is obtained by using current asset as numerator and current liability as denominator. It is used to measure the ability of a firm to pay its short term financial as they fall due (Kohansal *et al.*, 2013); (Dadrasmoghadam and Akbari, 2015); (Lawal A. I. *et al.*, 2015); (Enekwe, 2015); (Musallam, 2018). Hence liquidity ratio given as follows:

$$LR = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Financial stability ratios include Debt ratio or Leverage ratio and it was adopted in this study. In line with extant researches, it was calculated as total debt to total assets (Shin and Soenen, 1998); (Lazaridis and Tryfonidis, 2006); (Raheman and Nasr, 2007); (Samiloglu and Demirgunes, 2008); (Sharma and Kumar, 2011). It shows the proportion of a firm asset that is financed by outsiders. If the large proportion of the firm' assets is financed by external debt, amount to be paid as interest to outsider would also be large. Debt ratio given as follows:

$$DR = \frac{\text{Total Debt}}{\text{Total Assets taxation}}$$

Earnings per Share (EPS) are the proportion of profitability of a firms' after taxation and preference dividends that is attributable to each unit ordinary shareholders. According to (Islam *et al.*, 2014), EPS is one of the main drivers of MPS. In calculating EPS, profit after tax (hereafter referred as PAT) minus preference dividends serve as the numerator and numbers of ordinary share issued and ranking for dividend serve as the denominator. Hence, EPS ratio given as follows:

$$EPS = \frac{\text{Profit After Tax (PAT)- Preference Dividend}}{\text{Numbers of ordinary share issued and ranking for dividend}}$$

Net Asset per Share (NAPS) is net book value of firms' net assets that is attributable to each unit ordinary shareholders (Muhammad *et al.*, 2012). In calculating NAPS, total assets minus total liabilities minus preference shares serve as the numerator and numbers of ordinary share issued and ranking for dividend serve as the denominator. Hence, NAPS ratio given as follows:

$$EPS = \frac{\text{Total Assets – Total Liabilities- Preference Shares}}{\text{Numbers of ordinary share issued and ranking for dividend}}$$

2.2. Market Prices of Share and Profitability

The whole essence of any business is to make and maximize its profit as well as maximizing shareholders wealth. This is one of the reasons (Osman and Iddrisu, 2015) concluded that "good firms" differs from "good investments." (Osman and Iddrisu, 2015) opined that "a good firm may be highly profitable, with a correspondingly high ROE. But if its stock price is bid up to a level commensurate with this ROE, its P/B ratio will also be high, and the stock price may be a relatively large multiple of earnings, thus reducing its attractiveness as an investment. The high ROE of the firm does not by itself imply that the stock is a good investment. Conversely, troubled firms with low ROEs can be good investments if their prices are low enough." In the opinion of Lynn (2012) as well as Osman and Iddrisu (2015) "a strong driver of share price is a firm's profits. As profits rise and are retained by the firm, the value of the shares to the shareholder rises and so does the price of the shares as investors, keen to gain access to the higher earnings, become increasingly willing to pay the higher prices." These researchers' assertions were supported by the empirical evidence from researches carried out by AL Khalayleh (2001), Pankaj (2017) as well as Kabajeh *et al.* (2012). It is from point of view that profitability ratios were given consideration in this study.

2.3. Theoretical Framework

This study adopted pecking order theory and it is of the view that in terms of raising additional finance to finance firm' assets, funding by the use of retained earnings is most preferred while financing through raising the debt level is next and the last option is issuing of additional equity (Myers and Majluf, 1984); (Margaritis and Psillaki, 2007); (Otekunrin *et al.*, 2017); (Otekunrin *et al.*, 2018); (Otekunrin et al., 2018). This theory is in line with the apriori expectation of this study that the higher the level of the profitability ratios, the higher level of Quoted firms Market Price of Share which are derived from retained earnings and capital structure components of the firms.In order to minimize the cost of capital and maximize the value of firms, managers are responsible for taking appropriate finance decision that would give appropriate mix of debt and equity that a firm uses to finance its business (Damodaran, 1994). Hence as increase in the level of the profitability lead increase in level of Quoted firms Market Price of Share, the objective the firms to minimize the cost of capital and maximize the value of firms is being achieved. According to pecking order theory, there are two sources that a firm can generate fund from and these are external and internal sources of finances. Funds such as retained earnings from previous year's operations of the firm are internal source of finance available for financing the assets of the firm while funds such debt and new equity are external source of finance available for financing the assets of the firm.

2.4. Empirical Evidences

Dadrasmoghadam and Akbari (2015) examined the correlation between MPS and financial ratio from 1999 to 2009 with use Agriculture-related firms and concluded that DR, LR, ROA, ROE and MPS are positively and significantly related. Miri *et al.* (2010) also concluded that ROA, ROE and MPS related. Islam *et al.* (2014)

investigated 22 banks on the relationship between EPS, MPS and firm value and concluded that MPS does not move as fast as the EPS move. Pankaj (2017) investigated the relationship between EPS, Price-Earnings ratio and MPS and found that both EPS and Price-Earnings are significantly related to MPS. Pankaj (2017) multiple regression analysis to study the auto sector in India. (Muhammad *et al.*, 2012) studied the association between EPS, NAPS and MPS of firms quoted and concluded that these financial are not related and that investor used non financial information to take decision on MPS.

Abu (2003) used forty industrial publicly quoted Jordanian firms to examine the association between the role of published accounting Information and MPS for the 2003, and concluded MPS and the ratios of fixed assets to total assets, the creditors total to total of cash sources, and the wages ratio to total of expenses ratio are negatively and significantly related. With the use of thirty-eight industrial publicly quoted Jordanian firms to examine the association between accounting and market performance indicators between periods of 2000 to 2007, and concluded that cash flow are positively and significantly related. Al (2005) used one hundred and ten publicly quoted Jordanian firms to examine the association between published accounting information of the insurance firms and MPS between periods of 1994 to 2004, and concluded market information have more capability to forecast MPS compared to the accounting information. Osman and Iddrisu (2015) used financial statements in the audited annual reports of banking institutions on Ghana Stock Exchange to examine the association between ROA, ROE, and ROI together the MPS for periods of 2009 to 2013, and concluded that ROE and MPS are more positively and significantly related than ROA and MPS. Obviously past studies on relationship between financial ratios and MPS generated mixed results and hence make this area of study open for further research. In line with the empirical evidences discussed above this study examined relationship between financial ratios (EPS, NAPS, ROA, ROE, LR and DR) with Quoted firms MPS after the adoption of IFRS.

3. Material and Method

The relationship between financial ratios (with ESP, NAPS, LR, DR, ROA and ROE as proxies for financial ratios) and market price of share was examined in this study with the use of multiple regression analysis. In line with the existing literature (Osman and Iddrisu, 2015); (Pankaj, 2017); (Otekunrin *et al.*, 2017).The multiple regression analysis was used to analyse the relationship between financial ratios (EPS, NAPS, LR, DR, ROA and ROE) of the Nigerian Agriculture and Agro-Allied Quoted firms with Market Price of Share. Secondary data used was obtained from annual report of selected Quoted Agriculture and Agro-Allied firms in Nigeria from 2012 to 2016.

3.1. Population of the Study, Sample Size and Sampling Technique

The twenty two (22) agriculture and agro-allied firms quoted on the Nigerian Stock Exchange (hereafter referred as NSE) from 2012 to 2016 is the population of this study. Total number of eighteen (18) quoted agriculture and agro-allied firms was selected using stratified random sampling technique as follow:

Table-1. Numbers of firms in each stratum that formed the sample size

SN	Sub-group (strata)	Total Number	Sample size
1	Quoted agro-allied firms	17 (100%)	14 (82.4%)
2	Quoted agriculture firms	5 (100%)	4 (80%)
	Total	22	18

Source: computed by researcher based on the criteria given above

In line with the modern online sample size calculator by Raosoft, Inc which required that at least 50% of the quoted firms in each stratum (i.e. agricultural business firms and the agro-allied business firms) of the population of the study must be selected. This study selected 82.4% of the quoted agro-allied firms were selected and 80% of the quoted agriculture firms were also selected. Additional conditions that was fulfilled before the sample size was chosen were as given below:

(i) Firms selected are quoted Nigeria Stock Exchange.
(ii) It must be a firm in either agricultural business and the agro-allied business..
(iii) The firm' audited annual report from 2012 to 2016 must be available and obtainable and consist of financial statement variables in the regression model.

3.2. Model Specification

Dadrasmoghadam and Akbari (2015), Miri *et al.* (2010) and Pankaj (2017) , only one empirical models were adopted in this study. The multiple regression analysis was used in analyzing the nature of the relationship between the independent variables on the dependent variable. The dependent variable and independent variables are as given below:

Table-2. Dependent and the Independent variables

	Independent variables Profitability Ratios	
1	EPS	Profit After Tax (PAT)- Preference Dividend / Numbers of ordinary share issued and ranking for dividend
2	NAPS	Total Assets – Total Liabilities- Preference Shares / Numbers of ordinary share issued and ranking for dividend
3	LR	Current Assets / Current Liabilities
4	DR	Total Debt / Total Assets
5	ROA ratio	Profit before Interest and Tax / Total Assets
6	ROE ratio	Profit after Interest and Tax and Preference Dividends / Net Worth (equity)
	Dependent variables	
7	MPS	Log (MPS)*

*The MPS was logged to limit the effect of outlier in the dependent variable.

3.3. The Study Models

Model 1: Financial Ratios of Firms (i.e. EPS, NAPS, LR, DR, ROA, ROE AND ROE) and Market Price of Shares (MPS)

$$MPS = \alpha_0+\alpha_1EPS_{it}+\alpha_2NAPS_{it}+\alpha_3LR_{it}+\alpha_4DR_{it}+\alpha_5ROA_{it}+\alpha_6ROE_{it}+e_{it} \quad (1)$$

Where:

MPS is the dependent variable, measured by log of Market price per share,
$\boldsymbol{\alpha_0}$, $\boldsymbol{\alpha_1}$, $\boldsymbol{\alpha_2}$, $\boldsymbol{\alpha_3}$, $\boldsymbol{\alpha_4}$, $\boldsymbol{\alpha_5}$and $\boldsymbol{\alpha_6}$ are regression coefficients with unknown values.
EPS = Earnings per Share
NAPS = Net Assets per Share
LR = Liquidity Ratio
DR = Debt Ratio
ROA= Return on assets ratio
ROE= Return on equity ratio
$\boldsymbol{e_{it}}$= Residual.

Expected Apriori:

$\alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5$and α_6> 0

Hence:

α_1> 0; means that the higher the level of Earnings per Share, the higher level of Quoted firms Market Price of Share,

α_2 >0; means that the higher the level of Net Assets per Share, the higher level of Quoted firms Market Price of Share,

α_3> 0; means that the higher the level of Liquidity ratio, the higher level of Quoted firms Market Price of Share,

α_4> 0; means that the higher the level of Debt ratio, the higher level of Quoted firms Market Price of Share,

α_5 >0; means that the higher the level of Return on Asset ratio, the higher level of Quoted firms Market Price of Share,

α_6> 0; means that the higher the level of Return on Equity ratio, the higher level of Quoted firms Market Price of Share,

4. Results

4.1. Descriptive Statistics

The descriptive statistics for the variables in both empirical Model 1 is given below

Table-3. Descriptive Statistics of Variables for Empirical Model 1

	LOGMPS	EPS	NAPS	LR	DR	ROA	ROE
Mean	1.166546	-0.056679	7.865061	1.151120	0.583560	0.614679	0.421500
Median	1.231204	-0.043358	2.845000	0.991697	0.579007	0.796418	0.599477
Maximum	3.079181	1.476397	51.21000	4.677695	1.504471	2.564783	1.925369
Minimum	-0.301030	-1.000000	-5.080000	0.073989	0.046269	-1.894254	-1.793366
Std. Dev.	0.822160	0.708456	12.12923	0.718923	0.224873	0.839872	0.682664
Skewness	0.208205	0.282839	2.020344	1.847466	1.341833	-1.297895	-1.205268
Kurtosis	2.598917	2.216772	6.330460	8.524711	7.635540	4.481584	4.464488
Jarque-Bera	1.253493	3.500394	102.8217	165.6561	107.5886	33.49957	29.83280
Probability	0.534327	0.173740	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	104.9891	-5.101108	707.8555	103.6008	52.52037	55.32112	37.93503
Sum Sq. Dev.	60.15926	44.66999	13093.52	45.99961	4.500522	62.77927	41.47666
Observations	90	90	90	90	90	90	90

Source: Author's computation using E-Views 9.0

Table 3 above indicate measurement of normality. In terms of Skewness, normal skewness the value is zero (0), hence Market Price of shares (MPS) and Earnings per Share (EPS) with respective value of Skewness of 0.208205 and 0.282839 mirror a normal distribution. In terms the kurtosis, the kurtosis for Market Price of shares (MPS) and Earnings per Share (EPS) which are respectively 2.598917 and 2.216772 are platykurtic because both figures are lower than 3 which for normal distribution. It means both Market Price of shares (MPS) and Earnings per Share (EPS) has lower values than the sampled mean of the variables. Hence Market Price of shares (MPS) and Earnings per Share (EPS) despite mirroring normal distribution are platykurtic. Based on the probability of the Jarque-Bera statistics' of Earnings per Share (EPS), Net Asset per Share (NAPS), Liquidity Ratio (LR), Debt Ratio (DR), Return on Asset (ROA) and Return on Equity (ROE) which are 0.173740, 0.000000, 0.000000, 0.000000, 0.000000 and 0.000000 respectively, we can reject the six null hypotheses. This is because their probability values are highly statistically significant.

4.2. Regression Analysis

This regression analysis was used to investigate the relationship between financial ratios of firms (i.e. EPS, NAPS, LR, DR, ROA and ROE) with Market Price of Shares (i.e. MPS) from 2012 to 2016.

MODEL 1: FINANCIAL RATIOS OF FIRMS (i.e. EPS, NAPS, LR, DR, ROA and ROE) AND MARKET PRICE OF SHARES (i.e. MPS)

$$MPS = \alpha_0+\alpha_1EPS_{it}+\alpha_2NAPS_{it}+\alpha_3LR_{it}+\alpha_4DR_{it}+\alpha_5ROA_{it}+\alpha_6ROE_{it}+e_{it} \quad (1)$$

Table-4. Regression Results of the Variables (2012-2016)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.514093	0.250544	2.051908	0.0433
EPS	0.623510	0.106422	5.858826	0.0000
NAPS	0.026697	0.005833	4.576621	0.0000
LR	0.026489	0.079786	0.331999	0.7407
DR	0.668306	0.273087	2.447229	0.0165
ROA	0.148364	0.069820	2.124960	0.0366
ROE	-0.080338	0.091962	-0.873599	0.3849
R-squared	0.716698	Mean dependent var		1.166546
Adjusted R-squared	0.696219	S.D. dependent var		0.822160
S.E. of regression	0.453145	Akaike info criterion		1.329376
Sum squared resid	17.04322	Schwarz criterion		1.523805
Log likelihood	-52.82190	Hannan-Quinn criter.		1.407781
F-statistic	34.99564	Durbin-Watson stat		0.654154
Prob(F-statistic)	0.000000			

Source: *Author's computation using E-Views 9.0.*
Predictors: *EPS, NAPS, LR, DR,* ROA, ROE, ROI, *CONSTANT,*
Dependent Variable: *MPS*

Table (4) above indicate that the regression coefficient of the earnings per share (EPS), is positive (0.623510) with positive t-statistic (5.858826) and a p-value of 0.0000 significant 1%. Based on this result and in line with *apriori* expectation, earnings per share (EPS) is positively and significantly related to the level of market price of share (MPS). The regression coefficient of the net assets per share (NAPS), is positive (0.026697) with positive t-statistic (4.576621) and a p-value of 0.0000 significant 1%. Based on this result and in line with *apriori* expectation, net asset per share (NAPS) is positively and significantly related to the level of market price of share (MPS). The regression coefficient of the liquidity ratio (LR) is positive (0.026489) with positive t-statistic (0.331999) and a p-value of 0.7407. Based on this result and in line with *apriori* expectation, liquidity ratio (LR) is positively and but not significantly related to the level of market price of share (MPS). The regression coefficient of the debt ratio (DR) is positive (0.668306) with positive t-statistic (2.447229) and a p-value of 0.0165. Based on this result and in line with *apriori* expectation, debt ratio (DR) is positively and significantly related to the level of market price of share (MPS). The regression coefficient of the return on assets ratio (ROA), is positive (0.148364) with positive t-statistic (2.124960) and a p-value of 0.0366 significant 1%.

4. Discussion

Based on this result and in line with *apriori* expectation, return on assets ratio (ROA) is positively and significantly related to the level of market price of share (MPS). The regression coefficient of the return on equity ratio (ROE) is negative (-0.080338) with negative t-statistic (-0.873599) and a p-value of 0.3849. Based on this result return on equity ratio (ROE) is negatively and but not significantly related to the level of market price of share (MPS). This result is against the *apriori* expectation on return on equity ratio (ROE).

Adjusted R-Square value of 69.62% which is considered to be of relatively high value, therefore the Hypothesis 1, Hypothesis 2, Hypothesis 4 and Hypothesis 5 which are in a null form are hereby rejected and the alternative Hypothesis1 which states that there is a significant relationship between EPS and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria is accepted. Alternative Hypothesis 2 which states that there is a significant relationship between NAPS and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria is accepted. Alternative Hypothesis 4 which states that there is a significant relationship between DR and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria is accepted. Alternative Hypothesis 5 which states that there is a significant relationship between ROA and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria is accepted. However Hypothesis 1, Hypothesis 2, Hypothesis 4 and Hypothesis 5 which are in a null form are hereby rejected and the alternative Hypothesis1 which states that there is a significant relationship between EPS and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria is accepted.

Alternative Hypothesis 2 which states that there is a significant relationship between NAPS and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria is also accepted. Further accepted is alternative Hypothesis 4 which states that there is a significant relationship between DR and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria. Equally accepted is alternative Hypothesis 5 which states that there is a significant relationship between ROA and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria. Hypothesis 3 and Hypothesis 6 which are in a null form are accepted because the result from the table shows that LR and ROE are not significantly related to selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria. Hence alternative Hypothesis 3 which states that there is a significant relationship between LR and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria is rejected. Also rejected is aalternative Hypothesis 6 which states that there is a significant relationship between ROE and selected Quoted Agriculture and Agro-Allied firms MPS after the adoption of IFRS in Nigeria.

5. Conclusion

The result shows that Earnings per Share, Net Assets per Share, Debt Ratio and Return on Asset are positively and significantly related to Nigerian Agriculture and Agro-Allied Quoted firms' Market Share Price. This result in line with the some extant findings as in the empirical literature reviewed such extant studies include Miri *et al.* (2010), Dadrasmoghadam and Akbari (2015) and Pankaj (2017). However, liquidly ratio is not significantly related to Nigerian Agriculture and Agro-Allied Quoted firms' Market Share Price. The negative but not significant relationship between Returns on Equity may be due to effect of huge taxation and preference dividend paid by the Nigerian Agriculture and Agro-Allied Quoted firms selected for this study. Overall it implies that there will be increase in profitability of Nigerian Agriculture and Agro-Allied Quoted firms if their management deploy and utilize the assets of the firms efficiently and consequently the increase in their profitability will lead to increase in market share price. This will lead to shareholder' wealth maximization. Hence the conclusion of this study also aligned with pecking-order theory that is of the view that in terms of raising additional finance to finance firm' assets, funding by the use of retained earnings is most preferred while financing through raising the debt level is next and the last option is issuing of additional equity

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