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**RECEIVABLES AND PAYABLES MANAGEMENT: IMPLICATION FOR COMPANIES’ PROFITABILITY AND SURVIVAL IN NIGERIA**

**IBRAHIM ABDUL-LATEEF AYOMIDE**

**(20PGDA000107)**

**A DISSERTATION SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE COLLEGE OF BUSINESS AND SOCIAL SCIENCES LANDMARK UNIVERSITY, OMU-ARAN, KWARA STATE**

**AUGUST, 2022**

**RECEIVABLES AND PAYABLES MANAGEMENT: IMPLICATION FOR COMPANIES’ PROFITABILITY AND SURVIVAL IN NIGERIA**

**BY**

**IBRAHIM ABDUL-LATEEF AYOMIDE**

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**AUGUST, 2022**

**DECLARATION**

I, **Abdul-Lateef Ayomide Ibrahim, (20PGDA000107),** an MScStudent in the Department of Accounting and Finance hereby declare that the research dissertation titled ‘**Receivables And Payables Management: Implication For Companies’ Profitability And Survival In Nigeria’** submitted by me is based on my original work. Any material obtained from other sources or work done by any other persons or institutions have been duly acknowledged.

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…………………………….

**CERTIFICATION**

This is to certify that the dissertation titled ‘**Receivables and Payables Management: Implication for Company’s Profitability and Survival in Nigeria”** has been read and approved as meeting the requirements of the Department of Accounting and Finance, Landmark University for the award of Masters of Science (MSc.) degree in Accounting.

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**DEDICATION**

This dissertation is dedicated to Almighty God for the strength granted unto and his unspeakable gift, Jesus Christ through which I have the hope of eternal life. I also dedicate this dissertation to my family for their love and support during this period of study.

**ACKNOWLEDGEMENTS**

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**ABSTRACT**

The importance of receivables and payables management on profitability and survivability of companies cannot be overemphasized This is in view of the tradeoff that exists between Liquidity and Profitability. Receivables Management Proxy was the debtors' collection period while payables management was measured using the creditor's payment Period. The proxy for profitability was return on equity while the survival proxy is the age of the firm. The study addressed the following research questions; What is the effect of the Debtors Collection Period on Companies’ Return on Equity? What is the influence of the Creditors Payment Period on Companies’ ROE? How does the Debtors Collection Period affect Companies’ Age of the Firm in Nigeria? What is the functional association of the Creditors Payment Period on Age of Quoted Firms in Nigeria? Data were gathered using the financial statements of 70 publicly traded companies across three sectors (Financial, Manufacturing, and Oil and Gas). Descriptive statistics and Ordinary Least Square were the analytical techniques used in the study with the aid of the Statistical Package for Social Sciences (SPSS). The results show that creditors' payment period has a positive effect on profitability with a coefficient value of 0.000 and a t statistic of 6.920. With a coefficient value of 0.010 and 0.028, the findings conclude that CCP has a beneficial impact on the companies’ returns in Nigeria. Results showed that DCP has a beneficial impact on listed companies' existence in Nigeria. By adopting a stringent credit policy, hence the number of collection days will reduce thus increasing profitability in the short-run and long run.

**Key Words**: Receivables Management, Payables Management, Profitability, Survival

**TABLE OF CONTENTS**

**PAGES**

**Cover Page i**

**Title Page ii**

**Declaration iii**

**Certification iv**

**Dedication v**

**Acknowledgement vi**

**Abstract viii**

**Table of Content ix**

**List of Tables xiii**

**List of Figures xiv**

**CHAPTER ONE: INTRODUCTION**

1.1 Background of the Study 2

1.2 Statement of Problem 6

1.3 Research Questions 8

1.4 Research Objectives 8

1.5 Research Hypothesis 9

1.6 Significance of Study 10

1.7 Scope of Study 11

1.8 Organization of Chapter 11

1.9 Sources of Data 12

1.10 Definition of Terms 12

**CHAPTER TWO: REVIEW OF LITERATURE**

2.1 Introduction 15

2.2 Conceptual Issues 15

2.2.1 Receivables Management 16

2.2.1.1 Debtors Collection Period 18

. 2.2.2 Payables Management 19

2.2.2.1 Creditors Payment Period 19

2.2.3 Nature and Measures of Profitability 20

.2.2.4 Nature and Measures of Corporate Survival 23

-2.2.5 Receivables Management and Profitability 26

2.2.6 Receivables Management and Survival 27

2.2.7 Payables Management and Profitability 28

2.2.8 Payables Management and Survival 29

2.3 Theoretical Framework 29

2.3.1 Liquidity Profitability Tradeoff 30

2.3.2Pecking Order Theory 32

2.3.3 Transaction Cost Theory 34

2.4 Empirical Review 35

2.5 Literature Gap 50

**CHAPTER THREE: METHODOLOGY**

3.1Introduction 51

3.2 Research Design 51

3.3 Population of Study 52

3.4 Sample Size and Sampling Technique 53

3.5 Data Collection Methods. 53

3.6 Data Analysis Methods 53

3.7 Operationalization of Variables 54

3.8. Model Specification 57

3.9.*Apriori Expectation* 58

**CHAPTER FOUR: RESULTS AND DISCUSSION OF FINDINGS**

4.1. Introduction 59

4.2 Data Presentation 59

4.3. Descriptive Analysis 60

4.4. Comparison among the three sectors 64

4.5. Preliminary Analysis 65

4.6. Regression Analysis 72

4.7. Testing of Hypothesis 93

**CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS**

5.1. Introduction 100

5.2. Summary of Work Done 100

5.3. Summary of Findings 102

5.4. Conclusion 106

5.5. Recommendation 106

5.6. Contribution to Existing Knowledge 107

5.7. Limitation of Study 108

5.8. Suggestions for Further Study 108

References 109

**APPENDIX**

Appendix A 121

Appendix B 128

**LIST OF TABLES**

**Table 4.1:** Pooled Statistics for Financial, Manufacturing, and Oil and Gas Sector 60

**Table 4.2:** Descriptive Statistics of Data from Financial Industry 61

**Table 4.3:** Descriptive Statistics of Data from the Manufacturing Industry 62

**Table 4.4:** Descriptive Statistics of Data from Oil and Gas Industry 64

**Table 4.5:** Multicollinearity Statistics (Financial) 68

**Table 4.6:** Multicollinearity Analysis(Manufacturing) 69

**Table 4.7:** Test for Multicollinearity (Oil and Gas) 70

**Table 4.8:** Model Summary of Pooled Regression Analysis (Profitability) 72

**Table 4.9:** ANOVA Table for Pooled Regression Analysis (Profitability) 72

**Table 4.10:** Coefficient Table for Pooled Regression Analysis (Profitability) 73

**Table 4.11:** Model Summary of Pooled Regression Analysis (Survival) 75

**Table 4.12:** Coefficient of Determination Table 75

**Table 4.13:** Coefficient Table for Pooled Regression Analysis (Survival) 75

**Table 4.14:** Model Summary for Financial Industry (Profitability) 77

**Table 4.15:** ANOVA TABLE for Financial Industry (Profitability) 77

**Table 4.16:** Coefficient Table for Financial Industry (Profitability) 78

**Table 4.17:**Model Summary for Financial Industry (Survival) 80

**Table 4.18:** ANOVA Table for Financial Industry (Survival) 80

**Table 4.19:** Coefficient Table for Financial Industry (Survival) 80

**Table 4.20:** Model Summary for Manufacturing Industry (Profitability) 83

**Table 4.21:** Model Summary for Manufacturing Industry (Profitability) 83

**Table 4.22:** Coefficient Table for Manufacturing Industry (Profitability) 83

**Table 4.23:** Model Summary for Manufacturing Industry (Survival) 85

**Table 4.24:** ANOVA Table for Manufacturing Industry (Survival) 85

**Table 4.25:** Coefficient Table for Manufacturing Industry (Survival) 86

**Table 4.26:** Model Summary for Oil and Gas Industry (Profitability) 87

**Table 4.27:** ANOVA Table for Oil and Gas Industry (Profitability) 87

**Table 4.28:** Coefficient Table for Oil and Gas Industry (Profitability) 88

**Table 4.29:** Model Summary for Oil and Gas Industry (Survival) 89

**Table 4.30:** ANOVA Table for Oil and Gas Industry (Survival) 89

**Table 4.31:** Coefficient Table for Oil and Gas Industry (Survival) 90

**LIST OF FIGURES**

**Figure 4.1:** Conceptual Framework of the Study 16

**Figure 4.2:** Test for Normality (Histogram for Profitability) 66

**Figure 4.3:** Normality Test (Histogram for Survival) 67

**Figure 4.4:** Outliers Test (Profitability) 71

**Figure 4.5:** Test for Outliers (Survival) 71

**CHAPTER ONE**

**INTRODUCTION**

**1.1 Background to the Study**

Receivables and Payables management is a critical factor in ensuring a business profitability and its survival in its long-run. Profitability has been highlighted as the main goal of a firm, without which none can endure over the long term ((Adjirackor et al., 2017) The capacity of a business to efficiently manage receivables, inventory, and payables is essential to its survival (Panigrahi, 2013)

Businesses are created with the sole aim of making profit. The excess of revenue over expenditure of a company is regarded as profit. The profitability of a business serves as the basis for assessing its financial health. Thus, every business aims to increase profitability, in other words, the higher the returns, the higher the survival. Profitability shows how effectively management uses business resources to generate profits (Muya, 2016) A firm is said to be profitable if its revenue exceeds its expenses.

Management of liquidity involves the conversion of accounts receivables into cash daily; payment of account payables at the right time; and collection of credit to ensure profitability. One of the most crucial decisions a company must make to assure profitability and long-run survival is liquidity decision. This is because liquidity and its management have implications for the growth, profitability, and survival of the entity (Ben-Caleb, 2013). Accounts receivables and payables are very essential for a company to make a profit in its operations thereby increasing the probability of the company surviving in the industry.

One of the most important facts is that liquidity and survival go hand in hand. The relationship between liquidity and financial enterprises survivability is also tied to the profitability of financial services. The rate at which companies are profitable determines the level at which the firms will survive coupled with the level of liquidity applied in the finance world. Consequently, Panda (2012) asserts that the long-term survival of a firm depends on effective management of working capital which is a vital mechanism that enables the maximization of the value of shareholders' wealth

Accounts Collection Period is a period to change a company's debt to cash after the sale was calculated and dividing receivables by the average credit sales per day (Ponsian, 2014). Account receivables have been viewed as the period when a company buys in credit intending to pay later in the future. It is also called the accounts collection period. It is accounted for in the financial statement as current assets.

The handling of a company’s receivables and payables can affect its liquidity. A reduction in account collection period will boost the firm's ability to increase and sustain its liquidity level. Lower account receivables days also show that the firm can obtain cash from clients earlier and use it for its day-to-day operations thereby improving profitability. As a result, the longer the collection days, the more likely a corporation will fail to sustain liquidity level thereby leading to lower profitability and chances of the firm closing down its business.

Accounts payable, formerly known as trade creditors, are the days when consumers have not paid for the goods or services delivered by the organization. Accounts payables are thereby seen as free credit because customers have not paid for the goods or services delivered but will do so at a later period. For account payables, the higher the number of days, the higher the cash in hand, which leads to higher liquidity. The lower the days in account payables, the delay in paying out cash, leading to lower profitability and liquidity and risking the chances of the firm's survival.

**1.2 Statement of the Research Problem**

The ability to manage the receivables and payables of a firm is essential for profitability and survival. According to ((Mahama, 2015) several company failures have been documented throughout the world. Globally, there have been recent records of corporate failures in the world. A major reason why companies fail is the inability to maintain their receivables and payables management. In the Nigerian system, there have been records of companies' failures. Many businesses in Nigeria are having trouble raising enough operating capital or maintaining liquidity ((Takon & Atseye, 2015)) Out of 100 percent of companies, 80% of SMEs fail within their first year of operation. (Ideaslane, 2021).

Corporate failure applies to all companies, especially to the stakeholders of the publicly held companies (Madhushani et al., 2018). Studies have focused towards receivables management or payables management with profitability in Nigeria. The combined effect of both receivable and payable management on profitability has been left without much attention. More so, studies around the functional association between receivable/payables management and a firm's survival in Nigeria seem to have been neglected

Besides, there is yet to be a consensus on the direction and magnitude of effect that receivables and payables management has on profitability and survival. While some researchers ((Mohamed, 2013) Other studies on Payables by (Nyachwaya, 2019), (Almarazi, 2014) conclude that payables management and profitability have a negative association.

This study was therefore conceptualized to address the identified lacuna by examining the implication of receivables management and payables management on Companies’ Profitability and Survival in Nigeria.

**1.3 Research Questions**

i. What is the effect of the Debtors Collection Period on Companies’ Return on Equity in Nigeria?

ii. What is the influence of the Creditors Payment Period on Companies’ Return on Equity?

iii. How does the Debtors Collection Period affect the Age of the Firm of listed firms in Nigeria?

iv. What is the functional association of the Creditors Payment Period on Companies’ Age of the Firm?

**1.4 Objectives of the Study**

The primary purpose of this study is to investigate receivables and payables management and its implication on Company’s profitability and survival in Nigeria.

The specific objectives of this study are to:

i. Determine the effects of debtors collection period (DCP) on Companies’ Return on Equity

ii. Ascertain the functional association of creditors' payment period (CPP) on Firms’ Return on Equity.

iii. Examine how the debtors' collection period (DCP) influences the Companies’ Age of the Firm

iv. Examine the impact of the creditors' payment period (CPP) on the Age of the Firm of listed firms in Nigeria

**1.5 Research Hypothesis**

The Four hypotheses for this study were formulated and they are:

**Hypothesis One**

H0: There is no significant effect that the Debtors Collection Period has on companies' Returns on Equity in Nigeria.

**Hypothesis Two**

H0: Creditors' Payment Period does not have a significant influence on companies' Return on Equity in Nigeria

**Hypothesis Three**

H0: There is no significant effect that Debtors Collection Period has on companies' Age of the Firm in Nigeria.

**Hypothesis Four**

H0: There is no significant implication of the Creditors Payment Period on companies' Age of the Firm .

**1.6 Significance of the Study**

Studies on managing receivables and payables are critical for success of firm. The study will be incredibly beneficial because it will serves as basis for further study in this field.:

**Researchers**: It serves to widen the scope of knowledge on how to maintain receivables and payables management of firms in Nigeria.

**Government**: This study will aid the Government in formulating monetary policies Thereby reducing receivables and increasing payables in firms, and deposit money banks.

**Public**: The study enlightens the public on the benefit of maintaining good credit management practices thereby maintaining an optimal liquidity point.

**1.7 Scope of Study**

The scope of study focuses is Companies publicly listed on Nigeria Stock Exchange between 2010 to 2020 (11 years). The data was compiled using financial statements from companies publicly traded on the NSE.

**1.8 Organization of Study**

This research is divided into five chapters. Chapter one discusses study’s background, problem statement, questions for the study, objectives for the research, hypotheses, the relevance of the study, the research scope, Organization of Study and Definition of Terms. Chapter two discusses the theoretical issues, empirical gap, conceptual issues, and the gap of the study. The Methodology which includes study’s Design, Population of the Study, Sample size and Sampling Technique, Data Collection Methods, Data Analysis Techniques, Model Specification, Operationalization of Variables, Apriori Expectation is covered in Chapter 3. The fourth chapter focuses on Data Presentation, analysis and interpretation . Summary, , Limitation and Recommendation covers Chapter Five

**1.9 Sources of Data**

This means that the information was derived from financial accounts of 70 companies listed on the Nigerian stock exchange over an 11-year period (2010-2020).

**1.10 Definition of Terms**

**1. Receivables Management**

This refers to the act of managing debts of the company which is owed by customers in terms of credit sales. It is the act of controlling the account collection period of the firm and is also referred to as trade credit management.

**2. Payables Management**

This refers to the means of controlling the amount of money the company pays to its suppliers on account of goods received and services rendered. It is measured using the accounts payable ratio.

**3. Profitability**

This is the capacity of the firm to utilize its available resources to earn income for the firm. It also refers to the company’s ability to create revenue through day-to-day operations.

**4. Survival**

This refers to the company's capacity to run its operations as a going concern from its year of operation to the current year. The firm can run or carry out its operations for a while.

**5. Return on Equity**

It helps to determine how the company is generating income with the use of equity provided by shareholders in a firm. It is expressed in percentage form.

**6. Age of the Firm**

Firm Age serves as a means of showing experience in carrying out a business. It represents the number of years from the company's founding that it has been in operation.

**7. Liquidity-Profitability Tradeoff**

This demonstrates how liquidity and profitability are related. It implies that there must be a trade-off between the two primary aims of businesses, which are to generate a profit and retain liquidity, so boosting their chances of survival

**CHAPTER TWO**

**REVIEW OF LITERATURE**

**2.1 Introduction**

This component of the study examines the implications of receivables and payables management on a company's survival and profitability in Nigeria. It consists of the conceptual framework which focuses on the various concepts used in this study, a theoretical framework that focuses on the main theories used in this study, the empirical framework which summarizes other researchers' views relating to this field of study, and the research gap which seeks to establish the point of research work.

**2.2 Conceptual Review**

Ravich and Carl (2016) avert that it is a generative frameworks that reflect the thinking of the entire research process. It is also known as an analytical framework. The explaned variables for this study includes profitability and survival while independent variables are Receivables and Payables Management.

**INDEPENDENT VARIABLES CONTROL DEPENDENT VARIABLE**

PROFITABILITY

Return on Equity

RECEIVABLES MANAGEMENT

Debtors Collection Period

SURVIVAL

Companies’ Age

PAYABLES MANAGEMENT

Creditors Payment Period

Company Size

Total Assets

**Figure 2.1 Conceptual Framework**

**2.2.1 Receivables Management**

Provisions must be made by a firm in the management of account receivables if it fails to do so, receivables might build up to exorbitant levels, resulting in falling cash flows. The process of planning and controlling debt owed by the customer in terms of credit sales is called Receivables Management. According to (Vural et al., 2012), the advantages of enabling credit sales, including the fact that it encourages buyers to buy goods during period of low demand (Mbula et al., 2016) allows clients to verify that the goods they receive are what was agreed upon and ensures that the services that they hired for are performed); and support businesses in building long-term relationships with their clients . Management of trade credit is commonly known as Receivables Management. Any company’s day-to-day operations include trade receivables. This occurs when companies provides goods to a customer on credit with the expectation that they will pay within a certain time frame. Account receivable are short-term debts that arise from credit sales and are reported by the seller as account receivable and the buyer as account payable . Sales and earnings both increase as a result of this. When trade receivables are not collected within the agreed-upon time frame, they become bad debt resulting in low profitability for the company. It is reported in the statement of financial position as current assets.

Accounts receivable management serves as means to facilitate the completion of the sales made in the organization. According to Pandey (2010), it is an important part of corporate finance as it tends to affect both liquidity and profitability. It is crucial for a business to preserve its current clientele and sales through effective business procedures..

Receivables management that is effective will result in the firm’s profitability. Similarly, bad receivables management will result in poor liquidity resulting in insufficient inventory low sales, and ultimately low profitability. The longer it takes to recover account receivables, the lower the sales will be and the lower the sales the smaller the profits will be.

Receivable accounts depend on their characteristics; the nature, economic importance, and essential aspect of existence highlight the reasonableness and the need for diligent control of the receivables ((Prempeh & Peprah-Amankona, 2020). The first way, is for the firm to make payments in advance to the suppliers thereby promoting timely supply, especially when the supplier holds a monopolistic position. And the second way accounts receivables are produced is when a company sells its output on credit, often known as trade debtors. The Debtors Collection Period is the most important metric in receivables management.

**2.2.1.1 Debtors Collection Period**

This is also known as the Account receivables Period.When items are sold on credit, receivables are formed; when they are sold for cash, they are not (Abuhommous, 2017). Compared to other companies with less or no investment in trade credit, a company that invested more in trade credit will see a rise in profit (Abuhommous, 2017)

The formula for debtors' collection period is:

**Debtors Collection Period: Accounts Receivables / Credit Sales \* 365 days**

**2.2.2 Payables Management**

A seller’s sum receivable and a buyer’s account payable are documented as the obligation resulting from credit sales (Senthilmani, 2013). As stated in the Statement of Financial Position, it is considered short-term debt and is recorded as current liabilities.. It is also known as Debt Management. Accounts payable represent vendors who have issued bills for products or services supplied but have yet to be paid.

The lower the days of account payable, the better the solvency of the enterprise is, the less it takes the working capital of other businesses thereby increasing the reputation of the firm. Therefore, it increases the profitability of the firm in the future. The proxy for payables management is the account payable period.

**2.2.2.1 Creditors Payment Period**

This is also known as the Trade Payables Period. It speaks about the typical period required to purchase items with credit and make payments. The formula is [(creditors/turnover) \*365]. It is recognized in the statement of financial position as current liabilities.

It is also called days purchases in accounts payable. It provides information about a company's cash flow and creditworthiness, exposing major concerns.

**Trade Payables Period: Accounts Payable/ Credit Purchases \* 365 days**

**2.2.3 Nature and Measures of Profitability**

A company’s performance indicator, according to the Financial Accounting Standards (2016), is primarily its profitability. A company’s primary goal is to make annual returns on sales.. Profitability is the link between the profits made by firms and the process of how the profits are being made in the firm. A manager's success is measured by his or her ability to generate profit from the firm's operations. Increasing the profitability of a firm is the most crucial task for a manager. Managers are constantly looking for a medium to increase profitability in organizations. The better a firm’s profitability, the more likely it is to survive in the future.

Profitability is the end consequence of policies and actions, and this ratio and the information it provides about the success of the company’s operations also take into the account the combined effects of debt, asset management, and liquidity on operational outcomes (Brigham & Ehrhardt, 2017:114).

**2.2.3.1 Return on Equity (ROE)**

ROE is a measure corporation's profitability that shows the efficiency of the company in generating profits. According to Henry, (2016), It is also called Returns on Stockholders Equity. According to (Hery salah, 2016), one of the main reasons for operating the company is to generate profit that will be beneficial for shareholders. Ít is a measure informing investors about the company management of capital given by its owners. It is the proportion of a firms earnings to its shareholders' equity. Higher ROE will lead to better efficiency of the management in generating profits without much financing.

However, since the return on equity obtains the net income from the firm's statement of comprehensive income and the shareholder's equity from the statement of financial position, it is said to be the remaining amount of funds available to shareholders in case of liquidation. Return on Equity serves as a good basis for comparing various investments in a firm and it provides the firm with the opportunity of choosing the best investment.

**ROE: Net Profit / Shareholders Capital**

**2.2.4 Nature and Measures of Corporate Survival**

Survival and profitability go hand in hand. This is due to the firm’s capacity to meet its customers’ commitments on a daily basis while maintaining an optimum level of liquidity. The higher the profitability the higher the chances of survival and the lower the profitability, the lower the chances of surviving in the industry. Organizational survival is defined according to (Sensini, 2020)

A company is said to be in financial difficulty when it is unable to produce enough revenue to pay its debts when they are due ((Ufo, 2015) typically occur when businesses breach their financial commitments to creditors (Ikpesu & Eboiyehi, 2018)

The degree to which an organization adapts to its environment depends on internal elements, which affect the likelihood of a firm’s longevity (Colombo & Milano, n.d.). There are various models used in examining the survival rate of organizations and an example of one is the Altman Z-score model introduced by Altman in 1968. The model's goal was to predict if the company will go bankrupt in the next two to three years.

A variety of ratios are utilized to evaluate the long-term profitability of a business. This is called the Liquidity Ratio. They include current ratios, quick ratios, cash ratios, and so on. For this study, the measure of survival is the Age of the Company.

**2.2.4.1 Age of the Company**

The age of the firm is the period of time from when it is founded until it was able to continue operations, or when it first became an established entity in the business world (Ashari and Putra, 2016). When it comes to raising funds, one of the factors that prospective investors assess is the company’s age. It is one of the most important survival indicators as it measures the number of days a company has been incorporated up to date thereby helping to determine whether the company will continue to carry out its operations in the short run or long run. The companies’ age also helps the investors in knowing the prospect of the firm. The longer the days. The higher the firm chances of survival in the developing world. (Putri, 2017)

**2.2.5 Receivables Management and Profitability**

Receivables management, also known as Trade Receivables Period, is one of the primary profitability determinants. The lower the account receivables the higher the profit made by the firm. Investment in accounts receivables is of crucial importance for a firm's statement of financial position.

When trade credit is at a balance, it will increase credit sales but may lead to the delay of existing debtors paying on time. This can result in a lower amount of cash inflow and outflows forcing the company to seek outside funding. Organizations thereby sourcing for external finance will incur the external cost and it will also increase the cost of collection of debt employed to follow up the unpaid debt thereby negatively affecting the profitability of the firm. Clients will pay for their items in bulk if a company boosts its credit sales, which will save costs of operations thereby leading to an increase in profitability.

The longer account receivables are outstanding, the more likely the company lose money in its operations.

.**2.2.6 Receivables Management and Survival**

Financial distress refers to a situation whereby the firm is unable to pay up or meet up with its bills thereby leading to the bankruptcy of the firm. According to (Costa, 2021), it refers to a circumstance in which a company entity is unable or has difficulties servicing its financial obligations as they become due. One of the reasons of financial hardship in a company is inability of the company to collect account receivables in an orderly manner. Failure of a company to satisfy its present obligations implies that it is in financial trouble. As a result, receivables are a significant indicator of financial trouble.

**2.2.7 Payables Management and Profitability**

Accounts payables, also called payables management are a company’s short-term responsibilities to pay suppliers for items purchased on advance. The supplier will impose a penalty if account payable is not paid on time. Accounts payables is considered as a cash source because it is used to borrow money from suppliers. When it comes to payment, cash is used.

Trade payables can have a significant influence on a company's profitability., both favorably and negatively. Relationship between firm and its suppliers, as well as the company’s cash flow, are the two key ways that account payables can effect corporate profitability. Supplier relationship management entail maintaining a positive relationship with each of the company’s suppliers thereby motivating suppliers to do good deals for the company.

**2.2.8 Payables Management and Survival**

The longer the days, this indicates the company is paying its suppliers more slowly, thereby affecting the profitability of the firm since the company is paying its suppliers little by little, it will hinder the chances of the company surviving in the future.

**2.3 Theoretical Review**

The theoretical framework is derived from a theory. Theoretically, theories used this research include Liquidity Probability Tradeoff, Pecking Order Theory and Transaction Cost Theory Hence the main theory underpinning this study is the Liquidity-Profitability Tradeoff.

**2.3.1 Liquidity Profitability Tradeoff**

This was improved by (Eljelly, 2004) and the theory was developed to examine the connection that exists among liquidity and profitability.. The trade-off hypothesis implies that enterprises must make a choice between these two aims which are to make a profit and to maintain liquidity. One objective should not be fulfilled and the other is fulfilled as both are necessary for the growth of the firm. However, if liquidity is neglected, the company may suffer insolvency.

In other words, the firms should strike a balance between profitability and liquidity of the firm. There should not be too much or too little liquidity.. Inadequate liquidity will have a negative impact on the company’s reputation, and erode its credit standings thereby leading to forced liquidation of the firm’s assets thereby leading to bankruptcy. When a company has low liquidity but great profitability, it will expand its loans, which will result in increased financial expenditures. Interest rates will eventually rise as a result of this, but a company with poor profitability and strong liquidity will not be able to create enough resources to fund expansion in the acquisition of new assets thereby leading to solvency. Thus according to Hirigoyen (1985) as cited by (Thesis, 2010), profitability and liquidity are both short-and long-term prerequisites for the continued existence of a thriving business

This means that it increases the company's capacity to meet its daily obligations to customers. Hence, an increase in profitability without maintaining liquidity can cause trouble for the firm thereby a need arises to balance liquidity with profitability “

**2.3.2 Pecking Order Theory**

This is also known as Signaling Theory. It was introduced by Michael Spencer in 1973 and was later modified by Myers and Majluf in 1984. This is a theory that helps organizations how to finance their operations. It is an alternative to the trade-off theory. Information asymmetry theory is also known as pecking order theory.

One of the assumptions is that information is unequal. The reason why an internal source of financing is preferable to the external is that though it is risky, it is very easy to obtain. Though the internal source of the firm will not last firm for long, thereby leading the firm to finance through debt and finally equity means. As a result of the fact that companies prefer debt financing over equity financing, with equity financing being the least desired. Brealey, Myers & Allen (2014) mentioned that the asymmetric information will influence the decision between fresh debt and equity issuance as well as internal and external finance. Companies can use debt as long as generate returns, but if the cost is too great, the loan must be paid off. Companies must look at the major source of money in order to cut expenditure.

The pecking order theory has its importance in the sense that it can be used to offer advice to organizations and firms in terms of financing their operations and raising funds for the firm thereby minimizing risk and maximizing returns for the firm. The limitations of this theory are that it cannot be applied in practical scenarios as a result that it is more of a theoretical phenomenon and the theory cannot apply new means of funding to it.

**2.3.3 Transaction Cost Theory**

The propagator of this theory is Schwartz during the period of 1974. Williamson, O.E (1979) defined transaction cost theory as the cost of running economic systems of firms. He also suggested that transaction costs should be distinguished from production costs and that the cost is the main determinant to consider a decision.

The hypothesis indicates that creditors may have an upper hand over conventional banks when assessing creditworthiness of customers. Additionally, suppliers are better able to oversee and arrange credit repayment. The first source of cost savings is exemplified because providers may obtain buyer information more rapidly and at a lower pay if they conduct business as usual. In other words, the frequency and quantity of buyer orders provide insight into the client's situation; Customers are often visited more frequently by salespeople than by banking institutions.

**2.4 Empirical Review**

This area focuses on other researchers' work relating to these fields of study. It focuses on summarizing past studies to answer the research questions. Various researches have been carried out on examining the effects of receivables and payables management on a company’s profitability and survival in Nigeria.

**2.3.1 Trade Receivables Management and Profitability**

(Mohamed, 2013) examined a review relating to the topic on Effects of Trade Receivables Management on the Profitability of Manufacturing Firms in Nairobi. The target population focuses on the manufacturing sector from 2011 to 2015. In this study, the trade receivables period refers to the period whereby the company buys on the credit with the agreement of paying later at a specified date. The dependent variable (profitability) is measured using Returns on Asset while the Independent Variable (Trade Receivables Management) is measured using Accounts Receivables Turnover and Accounts Collection Period. The findings revealed thar accounts receivables period had a positive impact on manufacturing enterprises’ profitability (Return on Asset). Recommendations suggest the adoption of a good credit policy thereby reducing the accounts receivables period to improve profitability.

Collections debt management and the fiscal effectiveness of manufacturing businesses in Kenya's Nakuru County were carried out by (Mukhoma, 2014). A qualitative and analytical design was used in the investigation. The population of the study focuses on manufacturing firms (18) between the period 2008-2013 (6 years). The multivariate regression model was applied to examine the effect of accounts receivables management on financial performance. The proxy for performance is Return on Equity while the proxy for accounts receivables management is Inventory Turnover Period and Cash Conversion Period. The Cash Conversion Cycle has a positive association with returns on equity, while inventory turnover has a negative relationship with returns on equity, according to the findings.

Evidence from Serbia on the Effects of Cash Flow management on Profitability During Great Recession was carried out by (Paper & Den, 2015). The main objective was to see how accounts receivables management affect profitability amid a financial crisis in Serbia. Study size consisted of 432 enterprises publicly traded on Belgrade Stock Exchange over a four-year period (2008-2011). Results based on regression analysis concluded that there is a positive relationship between Accounts Receivables and returns on total assets and there exists a positive relationship between Accounts receivables and operating profit margin.

(Anastasia & Madubuko 2016) examined a paper on the Effect of Receivables Management Ratio on Firm Earnings in Nigeria's Manufacturing National Gdp. The purpose is to examine effects of the receivables management ratio on the corporate profitability of Nigerian domestic products. This study focuses on industrial enterprises in Nigeria from 2000 to 2011. Quantitative information from the prospectuses of Nigerian manufacturing companies were used in the literature review.. The proxy applied in research is PBIT, debtors, total assets, TURNOVER, and long-term loans. Analysis was carried out using four various regression models and Results conclude that a positive correlation between accounts receivables, debt, sales growth rate, and corporate profitability of Nigeria industrial domestic products exists.

Effects of receivables on the financial success of companies in Kenya that have received government venture capital was conducted by (Mbula et al., 2016). The primary aim is to establish whether or not trade receivables has a mixed impact on the financial performance of Nigerian businesses that have received government venture capital funding. The paper research design was descriptive in nature and sample size focused on 24 firms. The mode of data collection was obtained using structured questionnaires and was analyzed using SPSS statistical package. In addition, analytical techniques were carried out, and findings indicate a substantial association between trade receivable and the financial performance of businesses.

Relationship between the Growth of Small and Medium-Sized Enterprises in Kakemega County, Kenya and Accounts Receivables Management Practices was carried out by (Jomo Kenyatta University Of Kenya, 2017). The target population focuses on 5401 registered SMEs. In this study, research design was a mixed research design. Data collection was done with the use of primary data. The mode of primary data used was structured questionnaires and the data was analyzed with the aid SPSS statistical package. Descriptive and advanced statistics were used to analyze the data. Results show Account receivables techniques and SME growth have a favourable and significant association. It also indicates positive relationship between Account Receivables Collection Practices and SMEs growth and a positive influence which Credit risk assessment practices has on SMEs growth.

A study of the Indian commercial vehicle industry's profitability and the effects of receivables management was studied by (Jindal & Jain, 2017). The time frame of the study is from 2009 to 2016 and the sample size focuses on six companies. The Analysis was carried out using descriptive statistics Also, correlation analysis and regression analysis were carried out on the data collected and the results show a positive impact that debtors' turnover ratio has on the profitability of the firm and recommendations suggest the adoption of efficient working capital techniques.

Embu Water and Sanitation Company Limited, Embu County, Kenya Accounts receivable management and financial performance was carried out by (Francis & Yugi, 2018). The study employed the use of the SPSS Statistical Package and was also analyzed using Regression and Correlation Analysis. The findings show that CCC and financial performance have a perfect link. Recommendations recommend that the trade payables time and account collection period should be increased, consequently boosting performance.

The effect of receivables management on the performance of small and medium scale manufacturing firms in Kiambu Country, Kenya was carried out by (Mutiso & Mwangi, 2019). The target population focuses on the manufacturing sector. The study applies the use of cross-sectional study Qualitative data was carried out using questionnaires while quantitative data was obtained from the internet, journals, etc. Analysis was done using descriptive analysis and the results conclude an insignificant relationship between receivables management and performance.

Accounts Receivables Management and Corporate Performance: an empirical evidence from quoted manufacturing firms in Nigeria was carried out by (Dan, 2020). The study research design applied was ex-post and data were extracted using financial statements of manufacturing firms listed, analysis was done with use of the OLS Technique. The results indicate a positive correlation between the accounts receivable period and the returns on assets of enterprises. The study recommends that attention should focus on maintaining optimum liquidity thereby enhancing performance.

A case study of NPD Ltd. demonstrates the impact of receivables management on the financial performance of construction enterprises in Rwanda. was carried out by (Mugarura, 2021). Period for the study was from 2016 to 2018. The researcher adopted the use of analytical and quantitative techniques and the sample size of the firms is 30 in number. The study applied the use of primary and secondary data with the use of questionnaires and data were extracted from books, journals. Analysis was carried out using descriptive statistics and correlation analysis. It also indicates a positive relationship that Accounts Receivables Turnover has on profitability. Recommendations suggest the adoption of techniques aimed at reducing the accounts collection period.

**2.3.2 Receivables Management and Survival**

Relationship between Deferred revenue and Non-Financial Industries Registered at Kenya's Securities Exchange of Nairobi and Financial Distress was conducted by (Onchangwa et al., 2018). The paper studied the financial situation of Kenyan companies listed on the stock exchange. General objective is to Examine the association between receivables management and financial hardship among non-financial enterprises listed on the Nairobi Securities Exchange (NSE) in Kenya. Using Correlation Analysis and Regression Analysis, the association between Receivables Management and Financial Distress of organizations was determined to be negative. Recommendations include the adoption of accounts receivables techniques to reduce the chances of financial distress.

Zambia's revenue, financial hardship, and debts collection was conducted by (Ahkam, Nahar, & Shorna, 2021). The information was acquired from the yearly statements of sixty enterprises registered on Dhaka Exchange. and profitability was measured using Returns on Assets while receivables management was measured using the Average collection period. The period of the study covers 2000 to 2017. Recommendations suggest a careful evaluation of the course of action before deciding on an organization.

.**2.3.3 Payables Management and Profitability**

(Nyachwaya, 2019) conducted a study on A case study of James Finlay's Effects of Accounting Records on the Revenue of Farming Industries in Nigeria. The objective was to examine how accounts payable affects agricultural enterprise profitability. The research study adopted a descriptive research design and the case study of the population focuses on James Finlay’s Company. Data collection was carried out with the use of structured questionnaires and mode of data analysis was with descriptive and advanced statistics. Findings indicate a negative effect that accounts payable has on the profitability of agricultural firms. Recommendation suggests that the level of accounts payable should be increased to maximize profitability.

Financial Performance of Technology Manufacturing Businesses in Nigeria: Administration of Payables was researched by (Nwakaego, 2016). The purpose of this research is to look into the impact of accounts payable on the financial performance of Nigerian manufacturing enterprises. The firm’s performance was measured using Returns on Asset while accounts payables management was measured using accounts payables period. The results of an Inferential Statistics analysis indicate a positive correlation between Accounts Payable Management and Financial Performance.

**2.3.4 Working Capital Management and Profitability**

Nigerian manufacturing enterprises' profitability and liquidity management were carried out by (Ben-Caleb, 2013). The study’s methodology was the quantitative methodology and the period covered in this study was between 2006-2010 in which the data were gathered from published statements. The proxy for profitability is Returns on Capital Employed while the proxy for Liquidity Management was the Current Ratio, Quick Ratio, and CCC. Based on findings, there exists an insignificant association between Liquidity Management and Profitability and the implications reveals liquidity has a low influence on profitability and recommendations suggest that the firm maintains an optimum liquidity point thereby maximizing profitability.

(Madugba.& Ogbonnaya, A, 2016) conducted a research on the effects of average payment period and financial performance: evidence from manufacturing companies in Nigeria. The average payment time has a considerable impact on both earnings per share and return on capital invested, according to the findings

Performance of deposit money banks and liquidity management in Nigeria was carried out by (On et al., 2020). The study examines the performance of deposit money banks and liquidity management in Nigeria. The data collected was examined using the OLS model, and the results demonstrate a favorable association between performance and liquidity management in Nigeria.

Working Capital Management and Financial Distress of non-financial companies listed on the Nairobi Stock Exchange was conducted by (Muigai & Nasieku, 2021). The primary objective was to demonstrate how working capital influences non-financial enterprises' financial hardship. The population of the study consists of 40 insurance corporations publicly traded on Nairobi from 2009-to 2018 and the results suggest that there is a positive relationship between inventory management and financial distress and that the company should adopt inventory management techniques to reduce the chances of financial distress.

Small and medium-sized businesses (SMEs) in Rivers State's working capital management and profitability were examined (Tony-Obiosa & Ibama, 2021). This study examines the connection between working capital management and the profitability of small and medium-sized enterprises in Nigeria. with an emphasis on Rivers State. Data were obtained with the use of questionnaires and was analyzed using SPSS.

(Hills, 2020) conducted a paper titled Relationship between Working Capital Management and the Profitability of the Automobile Industry with Regard to Selected Indian Automobile Companies. The aim was to examine the effect of WCM on profitability of the automobile industry in India. The period covered in this study was from 2009-to 2013. The findings of an analysis employing descriptive statistics indicate that the profitability proxy (Receivables Days, Payables Days, Inventory Holding Period, Current Ratio, and Quick Ratio) has a good correlation with profitability.

Does working capital management have an effect on how profitable a business is? Evidence from particular Nigerian businesses was conducted by (Info, On, On, On, A., Print, & Online, I l., 2021). The study aimed to examine whether working capital management impacts an organization’s profitability in its operations. WCM was represented by DCP, CPP, ICP And CCP. while profitability was measured with profit before interest and tax. The focus of this study was mainly on agro-allied firms in which eighteen companies were selected as samples. Data were analyzed using regression analysis and the results show that there is a insignificant association between trade receivables and DCP, CPP.

**2.5 The Gap in Literature**

Observations from the above empirical evidence show that little research was carried out on Payables Management and Survival of Companies in Nigeria and also most research carried out by researchers focuses on the manufacturing sector between the period 2010-2018.

Furthermore, little research has been conducted on the impact of receivable and payable management on a company's profitability and survival relating to Nigeria. The study's goal is to look into the impact of receivables and payables management on company profitability and survival in Nigeria between 2010 and 2020.

**CHAPTER THREE**

**METHODOLOGY**

**3.1 INTRODUCTION**

This chapter summarizes the research methods used in the collection and analysis of data carried out on the research titled “Receivables and Payables management: Implication on Company’s profitability and survival in Nigeria.

**3.2 Research Design**

The research design adopted in this study is the descriptive research design. The primary motivation was to provide data on the features of a population. It adopted an ex-post design. This is because the data has already been collected and the researcher lacks the ability to alter the numbers.

**3.3 Population of the Study**

The participants in this study comprises 161 companies quoted on the NSE as of 2020 based on Nigeria Exchange Group. The period of study is from 2010-to 2020. 11 years (2010- 2020) is considered in this study thereby avoiding measurement unpredictability and biasedness of the estimation; it also gives an in-depth analysis of the variables. The end year 2020 was chosen in this study because the firm’s annual reports were available up to 2020 at the time of research.

The Slovene Formula is used to choose a sample of 161 businesses for this investigation (Yamane,1967 in Israel (2012:3);

**n = N**

**1 + N(e)2**

**where; n = sample size N = Population size E = Level of precision**

Given a population of 161, assumed at a confidence margin of 8.8%. The results shows

**n = 161**

**161 + 161(0.088)2**

**= 70**

**3.4 Sample Size and Sampling Technique**

The sample size of this study consists of 70 quoted firms on the Nigeria Stock Exchange between the period of 2010-2020. These firms were listed across 3 sectors in Nigeria (Financial, Manufacturing, and Oil & Gas Sector), .however, for a company to be used in this study, the firm must be publicly listed as of 2020.

This study used judgmental sampling as its sample technique. This is because each company was selected based on company size, profitability, and data availability.

**3.5 Methods of Data Collection**

The study used quantitative data which were withdrawn using the annual published statements for 70 companies from 2010-2020. This is due to the fact that the data is easily accessible in the firms' financial accounts, making it simpler for the researcher to collect.

**3.6 Methods of Analysis**.

Descriptive statistics in this study was carried out to examine the characteristics of the population and it consists of mean, standard deviation, minimal and maximal value, while Ordinary Least Square Regression Analysis examined the effect that receivables and payables management on profitability and survival of Nigerian companies.

**3.7 OPERATIONALISATION OF VARIABLES**

**Proxy Measurement**

|  |  |  |  |
| --- | --- | --- | --- |
| **EXPLANED VARIABLES** | 1. PROFITABILITY | RETURN ON EQUITY | NET INCOME  SHAREHOLDERS EQUITY |
|  | 2. SURVIVAL | AGE OF THE FIRM | CURRENT YEAR- YEAR OF INCORPORATION |
| **EXPLANATORY VARIABLES** | 3. RECEIVABLES MANAGEMENT | DEBTORS COLLECTION PERIOD | ACCOUNT RECEIVABLES  CREDIT SALES \*365 |
|  | 4. PAYABLES MANAGEMENT | CREDITORS PAYMENT PERIOD | TRADE PAYABLES  CREDIT PURCHASES \*365 |

**3.7.1 Explained Variables**

Profitability and Survival are the explained variable for the study. Equity returns are a metric for gauging performance. Returns on Equity was determined by dividing firm’s net income by the Equity gained from the company’s shareholders.

The proxy for Survival is the Firms Age. This is denoted by deducting the Year of Incorporation from the Current Year.

**3.7.1.1 Returns on Equity**

This metric evaluates the sum of revenue the company's owner generates using the funding provided by shareholders.

**3.7.1.2 Age of the Firm**

Firm age serves as a means of showing experience in carrying out a business. The age of the firm also helps the investors in knowing the prospect of the firm. The longer the days. The higher the firm chances of survival in the developing world. (Putri, 2017)

**3.7.2 Explanatory Variables**

The Explanatory variables for this study are Receivables Management and Payables Management.

**3.7.2.1 Receivables Management**

This requires balancing the organization’s stock and debtors in order to strike risk-reward relationship, resulting in the production of firm value.

**3.7.2.2 Payables Management**

Trade activities that involve the acquisition of goods, raw materials, and other services that do not entail payment of cash are also important to the existence of the firm. Trade payables management is a type of credit management used by the company to ensure the loyalty of its clients.

**3.7.3 Control Variable**

A control variable may affect the outcome of an experiment. The control variable in this study is Firm Size.

**3.7.3.1 Firm Size**

Size is used as a control variable to maintain the consistency of the explained variable in the study. The determinant of Firm Size is total assets of the firm. This is in line with studies carried out by Rygh (2016) on Corporate Governance and International Business, (Sharma & Kumar, 2011), (Akgün & Şamiloğlu, 2016), and (Kasozi, 2017)

**3.8 Model Specification**

Two models are specified for this study, one relating to receivables and payables on profitability and the other relating to receivables and payables management on survival.

**MODEL 1**

In model one Return on Equity is a function of DCP, CPP, and (TA).

*ROE= Ғ (DCP, CPP, TA)*

*ROE= α0 + α1DCP+ α2CPP+ α3TA+ α*

**MODEL 2**

In model two Age of the Firm is function of DCP, CPP, and a control variable representing the firm's size, as measured by total assets.

*AGE= Ғ (DCP, CPP, TA)*

*AGE= it0 + it1DCP+ ut2CPP+ it3TA+ it*

Where

ROE: Return on Equity

DCP: Debtors Collection Period

CPP: Creditors Payment Period

TA: Total Assets

AGE: Age of the Firm

*α*: Infinity

**3.9 *Apriori Expectation***

We expect a positive effect of Receivables and payables management on the company’s ROE. However, we expect a positive effect of payables management on profitability and a negative effect of payables management on survival.

Whereby we have:

α1>0: There is a positive effect of Accounts Receivables on Return on Equity

β1>0: There is a positive effect of Accounts Payables on Return on Equity

α2>0: There is a positive effect of Accounts Receivables on the Age of the Firm

β2>0: There is a negative effect of Accounts Payables on the Age of the Firm

* α1,, α2, β1 β2 > 0

**CHAPTER FOUR**

**RESULTS AND DISCUSSION OF FINDINGS**

**4.1 Introduction**

This chapter captures the results of the data, and the discussion of findings of this study. Data presented are that of receivables and payables management and Companies’ Profitability and Survival in Nigeria. Research hypothesis was tested in this chapter. Various analysis were carried out in this study such as Descriptive statistics, Preliminary Statistics and Regression Analysis. The chapter was arranged into various headlines which are: Introduction, Data Presentation, Data Analysis, Descriptive statistics, Preliminary Statistics, Regression Analysis, Testing of Hypothesis.

**4.2 Data Presentation**

**4.3 Descriptive Statistics**

**Table 4.1 Pooled Statistics for Financial, Manufacturing and Oil and Gas Sector**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | DCP | CPP | ROE | AGE | TA |
| Mean | 126.1782 | 316.0899 | 12.0016 | 41.9006 | 16.9180 |
| Std. Dev. | 622.039 | 2625.81291 | 17.56383 | 22.81226 | 2.05982 |
| Minimum | 142.00 | .00 | 99.00 | .00 | 12.00 |
| Maximum | 8504.00 | 48909.00 | 148.00 | 133.00 | 23.00 |

**Source: Field Survey (2022)**

Table 4.1 shows the descriptive statistics of the 70 firms used in this study. The DCP has a mean score of 126 days. This implies that, on the average it takes a listed firm approximately 126 days to receive money due it within a year.

(CPP) shows a mean score of 316.09 , which means that, it takes longer days for companies make payments due. The smallest number of days for payments is 0 and the maximum is 48,900, with a standard variation of 26.25 days.

Return on Equity (ROE) displayed a mean value of 12.08 million which means on the average, the firm has been able to make N12.08 million. The minimum amount the firm made was N99.00 million while the maximum value shows 1.48 million with a standard deviation of 17.56 million

Age of the Firm (AGE) value for mean stands at 41.901 which means that on an average, it took the firm 41 months to survive, the minimum period it took the firm to survive is 0.00 months while the maximum period it took for the firm to survive is 148.00. The standard deviation shows a value of 22.812 which means the variability is high thereby having effect on the dependent variable.

The Control Variable which is Total Assets has a 16-million mean and a 2-million standard deviation. This implies that the average of total assets of the firm is at 16 million. The minimum and maximum value stands at 12.00 and 23.00.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4.2 Descriptive Statistics for Financial Industry** | | | | | |
|  | DCP | CPP | Return on Equity | Total Assets | Age of the Firm |
| Mean | 33.2218 | 126.0957 | 9.3201 | 16.7921 | 36.5842 |
| Std. Deviation | 69.87494 | 265.43935 | 10.69907 | 2.06156 | 23.22191 |
| Minimum | 15 | 20.00 | 23.00 | 12.00 | .00 |
| Maximum | 952.00 | 3400.00 | 46.00 | 23.00 | 133.00 |

**Source: Field Survey (2022)**

The table above shows the mean value for Debtors Collection Period (DCP) is 33 days indicating that on the average, it takes about 125 days for Firms in the Financial Sector to recover money from their debtors. The minimum days it takes to recover debts is 15 days while the maximum days it takes to recover the debts it is 952 days.

The mean value of (CPP) is 126 days. This indicates that the company will settle its suppliers in an average time of 126 days, with a higher-than-average standard deviation of 265 days. The company's lowest payment period to debtors is 20 days, while their maximum payment period to suppliers is 3400 days.

The mean value stands for ROE (Return on Equity) is N9.3201 million which means that on an average, the firm made a profit of N9 million and the standard deviation value is at 10 million. The minimum returns made by the firm is N23 million while the maximum amount made by the company is N46 million.

The mean of Age of the Firm from 2010-2020 is 36 years which implies the firm has survived for 36 years. The minimum number of years the firm survived is 0 years and the maximum number of years the firms survived is 133 years.

The Total Assets (TA) which is also a measure of Size of the Firm has an average of N16.8 million of assets. The minimum amount of assets is N12 million and the maximum value of assets is N23 million with a standard deviation of N2 million

**Table 4.3 Descriptive Statistics for Manufacturing Industry**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | | | | |
|  | DCP | CPP | ROE | Total Assets | Age of the Firm |
| Mean | 176.6364 | 80.7927 | 15.9636 | 16.84 | 49.5527 |
| Std. Deviation | 798.095 | 102.60091 | 16.58572 | 2.03 | 20.31090 |
| Minimum | 0.00 | .00 | -32.00 | 12.00 | 6.00 |
| Maximum | 8504.00 | 717.00 | 63.00 | 21.00 | 97.00 |

**Source: Field Survey (2022)**

The mean value of DCP (Debtors Collection Period) for manufacturing firm is 156.0678 days which implies that on an average, it took 156 days for the firm to obtain its debts from customers and clients. The shortest time it took was 0 days, and the longest time it took was 8,504 days, with a standard deviation of 798, indicating a high degree of variability

In the Creditors Payment Period, suppliers are settled on average in 80 days, with a 2,620-day standard deviation. The shortest amount of time a company needs to pay its suppliers is 0 days, and the longest amount of time is 717 days.

The average value for Return on Equity that is the average amount of profit the firm made was N15 million , and standard deviation of N16 million which is relatively high. The minimum amount made was -32 million which was a loss while the maximum amount made by the firm is N63 million.

The mean for Age of the Firm is shown at 49 years which means that the firm has survived for 49 years on an average while the standard deviation years is 20years. The minimum years the firm survived is 6 years while the maximum years the firm survived is 97 years.

The moderating variable Company size proxied with total assets has a mean value of N16 million while the standard deviation is N20 million.

**Table 4.4 Descriptive Statistics for Oil & Gas Industry**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | | | | |
|  | DCP | CPP | ROE | AGE | TA |
| Mean | 210.7885 | 1304.1923 | 7.2885 | 33.5673 | 17.1250 |
| Std. Deviation | 797.57838 | 6394.28332 | 27.88906 | 19.38359 | 1.42575 |
| Minimum | 142.00 | .00 | 99.00 | 2.00 | 15.00 |
| Maximum | 6856.00 | 48909.00 | 148.00 | 69.00 | 21.00 |

**Source: Field Survey (2022)**

The mean value of DCP is 210.7885 days which implies Firms in the Oil and Gas Sector require 211 days to recover their account receivables. The least number of days required to repay the loan is 142, with a maximum of 6,586 and a variation of 797.

The mean value for Creditors Payment Period (CPP) IS 1,304 days. This implies that it took on an average 1,304 days for the firm to settle their suppliers. The smallest period required to pay creditors is 0 and the maximum is 48,909, with a standard variation of 6,394 days.

The average profit firms in the oil and gas sector made is N7 million. The minimum amount the firm made was -N99.00 which means the firm recorded a loss while the maximum profit the firm made was 148 million with a standard deviation of 27 million.

The mean score of Age of the Firm is 33 years which implies that on the average, the firm has survived for 33 years. The minimum number of years the firm survived is 2 while the maximum number of years the firm survived is 69 years

For the control variable whose proxy is Company Size was determined by Total Assets. The mean value is N17.12 million with a standard deviation value of N1.42 million.

**4.4. Comparison of the Three Sectors (Financial, Manufacturing and Oil and Gas Sector)**

This section compares the descriptive statistics of the Three with the variables used in the study. The DCP (Debtors Collection Period) identifies the typical number of days needed by the business to recoup its debts.. The descriptive statistics for the manufacturing sector has an average score of 176 days with a variability of 798 days and the statistics for the oil and gas sector has a mean figure of 210 days with a high variability of 797 days. The mean score indicates the average period the firm obtain the debts from customers and clients. Here, the financial sector has the earliest mean score which means the company in the financial sector obtain their account receivables early (33 days) compared to the other sectors ( Manufacturing and Oil and Gas). The minimum value is the least number of days the firm collect their receivable while the maximum is the highest number of days it takes for the firm to recoup their debts. For Table 4.2, The shortest period is 15 days, and the longest period is 952 days, the manufacturing sector in Table 4.3 has a minimum value of 0 days and maximum value of 8,504 days.

For the financial sector, the mean value for CPP is 126 days with a high variability of 265 days. The manufacturing sector has an average of 80 days with a variance of 102 days while the companies in the oil and gas sector recorded a mean score of 1,304 days with a standard deviation of 6,394 days. Hence, the sector with the highest credit payment period is the Oil and Gas Sector (1,304 days). The minimum and maximum value for the financial sector are 20 and 3,400 days respectively while the minimum and maximum days for companies in the manufacturing sector is 0 and 717 days..

In terms of Profitability, the mean value recorded by firms in the financial sector is N9 million and for the manufacturing sector, the average sum recorded is N15 million. The oil and gas sector recorded a mean score of 7 million. Financial Sector have a minimum and maximum amount of N23 million and N46 million: likewise, the minimum and maximum amount for the manufacturing sector are -N32 million (loss) and 63 million. The companies in the Oil and Gas Sector made a minimum of N99 million and a maximum of N148 million. The sector with the least figure made was manufacturing sector which incurred a loss (-N32 million) while the sector with the highest profit made was Oil and Gas Sector (N148 million).

The mean value for Age of the Firm for the Financial Sector is 36 years. This means on the average; the firm has survived for 36 years with a standard deviation of 23 years. The mean for companies in the manufacturing sector is 49 years with a standard deviation of 20. This means that companies in the manufacturing sector has survived for an average of 20 years involving a variation of 20 years. The oil and gas Age value is 33 years with a standard deviation of 19 years respectively. The minimum and maximum number the firm has survived for the financial sector are 0 and 133 years, the number for the manufacturing firm are6 and 97 years while the minimum and maximum number of years for oil and gas enterprises are 2 and 69 years.

The Total Assets Mean Value for Financial Sector is N17 million with a standard variation of N1 million. The mean value for companies in the manufacturing sector is N16 million while the the average value of enterprises in the oil and gas sector was N17 million. with a variation of N1 million. The minimum and maximum amount of total assets in the Financial Sector are N12 and N63 million respectively. The companies in the manufacturing sector has a minimum and maximum amount of N12 and N23 million while the Oil and Gas Firms has a maximum figure of N21 million and a minimum value of N15 million

**4.5 Preliminary Analysis**

This refers to the process for some of the assumptions and conditions that allows for the conduct of parametric data analysis. Test for Normality, Test for Multicollinearity, and Outliers Tests are the primary preliminary analyses conducted for this project.

**4.5.1 Test for Normality**

This is a test carried out with the main objective of whether the residual confounding variable in the regression model has a normal distribution. The statistical test will be invalid for small quantities if the assumption that residual values that follows a normal distribution is violated (Ghozali, 2013).

In this study, the histogram was used to test for normality. The histogram shows the actual shape through which the normal curve can be fitted into.

Figure 4.2: Histogram Chart

Source: Field Survey (2022)

Dependent Variable: ROE

Figure 4.1 shows the normal distribution for the Industry A (Financial) for 2010 to 2020 .It shows a histogram of ROE with a bell-shaped curve suggesting that the data is fairly normally distributed.

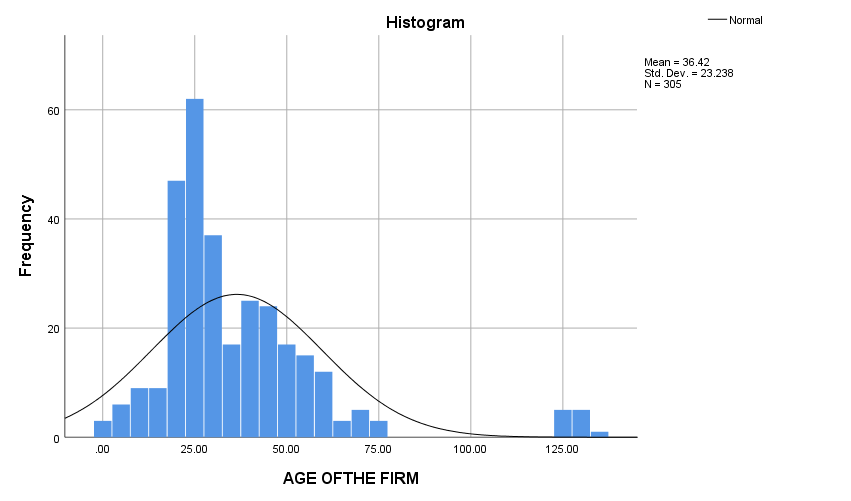


Figure 4.3: Histogram Chart

Source: Field Survey (2022)

Dependent Variable: AGE

Figure 4.2 shows the normal distribution of Financial Sector from 2010 to 2020. The normal distribution was shown with the use of an histogram of AGE displayed with a bell-shaped figure which indicates that it is fairly normally distributed

**4.5.2 Test for Multicollinearity**

This is a test used to establish whether if the explanatory variables are correlated with each other.

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | |
| Model | | Collinearity Statistics | |
| Tolerance | VIF |
| 1 | DCP | 1.000 | 1.000 |
| 2 | DCP | .968 | 1.033 |
| CPP | .977 | 1.023 |
| TA | .966 | 1.035 |
| Table 4.5: Collinearity Statistics  Sector: Financial  Source: Field Survey (2022)  Dependent Variable: ROE | | | |

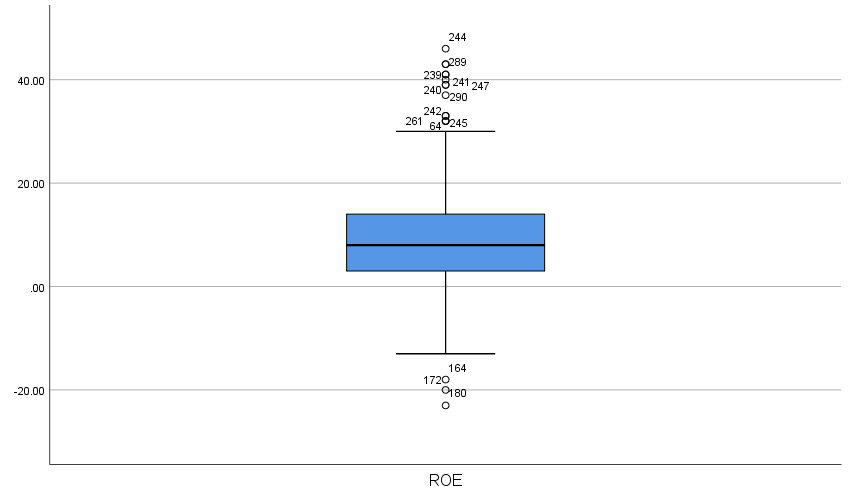
The collinearity statistics is divided into tolerance value and Variance Inflated Factor. The tolerance calculation based on Table 4.14 shows that the explanatory variables have a low correlation with a value of less than 10%, Debtor Collection Period (DCP) is 0.968, Creditors Payment Period (CPP) is 0.977, total assets (TA) is 0.966, hence it shows that multicollinearity does not exist in the model. The results for the Variance Inflation Factor (VIF) also means the same thing, as none of the independent variable has a VIF of more than 10. Thus, this indicates that the two explanatory variables have a low level of correlation.

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | |
| Model | | Collinearity Statistics | |
| Tolerance | VIF |
| 1 | DCP | 1.000 | 1.000 |
| 2 | DCP | .998 | 1.002 |
| CPP | .996 | 1.005 |
| TA | .998 | 1.003 |
| a. Dependent Variable: ROE  b. Manufacturing Sector  c. Multicollinearity Statistics | | | |

Table 4.5 above indicates that for the tolerance value, each variable (Debtors Collection Period, Creditors Payment Period and Total Assets) is greater than 0.1 with a value of 0.998, 0.996 and 0.998 respectively and the VIF (Variance Inflated Factor) is less than 10 with a value of 1.002, 1.005 and 1.003 for the three variables. This results implies that there is no symptoms of collinearity for the manufacturing industry in the research model.

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | |
| Model | | Collinearity Statistics | |
| Tolerance | VIF |
| 1 | Debtors Collection Period | 1.000 | 1.000 |
| 2 | Debtors Collection Period | .998 | 1.002 |
| Creditors Payment Period | .989 | 1.011 |
| Total Assets | .987 | 1.013 |
| a. Dependent Variable: ROE  Table 4.6 Collinearity Statistics  Oil and Gas Sector  Source: Field Survey (2022) | | | |

Table 4.7 shows the collinearity statistics for the Oil and Gas Sector from 2010 to 2020. The Tolerance Value for DCP, CPP and TA are 0.998, 0.989 and 0.987 and the VIF is below 10 with DCP, CPP and TA value are 1.002, 1.011 and 1.013. This concludes that there is no correlation between the Explanatory Variables or no problems in the multicollinearity test.

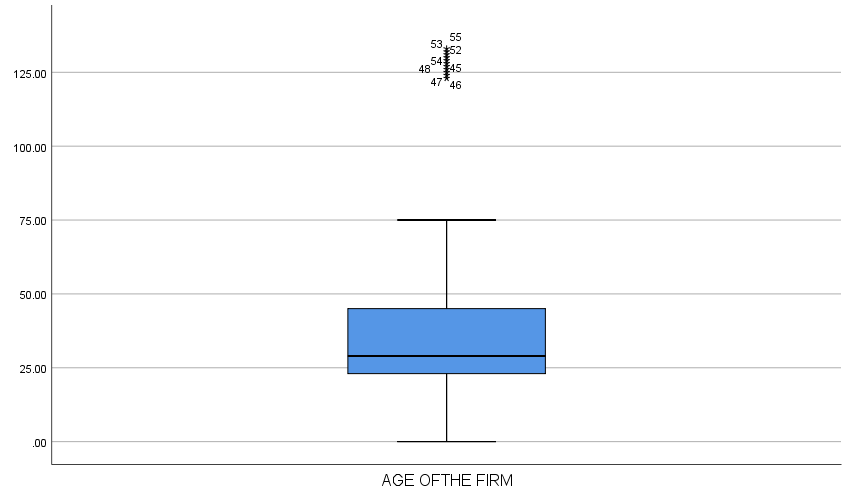
**4.5.3TestforOutliers**

**Figure 4:4 Outliers Test**

**Sector: Financial**

**Source: Field Survey (2022)**

Figure 4.3 shows the normality test conducted for the financial sector from 2010 to 2020 using ROE as dependent variable. The outlier table shows presence of circles which is not extreme in nature thus not affecting the results.



**Figure 4.4 Outliers Test**

**Sector: Financial**

**Source: Field Survey (2022)**

Figure 4.4 shows the outliers test of the dependent variable (Age of the Firm). The table shows the number of points in the distribution which means that it is not extreme and the distribution is normal.

**4.6 Regression Analysis**

**4.4.1: Pooled Ordinary Regression (Three Industries)**

**Regression for Profitability**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.8 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .263a | .069 | .065 | 16.50888 |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.9 ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 13750.500 | 3 | 4583.500 | 16.817 | .000b | | Residual | 184787.600 | 678 | 272.548 |  |  | | Total | 198538.100 | 681 |  |  |  | | a. Dependent Variable: Return on Equity | | | | | | | | b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | | | | |
|  | | | | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.10 Coefficients**Table | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 3.707 | 5.351 |  | .693 | .489 | | Debtors Collection Period | .000 | .001 | .012 | .326 | .744 | | Creditors Payment Period | -.002 | .000 | -.252 | -6.779 | .000 | | Total Assets | .500 | .315 | .059 | 1.588 | .113 | | a. Dependent Variable: Return on Equity | | | | | | | | | | | | |
| a. Dependent Variable: Return on Equity | | | | | |

Table 4.8 shows the model summary of the Pooled Ordinary Least Regression Analysis of the three industries from 2010 to 2020. R square indicates the total variance of dependent variable explained by the Independent Variable. Here, the significant value is presently at 0.00 and the r square value is greater than the significant value with a value of 0.069 which indicates that 6.9% of (ROE,AGE) is explained by the explanatory variables which are DCP, CPP and TA respectively. The adjusted r squared stands at 0.065 which indicates that 6.5% of Profitability (proxied ROE) can be explained by DCP, CPP and TA respectively while the remaining 94.5% are explained by variables outside the model.

Table 4.9 above shows the ANOVA table of the Pooled OLS Regression Analysis from 2010 to 2020. Using the F table, a value greater than 1 signifies a positive relationship. From the Table 4.7, it shows has a value of 16.822 with p value of 0.000 lower than 0.05, hence this indicates a high positivity of the model and the Independent variable can influence the dependent variables.

The unstandardized coefficient for Creditors Payment Period (CPP) in Table 4.10 is -0.002 which indicates that for every one day increase in Creditors Payment Period ROE will decrease by N0.002 . The t statistics for CPP is -6.778 which is less than 2 and the p value stands at 0.000 which is lesser than 0.05. This indicates that Creditors Payment Period has a positive impact on Return on Equity. This is due to increase in days taken by the company to settle their vendors in terms of credit purchases. Thus, the longer the longer the term, the more working capital utilized by the company, resulting in increase in returns.

The beta unstandardized coefficient of Debtors Collection Period (DCP) in Table 4.10 is 0.000 which is not significant, Consequently, a one-day increase in the Debtors Collection Period will have no effect on Return on Equity. The table shows a t statistics of 0.326 and significance value of 0.745 which means that there DCP does not have effect on ROE. This is due to the long number of days the debtors owe the company and the inability of the debtors to make payment in early days. The firm should reduce the amount of credit granted to their customers thereby prompting their customers to pay early.

The beta unstandardized coefficient for Total Assets in Table 4.10 is 0.502 which is positive, which implies that an increase in Total Assets by a day will have a beneficial increase on Return on Equity. The p value shows a figure of 0.112 thus greater than 0.005 thus there is a negative effect that Total Assets has on Profitability (ROE) of the firm.

**Regression for Survival**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.11 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .138a | .019 | .015 | 22.38201 |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.12 ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 6612.327 | 3 | 2204.109 | 4.400 | .004b | | Residual | 339661.510 | 678 | 500.976 |  |  | | Total | 346273.837 | 681 |  |  |  | | a. Dependent Variable: Age of the Firm | | | | | | | | b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | | | | |
| **Table 4.13 Coefficientsa**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | |  | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 51.575 | 7.255 |  | 7.109 | .000 | | Debtors Collection Period | .004 | .001 | .099 | 2.591 | .010 | | Creditors Payment Period | -.001 | .000 | -.084 | -2.205 | .028 | | Total Assets | -.619 | .427 | -.055 | -1.451 | .147 | | a. Dependent Variable: Age of the Firm | | | | | | | | | | | | |
| a. Dependent Variable: Age of the Firm | | | | | |

Table 4.11 presents the model summary of the Pooled Ordinary Least Regression Analysis of the three industries from 2010 to 2020. The value of the r squared is 0.019 which indicates that 1.9% of the variation is explained by the predictor variables which are DCP, CPP and TA respectively. The adjusted r squared stands at 0.015 which indicates that 1.5% of Profitability (proxied ROE) can be explained by DCP, CPP and TA respectively while the remaining 98.5% are explained by variables outside the model.

Table 4.12 shows the ANOVA table of the Pooled OLS Regression Analysis from 2010 to 2020 with the Dependent variable as Age of the Firm. Using ANOVA, a value greater than 1 signifies a positive relationship. From the Table 4.10, The result is 4.409 and the significance value is 0.004; hence, the model does not adequately represent the data.

The p value of Debtors Collection Period (DCP) in Table 4.13 displays a figure of 0.010 lower than 0.05 which indicates a strong influence that Account Collection Period has on Age of the Firm. This arises due to the fact that Credit sales are being paid on time and debtors were able to balance their payments early. The t statistic has a value of 2,591, which indicates that Debtors Collection Period has a considerable impact on Age of the Firm. This is consistent with the findings of Jakpar et al. (2017), who showed a strong correlation between the ACP and the business profitability.

The Beta Coefficient of Creditors Payment Period (CCP) in Table 4.13 is -0.001, indicating that increasing the creditors payment period by a day reduces the firm's age by -0.001 percent. The t statistic is -2.206 and the significance value of 0.028 which means a significant impact that Creditors Payment Period has on Age of the Firm. The data support (Alipour,2011finding )'s that there is a significant relationship between the number of days accounts payables are outstanding and profitability.

Standardized beta of Total Assets stands at -0.624 which is negative. The p value is 0.144 with a t statistic of -1.461 which means that there is a negative effect that Total Assets has on Age of the Firm.

**Regression Analysis of the Financial Industry (Industry A)**

**Regression for Profitability**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.14 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .193a | .037 | .028 | 10.51095 |
| 1. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.15: ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 1278.350 | 3 | 426.117 | 3.857 | .010b | | Residual | 33033.597 | 299 | 110.480 |  |  | | Total | 34311.947 | 302 |  |  |  | | a. Dependent Variable: Return on Equity | | | | | | | | b. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period | | | | | | | | | | | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Table 4.16: Coefficientsa** | | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | -6.290 | 4.814 |  | -1.307 | .192 | | DCP | -.011 | .009 | -.073 | -1.268 | .206 | | CPP | .002 | .002 | .055 | .953 | .341 | | Total Assets | .935 | .285 | .190 | 3.284 | .001 | | a. Dependent Variable: Return on Equity | | | | | | | | | | | | |
| a. Dependent Variable: Return on Equity | | | | | |

Table 4.14 shows the model summary of the Financial Sector from 2010 to 2020. R square indicates the total variance of dependent variable explained by the Independent Variable. Here, the significant value is presently at 0.00 and the r square value is greater than the significant value with a value of 0.001 which indicates that 3.7% of the variation can be explained by the independent variables which are DCP, CPP and TA respectively While 96.3% are explained by variables outside the model

Table 4.15 above shows the ANOVA table of the OLS Regression Analysis for the Financial Sector from 2010 to 2020. Using the F table, a value greater than 1 signifies a positive relationship. From the Table 4.7, it shows has a value of 3.857 with a significance value of 0.010 which is lesser than 0.05, hence the model is a good fit which means that the Independent variables can influence the dependent variables.

The beta unstandardized coefficient for Total Assets is 0.935 which is positive, with a p value shows a figure of 0.001 which is less than 0.005 thus there is a positive effect that Total Assets has on Profitability (ROE) of the firm.

In Table 4.16, the beta coefficient for Debtors Collection Period is -0.111, indicating that for every one day rise in Debtors Collection Period, ROE decreases by 11.1 percent. The t statistic stands at -0.073 which is less than 2 and the p value stands at 0.206 which is greater than 0.05 for 5% level of significance or 0.01 for 1% level of significance. Hence, there is a negative effect that Debtors Collection Period has on Profitability of the Firm. This is due to the rate of credit granted to customers thus increasing the days to settle their bills.

The unstandardized coefficient for Creditors Payment Period (CPP) is 0.002 which indicates that an increase in Creditors Payment Period by a day, ROE will increase by 0.2%. The t statistics for CPP is 0.983 which is less than 2 and the p value stands at 0.341 which is greater than 0.05. This implies that there is a negative effect that Creditors Payment Period has on Return on Equity. This is due to the long number of days the company take to settle their suppliers in terms of credit purchases. Thus, an increase in the number of days of payables will lead to lower profitability. Hence, the company should reduce the number pf payables days in order to increase their profitability..

**Regression for Survival**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.17 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .162a | .026 | .016 | 23.03126 |
| a. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.18: ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 4254.229 | 3 | 1418.076 | 2.673 | .048b | | Residual | 158601.375 | 299 | 530.439 |  |  | | Total | 162855.604 | 302 |  |  |  | | a. Dependent Variable: Age of the Firm | | | | | | | | b. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period | | | | | | | | | | | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.19 CoefficientsTable** | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 66.098 | 10.549 |  | 6.266 | .000 | | Debtors Collection Period | .007 | .019 | .021 | .369 | .712 | | Creditors Payment Period | -.001 | .005 | -.011 | -.197 | .844 | | Total Assets | -1.764 | .624 | -.165 | -2.827 | .005 | | a. Dependent Variable: Age of the Firm | | | | | | | | | | | | |
| a. Dependent Variable: Age of the Firm | | | | | |

Table 4.17 presents the model summary for the Financial Sector (Industry A) from 2010 to 2020 using AGE (Age of the Firm) as dependent variable. According to table 4.17, the Predictor variable can predict 2.6 percent of the dependent variable.

The ANOVA table for the Financial Sector is shown in Table 4.18 using Age of the Firm as Dependent Variable from 2010 to 2020. From table 4.10 it shows that the explanatory variable influences the explained variable with F value of 2.673 at a significance value of 0.048 lesser than .005 hence the model is a good fit.

The beta unstandardized coefficient for Total Assets in Table 4.19 has a negative value of -1.764. The p value shows a figure of 0.005 which is equal to 0.005 thus there is a positive effect that Total Assets has on survival (AGE) of the firm.

The p value of Debtors Collection Period (DCP) is 0.712 which means debtors collection period does not influence Age of the Firm. This is due to the longer the day the debtors settle their bills, the lesser the profitability and the lesser the profitability, the lesser the chances of the business surviving in the long run. The beta coefficient for Debtors Collection Period is 0.007 which is positive which means an addition by one day in Debtors Collection Period, will bring about a 0.7% increase on Survival (Age of the Firm). The t statistics has a value of 0.369 which is lesser than 2 which means that Debtors Collection Period has no effect on the Firm's Age..

Beta Coefficient of Creditors Payment Period (CCP) in Table 4.19 shows a value of -0.001 which is negative in nature which means an increase by additional unit in Creditors Payment Period will lead to a negative increase by -0.1% in the effect on Age of the Firm. The t statistics has a value of -0.198 with a significance value of 0.884 which means that a negative correlation that Creditors Payment Period has on Age of the Firm.

**Regression Analysis of the Manufacturing Industry (Industry B)**

**Regression for Profitability**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.20 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .070a | .005 | -.006 | 16.63681 |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.21: ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 365.330 | 3 | 121.777 | .440 | .725b | | Residual | 75008.307 | 271 | 276.783 |  |  | | Total | 75373.636 | 274 |  |  |  | | a. Dependent Variable: Return on Equity | | | | | | | | b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | | | | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.22:Coefficientsa** | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 21.674 | 8.480 |  | 2.556 | .011 | | Debtors Collection Period | .000 | .001 | .023 | .378 | .706 | | Creditors Payment Period | .007 | .010 | .046 | .754 | .452 | | Total Assets | -.380 | .495 | -.046 | -.766 | .444 | |  | | | | | | | | | | | | |
|  | | | | | |

The model summary for the Manufacturing Sector from 2010 to 2020. Table 4.20 shows that The independent variable explains 0.5% of the dependent variable (Return on Equity), whilst other variables outside the model account for 99.5%..

The ANOVA table has a value of 0.440 with a significance of 0.725 which is greater than .05 which means that the explanatory variable statistically cannot determine the explained variable.

The coefficient table in Table 4.22 shows the beta figure which for Debtors Collection Period (DCP) which is 0.000 and the t statistic stands at 0.378 which is lesser than 2. The p value is at 0.706 which is greater than 0.05 which means there is no significant relationship between Debtors Collection Period and Return on Equity. This is because companies are taking longer to pay their expenses. Thus, companies should reduce days of account receivables by adopting a good credit policy .

For Creditors Payment Period (CPP), the beta coefficient shows a value of 0.007 which means an additional increase in Creditors Payment Period, ROE will increase additionally by 0.7%. The t statistic has a value of 0.754 with a significance value of 0.452 which means that there is a negative relationship between Creditors Payment Period and Return on Equity. For this to be resolved, the firm should ensure that suppliers are being paid on time thereby increasing profitability.

The beta unstandardized coefficient for Total Assets is -0.380, implying that increasing Total Assets by one asset reduces Return on Equity by 0.380. The p value shows a figure of 0.444 which is greater than 0.005 thus there is a negative effect that Total Assets has on Profitability (ROE) of the firm.

**Regression for Survival**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 4.23 Model Summary** | | | | | | | | |
| Model | | R | R Square | | Adjusted R Square | | Std. Error of the Estimate | |
| 1 | | .265a | .070 | | .060 | | 19.69390 | |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | |
| **Table 4.24 ANOVATABLE** | | | | | | | | | | | |
| Model | | | | Sum of Squares | | df | | Mean Square | | F | Sig. |
| 1 | Regression | | | 7926.716 | | 3 | | 2642.239 | | 6.813 | .000b |
| Residual | | | 105107.270 | | 271 | | 387.850 | |  |  |
| Total | | | 113033.985 | | 274 | |  | |  |  |
| a. Dependent Variable: Age of the Firm | | | | | | | | | | | |
| b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 4.25 CoefficientsTable** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | 45.417 | 10.039 |  | 4.524 | .000 |
| Debtors Collection Period | .006 | .001 | .251 | 4.272 | .000 |
| Creditors Payment Period | .019 | .012 | .098 | 1.670 | .096 |
| Total Assets | .086 | .587 | .009 | .146 | .884 |
| a. Dependent Variable: Age of the Firm | | | | | | |

Table 4.23 presents the model summary of the manufacturing industry from 2010 to 2020 using AGE (Age of the Firm) as dependent variable. The R2 (R squared) value is at 0.070 which means that 7.0% of predicted variables (Age of the Firm) are explained by the predictor variables (Debtors Collection Period and Creditors Payment Period) in the model.

The ANOVA results are shown in Table 4.24. Results shows that F value is 6.813, hence the critical value for the F test (1.96) is greater than the calculated figure for the F test (6.813) shown in table 4.35. Hence, this means that Age of the Firm is positively influenced by Debtors Collection Period and Creditors Collection Period.

In Table 4.25, Debtors Collection Period has a positive beta coefficient of 0.006. This indicates that as the debtor's collection term lengthens, the AGE will grow by 0.6 percent. The relationship between Debtors Collection Period and Survival(Age of the Firm) is significant with the significance value of 0.000.

Unstandardized coefficient for Creditors Payment Period in Table 4.25 indicates a positive value of 0.019. The relationship between Creditors Payment Period is insignificant with a t statistic of 1.670 and a p value of 0.096 which means that there is a negative relationship between Creditors Payment Period and Age of the Firm.

The beta unstandardized coefficient for Total Assets is positive at 0.086, implying that increasing Total Assets by one additional asset increases AGE by 8.6 percent. The p value shows a figure of 0.884 which is greater than 0.005 thus there is a negative effect that Total Assets has on Profitability (ROE) of the firm.

**Regression Analysis of the Oil and Gas Industry (Industry C)**

**Regression for Profitability**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 4.26 Model Summary** | | | | | | | | |
| Model | | R | R Square | | Adjusted R Square | | Std. Error of the Estimate | |
| 1 | | .423a | .179 | | .154 | | 25.78117 | |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | |
| **Table 4.27 ANOVATABLE** | | | | | | | | | | | |
| Model | | | | Sum of Squares | | df | | Mean Square | | F | Sig. |
| 1 | Regression | | | 14303.708 | | 3 | | 4767.903 | | 7.173 | .000b |
| Residual | | | 65802.214 | | 99 | | 664.669 | |  |  |
| Total | | | 80105.922 | | 102 | |  | |  |  |
|  | | | | | | | | | | | |
|  | | | | | | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 4.28 Coefficientsa** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | -55.207 | 32.988 |  | -1.674 | .097 |
| Debtors Collection Period | -.001 | .003 | -.016 | -.175 | .861 |
| CreditorsPayment Period | -.001 | .000 | -.327 | -3.428 | .001 |
| Total Assets | 3.771 | 1.910 | .189 | 1.975 | .051 |
| a. Dependent Variable: Return on Equity | | | | | | |

The model summary in Table 4.26 for the Oil and Gas industry from 2010 to 2020 with ROE as the Independent Variable. The summary has a value of 0.179 which indicates 17.9% of ROE is explained by DCP and CPP respectively while the other 82.1% can be explained by other factors.

Table 4.27 shows the results of the ANOVA (Analysis of Variance) Table. The results indicates that the F value is 7.173, which means that since the critical value for the F test (1.96) is greater than the calculated figure for the F test (7.173) shown in table 4.24. Hence, this means that Return on Equity is positively influenced by Debtors Collection Period and Creditors Payment Period.

Table 4.28 shows a positive association between Creditors Payment Period (p-0.001) and ROE.

The beta unstandardized coefficient for Total Assets has a positive value of 3.771, which implies that increasing Total Assets will have a positive impact on ROE. The p value shows a figure of 0.051 which is equal than 0.005 thus there is a positive effect that Total Assets has on Profitability (ROE) of the firm.

According to Table 4.28 the results indicates that DCP has a negative implication (p=0.861) on ROE. This means that the shorter the days, the greater the profit, and the longer the days, the lower the profit.

**Regression for Survival**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 4.29 Model Summary** | | | | | | | | |
| Model | | R | R Square | | Adjusted R Square | | Std. Error of the Estimate | |
| 1 | | .402a | .162 | | .136 | | 18.02834 | |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | |
| **Table 4.30 ANOVATABLE** | | | | | | | | | | | |
| Model | | | | Sum of Squares | | df | | Mean Square | | F | Sig. |
| 1 | Regression | | | 6215.601 | | 3 | | 2071.867 | | 6.375 | .001b |
| Residual | | | 32177.078 | | 99 | | 325.021 | |  |  |
| Total | | | 38392.680 | | 102 | |  | |  |  |
| a. Dependent Variable: Age of the Firm | | | | | | | | | | | |
| b. Predictors: (Constant), Total Assets, Debtors Collection Period, CreditorsPayment Period | | | | | | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 4.31 CoefficientsTable** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | -35.914 | 23.068 |  | -1.557 | .123 |
| Debtors Collection Period | -.005 | .002 | -.202 | -2.178 | .032 |
| CreditorsPayment Period | .000 | .000 | -.084 | -.869 | .387 |
| Total Assets | 4.134 | 1.335 | .299 | 3.096 | .003 |
| a. Dependent Variable: Age of the Firm | | | | | | |

The model summary of the Oil and Gas industry from 2010 to 2020 with AGE as the Explained Variable was shown in Table 4.29. R square has a value of 0.162 which means that 16.2% of output variable (AGE) is explained by the Regressor variables (DCP and CPP) respectively while the other 83.8% can be explained by other factors.

ANOVA Table for Oil & Gas Industry from 2010 to 2020 was shown in Table 4.30. Table 4.27 shows a figure of 6.375 with a significance value of 0.001. This means the predictor variable can determine the predicted variables.

According to Table 4.28 the results indicates that Debtors Collection Period has a positive effect (p=0.032) on Survival (AGE). This is due to the fact that the debtors paid their debts early.

Table 4.28 also indicates a positive effect that Total Assets (p-0.003) has on survival (AGE) with a t statistic of 3.096 and beta coefficient of 4.134.

Also, Table 4.28 indicates a negative effect that Creditors Payment Period (p-0.387) has on survival (AGE). This means that increasing the number of days that the company should pay their suppliers will affect their profitability and the less the profitability, it reduces the chances of the firm surviving in the future while reducing the days will increase profitability of the firm thereby increasing survival.

**4.7 Testing of Hypothesis**

**Hypothesis One**

In the first hypothesis, it was stated that there is no significant effect which Debtors Collection Period has on Companies’ Returns on Equity in Nigeria. The coefficient table in Table 4.8 shows a p value is at 0.74 at a t statistics of 0.326. This suggests that the DCP coefficient has no discernible effect on ROE. Here, we accept the null hypothesis and reject the alternative hypothesis.

**Hypothesis Two**

Hypothesis two states that there is no functional association between Creditors Payment Period and ROE.The coefficient table shows that CPP is statistically significant. Hence, it shows that Creditors' Payment Period does have a functional association with companies' Return on Equity in Nigeria. As a result, we reject the null hypothesis and accept the alternative hypothesis. This is in line with the *apriori* expectation of the study.

**Hypothesis Three**

Hypothesis three is so decide whether to accept or reject that Debtors Collection Period does not have any significant impact on the companies’ age of the firm. Table 4.11 shows The p value which is 0.010 thereby indicating a significant impact that Debtors Collection Period and Age of the Firm. Hence, the null hypothesis was rejected and the alternative is being accepted. Therefore, this outcome is consistent with the study's prior expectations.

**Hypothesis Four**

Hypothesis four suggests a significant implication that Creditors Payment Period has on Age of the Firm. The p value in Table 4.11 for Creditors Payment Period is 0.028. This means that there is a significant implication that Creditors Payment Period has a significant implication on companies’ Age of the Firm. Hence, we reject the null and accept the alternative hypothesis . This results is not in line with the *apriori expectation* of the studies

**CHAPTER FIVE**

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

**5.1 Introduction**

In this final chapter of the dissertation, it summarizes the work, discusses the findings, provides the conclusions for the study and recommendations based on the objectives of the study. This chapter is segmented into the following headlines: Introduction, Summary of work, Discussion of Findings, Conclusion and Recommendations.

**5.2 Summary**

The main objective of this research work is to investigate Receivables and Payables Management and its implication on the Companies’ profitability and survival in Nigeria. Return on Equity was used to determine profitabbility and Survival was proxied using Age of the Firm. The scope of the study focuses on 70 firms listed in the Nigerian Stock Exchange across three sectors (Financial, Manufacturing and Oil & Gas) from 2010 to 2020. The study aimed to answer the following research questions: What is the effect of the Debtors Collection Period on Return on Equity of listed firms in Nigeria? What is the influence of the Creditors Payment Period on Companies’ Return on Equity? How does the Debtors Collection Period affect the Age of the Firm of listed firms in Nigeria? And What is the functional association of the Creditors Payment Period on the Age of the Firm of listed firms in Nigeria?

Chapter one comprises of the introduction, problem statement, questions, the objectives, the hypothesis for the study, study’s scope, significance of research, organization of chapters plus terminologies used in the research.

The second chapter consists of the concepts used, theories adopted and empirical review. The theoretical issues focuses on theories used for this study and focuses also on the main theory outlining the study. The theories used include Liquidity-Profitability Tradeoff, Pecking Order Theory and Transaction Cost Theory. The empirical review discusses other researcher contribution to the study and their own conclusion and recommendation. The research gap discusses the issues that was not discovered in the empirical framework which the researcher seeks to solve in the research..

Chapter 3 examined the methodology of the study which consists of the study design, population of the study, size of the sample and sampling technique used, method of data collection and analysis, operationalization of variables, model specification and *apriori expectation* of the study

The forth chapter focused on the Results and Discussion of Results. Data was extracted from the reports of the firm between 2010 and 2020 and analyzed using the SPSS statistical package. Analysis of data in this study include the Descriptive statistics, preliminary analysis and Regression analysis. Testing of hypothesis was examined.

The final chapter discusses the summary of work, theoretical and empirical findings, conclusion of the study, limitations and proffers recommendation.

**5.3. Theoretical Findings**

In this study, three theories were considered which were Liquidity-Profitability Tradeoff, Pecking Order Theory and Transaction Cost Theory. The primary theory underlying this research is the Liquidity-Profitability Tradeoff. Here, the company should maintain tradeoff between the two objectives which are to maximize profit and to maintain liquidity. One objective should not be fulfilled and the other is not.

1, Findings suggest that Receivables Management is a main factor for the Profitability and Survival of Listed Firms in Nigeria. Trade receivables is critical for all companies. It is common practice for business organizations to offer their customers with credit sales (Lamminmaki, 2015). Empirical studies have also shown that approximately close to 80% of transactions between business enterprises are credit transactions (Niepmann, 2013). The extent to which firms manage their receivables go a long way to the level of their profit. The proxy for Receivables Management is the Accounts Receivables Days or the Debtors Collection Period. Increase in receivables will result in lower profitability thereby affecting the firm in the long run. A higher investment in debtors means that a smaller amount of cash is available to cater for cash outflows, for instance, payment of short-term bills (Ramana, Ramakrishnaiah & Chengalrayulu, 2013). Besides, the firm may experience increased levels of debts turning bad thus affecting negatively on a firm’s profits (Iqbal et al., 2014).

2. The study found out Debtors Collection Period affect Company Survival. “The main goal of debt management in any organization is to make sure that debts are recovered within a stipulated credit period” ((Shim et al., 2018). Another common objective is to identify dormant accounts with a view to attempting to reduce to credit burden that is likely to affect a firm’s accounts as bad debts (Takon & Atseye, 2015).. A higher investment in debtors means a lesser amount of cash is available to cater for short-term maturing obligations, such as paying bills (Bhatia & Srivastava, 2016).

3. Creditors Payment Period also affects the survival of the Firm. The higher the days company settle their creditors, the higher the returns made by the firm and the higher the returns, the chances of the company surviving is on a high side. Unlike credit from commercial banks, which demands that customers give collateral in exchange for credit facilities, trade credit is given to customers based on trust and reputation (Oluoch, n.d.)

**5.4 Empirical Findings**

**1.** From the analysis carried out in this study, specifically for hypothesis one, it was found that there is no significant effect that Debtors Collection Period has on Companies’ Return on Equity. The relationship thus is not significant.

**2.** The second hypothesis tested using Ordinary Least Square Regression Analysis indicates a functional association between Creditors Payment Period and Companies’ Return on Equity in Nigeria. This findings is in conjunction by (Mathuva, 2010) on “Trade Payment and Companies’ Returns in Nigeria”

3. The third hypothesis tested shows that DCP has a significant influence on Companies’ Age of the Firm. This is backed up with studies done by (Deloof, 2013) on “Receivables Period and Company’s Returns”

4. The fourth hypothesis in this study shows that a positive influence that CPP has on Firms’ Age.

**5.5 Conclusion**

This section discusses the contribution of study on Receivables and Payables Management and its implication on Companies’ Profitability and Survival.

The results shows a negative effect that Debtors Collection Period has on Return on Equity, and functional association between Creditors Payment Period and ROE. This is because debtors take longer to settle their obligations, lowering the companies’ returns. The findings indicates that Receivables and Payables Management has a beneficial impact on the Companies’ Survival. Thus, there exists mixed implication that Receivables and Payables Management has on Companies’ Profitability and Survival in Nigeria. Hence, this is in line with the Liquidity Profitability Hypothesis.

**5.6 Recommendations**

The study's major goal was to investigate Receivables and Payables Management and its implications for the profitability and survival of businesses in Nigeria. The proxy for Receivables Management is Debtors Collection Period while Creditors Payment Period was determined for Payables Management. Return on Equity is used to calculate profitability and The Age of the Firm is used to calculate survival. The recommendation obtained from the findings are:

**1.** Firms should be careful that the high number of receivables does not affect credit sales which can adversely affect its profitability.

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2. Also, the firm should implement stringent credit policy that will prompt the customers and clients to pay on time thus reducing the number of receivables days. The main benefit of reducing the receivables days is that it reduces bad debts incurred in the business As a result, the firm should prioritize minimizing account receivables days and increasing trade payables days.

3. For organizations to improve their profitability thus enhancing survival the leverage ratios that are in place must be increased.

**5.7 Contribution to Existing Knowledge**

1. The model of this work was adapted hence new variables are being added to the model thereby making as a reference point in the research study. It also serves as an expansion of other researchers’ work focusing on either receivables and payables management on profitability and survival.

**5.8 Limitation of Study**

1. The limitation is that the focus of the studies covers three sectors in Nigeria (Financial, Manufacturing and Oil & Gas Sector).

2.. The period of study from 2010 to 2020. As at the period of study, the current year is not available in the Financial Statements of the firm

**5.9 Suggestions for Further Studies**

1. The addition of more sectors into the study. The study focused on Financial, Manufacturing and Oil & Gas Sector. Further study can focus on adding more sectors like Agriculture, Engineering, Building. If possible, more firms from the sectors should be included in the sample so as to increase reliability on the results.

2.. Further research can focus on the Receivables and Payables Management: Implication for Companies’ Profitability and Liquidity in Nigeria.

3. Future research should adopt using primary data to confirm or refute the results of the study

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**APPENDIX**

**APPENDIX A**

**Secondary Data Sheet**

**YEAR DCP CPP ROE ROE(%) AGE**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2010 | 26 | 0 | 0.06 | 6 | 21 |
| 2011 | 91 | 6 | 0.03 | 3 | 22 |
| 2012 | 76 | 1 | 0.15 | 15 | 23 |
| 2013 | 75 | 5 | 0.11 | 11 | 24 |
| 2014 | 66 | 2 | 0.15 | 15 | 25 |
| 2015 | 41 | 6 | 0.16 | 16 | 26 |
| 2016 | 15 | 13 | 0.15 | 15 | 27 |
| 2017 | 15 | 9 | 0.11 | 11 | 28 |
| 2018 | 46 | 16 | 0.17 | 17 | 29 |
| 2019 | 48 | 4 | 0.14 | 14 | 30 |
| 2020 | 46 | 5 | 0.12 | 12 | 31 |
| 2010 | 118 | 69 | 0.10 | 10 | 25 |
| 2011 | 127 | 239 | 0.14 | 14 | 26 |
| 2012 | 74 | 334 | 0.14 | 14 | 27 |
| 2013 | 84 | 430 | 0.08 | 8 | 28 |
| 2014 | 56 | 216 | 0.16 | 16 | 29 |
| 2015 | 80 | 311 | 0.05 | 5 | 30 |
| 2016 | 94 | 125 | -0.02 | -2 | 31 |
| 2017 | 83 | 88 | 0.09 | 9 | 32 |
| 2018 | 120 | 87 | 0.14 | 14 | 33 |
| 2019 | 166 | 29 | 0.15 | 15 | 34 |
| 2020 | 159 | 56 | 0.04 | 4 | 35 |
| 2010 | 31 | 108 | 0.08 | 8 | 0 |
| 2011 | 29 | 182 | 0.13 | 13 | 1 |
| 2012 | 46 | 362 | 0.00 | 0 | 2 |
| 2013 | 37 | 146 | 0.23 | 23 | 3 |
| 2014 | 11 | 100 | 0.02 | 2 | 4 |
| 2015 | 3 | 226 | 0.01 | 1 | 5 |
| 2016 | 6 | 98 | 0.03 | 3 | 6 |
| 2017 | 5 | 34 | 0.04 | 4 | 7 |
| 2018 | 5 | 20 | 0.04 | 4 | 8 |
| 2019 | 9 | 42 | 0.05 | 5 | 9 |
| 2020 | 2 | 21 | 0.12 | 12 | 10 |
| 2010 | 63 | 0 | 0.05 | 5 | 28 |
| 2011 | 236 | 131 | -0.09 | -9 | 29 |
| 2012 | 952 | 400 | 0.10 | 10 | 30 |
| 2013 | 440 | 200 | 0.05 | 5 | 31 |
| 2014 | 298 | 71 | 0.04 | 4 | 32 |
| 2015 | 123 | 71 | 0.02 | 2 | 33 |
| 2016 | 163 | 112 | 0.03 | 3 | 34 |
| 2017 | 107 | 266 | 0.01 | 1 | 35 |
| 2018 | 182 | 11 | 0.03 | 3 | 36 |
| 2019 | 1 | 644 | 0.03 | 3 | 37 |
| 2020 | 9 | 801 | 0.02 | 2 | 38 |
| 2010 | 9 | 88 | 0.04 | 4 | 123 |
| 2011 | 15 | 133 | 0.03 | 3 | 124 |
| 2012 | 10 | 133 | 0.11 | 11 | 125 |
| 2013 | 1 | 101 | 0.05 | 5 | 126 |
| 2014 | 77 | 254 | 0.08 | 8 | 127 |
| 2015 | 99 | 238 | 0.08 | 8 | 128 |
| 2016 | 70 | 208 | 0.05 | 5 | 129 |
| 2017 | 62 | 214 | 0.09 | 9 | 130 |
| 2018 | 49 | 353 | 0.12 | 12 | 131 |
| 2019 | 41 | 302 | 0.12 | 12 | 132 |
| 2020 | 68 | 675 | 0.10 | 10 | 133 |
| 2010 | 57 | 1 | 0.18 | 18 | 20 |
| 2011 | 30 | 2 | 0.22 | 22 | 21 |
| 2012 | 27 | 16 | 0.30 | 30 | 22 |
| 2013 | 19 | 26 | 0.26 | 26 | 23 |
| 2014 | 21 | 16 | 0.25 | 25 | 24 |
| 2015 | 20 | 37 | 0.23 | 23 | 25 |
| 2016 | 1 | 47 | 0.27 | 27 | 26 |
| 2017 | 7 | 50 | 0.28 | 28 | 27 |
| 2018 | 21 | 151 | 0.33 | 33 | 28 |
| 2019 | 7 | 214 | 0.29 | 29 | 29 |
| 2020 | 7 | 213 | 0.25 | 25 | 30 |
| 2010 | 37 | 7 | 0.16 | 16 | 36 |
| 2011 | 22 | 48 | 0.16 | 16 | 37 |
| 2012 | 12 | 32 | 0.15 | 15 | 38 |
| 2013 | 29 | 51 | 0.13 | 13 | 39 |
| 2014 | 21 | 83 | 0.11 | 11 | 40 |
| 2015 | 4 | 67 | 0.11 | 11 | 41 |
| 2016 | 15 | 50 | 0.06 | 6 | 42 |
| 2017 | 17 | 56 | 0.08 | 8 | 43 |
| 2018 | 26 | 65 | 0.10 | 10 | 44 |
| 2019 | 46 | 79 | 0.09 | 9 | 45 |
| 2020 | 51 | 151 | 0.08 | 8 | 46 |
| 2010 | 50 | 189 | 0.01 | 1 | 49 |
| 2011 | 45 | 219 | -0.06 | -6 | 50 |
| 2012 | 27 | 191 | 0.22 | 22 | 51 |
| 2013 | 45 | 163 | 0.18 | 18 | 52 |
| 2014 | 43 | 130 | 0.14 | 14 | 53 |
| 2015 | 22 | 88 | 0.14 | 14 | 54 |
| 2016 | 12 | 158 | 0.12 | 12 | 55 |
| 2017 | 48 | 150 | 0.11 | 11 | 56 |
| 2018 | 18 | 118 | 0.11 | 11 | 57 |
| 2019 | 83 | 75 | 0.14 | 14 | 58 |
| 2020 | 0.02 | 1 | 0.01 | 1 | 59 |
| 2010 | 0.33 | 14 | 0.14 | 14 | 42 |
| 2011 | -0.15 | -9 | -0.09 | -9 | 43 |
| 2012 | 51 | 426 | 0.02 | 2 | 44 |
| 2013 | 15 | 396 | 0.03 | 3 | 45 |
| 2014 | 13 | 421 | 0.10 | 10 | 46 |
| 2015 | 10 | 94 | 0.08 | 8 | 47 |
| 2016 | 3 | 63 | 0.06 | 6 | 48 |
| 2017 | 1 | 29 | 0.03 | 3 | 49 |
| 2018 | 1 | 39 | 0.09 | 9 | 50 |
| 2019 | 1 | 111 | 0.07 | 7 | 51 |
| 2020 | 1 | 104 | 0.06 | 6 | 52 |
| 2010 | 1 | 1 | 0.28 | 28 | 22 |
| 2011 | 0 | 6 | 0.01 | 1 | 23 |
| 2012 | 0 | 3 | 0.02 | 2 | 24 |
| 2013 | 0 | 15 | -0.06 | -6 | 25 |
| 2017 | 1 | 65 | -0.06 | -6 | 29 |
| 2018 | 9 | 53 | -0.05 | -5 | 30 |
| 2019 | 107 | 1 | 0.01 | 1 | 31 |
| 2020 | 119 | 0 | 0.00 | 0 | 32 |
| 2010 | 11 | 8 | 0.08 | 8 | 65 |
| 2011 | 16 | -4 | -0.04 | -4 | 66 |
| 2012 | 65 | -2 | -0.02 | -2 | 67 |
| 2013 | 40 | 49 | 0.04 | 4 | 68 |
| 2014 | 36 | 1 | 0.01 | 1 | 69 |
| 2015 | 36 | 17 | 0.05 | 5 | 70 |
| 2016 | 22 | 12 | 0.05 | 5 | 71 |
| 2017 | 19 | 2 | 0.05 | 5 | 72 |
| 2018 | 17 | 16 | 0.07 | 7 | 73 |
| 2019 | 2 | 1 | 0.09 | 9 | 74 |
| 2020 | 4 | 10 | 0.08 | 8 | 75 |
| 2010 | 10 | 150 | 0.10 | 10 | 20 |
| 2011 | 25 | 126 | 0.11 | 11 | 21 |
| 2012 | 37 | 112 | 0.22 | 22 | 22 |
| 2013 | 20 | 130 | 0.18 | 18 | 23 |
| 2014 | 20 | 100 | 0.18 | 18 | 24 |
| 2015 | 30 | 674 | 0.18 | 18 | 25 |
| 2016 | 27 | 596 | 0.19 | 19 | 26 |
| 2017 | 45 | 442 | 0.22 | 22 | 27 |
| 2018 | 47 | 681 | 0.25 | 25 | 28 |
| 2019 | 43 | 105 | 0.23 | 23 | 29 |
| 2020 | 89 | 251 | 0.22 | 22 | 30 |
| 2010 | 23 | 14 | 0.02 | 2 | 17 |
| 2011 | 26 | 28 | -0.01 | -1 | 18 |
| 2012 | 20 | 8 | 0.08 | 8 | 19 |
| 2013 | 1 | 7 | 0.07 | 7 | 20 |
| 2014 | 1 | 5 | 0.05 | 5 | 21 |
| 2015 | 1 | 5 | 0.05 | 5 | 22 |
| 2016 | 1 | 7 | 0.07 | 7 | 23 |
| 2017 | 0 | 3 | 0.03 | 3 | 24 |
| 2018 | 1 | 3 | 0.03 | 3 | 25 |
| 2019 | 1 | 8 | 0.08 | 8 | 26 |
| 2020 | 1 | 2 | 0.11 | 11 | 27 |
| 2010 | 20 | 125 | 0.10 | 10 | 40 |
| 2011 | 21 | 43 | 0.05 | 5 | 41 |
| 2012 | 53 | 64 | 0.16 | 16 | 42 |
| 2013 | 0 | -1 | -0.01 | -1 | 43 |
| 2014 | 0 | 0 | 0.00 | 0 | 44 |
| 2015 | 1 | 68 | -0.02 | -2 | 45 |
| 2016 | 1 | 61 | 0.04 | 4 | 46 |
| 2017 | 1 | 88 | 0.07 | 7 | 47 |
| 2018 | 1 | 42 | 0.05 | 5 | 48 |
| 2019 | 1 | 33 | 0.05 | 5 | 49 |
| 2020 | 5 | 31 | 0.05 | 5 | 50 |
| 2010 | 26 | 12 | 0.12 | 12 | 40 |
| 2011 | 27 | 4 | 0.04 | 4 | 41 |
| 2012 | 36 | 271 | 0.10 | 10 | 42 |
| 2013 | 17 | 144 | 0.08 | 8 | 43 |
| 2014 | 9 | 3 | 0.26 | 26 | 44 |
| 2015 | 24 | 41 | 0.07 | 7 | 45 |
| 2016 | 10 | 56 | 0.01 | 1 | 46 |
| 2017 | 20 | 8 | 0.28 | 28 | 47 |
| 2018 | 7 | 32 | 0.16 | 16 | 48 |
| 2019 | 4 | 16 | 0.17 | 17 | 49 |
| 2020 | 4 | 37 | 0.23 | 23 | 50 |
| 2010 | 28 | -3 | -0.03 | -3 | 52 |
| 2011 | 66 | 454 | -0.18 | -18 | 53 |
| 2012 | 69 | 291 | 0.02 | 2 | 54 |
| 2013 | 1 | 82 | 0.01 | 1 | 55 |
| 2014 | 4 | 256 | -0.03 | -3 | 56 |
| 2015 | 1 | 21 | 0.00 | 0 | 57 |
| 2016 | 7 | 69 | 0.00 | 0 | 58 |
| 2017 | 9 | 6 | 0.06 | 6 | 59 |
| 2018 | 1 | -4 | -0.04 | -4 | 60 |
| 2019 | 1 | -20 | -0.20 | -20 | 61 |
| 2020 | 0 | -4 | -0.04 | -4 | 62 |
| 2010 | 44 | 177 | 0.04 | 4 | 19 |
| 2011 | 41 | 116 | -0.06 | -6 | 20 |
| 2012 | 44 | 106 | 0.07 | 7 | 21 |
| 2013 | 4 | 98 | 0.13 | 13 | 22 |
| 2014 | 2 | 63 | 0.16 | 16 | 23 |
| 2015 | 3 | 57 | -0.05 | -5 | 24 |
| 2016 | 3 | 56 | -0.23 | -23 | 25 |
| 2017 | 0 | -12 | -0.12 | -12 | 26 |
| 2018 | 5 | 155 | 0.17 | 17 | 27 |
| 2019 | 2 | 221 | 0.28 | 28 | 28 |
| 2020 | 3 | 5 | 0.05 | 5 | 29 |
| 2010 | 105 | 49 | 0.05 | 5 | 19 |
| 2011 | 96 | 37 | 0.03 | 3 | 20 |
| 2012 | 100 | 86 | 0.09 | 9 | 21 |
| 2013 | 100 | 50 | -0.09 | -9 | 22 |
| 2014 | 4 | 4 | 0.05 | 5 | 23 |
| 2015 | 4 | 1 | 0.13 | 13 | 24 |
| 2016 | 5 | 19 | 0.04 | 4 | 25 |
| 2017 | 12 | 17 | 0.08 | 8 | 26 |
| 2018 | 8 | 4 | 0.06 | 6 | 27 |
| 2019 | 9 | 6 | 0.09 | 9 | 28 |
| 2020 | 19 | 1 | 0.08 | 8 | 29 |
| 2010 | 49 | 73 | 0.08 | 8 | 21 |
| 2011 | 60 | 142 | 0.08 | 8 | 22 |
| 2012 | 60 | 165 | 0.10 | 10 | 23 |
| 2013 | 6 | 84 | 0.07 | 7 | 24 |
| 2014 | 6 | 79 | 0.05 | 5 | 25 |
| 2015 | 8 | 115 | 0.03 | 3 | 26 |
| 2016 | 7 | 280 | 0.07 | 7 | 27 |
| 2017 | 4 | 253 | 0.08 | 8 | 28 |
| 2018 | 9 | 315 | 0.10 | 10 | 29 |
| 2019 | 16 | 396 | 0.21 | 21 | 30 |
| 2020 | 14 | 240 | 0.08 | 8 | 31 |
| 2010 | 41 | 33 | 0.08 | 8 | 15 |
| 2011 | 32 | 32 | 0.14 | 14 | 16 |
| 2012 | 54 | 21 | 0.21 | 21 | 17 |
| 2013 | 4 | 21 | 0.10 | 10 | 18 |
| 2014 | 3 | 17 | 0.07 | 7 | 19 |
| 2016 | 18 | 29 | 0.00 | 0 | 21 |
| 2017 | 14 | 58 | 0.03 | 3 | 22 |
| 2018 | 13 | 53 | 0.06 | 6 | 23 |
| 2019 | 18 | 54 | 0.05 | 5 | 24 |
| 2020 | 25 | 37 | 0.06 | 6 | 25 |
| 2010 | 46 | 12 | -0.02 | -2 | 37 |
| 2011 | 19 | 52 | 0.05 | 5 | 38 |
| 2012 | 61 | 108 | 0.03 | 3 | 39 |
| 2013 | 0 | 3 | 0.03 | 3 | 40 |
| 2014 | 1 | 12 | 0.02 | 2 | 41 |
| 2015 | 1 | 1 | 0.04 | 4 | 42 |
| 2016 | 0 | 1 | 0.01 | 1 | 43 |
| 2017 | 1 | 27 | -0.11 | -11 | 44 |
| 2018 | 0 | -3 | -0.03 | -3 | 45 |
| 2019 | 0 | 1 | 0.01 | 1 | 46 |
| 2020 | 5 | 89 | 0.06 | 6 | 47 |
| 2010 | 68 | 304 | 0.03 | 3 | 19 |
| 2011 | 67 | 311 | 0.03 | 3 | 20 |
| 2012 | 3 | 186 | 0.01 | 1 | 21 |
| 2013 | 1 | 108 | 0.03 | 3 | 22 |
| 2014 | 1 | 349 | 0.02 | 2 | 23 |
| 2015 | 2 | 776 | 0.03 | 3 | 24 |
| 2016 | 2 | 223 | 0.03 | 3 | 25 |
| 2017 | 1 | 467 | 0.14 | 14 | 26 |
| 2018 | 2 | 117 | -0.02 | -2 | 27 |
| 2019 | 4 | 133 | 0.06 | 6 | 28 |
| 2020 | 3 | 7 | 0.07 | 7 | 29 |
| 2010 | 90 | 36 | 0.39 | 39 | 31 |
| 2011 | 91 | 185 | 0.40 | 40 | 32 |
| 2013 | 2 | 220 | 0.37 | 37 | 34 |
| 2014 | 13 | 1 | 0.32 | 32 | 35 |
| 2015 | 1 | 12 | 0.12 | 12 | 36 |
| 2016 | 2 | 289 | 0.46 | 46 | 37 |
| 2017 | 6 | 100 | 0.33 | 33 | 38 |
| 2018 | 16 | 18 | 0.18 | 18 | 39 |
| 2019 | 3 | 736 | 0.39 | 39 | 40 |
| 2020 | 4 | 111 | 0.43 | 43 | 41 |
| 2010 | 12 | 42 | 0.06 | 6 | 18 |
| 2011 | 11 | 71 | 0.06 | 6 | 19 |
| 2012 | 12 | 83 | 0.05 | 5 | 20 |
| 2013 | 8 | 115 | 0.07 | 7 | 21 |
| 2014 | 12 | 100 | 0.08 | 8 | 22 |
| 2015 | 42 | 1 | 0.08 | 8 | 23 |
| 2016 | 4 | 130 | 0.06 | 6 | 24 |
| 2017 | 12 | 518 | 0.21 | 21 | 25 |
| 2018 | 13 | 97 | 0.22 | 22 | 26 |
| 2020 | 28 | 12 | 0.12 | 12 | 28 |
| 2012 | 30 | 119 | 0.16 | 16 | 33 |
| 2013 | 2 | 29 | 0.29 | 29 | 34 |
| 2017 | 7 | 505 | 0.32 | 32 | 38 |
| 2018 | 10 | 20 | 0.26 | 26 | 39 |
| 2019 | 10 | 23 | 0.26 | 26 | 40 |
| 2010 | 28 | 131 | 0.23 | 23 | 6 |
| 2012 | 133 | 407 | 0.14 | 14 | 8 |
| 2014 | 0 | 12 | 0.12 | 12 | 10 |
| 2015 | 0 | 6 | 0.06 | 6 | 11 |
| 2016 | 0 | 4 | 0.04 | 4 | 12 |
| 2017 | 0 | 8 | 0.08 | 8 | 13 |
| 2018 | 0 | 14 | 0.14 | 14 | 14 |
| 2019 | 0 | 5 | 0.05 | 5 | 15 |
| 2020 | 0 | 3 | 0.03 | 3 | 16 |
| 2010 | 63 | 67 | -0.08 | -8 | 52 |
| 2011 | 32 | 33 | 0.01 | 1 | 53 |
| 2012 | 38 | 64 | 0.03 | 3 | 54 |
| 2013 | 5 | 39 | 0.00 | 0 | 55 |
| 2014 | 48 | 54 | 0.00 | 0 | 56 |
| 2015 | 37 | 21 | 0.04 | 4 | 57 |
| 2016 | 38 | 31 | 0.01 | 1 | 58 |
| 2017 | 28 | 50 | 0.02 | 2 | 59 |
| 2018 | 1 | 16 | -0.03 | -3 | 60 |
| 2019 | 1 | 2 | -0.02 | -2 | 61 |
| 2020 | 2 | 6 | 0.01 | 1 | 62 |
| 2011 | 6 | 586 | -0.08 | -8 | 18 |
| 2012 | 3 | 22 | 0.22 | 22 | 19 |
| 2013 | 3 | 41 | 0.41 | 41 | 20 |
| 2014 | 3 | 43 | 0.43 | 43 | 21 |
| 2015 | 2 | 41 | 0.41 | 41 | 22 |
| 2016 | 5 | 32 | 0.32 | 32 | 23 |
| 2017 | 2 | 15 | 0.15 | 15 | 24 |
| 2018 | 10 | 13 | 0.13 | 13 | 25 |
| 2020 | 1 | 2,063 | -0.13 | -13 | 27 |
| 2010 | 104 | 12 | 0.12 | 12 | 17 |
| 2011 | 61 | 19 | 0.19 | 19 | 18 |
| 2012 | 62 | 3,400 | 0.14 | 14 | 19 |
| 2013 | 49 | 15 | 0.15 | 15 | 20 |
| 2014 | 21 | 248 | 0.12 | 12 | 21 |
| 2015 | 25 | 18 | 0.12 | 12 | 22 |
| 2016 | 11 | 144 | 0.18 | 18 | 23 |
| 2017 | 6 | 6 | 0.14 | 14 | 24 |
| 2018 | 15 | 7 | 0.04 | 4 | 25 |
| 2019 | 9 | 286 | 0.15 | 15 | 26 |
| 2020 | 11 | 88 | 0.11 | 11 | 27 |

**Appendix II**

**List of 70 companies(Financial , Manufacturing and Oil and Gas Sector)**

**Financial Sector**

**1.** Access Bank

2. Ecobank

3. FBN Holdings

4. FCMB

5.Fidelity Bank

6. GTB

7. Sterling Bank

8. U.B.A

9. Union Bank

10. Unity Bank

11. Wema Bank

12. Zenith Bank

13. Regency Assurance Plc

14. Prestige Assurance

15. NEM Insurance

15. Guinea Insurance

16. Cornerstone Insurance

17. Consolidated Hallmark Insurance

18. AXA Mansard Insurance

19. Sovereign Trust Insurance

20. Veritas Kapital Assurance

21. Linkage Assurance

22. Lasaco Assurance

23. Universal Insurance Plc

24. Unity Capital

25. Transnational Corporation of Nigeria

26. Coronation Insurance

27. African Allied Insurance

28. NPF Microfinance

29. Custodian Insurance

30. Stanbic IBTC Bank

**Manufacturing Sector**

31. Guinness Plc

32. UACN Plc

33. Lafarge

34. Nestle

35. Nigeria Breweries Plc

36. UNILEVER

37. Dangote Sugar Plc

38. Cadbury Plc

39. Champion Breweries

40. NASCON

41. Dangote Cement Plc

42. PRESCO

43. OKOMU OIL

44. Academy Press

45. Nigeria Enamelware

46. Honeywell Flour

47. International Breweries

48.Livestock Feeds

49. Mcnichols Plc

50. Morison Industries Plc

51.Nigerian Breweries

52. Flour Mills

53. Vitafoam Plc

54. Pz Cussons

55. Cocoa Processors

56. Greif Nigeria

57. Chellarams Plc

58. Austin Laz and Company Plc

59. Beta Glass Plc

60. Union Dicon Salt

**Oil and Gas Sector**

61. Multiverse Petroleum Plc

62. B.O.C Gases

63. Caverton Plc

64. Japaul Gold & Ventures Limited

65. MRS Oil Limited

66. Ardova Oil (Formerly Forte Oil Limited)

67. Oando Plc

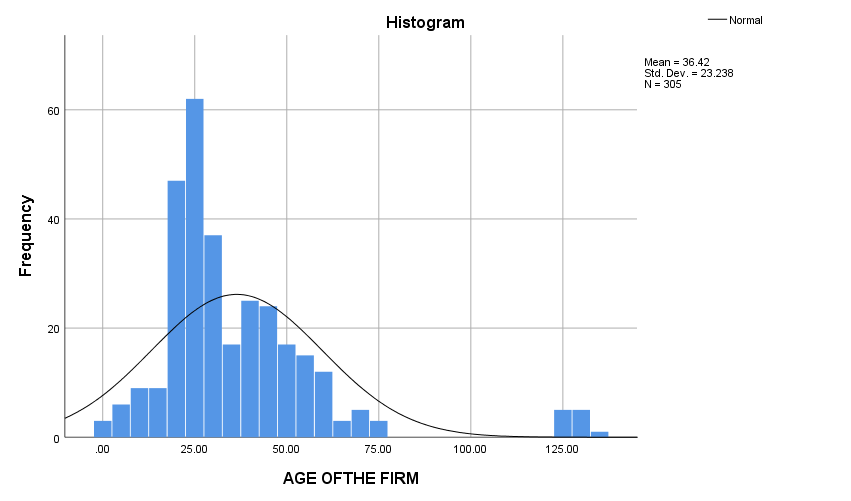
68. Eterna Plc

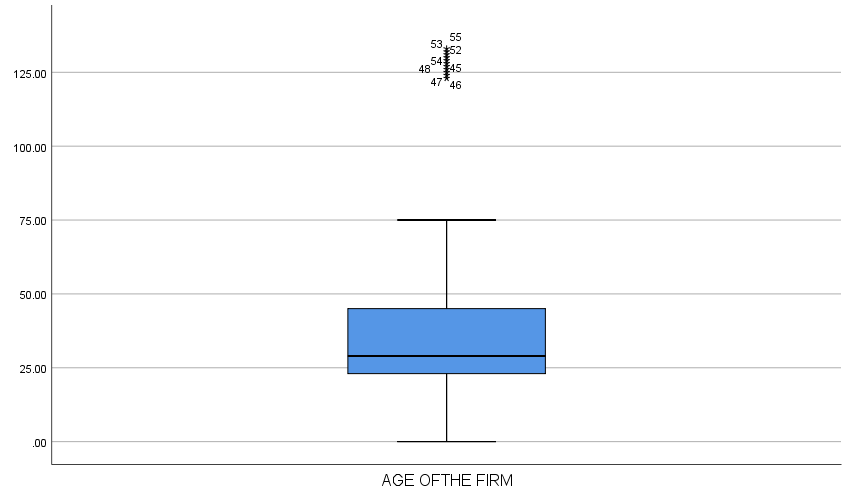
69. Conoil Plc

70. Total Plc

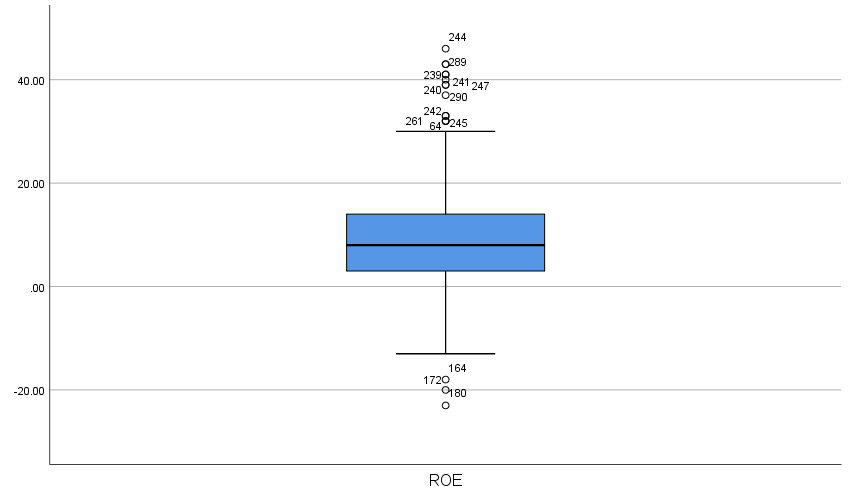
**APPENDIX 3**







|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Pooled Ordinary Regression (Three Industries)**  **Regression for Profitability**  **Table 4.8 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .263a | .069 | .065 | 16.50888 |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.9 ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 13750.500 | 3 | 4583.500 | 16.817 | .000b | | Residual | 184787.600 | 678 | 272.548 |  |  | | Total | 198538.100 | 681 |  |  |  | | a. Dependent Variable: Return on Equity | | | | | | | | b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | | | | |
|  | | | | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.10 Coefficients**Table | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 3.707 | 5.351 |  | .693 | .489 | | Debtors Collection Period | .000 | .001 | .012 | .326 | .744 | | Creditors Payment Period | -.002 | .000 | -.252 | -6.779 | .000 | | Total Assets | .500 | .315 | .059 | 1.588 | .113 | | a. Dependent Variable: Return on Equity | | | | | | | | | | | | |
| a. Dependent Variable: Return on Equity | | | | | |



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.11 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .138a | .019 | .015 | 22.38201 |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.12 ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 6612.327 | 3 | 2204.109 | 4.400 | .004b | | Residual | 339661.510 | 678 | 500.976 |  |  | | Total | 346273.837 | 681 |  |  |  | | a. Dependent Variable: Age of the Firm | | | | | | | | b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | | | | |
| **Table 4.13 Coefficientsa**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | |  | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 51.575 | 7.255 |  | 7.109 | .000 | | Debtors Collection Period | .004 | .001 | .099 | 2.591 | .010 | | Creditors Payment Period | -.001 | .000 | -.084 | -2.205 | .028 | | Total Assets | -.619 | .427 | -.055 | -1.451 | .147 | | a. Dependent Variable: Age of the Firm | | | | | | | | | | | | |
| a. Dependent Variable: Age of the Firm | | | | | |

**Regression Analysis of the Financial Industry (Industry A)**

**Regression for Profitability**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.14 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .193a | .037 | .028 | 10.51095 |
| 1. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period   **Source: Field Survey (2022)**  **SPSS 26**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.15: ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 1278.350 | 3 | 426.117 | 3.857 | .010b | | Residual | 33033.597 | 299 | 110.480 |  |  | | Total | 34311.947 | 302 |  |  |  | | a. Dependent Variable: Return on Equity | | | | | | | | b. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period | | | | | | | | | | | |
| **Source: Field Survey (2022)**  **SPSS 26**   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Table 4.16: Coefficientsa** | | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | -6.290 | 4.814 |  | -1.307 | .192 | | DCP | -.011 | .009 | -.073 | -1.268 | .206 | | CPP | .002 | .002 | .055 | .953 | .341 | | Total Assets | .935 | .285 | .190 | 3.284 | .001 | | a. Dependent Variable: Return on Equity | | | | | | | | | | | | |
| 1. Dependent Variable: Return on Equity   **Source: Field Survey (2022)**  **SPSS 26** | | | | | |

**Regression for Survival**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.17 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .162a | .026 | .016 | 23.03126 |
| a. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period  **Source: Field Survey (2022)**  **SPSS 26**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.18: ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 4254.229 | 3 | 1418.076 | 2.673 | .048b | | Residual | 158601.375 | 299 | 530.439 |  |  | | Total | 162855.604 | 302 |  |  |  | | a. Dependent Variable: Age of the Firm | | | | | | | | b. Predictors: (Constant), Total Assets, Creditors Payment Period, Debtors Collection Period | | | | | | | | | | | |
| **Source: Field Survey (2022)**  **SPSS 26**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.19 CoefficientsTable** | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 66.098 | 10.549 |  | 6.266 | .000 | | Debtors Collection Period | .007 | .019 | .021 | .369 | .712 | | Creditors Payment Period | -.001 | .005 | -.011 | -.197 | .844 | | Total Assets | -1.764 | .624 | -.165 | -2.827 | .005 | | a. Dependent Variable: Age of the Firm | | | | | | | | | | | | |
| 1. Dependent Variable: Age of the Firm   **Source: Field Survey (2022)**  **SPSS 26** | | | | | |

**Regression Analysis of the Manufacturing Industry (Industry B)**

**Regression for Profitability**

**Regression for Profitability**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 4.20 Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .070a | .005 | -.006 | 16.63681 |
| a. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period  **Source: Field Survey (2022)**  **SPSS 26**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.21: ANOVAa** | | | | | | | | Model | | Sum of Squares | df | Mean Square | F | Sig. | | 1 | Regression | 365.330 | 3 | 121.777 | .440 | .725b | | Residual | 75008.307 | 271 | 276.783 |  |  | | Total | 75373.636 | 274 |  |  |  | | a. Dependent Variable: Return on Equity | | | | | | | | b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | |   **Source: Field Survey (2022)**  **SPSS 26** | | | | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Table 4.22:Coefficientsa** | | | | | | | | Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | B | Std. Error | Beta | | 1 | (Constant) | 21.674 | 8.480 |  | 2.556 | .011 | | Debtors Collection Period | .000 | .001 | .023 | .378 | .706 | | Creditors Payment Period | .007 | .010 | .046 | .754 | .452 | | Total Assets | -.380 | .495 | -.046 | -.766 | .444 | | a. Dependent Variable: Return on Equity | | | | | | | | | | | | |
| 1. Dependent Variable: Return on Equity   **Source: Field Survey (2022)**  **SPSS 26** | | | | | |

**Regression for Survival**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 4.23 Model Summary** | | | | | | | | |
| Model | | R | R Square | | Adjusted R Square | | Std. Error of the Estimate | |
| 1 | | .265a | .070 | | .060 | | 19.69390 | |
| 1. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   **Source: Field Survey (2022)**  **SPSS 26** | | | | | | | | |
| **Table 4.24 ANOVATABLE** | | | | | | | | | | | |
| Model | | | | Sum of Squares | | df | | Mean Square | | F | Sig. |
| 1 | Regression | | | 7926.716 | | 3 | | 2642.239 | | 6.813 | .000b |
| Residual | | | 105107.270 | | 271 | | 387.850 | |  |  |
| Total | | | 113033.985 | | 274 | |  | |  |  |
| a. Dependent Variable: Age of the Firm | | | | | | | | | | | |
| b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period | | | | | | | | | | | |

**Source: Field Survey (2022)**

**SPSS 26**

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| --- | --- | --- | --- | --- | --- | --- |
| **Table 4.25 CoefficientsTable** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | 45.417 | 10.039 |  | 4.524 | .000 |
| Debtors Collection Period | .006 | .001 | .251 | 4.272 | .000 |
| Creditors Payment Period | .019 | .012 | .098 | 1.670 | .096 |
| Total Assets | .086 | .587 | .009 | .146 | .884 |
| 1. Dependent Variable: Age of the Firm   **Source: Field Survey (2022)**  **SPSS 26** | | | | | | |

**Regression Analysis of the Oil and Gas Industry (Industry C)**

**Regression for Profitability**

|  |  |  |  |  |  |  |  |  |
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| **Table 4.26 Model Summary** | | | | | | | | |
| Model | | R | R Square | | Adjusted R Square | | Std. Error of the Estimate | |
| 1 | | .423a | .179 | | .154 | | 25.78117 | |
| 1. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   **Source: Field Survey (2022)**  **SPSS 26** | | | | | | | | |
| **Table 4.27 ANOVATABLE** | | | | | | | | | | | |
| Model | | | | Sum of Squares | | df | | Mean Square | | F | Sig. |
| 1 | Regression | | | 14303.708 | | 3 | | 4767.903 | | 7.173 | .000b |
| Residual | | | 65802.214 | | 99 | | 664.669 | |  |  |
| Total | | | 80105.922 | | 102 | |  | |  |  |
| a. Dependent Variable: Return on Equity | | | | | | | | | | | |
| b. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period  **Source: Field Survey (2022)**  **SPSS 26** | | | | | | | | | | | |

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| --- | --- | --- | --- | --- | --- | --- |
| **Table 4.28 Coefficientsa** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | -55.207 | 32.988 |  | -1.674 | .097 |
| Debtors Collection Period | -.001 | .003 | -.016 | -.175 | .861 |
| CreditorsPayment Period | -.001 | .000 | -.327 | -3.428 | .001 |
| Total Assets | 3.771 | 1.910 | .189 | 1.975 | .051 |
| a. Dependent Variable: Return on Equity | | | | | | |

**Regression for Survival**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 4.29 Model Summary** | | | | | | | | | | | |
| Model | | R | R Square | | Adjusted R Square | | Std. Error of the Estimate | |
| 1 | | .402a | .162 | | .136 | | 18.02834 | |
| 1. Predictors: (Constant), Total Assets, Debtors Collection Period, Creditors Payment Period   **Source: Field Survey (2022)**  **SPSS 26** | | | | | | | | |
| **Table 4.30 ANOVATABLE** | | | | | | | | | | | |
| Model | | | | Sum of Squares | | df | | Mean Square | | F | Sig. |
| 1 | Regression | | | 6215.601 | | 3 | | 2071.867 | | 6.375 | .001b |
| Residual | | | 32177.078 | | 99 | | 325.021 | |  |  |
| Total | | | 38392.680 | | 102 | |  | |  |  |
| a. Dependent Variable: Age of the Firm | | | | | | | | | | | |
| b. Predictors: (Constant), Total Assets, Debtors Collection Period, CreditorsPayment Period | | | | | | | | | | | |