

FIRM CHARACTERISTICS AND FIRM VALUE OF QUOTED CONSUMER GOODS FIRMS IN NIGERIA



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ABSTRACT

The Nigerian business landscape has witnessed dynamic changes, with firms operating in an environment characterized by various challenges and opportunities. As companies strive to thrive in this complex environment, understanding the factors that influence firm value becomes crucial for strategic decision-making and sustainable growth. This study examines firm characteristics and firm value of quoted consumer goods firms in Nigeria. The population comprises all twenty-one quoted consumer goods firms in Nigeria and filtering criteria were used to arrive at seventeen (17) sampled firms covering the periods of 2012 to 2022. The data were analysed using Descriptive Statistics, Pearson Correlation, Shapiro-Wilk Normality Test, Variance Inflation Factor, Heteroscedasticity test, Breusch-Pagan Lagrangian Multiplier test, Hausman specification test and Random Effect Regression. The study revealed that both profitability and liquidity have significant positive effects on firm value (FV) of quoted consumer goods firms in Nigeria. The study also found that firm size has a significant positive effect on firm value (FV) of quoted consumer goods firms in Nigeria. The study recommends among others, that the consumer goods firms in Nigeria should prioritize measures that contribute to sustained profitability, such as cost management, product innovation, and market expansion. The study also recommends that the investors and decision-makers should ensure continuous monitoring and adaptation of liquidity management strategies of 2:1 to navigate the evolving business landscape and optimise firm value over time.

Keywords: Firm Characteristics; Firm Size; Firm Value; Liquidity; Profitability

INTRODUCTION

Firm characteristics refer to various attributes, features, or qualities that describe and differentiate one firm from another. Firm characteristics and firm value are critical aspects of corporate finance and investment analysis. Understanding how specific attributes of a company relate to its market value is essential for investors, policymakers, and corporate decision-makers. Yansen *et al.* (2020) asserted that firm characteristics are the unique and internal resources, capabilities, and competencies that distinguish a firm and contribute to its competitive advantage. Firm characteristics encompass financial indicators such as liquidity, profitability, size, leverage, and financial structure.

Profitability is a key indicator of a company's ability to generate earnings from its operations, while firm value reflects the overall worth of the company in the eyes of investors. Understanding how these two factors interact is essential for investors, analysts, and policymakers. A nuanced understanding of the interplay between profitability and firm value is essential for assessing the financial health and investment attractiveness of quoted companies in Nigeria. Investors and stakeholders must consider a combination of profitability indicators and firm value metrics to make well-informed decisions in the dynamic and evolving Nigerian business landscape (Djashan & Agustinus, 2020). Indra and Yosua (2020) argued that companies with strong and consistent profitability tend to have higher market valuations. Investors often look at metrics such as return on equity (ROE) and net profit margin to assess a company's financial performance. Firms with stable and predictable earnings may be perceived as less risky, leading to higher valuation multiples.

The relationship between liquidity and firm value is a critical aspect of financial management and performance evaluation for quoted companies in Nigeria. Liquidity refers to the ability of a company to meet its short-term obligations with readily available assets, while firm value reflects the overall worth of a company in the market. Yansen *et al.* (2020) asserted that adequate liquidity is generally considered a positive indicator of firm value, companies that can meet their short-term obligations without difficulty are often perceived as well-managed and financially healthy. Investors and stakeholders may view a company with high liquidity favourably, as it suggests a lower risk of financial distress and a better ability to seize investment opportunities (Indra & Yosua, 2020). Therefore, companies with strong liquidity positions are often more resilient and may command higher valuations. Efficient working capital management plays a pivotal role in balancing liquidity and firm value. Companies that effectively manage their receivables, payables, and inventory can optimize their liquidity positions without negatively impacting overall performance.

The relationship between firm size and firm value is a crucial aspect of financial research and has been extensively studied in the context of various countries, including Nigeria. Firm size and firm value are key indicators that provide insights into the performance and attractiveness of companies in the stock market. The industry in which a company operates determines the level of relationship between firm size and value. Some industries favour larger firms due to economies of scale, while others provide opportunities for smaller players (Pervan & Visic, 2012). Larger companies have more resources, diversification, and access to capital markets, which can positively impact firm value. Achieving economies of scale in production and operations can enhance efficiency and influence firm value.

Investors play a pivotal role in the capital markets, and their decisions are often influenced by various firm characteristics. Investigating how factors such as size, profitability, leverage, and liquidity relate to firm value can provide valuable insights into the considerations investors weigh when making investment choices. This study seeks to enhance the understanding of these dynamics and contribute to more informed investment decision-making. Policymakers and regulatory bodies play a crucial role in shaping the business environment. The findings of this study can inform policy decisions aimed at fostering an environment conducive to business growth and investment. By understanding the specific firm characteristics that contribute to firm value, policymakers can tailor regulations to incentivize positive behaviours and mitigate risk factors, ultimately contributing to a more robust and resilient economy.

The Nigerian business landscape has witnessed dynamic changes, with firms operating in an environment characterized by various challenges and opportunities. Djashan and Agustinus (2020) asserted that as companies strive to thrive in this complex environment, understanding the factors that influence firm value becomes crucial for strategic decision-making and sustainable growth. Several firm characteristics, including but not limited to size, profitability, leverage and liquidity, have been identified as potential determinants of firm value. However, the specific nature and magnitude of these relationships in the context of Nigeria remain unclear. The problem at hand is the need to comprehensively explore and analyze the impact of these firm characteristics on firm value within the unique Nigerian business context.

The Nigerian business landscape is characterized by dynamic economic conditions, regulatory changes, and global market influences that impact the performance of companies listed on the Nigerian Exchange (NGX) Group. Within this context, understanding the intricate relationship between profitability and firm value is crucial for investors, policymakers, and corporate strategists alike. Nyikyaa (2021) argued that, despite the importance of this relationship, there is a notable gap in the existing literature concerning the specific dynamics and determinants of how profitability influences the firm value of quoted companies in Nigeria. While profitability is widely acknowledged as a fundamental driver of firm value, the specific mechanisms through which it exerts its influence in the Nigerian context remain inadequately explored. This knowledge gap hampers the ability of investors, financial analysts, and corporate leaders to make informed decisions, hindering the efficient allocation of resources and impeding the sustainable growth of Nigerian businesses.

While liquidity is essential, there is often a trade-off between liquidity and firm value. Maintaining high liquidity levels may require holding more cash or easily marketable securities, which may not generate as much return as other, less liquid investments. Striking the right balance between liquidity and firm value is crucial. Companies need to ensure they have sufficient liquidity to cover short-term obligations while also maximizing returns on their assets (Farajimakin *et al.*, 2020). Market participants, including investors and analysts, closely monitor a company's liquidity position. Sudden changes in liquidity levels may affect the market's perception of a company's financial health and, consequently, its firm value. In a related development, smaller firms in Nigeria are perceived as riskier due to factors such as market volatility, economic uncertainties, and regulatory challenges. This perceived risk can influence the relationship between firm size and firm value, with investors demanding a risk premium for investing in smaller companies.

In a related development, the empirical works have also shown that most of the studies such as (Indra and Yosua, 2020; Leni *et al.*, 2021 and Nyikyaa, 2021) carried out in recent times regarding the firm characteristics and firm value of quoted consumer goods firms in Nigeria and other countries of the world were not current in the data used for the analysis as all the data were within 2018 and earlier. Furthermore, these kinds of studies conducted in Nigeria in this area were very scanty while most of these studies (Indra & Yosua, 2020; Leni *et al.*, 2021; Wiwi & Muchlis, 2023) were done in other countries of the world. These gaps in literature call for further study in this area which necessitated this study on the effect of firm characteristics on firm value of quoted consumer goods firms in Nigeria, to update the data up to 2022, use the panel regression technique, and add to the scanty literature in this area in Nigeria.

The main objective of this study is to examine firm characteristics and firm value of quoted consumer goods firms in Nigeria. The specific objectives are to: (i) determine the effect of profitability on firm value of quoted consumer goods firms in Nigeria; (ii) assess the effect of liquidity on firm value of quoted consumer goods firms in Nigeria; and (iii) evaluate the effect of firm size on firm value of quoted consumer goods firms in Nigeria. Following the above-stated specific objectives, below are the hypotheses

formulated in null form. Ho₁: Profitability has no significant effect on firm value of quoted consumer goods firms in Nigeria. Ho₂: Liquidity has no significant effect on firm value of quoted consumer goods firms in Nigeria. Ho₃: Firm size has no significant effect on firm value of quoted consumer goods firms in Nigeria.

REVIEW OF RELATED LITERATURE

Firm Characteristics

Firm characteristics are referred to as the different qualities of a firm that are embodied in the information presented in the financial reports of the company, which can be applied to assess the quality of accounting information and the performance of companies (Lang & Lundholm, 1993). Firm characteristics explain the behaviour and structure of operation of a firm and serve as indicators to the different stakeholders of a firm regarding its financial performance and position (Stainer, 2006). According to Moh'd (2005), firm characteristics are referred to as some kind of advantages or qualities that help firms to compete effectively in the market, while Wiklund & Shepherd (2005) suggest that companies whose internal attributes match their environments are more likely to attain superior performance. Likewise, Dean et al. (2000) observe that firm attributes are significant determinants of business success and performance. Profitability, liquidity, and size are fundamental firm attributes that are frequently analyzed in empirical research. Profitability is the capacity of a firm to create earnings through its operations, and it can be measured by various indicators such as operating income, net income, return on assets, or return on equity (Robert, 1997).

Profit-making companies are less vulnerable to bankruptcy risk and are characterized by efficient management, and previous studies like Abor (2005) and Serrasqueiro (2011) confirm that profitability has a positive effect on the value of a firm. Liquidity, on the other hand, is the measure of a firm's capacity to pay off its current liabilities as they fall due, and it is usually measured by the ratio of current assets to current liabilities (Omolehinwa, 2006). A firm with high liquidity enhances the confidence of its creditors and ensures the smooth running of its business operations, as firms need to have enough cash or easily convertible assets to finance their day-to-day operations (Akinsulire, 2014; Kurfi, 2003). Firm size is the measure of the size of business operations, and it is usually measured by the natural logarithm of total assets (Driffield et al., 2005). Larger companies are likely to have more resources, broader market outreach, and greater capacity for operations, which could increase their growth and competitive advantage (Dogan, 2013; Pervan & Visic, 2012). Moreover, firm value is the total financial value of a company, taking into account both the equity and debt sides of the company's financial value, which symbolizes the total economic value of the company (Damodaran, 2016). Firm value is a commonly used concept in financial management and investment because it identifies the total financial situation of a company and varies according to market situations, company performance, and overall economic conditions.

Theory underpinning the study

An important theoretical framework in the field of corporate finance is the Resource-Based View (RBV) theory. This theory was first introduced by Wernerfelt (1984) and further developed by Barney (1991). The RBV theory suggests that a firm's competitive advantage and performance are driven by its internal resources and capabilities. Firms that have valuable, rare, inimitable, and non-substitutable resources have a greater chance of gaining sustainable competitive advantage and superior performance. These resources may encompass tangible assets, human capital, knowledge, reputation, and organizational abilities that are hard to imitate by rivals (Barney, 1991; Peteraf, 1993). The theory also acknowledges the role of dynamic capabilities that help firms adjust and update their resources in response to changing environmental conditions (Teece et al., 1997). Despite the criticism leveled against RBV for its broad definition of resources and lack of consideration for the external environment, the theory has found extensive application due to its emphasis on the strategic role of internal resources in determining firm attributes and improving competitiveness.

Empirical Review

There have been some empirical studies that investigated the relationship between firm characteristics and firm value, and the results were mixed. Wiwi and Muchlis (2023) studied the mining companies listed on the Indonesian Stock Exchange from 2019 to 2021 and concluded that profitability and liquidity are significant in enhancing firm value, whereas size and leverage are not significant, and sustainability report assurance reduces the relationship between leverage and firm value. Similarly, Afrizal et al. (2021) studied the companies listed on the Jakarta Islamic Index 70 and concluded that firm characteristics, corporate social responsibility disclosure, and tax avoidance are significant in determining firm value, and corporate social responsibility disclosure is significant in enhancing firm value, whereas tax avoidance is significant in reducing firm value. Similarly, Leni et al. (2021) examined mining companies in Indonesia and concluded that leverage has a positive impact on firm value, whereas liquidity and profitability do not have a significant impact on firm value. The study also revealed that firm size moderates the relationship between leverage and firm value but not liquidity and profitability. Although these studies used the right statistical models, they were carried out in other countries, which affects the generalizability of the results due to differences in environments.

In the Nigerian setting, Nyikyaa (2021) investigated the impact of company size, price-earnings ratio, company age, and capital structure on stock returns of listed industrial goods companies from 2009 to 2018. The results revealed that company size and price-earnings ratio are significant determinants of stock returns, whereas leverage and company age are insignificant. Likewise, Indra and Yosua (2020) revealed that company size negatively affects firm value, whereas profitability, liquidity, company growth, and governance are significant determinants of firm value for companies listed on the Indonesian Stock Exchange. Previously, Julio et al. (2010) investigated companies in the Eurozone and concluded that company attributes such as company size, growth, and market share positively influence stock prices. However, these factors, as well as others such as free cash flow and capital intensity, have been shown to have negative impacts on the relationship between R&D investment and firm value. However, most of these studies were carried out in a different economic setting or used older data, and as such, their results are less relevant to the Nigerian situation and the need for more recent studies.

METHODOLOGY

The research design for this study is ex post facto, employing panel data that is both cross-sectional and time-series in nature, collected from the audited annual reports of the listed consumer goods companies in Nigeria between 2012 and 2022. The population for this study is the twenty-one (21) consumer goods companies listed on the Nigerian Exchange Group (NGX) as of 31st December 2022. However, applying the filtering criteria, the sample size was constrained to seventeen (17) companies that were listed on the Nigerian Exchange at least one year prior to the adoption of International Financial Reporting Standards (IFRS) in 2012 and had their shares traded actively in the market study period. The study used secondary quantitative data collected from the audited financial statements and annual reports of the sampled companies. For the analysis of the data, panel multiple regression analysis methods were used to test the impact of firm characteristics, measured by profitability, liquidity, and size, on the value of quoted consumer goods companies in Nigeria. The data analysis was done using STATA 15 software, and the findings were used to test the hypotheses of the study. The econometric model was modified from Leni et al. (2021) and Wiwi and Muchlis (2023), and further robustness tests were done to ensure the validity and reliability of the results.

Model Specification

The value of the firm is represented by a log of net asset value, which is calculated by subtracting total liabilities from total assets and is a function of three explanatory variables Profitability (PRT), Liquidity (FLQT), and Firm Size (FS).

Thus;

$$FV = f(PRT, FLQT, FS)$$

The expression in the equation is expressed econometrically as follows in a model:

$$FV_{it} = \alpha_0 + \beta_1 PRT_{it} + \beta_2 FLQT_{it} + \beta_3 FS_{it} + \varepsilon_{it} \dots \dots \dots (1)$$

Where:

$\beta_1, \beta_2, \beta_3$ are parameters to be estimated.

FV = Firm Value

PRT = Profitability

FLQT = Liquidity

FS = Firm Size

β = Constant

ε = Error term

i = Firms

t = Periods

A-priori Expectations: PRT, FLQT, FS > 0

Table 1: Variables Measurement

VARIABLES	ACRONYM	TYPE	MEASUREMENT	SUPPORTING STUDIES
Firm Value	FV	Dependent	This is the log of the net asset value of a firm and is calculated by subtracting total liabilities from total assets.	Leni <i>et al.</i> (2021) and Wiwi and Muchlis (2023).
Profitability	PRT	Independent	This is the log of profit after tax.	Indra and Yosua (2020) and Wiwi and Muchlis (2023).
Liquidity	FLQT	Independent	Current assets/current liabilities.	Indra and Yosua (2020) and Leni <i>et al.</i> (2021).
Firm size	FS	Independent	Natural log of total assets.	Nyikyaa (2021) and Wiwi and Muchlis (2023).

Source: Researcher's compilation (2023)

DATA PRESENTATION AND ANALYSIS

The data of seventeen (17) consumer goods firms regarding firm value (FV), Profitability (PRT), Liquidity (FLQT) and Firm Size (FS). The analysis of the data was conducted using STATA software version 15. The methods used in the analysis include descriptive statistics, Pearson correlation, Shapiro-Wilk normality test, variance inflation factor (VIF), heteroskedasticity test, Breusch-Pagan Lagrangian Multiplier test, Hausman specification test, and robust random effects regression.

Descriptive Statistics

Table 2 Summary of Descriptive Statistics of the Entire Data Set.

Variable	Obs	Mean	Std. Dev.	Min.	Max.
FV	187	7.440	0.723	6.252	10.072
PRT	187	6.253	1.090	2.455	7.875
FLQT	187	1.674	0.665	0.134	4.349
FS	187	7.612	0.831	5.044	8.893

Source: Researcher's Computation using STATA 15 software, 2024

From Table 2, it is shown that the minimum, maximum, and mean of firm value (FV) are 6.252, 10.072, and 7.440, respectively, which falls within the range and indicates a good distribution of the data during the period. The standard deviation of 0.723, which is lower than the mean, indicates that the data is stable or has slow growth. The same can be said about the profitability (PRT) data, which has a minimum of 2.455, maximum of 7.875, and mean of 6.253, with a standard deviation of 1.090, also lower than the mean. Liquidity (FLQT) has a minimum of 0.134, a maximum of 4.349, and a mean of 1.674, while its standard deviation of 0.665 indicates that it varies slowly. Lastly, firm size (FS) has a minimum of 5.044, a maximum of 8.893, and a mean of 7.612, with a standard deviation of 0.831, which indicates a stable growth rate among the firms.

Pearson Correlation

Table 3 below is the Pearson correlation matrix for the data set to show the extent of associations between the variables.

Variable	FV	PRT	FLQT	FS
FV	1			
PRT	0.2420	1		
FLQT	0.0774	-0.0079	1	
FS	0.1953	0.6982	0.0133	1

Source: Researcher's Computation using STATA 15 software, 2024

The correlation matrix indicates the degree of association between the dependent variable and the independent variables, as well as the relationship between the independent variables to identify any multicollinearity. The findings in Table 3 indicate a weak positive association between profitability (PRT) and firm value (FV) with a correlation coefficient of 0.2420, which indicates about 24% association. Likewise, liquidity (FLQT) has a weak positive association with firm value with a coefficient of 0.0774 (about 8%), and firm size (FS) has a weak positive association with firm value with a coefficient of 0.1953 (about 20%). Moreover, the correlation coefficients among the independent variables are all less than 0.80, as recommended by Gujarati (2003), which indicates that there is no multicollinearity in the

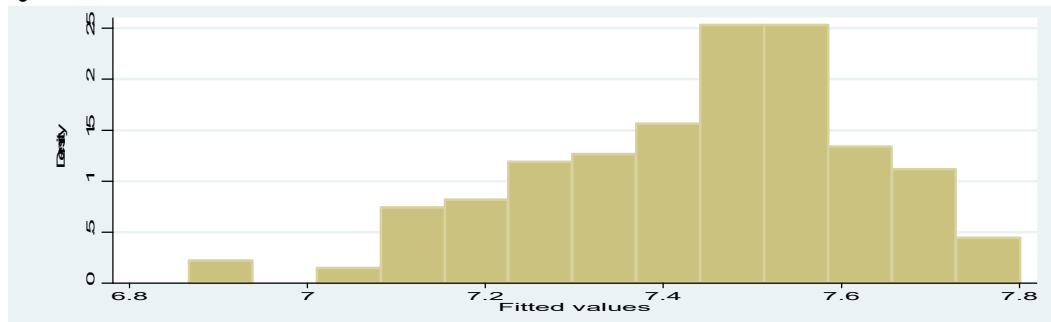
Shapiro-Wilk Normality Test

Table 4 below shows the results of the normality test conducted with the use of the Shapiro-Wilk Normality Test.

Variable	obs	W	v	z	Prob>z
Residual	187	0.97223	3.908	3.125	0.00089

Source: Researcher's Computation using STATA 15 software, 2022.

Figure 2: Normal Distribution Curve



From Table 4, it can be seen that the probability value of residuals reveals non-normal distribution, which is also confirmed by the normal distribution curve in Figure 2. This implies that one of the most important assumptions of linear regression is not met. To resolve this problem, the study used a robust regression method, as suggested by Gujarati (2003).

Variance Inflation Factor (VIF) Results

Table 5: Variance Inflation Factor (VIF)

Variable	VIF	1/VIF
FS	1.95	0.512206
PRT	1.95	0.512265
FLQT	1.00	0.999244
Mean VIF	1.64	

Source

e: Researcher's Computation using STATA 15 software, 20224.

To further verify that there is no multicollinearity among the variables, the Variance Inflation Factor (VIF) and Inverse VIF (1/VIF) were also checked. Based on the data presented in Table 5, it can be seen that the VIF values are all less than 10, while the 1/VIF values are all less than 1. This implies that there is no multicollinearity in the model, as suggested by the guideline provided by Gujarati (2003).

Heteroscedasticity test

Table 6: Heteroscedasticity test

Type of test	Chi2	P-Value
Heteroscedasticity Test	0.01	0.9051

Source: Researcher's Computation Using STATA 15 software, 2024.

To ensure the robustness of the data, a test for heteroskedasticity was performed. The result shown in Table 6 above indicates that the chi-square value is 0.01 with a p-value of 0.9051, which means that the data is homoscedastic. This fulfills one of the assumptions of the classical linear regression model, thereby ensuring that the model has constant error variance and is thus valid for analysis.

Breusch-Pagan Lagrangian Multiplier Test

Table 7 below presents the result of the Breusch-Pagan Lagrangian Multiplier test conducted.

Variable	Chibar2	P-Value
FV	766.77	0.0000

Source: Researcher's Computation using STATA 15 software, 2024.

The Breusch-Pagan Lagrangian Multiplier test was used to find out whether to use the Random Effects Model (REM) or the Pooled Ordinary Least Squares (OLS) model. The outcome in Table 7 above shows that the chibar^2 is 766.77 with a probability value of 0.00, which implies that the Random Effects Model is preferable to the Pooled OLS model.

Hausman Specification Test

Table 8 below presents the result of a Hausman specification test.

Chi2	0.67
Prob. Chi2	0.8819

Source: Researcher's Computation using STATA 15 software, 2024.

Since the data employed in this study is panel data, it may have correlated error terms and time-series correlation due to firm-specific factors (unobserved heterogeneity) that might cause biased results. To overcome this problem, the Hausman test was performed to select either the fixed effects model or the random effects model. The outcome of the Hausman test, as shown in Table 8, with a Chi²-statistic of 0.67 and a p-value of 0.8810, is not statistically significant. This implies that the Random Effects Model is preferred for analysis, as suggested in the guideline provided by Hoechle (2007). Firm Characteristics and Firm Value Using Robust Random Effect Model (REM).

Table 9 below is the robust random effect regression model performed.

Variable	Coefficients	z-value	Prob.
Cons.	6.5969	19.04	0.000
PRT	0.0001	1.00	0.997
FLQT	0.0088	0.33	0.741
FS	0.1087	3.60	0.000
R-sq overall	0.5399		
Wald chi2	13.42		
Prob. > chi2	0.0038		

Source: Researcher's Computation using STATA 15 software, 2024.

As shown in Table 9, approximately 54% of the variation in firm value (FV) is accounted for by the joint influence of profitability (PRT), liquidity (FLQT), and firm size (FS), as evidenced by the R-squared value of 0.5399. This implies that the independent variables are properly defined in the model. Moreover, the Wald chi² statistic of 13.42 with a p-value of 0.0038 indicates that the overall model is statistically significant and useful for the analysis.

Discussion of Findings

The result showed that profitability is insignificant and positively related to firm value among publicly quoted consumer goods companies in Nigeria, suggesting that an increase in profitability slightly increases firm value by 0.0001. This result is consistent with the a priori hypothesis and verifies the Resource-Based View (RBV) theory, which asserts that firms can increase their value by leveraging valuable and unique resources effectively. This result is consistent with Leni et al. (2021) but inconsistent with the findings of Indra and Yosua (2020) and Wiwi and Muchlis (2023). Again, the result showed that liquidity is insignificant and positively related to firm value, suggesting that an increase in liquidity slightly increases firm value by 0.0088. This result is consistent with the RBV theory, which asserts that sufficient financial resources can improve the competitive advantage and value of a firm. This result is consistent with Leni et al. (2021) but inconsistent with the findings of Indra and Yosua (2020) and Wiwi and Muchlis (2023). Moreover, the result indicated that firm size has a significant positive impact on firm value, suggesting that larger firms are likely to obtain greater firm value, with an increase of 0.1087 in firm value for every unit increase in firm size. This result is in line with the RBV theory, as larger firms are likely to have stronger resources and capabilities that can improve competitive advantage and firm value. This finding is in support of Nyikyaa (2021) and Indra and Yosua (2020) but in contrast to the evidence presented by Wiwi and Muchlis (2023).

CONCLUSION AND RECOMMENDATIONS

The relationship between profitability and firm value for listed consumer goods companies in Nigeria shows that profitability positively affects firm value. This implies that profitability is given considerable weight by investors and stakeholders, who view companies that are profitable as having better growth prospects and sustainability. Liquidity is also a factor that positively affects

firm value, as companies that have strong liquidity positions are better positioned to meet their financial obligations. This implies that investors and stakeholders view companies that manage their liquidity positions effectively as being more attractive, thereby giving considerable weight to liquidity management to ensure that adequate liquidity is maintained to enhance shareholder wealth. Firm size is an important determinant in evaluating the financial performance and growth prospects of consumer goods companies in Nigeria. The positive relationship between firm size and firm value implies that companies that are larger enjoy advantages such as economies of scale, strong market power, and financial stability, which positively affect market value.

- (i) The consumer goods firms in Nigeria should prioritize measures that contribute to sustained profitability, such as cost management, product innovation, and market expansion.
- (ii) The investors and decision-makers should ensure continuous monitoring and adaptation of liquidity management strategies of 2:1 to navigate the evolving business landscape and optimise firm value over time.
- (iii) The investors and decision-makers should form a large firm by combining their capital to enhance their firm value in consumer goods firms in Nigeria.

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