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FIRM CHARACTERISTICS AND FINANCIAL PERFORMANCE: EVIDENCE FROM NIGERIA'S LISTED CONSUMER GOODS SECTOR

Nangih, Efeeloo Ph.D, FCA, FCTI, Turakpe, M.J Ph.D and Effe-Nnamdi Ann C.
Department of Accountancy, Kensarowiwa Polytechnic, Bori.
Department of Banking & Finance, Kensarowiwa Polytechnic, Bori
Department of Banking & Finance, Abia State University, Uturu

Abstract: The study examined the effect of firm characteristics on financial performance of listed companies. The study population was listed consumer goods firms in Nigeria. The study adopted the ex post facto design and was anchored on the Dynamic capability theory. It employed purposive sampling technique to select a total of 16 companies; which served as sample for the study. Data were sourced from annual financial reports of the sampled firms from 2013 to 2022 and analyzed using descriptive, correlation and panel regression techniques. The findings showed that firm age had a negative, though insignificant effect on EPS. Relatedly, firm age was also found to have a significant negative effect on the ROA of the consumer goods firms. In contrast, firm size (FSIZ) was found to have a positive and significant effect on EPS. Lastly, it was found that FSIZ has a significant negative effect on the return on assets of consumer goods firms in Nigeria. Based on the findings, the study recommended that; firstly, consumer goods firms should not consider firm age as important since it had insignificant effect on EPS. Secondly, since firms age matter when it as to with increase in profitability (return on assets). Thirdly, it was recommended that managers of consumer goods firms should know that as the age of the firms increases, the more the profitability, since it had significant positive effect on ROA. Finally, the study recommended that managers of consumers should increase their firm size, since it contributed significantly to both measures of financial performance.

Key Words: Firm Characteristics, Financial Performance, Firm Age, Firm Size, Earnings Per Share, Return on Assets.

INTRODUCTION

No entity, including consumer goods firms, can survive without good performance (financial or otherwise). Managers strive to ensure efficiency or good performance in order to make profit, grow their shareholders wealth as well as ensure their survival. These they do by planning, organizing and controlling of organizational resources (men, materials and other resources) to attain set goals and objectives. Arguably, that may not unconnected with the reason(s) firm financial performance has continually attracted much attention and interests from investors, investment experts, financial experts, researchers, and sometimes, the general public. Badriyah (2015) argued that corporate financial performance is considered to be the most imperative concern of all users of financial reports. On his part, Nangih (2021) opined that financial performance best measures a firm's sustainability, shows the achievement of a firm's goals, and should be enhanced continuously by managers; to attract investors and maintain good relationship with other stakeholders.

Each organization has its own specific and/or peculiar characteristics. These constitute its own peculiarities that makes it unique among its peers. Such make the firm characteristically different from others and underscore the secrets of its competencies to a large extent.

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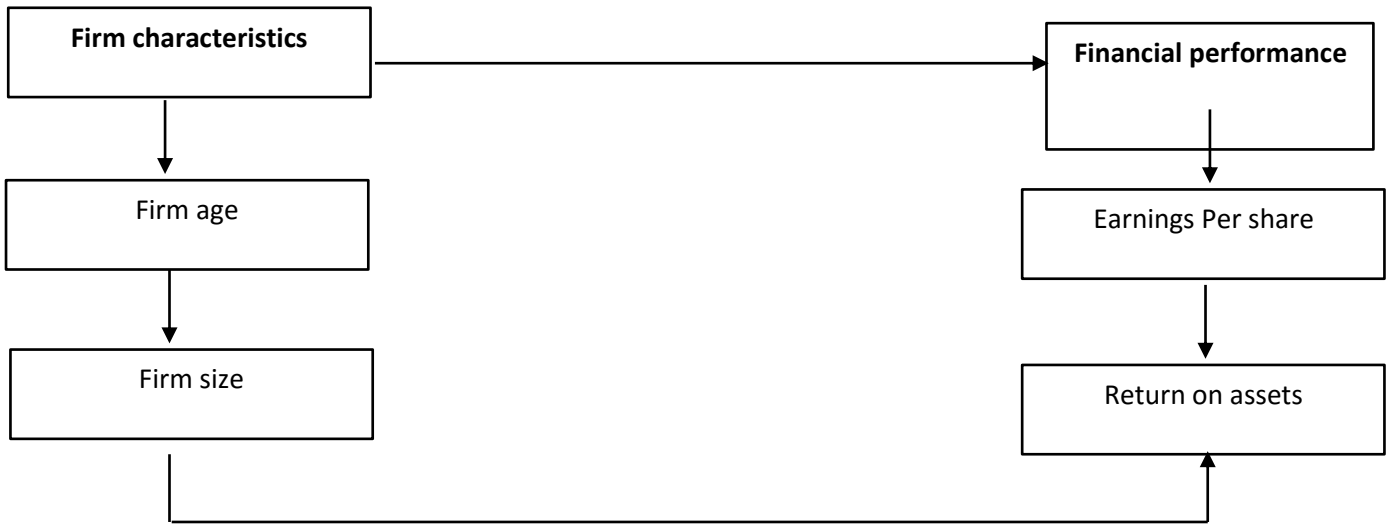
Akinsulire, (2011) stated that firm attributes are the characteristics or specific features that distinguish one company from the other. He further argued that such characteristics may largely enhance its survival, profitability or market growth and performance of firms. For instance, the size of a firm, firm age, liquidity, firm leverage, profitability, board size, etc, may largely determine its financial fortune or otherwise, arguably. Dioha, Mohammed and Okpanachi (2018), also asserted that these characteristics are capable of influencing the financial performance of companies.

There are available body of extant literatures which support or otherwise the relevance of or the importance of firm characteristics on the financial performance. For instance, Ezechukwu and Amahalu (2017) carried out a study on this subject matter and found a positive statistically significant relation amid firm size and financial performance of banks in Nigeria. In Kenya, similar studies were undertaken by Too and Simiyu (2018) on the effects companies' attributes on performance of general insurance firms in Kenya and discovered that firm size had an inverse relationship with performance while firm age and capital structure positively and significantly influenced performance. Others such as Aribaba, Abdul-Lateef, Oladele, Afolabi, and Salaam (2022), Boshnak, Basheikh and Basaif (2021), Ali, Yassin and Aburaya (2020), etc; all carried out studies on the subject and made various conclusions, which were very divergent. That is disturbing, prompting our interest to carry out this study. Specifically, the study aimed at not only improving on existing literature on the topical area, but to also make a statement on the ending debate on this subject matter amongst researchers. The specific objectives of the study were to; (i) determine the effect of firm age on earnings per share of listed consumer goods firms in Nigeria; (ii) ascertain the effect of firm age on return on assets of listed consumer goods firms in Nigeria; (iii) assess the effect of firm size on earnings per share of listed consumer goods firms in Nigeria and (iv) determine the impact of firm size on return on assets of listed consumer goods firms in Nigeria.

2.0 REVIEW OF RELATED LITERATURE

2.1 Operational Conceptual Framework



Source: Researchers' compilation

Concept of Firm Characteristics

Firm characteristics are specific features that distinguish one company from the other. Firm attributes are numerous; it could be in terms of the size, profitability, leverage, industry type, geographical location, tangibility, and nature of business, corporate governance mechanisms and any other feature that distinguishes one company from the other (Akinsulire, 2011). Dogan (2013) opined that firm characteristics are variables that are mostly under the control of the management of the

organization. He further gave examples of firm characteristics to include firm size, liquidity, leverage, sales growth, and firm age. This study considered firm age and firm size as dimensions of firm characteristics, as discussed below;

Firm Age- Firm age was conceptualized as the number of years that the company was listed on the Nigerian Exchange Group. The age of the firm is an important variable in determining its financial performance. Arguably, when a firm gets older, it can also enjoy a superior level of performance compared to newly established companies. However, if the older firms do not change their systems to cope with the new environmental conditions, innovation and advancement, their current financial performance would be worse (Chinaemerem & Anthony, 2012).

Firm Size- This was conceptualized as the natural logarithm of the total assets of individual companies in the sector. Firm's size can also be measured in different ways such as asset, employment, sales, and market capitalization.

The size of a firm cannot be overruled in determining the value of the firm. Most companies deliberately expand the size of their business operations, for them to grow either in revenue, number of employees, or size of facilities (Pervan & Višić, 2012). Dogan, (2013) argued that size is an important contributor within an organization's functional atmosphere and external environment because it enables an organization obtain a competitive edge over its rivals through the creation of opportunities and cost reduction mechanism enjoyed by larger firms due to the economies of scale. Accordingly, larger firms are prone to having a maximized value than smaller firms.

Concept of Financial Performance

Performance of firms is of vital importance for investors, owners, management and other stakeholders. A well performing business can bring high and long-term returns for their investors, grow its shareholders' wealth and enjoy long term survival in a highly competitive market. Uremadu (2012) asserts that financial profitability of a firm will boost the income of its employees, bring better quality products for its customers, and have better environment friendly production units that are sustainable. In this study, financial performance was measured using earnings per share and return on assets; as discussed below;

Earnings per share- Is the profit after tax divided by the number of ordinary shares outstanding and ranking for dividend. EPS is considered to be the single most popular, widely used financial performance benchmark of measuring the financial performance, particularly the market potentials of listed firms. It is used to measure the success of management in achieving profit for the owners of the company; and describes a company's profitability which is reflected in each share. Arguably, the higher the value of EPS the greater the profit and the possibility of increasing the amount of dividends received by the shareholders.

Return on Assets- Return on total assets is a profitability measure of financial performance of an entity. It indicates a lot about the overall financial health of the enterprises. It specifically reveals how much money is generated per total asset value of the firm. According to Bhartacharyya (2011), it is a financial measure used to evaluate a company's financial performance and business technique; by revealing the portion or ratio of profit earned to the total assets employed by the entity during the period under review (usually one accounting year).

Theoretical Review

This study is anchored on the dynamic capability theory as propounded by Barney (1991). The study was based on the dynamic capabilities theory which is an extension of the resource-based view (RBV) theory of the firm. The theory discusses the flaws of the resource based view theory. The RBV theory has been critiqued for failing to account for environmental dynamism and how firms should react when faced with obsolescing resources.

The dynamic capabilities theory asserts that the core of dynamic capabilities line of attack is that competitive attainment ascends from the unceasing growth, alignment and reconfiguration of firm's specific characteristics (Farinas & Moreno, 2000). The dynamic capabilities enable firms to create, develop and protect those characteristics that lead to sustainability of the firm. The theory argues that resources and capabilities are constantly being developed inside the firm. Subsequently, Barney (1991) opines that firms resources are all possessions,

competences, organizational practices, business features, information knowledge among others controlled by the business that allow the business to comprehend and apply tactics that progress its competence and effectiveness. Relationships generally are deliberated to be the resources of the firm (Palestrini, 2007) and hence firm characteristics, in particular, can similarly be regarded as a weighty resource which can significantly influence the performance of the firm above competitors in the industry.

Empirical Review

Aribaba, Abdul-Lateef, Oladele, Afolabi, and Salaam (2022) examined the effect of firm characteristics on the financial performance of Nigerian-listed oil and gas companies. Data were sourced from twelve (12) oil and gas companies listed on the Nigerian Stock Exchange (NSE) market between the periods 2015 – 2019. The data collected were analyzed using the pool and cross-sectional data. Descriptive statistics were used to examine the character of variables while the pooled least square technique was used to test the hypotheses. The regression result showed that about 69% of the changes in financial performance was explained by the predictor variables (firm Size, leverage, ownership structure and firm age). The findings also showed that there exist negative effect of firm Size and ownership structure on financial performance, while financial leverage and firm Age affected financial performance positively.

Boshnak, Basheikh and Basaif (2021) aimed to investigate the influence of firm characteristics on the operational, financial, and market performance of Saudi listed firms during the COVID-19 pandemic. This study adopted regression model to carryout analysis of data the the period of Q3 2019 to Q3 2020, of Saudi firms. The results showed that the operational, financial, and market performance measures all resulted in significant drop with the onset of the COVID-19 pandemic. Findings also indicated that larger firms achieved better performance both before and after the pandemic, though there is some evidence of a weakening of this relation for return on equity (ROE) with the beginning of the pandemic. Financial leverage was also found to impact negatively on firm performance across the three measures before and after the pandemic.

Ali, Yassin and Aburaya (2020) investigated the impact of firm characteristics on the financial performance of companies listed on the Egyptian stock market. Regression model was performed to regress six firm characteristics variables, namely firm size, foreign listing, age, leverage, liquidity, and assets tangibility. The study controlled for five more variables related to corporate governance including board size, board independence, CEO role duality, audit committee, and the quality of external auditor to avert their effect on financial performance. The study used both accounting measures such as return on assets (ROA) and return on equity (ROE) and market-based Tobin's Q Ratio for measuring financial performance. The findings generally indicate that firm characteristics have an impact on both accounting financial performance as measured by ROA or ROE and market-based financial performance as measured by Tobin's Q, with little difference in the level of such impact. These findings revealed that firm characteristics affect corporate financial performance as evaluated by the company or the market.

Nyabaga and Wepukhulu (2020) examined the effect of firm characteristics on financial performance with a focus on listed banks in the Nairobi Securities Exchange for the period from 2010 to 2018. The bank characteristics examined were: Capital adequacy, leverage, assets quality and bank size. The collected data was analyzed using STATA 11 and this was basically descriptive, correlation and regression analysis. The findings depicted a significant positive effect of capital adequacy on both returns on equity (ROE) and returns on assets (ROA). The findings further indicated a significant negative effect of asset quality on ROE but an insignificant negative effect on ROA. On leverage, the findings indicated a significant positive effect on ROE and an insignificant positive effect on ROA. The findings of this study indicated that bank size has a significant positive effect on both ROE and ROA.

Olusegun and Olusegun (2020) examine the impact of firm characteristics on the financial performance of quoted manufacturing firms in Nigeria. Descriptive and cross sectional research design were adopted to investigate the relationship between variables of firm characteristics and financial performance of quoted manufacturing firms in Nigeria over a period of 14 years. Secondary Data were obtained from annual reports of five selected quoted manufacturing firms. Panel least square regression model was used to test the formulated

hypothesis. Findings showed that all the independent variables jointly and strongly have impact on the financial performance of manufacturing firms in Nigeria measured by return on assets.

Efuntade and Akinola (2020) examined the impact of firm characteristics on the financial performance of quoted manufacturing firms in Nigeria. Descriptive and cross sectional research design were adopted to investigate the relationship between variables of firm characteristics and financial performance of quoted manufacturing firms in Nigeria over a period of 14 years. Secondary Data were obtained from annual reports of five selected quoted manufacturing firms. Panel least square regression model was used to test the formulated hypothesis. Findings showed that all the independent variables jointly and strongly have impact on the financial performance of manufacturing firms in Nigeria measured by return on assets. It was concluded the explanatory variables (Firm Age, Firm Size, Sales Growth, Liquidity and Leverage) were significantly associated with the dependent variable (Return on Asset).

Nyamiobo, Muturi, Okibo, and Olweny (2018) examined the effect of firm characteristics on financial performance of listed firms at the Nairobi Securities Exchange (NSE). To achieve the aims of this study, the study employed multiple linear regression analysis to observe the relationship between the dependent and independent variable. Questionnaires were used to collect primary data from finance officers of companies listed at NSE. The data collected was analyzed by use of descriptive and inferential statistics. The study carried out the analysis of data with the help of statistical packages for SPSS and MS-Excel in analyzing the data. A correlation and regression analysis was carried out to determine the effect of firm characteristics on financial performance of listed firms at the NSE. The findings revealed that variables (Company Age, Company Size, Leverage and Liquidity) contributed 68.8% to the total variability in the dependent variable (Financial Performance).

Akbas (2014) investigate the relationship between company characteristics and the extent of environmental disclosures of Turkish companies. The sample of the study consists of 62 non-financial firms listed on the BIST-100 index at the end of 2011. In order to measure the extent of environmental disclosure, the annual reports of sampled firms for the year of 2011 were analyzed through content analysis. On the other hand, based on the previous literature, 5 company characteristics are considered as the independent variables that may influence the extent of environmental disclosures of sampled companies, namely, size, leverage, profitability, industry membership and age. Results of the regression analysis indicate that company size and industry membership are positively related to the extent of environmental disclosure, while profitability is negatively related. However, neither leverage nor age has a statistically significant relationship with the extent of disclosure.

3. METHODLOGY

The study was based on ex-post facto research design because it sought to analyze with the available data, the effect of firm characteristics as a predictive measure of financial performance of listed firms in Nigeria. The data were collected from firms listed under the consumer goods sector of the Nigerian Exchange Group from 2013 to 2022. Out of the total of 20 listed companies in the sub-sector, the study used purposive sampling method to determine a total of 16 firms which were used as the sample size for the study. Secondary data spanning between the period of 2013 and 2022 collected from the published financial statements of the selected listed Consumer goods firms from 2013 – 2022 were analyzed using descriptive statistics, correlation and regression analysis.. Prior to carrying out the multiple regression analysis, the fixed/random effects regression was employed in in analyzing the cause and effect relationship between the variables of study using the Hausman Test. The decision rule was that null hypothesis was accepted when the probability value for each variable was greater than 0.05 otherwise the null hypothesis was rejected.

Model Specification

Here, two models were formulated based on the two dependent variables thus;

Model 1: EPS= f (FSIZ, FAGE)

Model 2: ROA= f (FSIZ, FAGE)

The above functional relationship was restated in econometric form as follows;

$EPS = \beta_0 + \beta_1 FSIZ + \beta_2 FAGE + \mu$

$ROA = \beta_0 + \beta_1 FSIZ + \beta_2 FAGE + \mu$

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Where; EPS= Earnings per share; ROA= Return on assets; FSIZ= Firm size; and FAGE= Firm age;

4. ANALYSIS AND DISCUSSION OF FINDINGS

Below are the results obtained;

Descriptive Statistics

The descriptive statistics provide basic information about the characteristics of the individual variables employed in this study as shown in table 4.2 below.

Table 4.2: Descriptive Statistics

	FAGE	FSIZ	EPS	ROA
Mean	32.19375	24.53726	1.042250	5.227438
Median	38.00000	24.84616	0.500000	4.210000
Maximum	57.00000	27.47287	8.180000	30.33000
Minimum	3.000000	19.58717	-5.740000	-12.89000
Std. Dev.	15.20737	1.807048	1.886068	7.756813
Skewness	-0.651204	-0.693809	1.140315	0.655315
Kurtosis	1.992862	2.882499	6.345156	4.133281
Jarque-Bera	18.07064	12.92859	109.2756	20.01384
Probability	0.000119	0.001558	0.000000	0.000045
Sum	5151.000	3925.962	166.7600	836.3900
Sum Sq. Dev.	36770.99	519.2019	565.6034	9566.736
Observations	160	160	160	160

Source: Researcher's Computation using Eviews

The result presented in Table 4.2 above indicates that FAGE and FSIZ have mean values of 32.19375 and 24.53726 while EPS and ROA have means of 1.042250 and 5.227438. However, the Jarque-Bera statistic and associated p-value indicates that none of the variables is normally distributed; although this is expected given that they are panel data.

Correlation Statistics

This is to examine the degree of association between the variables employed in the researcher's models. A positive sign indicates an inverse relationship between any two variables while a positive sign indicates a direct relation.

Table 4.3: Correlation Matrix

	FAGE	FSIZ	EPS	ROA
FAGE	1.000000			
FSIZ	0.148790	1.000000		
EPS	0.128787	0.401322	1.000000	
ROA	-0.221447	0.035557	0.138158	1.000000

Source: Researcher's Computation using E-views

The results in Table 4.3 indicate FAGE and FSIZ are positively correlated with the dependent variables, except for a negative correlation between AGE and ROA. On the other hand, FAGE and ROA have a coefficient of 0.15, which reveals that the variables are not perfectly correlated.

Panel Regression Test

The least square regression test is carried out in order to examine the effect of the independent variables on the dependent variables, in a bid to validate or debunk the formulated hypotheses. The results of the fixed effects panel regression tests are presented in Tables 4.4 and 4.5. The Hausman Test was conducted to determine whether the fixed or random effects regression should be applied, and the results are provided in the appendix.

Table 4.4: Fixed Effect Panel Regression Output (Model 1)

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Dependent Variable: EPS
Method: Panel Least Squares
Date: 08/22/23 Time: 09:55
Sample: 2013 2022
Periods included: 10
Cross-sections included: 16
Total panel (balanced) observations: 160
White cross-section standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FAGE	-0.060508	0.065911	-0.918019	0.3602
FSIZ	0.166867	0.076363	2.185179	0.0305
C	-1.104223	0.843340	-1.309345	0.1925
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.400236	Mean dependent var		1.042250
Adjusted R-squared	0.328434	S.D. dependent var		1.886068
S.E. of regression	1.545617	Akaike info criterion		3.814377
Sum squared resid	339.2283	Schwarz criterion		4.160334
Log likelihood	-287.1501	Hannan-Quinn criter.		3.954858
F-statistic	5.574116	Durbin-Watson stat		1.423055
Prob(F-statistic)	0.000000			

Source: Researcher's Computation using E-views
In Table 4.4, the adjusted R^2 of 0.328 indicates that the independent variables determine 32.8% of the variations in EPS. The F-statistic and p-value of 5.57 and 0.000 also reveal that the model has a good fit. Furthermore, the t-statistics show that FSIZ has significant effect on EPS whereas, AGE is insignificant at the 5% level of significance.

Table 4.5: Fixed Effect Panel Regression Output (Model 2)

Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/22/23 Time: 09:57
Sample: 2013 2022
Periods included: 10
Cross-sections included: 16
Total panel (balanced) observations: 160
White cross-section standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FAGE	-0.332744	0.152647	-2.179825	0.0309
FSIZ	-0.941880	0.247889	-3.799609	0.0002

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C	39.05088	4.627873	8.438193	0.0000

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.457861	Mean dependent var	5.227438
Adjusted R-squared	0.392957	S.D. dependent var	7.756813
S.E. of regression	6.043565	Akaike info criterion	6.541518
Sum squared resid	5186.504	Schwarz criterion	6.887475
Log likelihood	-505.3215	Hannan-Quinn criter.	6.682000
F-statistic	7.054430	Durbin-Watson stat	1.464208
Prob(F-statistic)	0.000000		

Source: Researcher's Computation using E-views

Also, in Table 4.8, the adjusted R^2 of 0.393 indicates that the independent variables determine 39.3% of the variations in ROA. The F-statistic and p-value of 7.05 and 0.000 also reveal that the model has a good fit. Furthermore, the t-statistics show that both FAGE and FSIZ have significant effects on ROA at 5% level.

Testing of Hypotheses

In this subsection, the hypotheses earlier formulated were tested using the fixed effect panel regression model shown in Tables 4.4 and 4.5; and the results obtained were summarized in table 4.6 below;.

Table 4.13: Summary of Hypothesis Test

	Statement of Hypothesis	**t-statistic**	**p-value**	**Decision**
H_{01}	Firm age does not significantly influence earnings per share of listed consumer goods firms in Nigeria	-0.918019	0.3602	Accept
H_{02}	Firm age does not significantly influence return on assets of listed consumer goods firms in Nigeria	-2.179825	0.0309	Reject
H_{03}	Firm size does not significantly influence earnings per share of listed consumer goods firms in Nigeria	2.185179	0.0305	Reject
H_{04}	Firm size does not significantly influence return on assets of listed consumer goods firms in Nigeria	-3.799609	0.0002	Reject

Source: Compiled from Tables 4.4 and 4.5.

Discussion of Findings

In the first model, the t-statistics and associated p-value reveal that FAGE has a negative though insignificant effect on EPS. This is contrary to the a priori expectation, and implies that earnings per share is likely to reduce as the firm ages. This may be due to the fact that such a firm may have increased its shareholding thereby resulting in lower returns on investment on the capital resources of the shareholder. Relatedly, firm age was also found to have a significant negative effect on the ROA of the consumer goods firms. This is also contrary to the a priori expectation, implying that the firms will make lower returns on assets invested as the firm ages. There is also the likelihood of inefficiency that may set in as a

result of the long years of operations. This did not also agree with the findings of the study conducted by Olusegun and Olusegun (2020) who examined the impact of firm characteristics on the financial performance of quoted manufacturing firms in Nigeria and found that firm age was significantly associated with return on asset. In contrast, firm size (FSIZ) was found to have a positive and significant effect on EPS, implying that investors can enjoy higher returns as the sale of operations increase. This is because such a firm enjoys economies of scale, which results in lower cost of operations. Since such a firm operates at a reducing cost, it is likely to make more profits and hence higher per share earnings.

On the other hand, however, it was found that FSIZ has a significant negative effect on the return on assets of manufacturing firms in Nigeria. This is contrary to the a priori expectation, and implies that the return on assets reduces with increasing operating scale. This could also be attributed to increase in non-earning assets, such as plant, property and equipment, especially where such assets are not efficiently engaged to yield the required returns commiserate with the investments made in the assets. This result is contrary to the findings of Aribaba, Abdul-Lateef, Oladele, Afolabi, and Salaam (2022) who examined the effect of firm characteristics on the financial performance of Nigerian-listed oil and gas companies and discovered a negative relationship between Firm Size and Ownership Impetrated on financial performance. On the other hand, the results agreed with the findings of Akbas (2014) who investigated the relationship between company characteristics and the extent of the environmental disclosures of Turkish companies and whose results indicated that company size and industry membership are positively related to the extent of environmental disclosure, while profitability is negatively related.

5. CONCLUSION AND RECOMMENDATIONS

The study examined the effect of firm's characteristics on financial performance of selected listed consumer goods firs in Nigeria. It employed purposive sampling technique to select a total of sixteen companies which served as sample for the study. Data were sourced from annual reports of the firms between 2013 and 2022 and analyzed using descriptive, correlation and panel regression techniques. The findings showed that firm age had a negative though insignificant effect on EPS. Relatedly, firm age was also found to have a significant negative effect on the ROA of the consumer goods firms. In contrast, firm size (FSIZ) was found to have a positive and significant effect on EPS. On the other hand, it was found that FSIZ has a significant negative effect on the return on assets of consumer goods firms in Nigeria.

Based on the findings and conclusions above, the study recommended that; Firstly, consumer goods firms should not consider firm age as important since it had insignificant effect on EPS; Secondly, since firms age matter when it as to with increase in profitability (return on assets), managers of should know that as the age of the firms increase, the more profitable the forms will be, since it had significant effect on ROA. Lastly, it was also recommended that managers of consumers should increase their firm size, since that had significant effect on both profitability as well as their earnings per share.

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APPENDIX

Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	8.307501	2	0.0157

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
AGE	-0.060508	0.003970	0.002111	0.1605
FSIZ	0.166867	0.277036	0.011975	0.3141

Cross-section random effects test equation:
Dependent Variable: EPS
Method: Panel Least Squares
Date: 08/22/23 Time: 09:48
Sample: 2013 2022
Periods included: 10

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Cross-sections included: 16
Total panel (balanced) observations: 160

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.104223	3.126734	-0.353155	0.7245
AGE	-0.060508	0.048124	-1.257332	0.2107
FSIZ	0.166867	0.146673	1.137680	0.2572

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.400236	Mean dependent var	1.042250
Adjusted R-squared	0.328434	S.D. dependent var	1.886068
S.E. of regression	1.545617	Akaike info criterion	3.814377
Sum squared resid	339.2283	Schwarz criterion	4.160334
Log likelihood	-287.1501	Hannan-Quinn criter.	3.954858
F-statistic	5.574116	Durbin-Watson stat	1.423055
Prob(F-statistic)	0.000000		

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.300677	2	0.0428

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
AGE	-0.332744	-0.152914	0.029377	0.2941
FSIZ	-0.941880	-0.638961	0.135522	0.4106

Cross-section random effects test equation:
Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/22/23 Time: 09:53
Sample: 2013 2022
Periods included: 10
Cross-sections included: 16
Total panel (balanced) observations: 160

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Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	39.05088	12.22594	3.194101	0.0017
AGE	-0.332744	0.188172	-1.768303	0.0792
FSIZ	-0.941880	0.573510	-1.642308	0.1027

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.457861	Mean dependent var	5.227438
Adjusted R-squared	0.392957	S.D. dependent var	7.756813
S.E. of regression	6.043565	Akaike info criterion	6.541518
Sum squared resid	5186.504	Schwarz criterion	6.887475
Log likelihood	-505.3215	Hannan-Quinn criter.	6.682000
F-statistic	7.054430	Durbin-Watson stat	1.464208
Prob(F-statistic)	0.000000		