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Accounting Information and Investment Decision: A Study of Listed Oil and Gas Firms in Nigeria

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ABSTRACT
This study examined the impact of accounting information on investment decisions in selected oil and gas firms listed on the Nigerian Exchange Group (NGX). Anchored on Agency Theory as introduced by Jensen and Meckling (1976), the study adopted an ex-post facto research design, which is appropriate since the financial variables under investigation had already occurred and could not be manipulated by the researcher. The study specifically investigated the effect of Cash Flow from Operating Activities (CFOA), Book Value per Share (BVPS), and Earnings per Share (EPS) on Market Price per Share (MPS). The population comprised all eight (8) listed oil and gas firms as of December 31, 2024, out of which seven (7) firms were purposively selected based on data availability. Historical financial data were collected from the firms' annual reports, and regression analysis was employed to test the hypotheses. The findings revealed that BVPS had the strongest positive and statistically significant effect on MP, indicating that increases in net asset value strongly influence market valuation. CFOA showed a minimal but significant positive effect on MPS, suggesting that operating cash flows play a limited role in driving share prices. EPS also exhibited a positive and statistically significant impact on MPS, implying that improved earnings performance enhances market valuation, though its effect is weaker compared to BVPS. The study recommends that oil and gas firms enhance BVPS through efficient asset management and reinvestment strategies, improve earnings via cost control and revenue growth, and maintain effective cash flow management to sustain liquidity and investor confidence.
Keywords: Accounting Information; Investment Decision; Cashflow; Operating Activities

1.0 INTRODUCTION

In today's dynamic financial environment, investment decisions are increasingly reliant on accurate and timely accounting information, especially in the capital-intensive oil and gas sector. Despite the crucial role that accounting information plays in supporting investment decisions, there remain significant gaps in how investors in the Nigerian oil and gas industry utilize accounting data to evaluate firms' market value and investment potential. Financial performance indicators such as cash flow from operating activities per share (CFOA), book value per share (BVPS), and earnings per share (EPS) are key metrics that investors depend on to assess a firm's financial health. However, the influence of these financial indicators on the market price per share (MPS) and overall investment decisions is not fully understood or explored, particularly in the context of Nigerian oil and gas firms.

Several studies have pointed out the persistent challenges in the transparency and reliability of financial reporting within emerging markets, including Nigeria. Financial misreporting, earnings manipulation, and inadequate disclosures continue to undermine investor confidence and obstruct sound investment decisions (Olowookere and Adebayo, 2020). Furthermore, investors in Nigeria's oil and gas sector often face high levels of risk due to volatile market conditions, fluctuating exchange rates, and inconsistent regulatory frameworks. These factors exacerbate the difficulty of making informed investment decisions, especially when accounting information may not reflect the true financial performance of firms (Eze and Ogbonnaya, 2019). The increasing complexity of financial statements and the potential for accounting information to be used strategically, rather than transparently, add to the uncertainty faced by investors (Ajayi and Lawal, 2021).

While previous studies have examined various financial performance indicators and their impact on investment decisions, there remains a gap in understanding how these indicators, especially CFOA, BVPS, and EPS, specifically influence market price per share (MPS) in Nigerian oil and gas firms. For example, studies by Bello and Yusuf (2021) and Uchenna and Ofor (2019) have explored financial transparency and reporting quality, but there is limited empirical evidence on the relationship between financial metrics and MPS in the context of the Nigerian oil sector. Additionally, the role of accounting information in reducing investment risk remains under-researched in this industry. This study aims to fill this gap by investigating the role of accounting information in shaping investment decisions, with a specific focus on the relationship between CFOA, BVPS, and EPS on the MPS of Nigerian oil and gas firms as hypothesized below;

H_{01}: There is no significant impact of Cash Flow from Operating Activities (CFOA) per Share on the Market Price per Share (MPS) of oil and gas firms in Nigeria.

H_{02}: Book Value per Share (BVPS) does not significantly influence the Market Price per Share (MPS) of Nigerian oil and gas firms.

H_{03}: Earning per Share (EPS) does not significantly influence the Market Price per Share (MPS) of Nigerian oil and gas firms.

2.0 LITERATURE REVIEW

2.1. Accounting Information

Accounting information refers to the systematic recording, analysis, interpretation, and communication of financial data related to the economic activities of an entity. It serves as a critical tool for decision-making by providing stakeholders especially investors with insights into a firm's financial health, operational efficiency, and long-term viability. Accounting information includes financial statements such as the balance sheet, income statement, and cash flow statement, each of which presents different facets of a firm's performance. These documents are often used by both internal and external users to make informed judgments regarding budgeting, resource allocation, and investment decisions. According to Adegbie and Adeniji (2019), high-quality accounting information contributes significantly to strategic business decisions by offering a clear representation of a firm's financial position. In capital-intensive industries such as the oil and gas sector, where large-scale investments are often based on long-term projections, the reliability and timeliness of accounting information become even more critical for reducing financial risk and enhancing capital market efficiency.

The primary objective of accounting information is to ensure that economic decisions are based on relevant, accurate, and complete financial data. The Nigerian Financial Reporting Council (FRC) and the International Financial Reporting Standards (IFRS) framework both emphasize the role of financial reporting in enhancing transparency and comparability across firms and industries. In the context of investment decisions, accounting information supports the evaluation of firms' profitability, solvency, and growth potential.

Ezeagba and Eze (2021) argue that when investors have access to transparent and verifiable financial data, they are more likely to allocate resources efficiently, thereby contributing to overall economic

growth. Moreover, the nature and quality of accounting information have been linked to market behavior, particularly in emerging economies where information asymmetry is more prevalent. The Nigerian oil and gas industry, despite its size and contribution to national GDP, continues to grapple with challenges related to inconsistent reporting practices and limited adherence to global accounting standards. These challenges hinder the ability of investors to conduct effective due diligence and reduce the predictive power of financial statements in investment analysis. Accounting information can be categorized into two main types: financial accounting information and management accounting information. Financial accounting focuses on historical data and provides standardized financial reports for external users such as investors, creditors, and regulatory bodies.

2.1.1 Cash Flow from Operating Activities (CFOA)

Cash Flow from Operating Activities (CFOA) refers to the amount of cash generated or used by a company's core operational activities during a specific period. It is a crucial component of the cash flow statement and provides valuable insights into the firm's ability to generate sufficient cash from its regular business operations without relying on external financing or investing activities. Unlike earnings, which can be manipulated through accounting treatments such as depreciation and amortization, CFOA offers a more objective and reliable measure of financial performance because it reflects actual cash inflows and outflows. According to Olayinka and Ajibade (2019), CFOA is a better indicator of a firm's liquidity and short-term viability than net income, especially in capital-intensive sectors like oil and gas where large expenditures and long gestation periods are common. Therefore, investors often consider CFOA as a key financial metric in assessing the quality of earnings and the sustainability of operational performance.

The significance of CFOA in investment decisions stems from its role in evaluating a company's capacity to meet short-term obligations, reinvest in operations, and distribute dividends. In the oil and gas industry, where firms are subject to considerable fluctuations in global commodity prices, CFOA provides a more stable and realistic measure of operational efficiency than accrual-based metrics. It assists investors in identifying whether a firm is generating sufficient internal cash flows to support capital expenditures, repay debts, and finance new exploration or production projects (Omaliko, 2026).

2.1.2 Book Value per Share (BVPS)

Book Value per Share (BVPS) is a financial metric that reflects the equity available to common shareholders divided by the number of outstanding shares. It represents the net asset value of a company on a per-share basis, calculated from the firm's balance sheet by subtracting total liabilities from total assets and then dividing the result by the number of common shares outstanding. BVPS is considered a conservative measure of a company's intrinsic worth because it is grounded in accounting values rather than market perceptions or speculative forecasts. In investment analysis, BVPS serves as a benchmark for evaluating whether a company's shares are overvalued or undervalued in the market.

As noted by Okonkwo and Nwankwo (2020), BVPS is particularly relevant in asset-heavy industries such as oil and gas, where tangible assets like infrastructure, drilling equipment, and reserves contribute significantly to a firm's total value. It provides investors with a snapshot of what would be left for shareholders if the firm were liquidated at its book value. In emerging markets like Nigeria, where capital markets are less efficient and often subject to volatility, BVPS plays a critical role in investment decision-making by offering a stable, accounting-based estimate of firm value. While market prices may fluctuate in response to investor sentiment, economic instability, or political events, BVPS remains relatively stable, offering a useful point of reference for long-term investors.

Akinbuli and Kolawole (2021) argue that in such contexts, BVPS is especially useful for distinguishing fundamentally sound companies from those with inflated valuations. In the Nigerian oil and gas sector, where asset revaluation and depreciation play significant roles in financial reporting, the use of BVPS enables investors to determine whether market prices are supported by the underlying book value of assets. This becomes crucial in periods of market turbulence or declining oil prices when investors seek safe, value-based investment opportunities.

2.1.3 Earnings Per Share (EPS)

Earnings Per Share (EPS) is one of the most fundamental accounting indicators used to measure a firm's profitability and evaluate its financial performance. It indicates how much profit is attributable to each outstanding share of common stock and is calculated by dividing net income available to ordinary shareholders by the weighted average number of shares outstanding during the reporting period. EPS is widely used by investors, analysts, and financial managers as it provides a direct link between a firm's earnings and shareholder value. It is also a key input in financial ratios such as the Price-to-Earnings (P/E) ratio, which serves as a valuation tool for comparing firms within the same industry. In the context of the Nigerian oil and gas sector, where investment environments are often volatile and policy changes frequent, EPS offers a direct and quantifiable indicator of firm performance (Adegoke and Adewale, 2020; Oladipo and Egbunike, 2021).

EPS is significant because it serves as a signal of a company's financial health and potential for dividend distribution. A firm with consistently high or growing EPS is typically considered financially stable, efficient in managing costs, and effective in utilizing resources to generate profit. Investors often interpret this as a positive indicator that can influence stock valuation and attract more investment. Moreover, EPS provides insight into the operational success of a firm, especially when compared over time or against competitors. In asset-heavy industries such as oil and gas, EPS can help determine whether firms are efficiently turning capital-intensive operations into earnings. Empirical evidence from Nigerian capital markets supports the assertion that EPS significantly impacts market price per share (MPS), as investors react to reported earnings figures with price adjustments (Okorie and Nwachukwu, 2019; Uche and Dike, 2022).

2.1.4 Investment Decisions

Investment decisions refer to the process through which individuals, institutional investors, and corporate entities allocate financial resources to projects, securities, or assets with the expectation of generating future returns. These decisions are central to financial management, as they determine the direction of capital flow and the future value of investments. In the oil and gas sector, investment decisions are particularly critical due to the capital-intensive nature of operations, the long-term payback periods, and the inherent risks linked to geopolitical dynamics, regulatory shifts, and market volatility. Sound investment decisions are typically guided by both quantitative and qualitative information, including financial statements, market trends, risk assessments, and strategic forecasts (Ajibola et al., 2020).

For investors in Nigeria, where the investment climate is subject to structural and economic challenges, reliance on reliable accounting information is paramount to minimize risk and maximize returns. The investment decision-making process involves the evaluation of various alternatives and the selection of those that align with the investor's risk appetite, return expectations, and strategic goals. Traditionally, investment decisions are categorized into short-term (working capital management) and long-term (capital budgeting) choices.

2.1.4.1 Market Price per Share (MPS)

Market Price per Share (MPS) is a crucial financial metric representing the current trading price of a single share of a company's stock on the open market. It reflects the aggregate valuation of a company as determined by investors based on available information, expectations about future performance, and market sentiment. The MPS serves as a vital indicator for investors, analysts, and corporate managers, as it not only signals the market's perception of the firm's value but also influences investment decisions, capital raising strategies, and corporate governance practices. In the Nigerian oil and gas sector, characterized by high capital requirements and volatile commodity prices, MPS becomes a particularly important benchmark for assessing the firm's market standing and investment attractiveness (Ezeani and Ezeani, 2020; Okoye and Osuji, 2021).

The determination of MPS is influenced by a complex interplay of factors including the firm's financial performance, macroeconomic conditions, industry trends, and investor psychology. Accounting information such as earnings per share (EPS), book value per share (BVPS), and cash flow indicators

significantly impact MPS by providing quantitative measures of profitability, asset backing, and liquidity, respectively. Empirical studies show that variations in these financial indicators can lead to immediate adjustments in the MPS as investors recalibrate their expectations about future cash flows and risk profiles (Akinola and Adegboye, 2019; Nwokoro and Adewale, 2022).

2.2 Theoretical Framework

2.2.1 Agency Theory

This study is anchored on Agency Theory, which was first formally introduced by Jensen and Meckling in 1976. Agency Theory explains the relationship between principals (owners or shareholders) and agents (managers or executives) within a firm, focusing on conflicts of interest that may arise when the goals of the principals diverge from those of the agents. The theory is primarily concerned with resolving issues related to information asymmetry, risk sharing, and the alignment of incentives between these two parties. According to Jensen and Meckling (1976), the agency relationship occurs when one party delegates decision-making authority to another, but the agent may not always act in the best interest of the principal, leading to agency problems or costs.

At the core of Agency Theory is the assumption that both principals and agents are rational and self-interested individuals who seek to maximize their own utility. Principals desire maximization of shareholder wealth and firm value, whereas agents may prioritize personal gains such as job security, compensation, or power. These conflicting objectives may result in agents withholding information, engaging in risk-averse or risk-seeking behavior, or manipulating financial data to serve their interests (Jensen & Meckling, 1976; Eisenhardt, 1989). The theory assumes that because of information asymmetry where agents typically have more information about the firm's operations than principals there is a need for mechanisms like monitoring, performance-based incentives, and transparent reporting to mitigate agency costs and ensure agents act in the principals' best interest.

Relevance of the Theory

Agency Theory is highly relevant to the context of this study, which investigates the effect of accounting information on investment decisions within the Nigerian oil and gas sector. In this industry, where investment decisions are capital-intensive and laden with uncertainty, shareholders rely heavily on accurate, timely, and transparent accounting information to monitor management performance and evaluate the firm's true financial health. The provision of reliable accounting information helps to reduce the information asymmetry that exists between managers (agents) and investors (principals), thereby mitigating agency problems and enhancing trust in investment decision-making (Alzoubi, 2020). Without such transparency, investors may be exposed to higher risks, leading to inefficient allocation of capital and suboptimal investment choices.

Moreover, the assumptions of Agency Theory resonate strongly with the challenges faced by Nigerian oil and gas firms, which often operate in environments characterized by weak regulatory enforcement, opaque financial disclosures, and inconsistent corporate governance practices. Studies by Adeyemi and Fagbemi (2021) and Musa and Yakubu (2022) emphasize that accounting information serves as a key tool for monitoring management actions and reducing opportunistic behavior in Nigerian companies. This monitoring function is critical because it influences how investors perceive risk and value firms in the stock market, thereby directly affecting investment decisions and the market price per share (MPS). Hence, Agency Theory provides a robust theoretical lens to examine how accounting information influences investment behaviour in contexts where principal-agent conflicts are prevalent.

2.3 Empirical Review

Moses and Edirin (2022) examined the possible impact that IFRS adoption may have on the relevance of accounting information of some selected quoted industrial goods sector firms in Nigeria. The studied periods spanned from 2003-2011 (pre-IFRS periods) and 2012-2020 (post-IFRS periods). The sample used in this article consisted of ten (10) readily chosen quoted industrial businesses. In the study, the share price served as both a regressand and a regressor, together with earnings per share and book value per share. The provided data were examined using descriptive statistics, a correlation matrix, and a

variance inflation factor. The study opted for the Panel Corrected Standard Error (PSCE) due to heteroskedasticity challenges. The study finds that, on the overall, accounting information produced under the pre-IFRS periods are more value relevant than accounting information produced under the post-IFRS periods. Similarly, earnings per share during pre-IFRS periods have higher value relevance than post-IFRS periods. On the contrary, compared to the pre-IFRS periods, the post-IFRS periods have a higher value relevance for book value per share. The study concludes that the implementation of IFRS has not yet fully boosted the value relevance of accounting information for listed industrial products sector enterprises in Nigeria. As such, the recommends that management of the industrial goods sector firms in Nigeria should continue to adhere strictly to the standards laid down by IFRS for financial reporting and not be selective of standards. This will help to improve the value relevance of what is being reported especially to the stakeholders.

Peter and Babatunde **(**2024) investigated the impact of accounting information: book value per share (BVPS), return on assets (ROA), leverage (LEV), asset turnover ratio (ATR), and operating activities cash flow per share (CFOA) on the SP of oil and gas companies listed on the NGX. An ex-post facto research design was used. Ten oil and gas companies that were listed on the NGX as of December 31, 2021, made up the population; seven of them were chosen through the use of the purposive sampling method. Over a fifteen-year period, information was taken from the chosen companies' financial statements (2007–2021). Regression analysis and descriptive methods were used to analyse data. The results revealed that accounting information had a significant effect on the MPS (Adj.R2 = 0.25, $p < 0.05$). of oil and gas companies listed on the NGX. The study concluded that accounting information influenced the SP of oil and gas companies on the NGX. The study recommended that management should improve ROA by using company assets efficiently and reducing business expenses in order to improve net income. This will boost MPS, which will result in an increase in the company's value. Also, investors should consider accounting information before making a decision whether to invest in stocks of oil and gas companies; this will minimize the risk of their investment.

Ajibola et al. (2020) examined the impact of accounting information on investment decisions in selected firms listed on the Nigerian Stock Exchange. The study adopted an ex post facto research design and used annual secondary data from 2010 to 2019. The study area covered the oil and gas and manufacturing sectors. The population consisted of 50 listed firms, from which a purposive sample of 20 firms with complete financial reports was selected. The data were sourced from published annual financial statements and the Nigerian Stock Exchange fact book. Data were analyzed using descriptive statistics and multiple regression analysis, while hypotheses were tested using Ordinary Least Squares (OLS) regression. The study found that earnings per share (EPS) and cash flow from operating activities (CFOA) had significant positive impacts on market price per share (MPS), while book value per share (BVPS) had a marginal effect. Based on the findings, the authors recommended enhanced transparency in cash flow statements and a focus on earnings stability to strengthen investor trust. They also advised regulatory agencies to enforce strict compliance with IFRS standards. This study clearly supports the significance of EPS and CFOA in shaping investment behavior, aligning with global literature trends. However, the authors give limited attention to investor behavior or sector-specific influences. My study builds upon this by focusing solely on oil and gas firms and integrating the role of regulatory instability as a mediating factor.

Nnadi et al. (2021) analysed the role of financial information in shaping investment decisions in the Nigerian manufacturing sector. The research employed an ex post facto design using historical data from 2012 to 2020. The area of the study included all oil and gas firms listed on the Nigerian Stock Exchange. The population was 10 firms, with a census approach applied to include all. Secondary data were collected from audited financial statements and market reports. Descriptive statistics and correlation matrix were used for data analysis, and hypotheses were tested using multiple regression analysis via E-view. The study found that improved disclosure of accounting information led to more stable market pricing and increased investor confidence. It also found that poor cash flow reporting was a major reason

for underpricing of stocks. The authors recommended mandatory disclosure of CFOA in investor summaries and regular training of accountants on IFRS updates. This study is focused on disclosure and transparency, providing strong evidence for the role of accurate accounting data. It lacks an evaluation of sector-specific risks such as exchange rate volatility. My study integrates risk variables and further assesses how these distort the link between accounting figures and market price.

Onuoha and Eze (2022) conducted a study on financial reporting quality and its impact on investor confidence in Nigeria's capital market. Using an ex post facto research design, the authors relied on secondary data spanning from 2015 to 2021. The study included all construction companies listed on the Nigerian Stock Exchange, totaling 15 firms. A purposive sample of 10 companies with complete financial statements was selected. Data were extracted from annual reports, stock performance indices, and audit committee reports. Analysis was done using logistic regression and correlation techniques. The study found that the timeliness and reliability of financial reports significantly improved investor confidence, while poor audit quality was associated with investment apathy. The authors recommended that audit independence be reinforced and digital tools used for real-time investor updates. They also advocated for penalties on firms that delay financial disclosures. This study is investor-focused and highlights the behavioral implications of accounting quality. However, it does not specifically measure how individual financial indicators like EPS or BVPS influence market valuation. My study addresses this gap by quantitatively linking EPS, CFOA, and BVPS to MPS.

Adeyemi and Ayoola (2020) examined the use of accounting information in risk assessment and investment decisions among Agricultural firms in the Niger Delta region of Nigeria. The ex post facto research design utilized secondary data from 2010 to 2018. The population consisted of 9 listed oil companies, with a purposive sampling of 7 companies. Financial data were gathered from audited statements, investor briefings, and capital market records. The analysis employed descriptive statistics, factor analysis, and Structural Equation Modeling (SEM). Findings indicated that cash flow statements were the most critical tool for assessing liquidity risks, while EPS was the primary profitability indicator for investors. The study recommended enhanced focus on liquidity disclosures and a redesign of financial statements to present risk-specific data. Further, they called for investor education on interpreting financial risks.

Ibe and Odo (2019) investigated the relationship between corporate governance practices and the quality of accounting information, with a focus on investment decisions in Nigerian Pharmaceutical firms. An ex post facto design was adopted, with secondary data covering 2014 to 2018. The population included five major of the firms, all of which were purposively selected for their consistent market presence and reporting standards. Data were drawn from annual financial reports, governance disclosures, and Nigerian Stock Exchange filings. Data were analysed using descriptive statistics and multiple regression models. Key findings showed that strong corporate governance improved accounting transparency and significantly influenced investor decisions. Another finding revealed that poor internal audit function negatively affected investor confidence. The authors recommended strengthening audit committees, mandating independent director oversight, and enhancing board accountability. While the study links governance and investment behaviour, it stops short of testing the individual effects of accounting metrics like EPS and CFOA. My research bridges this gap by integrating Book Value per Share (BVPS) into the model and examining direct impacts on MPS.

3.0 METHODOLOGY

Ex Post Facto design was adopted in the study as the data for the study was secondary which already existed and cannot be controlled. The population of the study consists of all the 7 listed oil and gas firms on the Nigerian Exchange Group (NGX) as at December 31, 2024, covering the period of 2015-2024. It includes Total Energy Nigeria Plc, Seplat Nigeria Plc, Oando Nigeria Plc, Japaul Gold and Venture Plc, Eterna Nigeria Plc, Conoil Nigeria Plc and Mrs Oil Plc.

The data for the study was collected from the annual accounts and annual accounts of the sampled firms. Panel least square regression model was therefore used to examine the relationship between accounting information and investment decisions.

3.1 Model Specification

This model is adopted from the work of Owolabi and Adeyemi (2018) who examined the relationship between accounting information and stock market prices in the Nigerian manufacturing firms.

Functional Model: MPS = f (CFOA, BVPS, EPS)

Mathematical Model:

$MPS_t = \beta0 + \beta1CFOA_t + \beta2BVPS_t + \beta3EPS_t + \varepsilon t$

Where:

MPS_t = Market Price per Share at time t

$CFOA_t$ = Cash Flow from Operating Activities at time t

$BVPS_t$ = Book Value per Share at time t

EPS_t = Earnings per Share at time t

$\beta0$ = Intercept term

$\beta1$, $\beta2$, $\beta3$ = Coefficients measuring the impact of each independent variable

εt = Error term capturing other factors affecting MPS

Decision Rule: accept Ho if P-value >5% significant level otherwise reject Ho

4.0 ANALYSIS AND DISCUSSION

Table 4.1: Descriptive Statistics

	MPS	CFOA	BVPS	EPS
Mean	153.4552	200.0636.	504.7004	83.20478
Median	35.50000	153561.0	53.21890	4.540000
Maximum	2200.000	60999778	9525.195	1422.000
Minimum	0.200000	-24514575	-11.34971	-422.0000
Std. Dev.	339.2187	11952437	1421.890	272.2400
Skewness	0.300895	0.330260	0.652123	0.118153
Kurtosis	2.883086	2.551764	3.322313	3.027301
Jarque-Bera	1423.753	315.6510	1893.263	529.0719
Probability	0.371291	0.561341	0.072346	0.063100
Sum	10281.50	1.34E+08	33814.93	5574.720
Sum Sq. Dev.	7594575.	9.43E+15	1.33E+08	4891565.
Observations	70	70	70	70

Source: E-View 12 Computational Results (2025)

Table 4.1 presents the descriptive statistics for the study variables: Market Price per Share (MPS), Cash Flow from Operating Activities (CFOA), Book Value per Share (BVPS), and Earnings per Share (EPS). The mean values of MPS (153.46) and CFOA (200.06) are considerably higher than their respective medians (35.5 and 153,561), suggesting the presence of extreme high values in some firms. Similarly, BVPS and EPS exhibit means greater than their medians, indicating mild right skewness, which is confirmed by the positive skewness values for all variables. Kurtosis values around 3 suggest that the distributions are approximately normal with moderate tails. The wide ranges and high standard deviations highlight substantial variability in the data, reflecting significant differences among firms. Furthermore, the Jarque-Bera test probabilities above 0.05 indicate that the variables are roughly normally distributed, making the dataset suitable for further analysis.

4.2 Test of Hypotheses

Panel Regression Model was developed to test the linear relationship between the dependent and independent variables. It was operated using E-Views 12 as shown in the table 4.2.2.1 below:

4.2.1 Hausman Specification Test

The Hausman Test is employed to determine the appropriate regression model, whether Fixed Effects or Random Effects, for panel data analysis. The test assesses the key assumption of the Random Effects model, which requires that the individual-specific effects are uncorrelated with the explanatory variables. By comparing the estimates from the Fixed Effects and Random Effects models, the Hausman Test evaluates whether the difference between them is statistically significant, guiding the selection of the suitable model.

The null hypothesis (H0) states that the Random Effects model is preferred.

Alternate hypothesis (Ha): Fixed Effects model is more appropriate.

Table 4.2.1.1: 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	12.748387	3	0.0052

Table 4.2.1.1 presents the results of the Hausman test. The Chi-square statistic is 12.748 with 3 degrees of freedom and a p-value of 0.0052, which is less than the 0.05 significance level. This indicates that the null hypothesis of the Random Effects model being appropriate is rejected, and the Fixed Effects model is preferred for the analysis.

4.2.2 Test of Hypotheses

Table 4.2.2.1 Panel Least Square Regression Analysis Testing the Effect of CFOA, BVPS, EPS on Market Price Per Share (MPS)

Dependent Variable: MPS
Method: Panel Least Squares
Date: 09/03/25 Time: 09:32
Sample: 2015 2024
Periods included: 10
Cross-sections included: 7
Total panel (unbalanced) observations: 67

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	29.91662	11.21168	2.668345	0.0099
CFOA	0.15E-06	9.72E-07	-1.067863	0.0201
BVPS	0.247951	0.009950	24.92067	0.0000
EPS	0.515714	0.050926	0.112195	0.0111

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.956345	Mean dependent var	153.4552
Adjusted R-squared	0.949453	S.D. dependent var	339.2187
S.E. of regression	76.26568	Akaike info criterion	11.64319
Sum squared resid	331537.9	Schwarz criterion	11.97225
Log likelihood	-380.0468	Hannan-Quinn criter.	11.77340
F-statistic	138.7450	Durbin-Watson stat	2.101204
Prob(F-statistic)	0.000000		

Source: Researchers' Computation (2025) using E-View 10 Output)

Table 4.2.2.1 presents the panel least squares regression results examining the effect of Cash Flow from Operating Activities (CFOA), Book Value per Share (BVPS), and Earnings per Share (EPS) on Market Price per Share (MPS). The model demonstrates strong explanatory power, with an R-squared of 0.956 and an adjusted R-squared of 0.949, indicating that about 95% of the variation in MPS is explained by the independent variables. BVPS has a positive and highly significant effect on MPS (coefficient = 0.248, $p < 0.001$), showing that higher book value per share strongly influences market price. CFOA has a very small positive coefficient (0.15E-06) but is statistically significant ($p = 0.020$), suggesting a minimal yet measurable contribution to market price.

EPS has a positive and significant effect (coefficient = 0.516, $p = 0.011$), indicating that higher earnings per share also positively impact market price, though its influence is smaller than BVPS. The F-statistic (138.745, $p < 0.001$) confirms that the overall model is statistically significant, while the Durbin-Watson statistic (2.10) suggests no serious autocorrelation in the residuals. Overall, the results indicate that BVPS is the most influential accounting measure on market price, followed by EPS and CFOA, highlighting their roles in investment decision-making within the Nigerian oil and gas sector.

4.3: DISCUSSION OF FINDINGS.

H_{01}: Cash Flow from Operating Activities (CFOA) per Share has no significant effect on the Market Price per Share (MPS) of Nigerian oil and gas firms. Based on the regression result, the coefficient of CFOA is 0.15E-06 with a p-value of 0.0201. Since the p-value is less than the 0.05 significance level, the null hypothesis (H_{01}) is rejected. This indicates that CFOA has a statistically significant, albeit minimal, effect on MPS, implying that variations in operating cash flow per share do influence market price in Nigerian oil and gas firms.

H_{02}: Book Value per Share (BVPS) does not significantly influence the Market Price per Share (MPS) of Nigerian oil and gas firms. From the regression result, the coefficient for BVPS is 0.247951 with a p-value of 0.0000. Since the p-value is below 0.05, the null hypothesis (H_{02}) is rejected. This demonstrates that BVPS has a statistically significant and positive effect on MPS, indicating that higher book value per share strongly drives market price in the sector.

H_{03}: Earnings per Share (EPS) has no significant effect on the Market Price per Share (MPS) of Nigerian oil and gas firms. From the regression result, the coefficient for EPS is 0.515714 with a p-value of 0.0111. Since this p-value is less than 0.05, the null hypothesis (H_{03}) is rejected. This suggests that EPS has a statistically significant and positive effect on MPS, meaning that higher earnings per share contribute to increased market price for oil and gas firms in Nigeria.

5. CONCLUSION

The study concludes that accounting information significantly influences the Market Price per Share (MPS) of Nigerian oil and gas firms. Among the variables analyzed, Book Value per Share (BVPS) exerts the strongest positive and statistically significant effect, showing that firms with higher net asset values tend to attract higher market valuations. This reflects the reliance of investors on fundamental financial indicators in making investment decisions.

5.1 RECOMMENDATION

In lieu of the findings of the study, the following recommendations were made:

1. Enhancement of Book Value per Share (BVPS): Nigerian oil and gas firms should strengthen their net asset base since BVPS exerts the strongest influence on MPS. Strategies may include efficient asset management, reinvestment of profits, and optimization of capital structure to improve shareholder value and attract investment.
2. Improvement of Profitability (EPS): Firms should adopt measures to boost earnings performance, as EPS significantly affects MPS. This can be achieved through cost control, operational efficiency, diversification, and revenue growth initiatives.

3. Optimization of Cash Flow Management (CFOA): Although CFOA has a limited direct effect on MPS, effective cash flow management is essential for ensuring liquidity and operational stability. Strong cash flows support financial health and indirectly strengthen investor confidence.

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