CORPORATE GOVERNANCE AND VALUE RELEVANCE OF FINANCIAL STATEMENT OF NIGERIAN LISTED CONSUMER GOODS FIRMS

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Abstract

The study assessed the association between corporate governance and value relevance of financial statement of Nigerian listed consumer goods firms. Historical data were generated from the financial statements of the 10 sampled firms over a period of 10 years (2010-2019). Random effects least squares technique was the estimation technique adopted. Corporate governance was measured with board composition, board due diligence, audit committee independence, board size and firm size, while market value of share was the surrogate for value relevance. The results of the study showed that board due diligence; audit committee independence; board size were relevant to market value of shares of sampled firms while board composition was not relevant. The study concluded that frequencies of meeting, audit committee independence and board size influenced market value of share. Hence, the study suggested that shareholders and regulatory bodies should incorporate identified relevant mechanisms of corporate governance.

Key words:

Board composition, Board due diligence, Audit committee independence, Board size, Nigeria.

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1. Introduction

The collapse of several multinational corporations all over the globe has shifted the notice of stakeholders to the importance of ways and manners the business affair is directed by those charged with the responsibility (Olabisi, Kajola, Oladejo, Ojeaga, & Abass, 2018). The corporate governance mechanisms imbued in an organization a key factor to the attainment of a high quality financial information that communicate to the investors the value of accounting statement (Soderstrom & Sun, 2007). The context of International Financial Reporting Standard (IFRS) expressly confirms that quality information must have various attributes like reliability, understandability, faith representation, relevance and comparability. Moreover, the introduction of IFRS has improved financial reporting only for firms with effective shareholders' protection and company specific characteristics such as high quality corporate governance (Wang & Yu, 2008).

The parting of ownership from control has led to agency problem that makes information to be available to the management alone (information asymmetry). This is the root cause of agency conflict where agent is expected to satisfy the interest of principal but in many cases seeks self-interest. A strategy for lessening agency problem is to mitigate information asymmetry between the agent and principal. The provision of a high quality accounting information reduces information asymmetries between the agent and shareholders. Accounting information must faithfully represent the essentials of a business as a value creating unit. From the perspective of accounting standards, matters and concerns have been a subject of debate as to the quantum of quality of information the reporting entity's financial statements should contain.

The corporate reporting system suggests a distinctive foundation for probing the effect of corporate governance devices on value relevance of accounting information. It has been observed that in Nigeria, corporate governance structure is somewhat weak when compared with US and UK (Ilyas, Farooq, Abid, and Abdul, 2016). In Nigeria, the corporate governance device is not so efficient like those of developed economy, and lacking ability to drive organization to monitor and take corrective steps to prevent firms' failure. In this connection, there should be core governance mechanisms incorporated into the business affairs to improve value relevance.

Various studies such as Kajola, Olabisi, and Fapetu, (2019); Ilyas Farooq, Abid and Abdul (2016); Ahmad and Sallau (2018); and Soderstrom and Sun, (2007) have addressed internal governance mechanism such as gender diversity, board structure, board composition, board meeting, audit committee's independence, audit committee

structures and quality of accounting information. The results of previous studies on how the relationship between corporate governance and opportunistic accounting affect the market value of share are inconclusive (Shehu & Abubakar, 2012). Hence, the major objective of the study is to examine the influence of corporate governance on value relevance of financial statement of Nigerian listed consumer goods firms. The specific objectives are to:

- i. assess the relationship between board composition and value relevance of financial statement of Nigerian listed consumer goods firms;
- ii. examine the influence of board due diligence on value relevance of financial statement of Nigerian listed consumer goods firms;
- iii. assess the link between audit committee independence and value relevance of financial statement of Nigerian listed consumer goods firms; and
- iv. examine the relationship between board size and value relevance of financial statement of Nigerian listed consumer goods firms.

1. Theoretical Framework

Corporate governance has been variously defined by previous researchers such as (Freeman 2004; Oman, 2001) among others. For example, Oman, (2001) describes corporate governance as a set of institutions, including laws, regulations and accepted business practices that govern the relationship between the agent and providers of funds. Corporate governance is the association that subsists among the participants in the industry. The major participants are the stakeholders and the board of directors. Stakeholders in any corporation include employees, suppliers, customers, lenders, regulators and the community at large (Olabisi & Omoyele, 2011).

Stakeholder theory is entrenched in the field of management since 1970 and increasingly evolving through the integration of corporate accountability into the reporting systems (Freeman 2004). Wheeler, Colbert and Freeman (2003) argued that stakeholder theory was derived from the combination of sociological and organizational disciplines. Certainly, stakeholder theory is a fused theory and broader than research tradition, combining philosophy, ethics, political theory, economics, law and organizational science. Stakeholder theory is described as a group of people or individual that is affected by the liquidation of an organization (Ibrahim & Salihu, 2015).

Stakeholder theory unlike agency theory is a situation where managers work and strive to promote the welfares of stakeholders. Stakeholder theory proposes that managers in organizations have a responsibility to serve suppliers, employees and business partners. Sundaram and Inkpen (2004) proposed that stakeholder theory

protects deserving stakeholders. Whereas, Donaldson and Preston (1995) claimed that all groups participate in a business to obtain benefits.

Board composition is a major determinant of board of directors' performance and is composed of insider and outsider members (Clarkson, 1995). Insiders are selected from the executive officers of the firm while outsiders' relationship with firm is directorship. Central Bank of Nigeria (CBN) Code of Corporate Governance (2006) affirms that majority of board members should be non-executive directors, and at least two (2) non-executive board members are to be independent directors. They do not represent any particular shareholding interest and hold no special business interest but are appointed on merit (Ahmad & Sallau, 2018).

Board due diligence describes the board meeting and attendance (Kajola, Olabisi and Fapetu, 2019). Board meeting is any organized assembly of directors where important issues are discussed and decisions made. Organization issues relating to previous, current and future predicament and anticipated matter that concern company survival (going concern) are discussed and resolved. Board meeting provides an effective medium for coordination of opinions to achieve firms' goals. Every resolution passed during the meeting is legal and operational by the company. Francis, Hassan and Wu (2012) argue that a firm with infrequent meeting and poor attendance of directors performs poorly. According to Ilyas, Farooq, Abid, and Abdul, (2016), regular meetings enable directors to discuss issues thereby strengthening cohesive bonds among members. However, the opposing view of board meeting believes that it is costlier and disadvantageous in terms of travelling expenses, refreshments and allowances (Olabisi & Omoyele, 2011).

The code of best practice of corporate governance in Nigeria requires absolute independence of audit committee, highly competent with a high level of integrity to objectively review the work done by the external auditors. Ilyas, Farooq, Abid, and Abdul, (2016) submitted that, the familiarity developed from lengthy auditor tenure is considered an internal mechanism that, monitors the business operations so that management can serve the best interests of shareholders and other stakeholders. The auditors' independence is the proportion of total income of an audit firm accounted for by client suspected to have contributed to the erosion of auditor independence (Ibrahim & Salihu, 2015). In order to restore public confidence on accounting information, policies such as mandatory rotation of audit firm, prohibition and disclosure of certain non-audit services are to be initiated by regulators and accounting bodies in the US, Nigeria and elsewhere (ACT, Sarbanes Oxley, 2002).

Mungly, Babajee, Maraye and Seetah (2016) argued that a firm with small board size is able to produce a good financial report as directors can interact better and

improve the information content and reduces the practice of earnings management. Yemack (2006) cited in Velnampy, (2013) argues that large board room slow down decision and constitute obstacle to urgent decisions and changes. A firm with small board size rarely criticizes the policies of top managers and less effective (George & Karibo, 2014). On the other hand, large board is supported on the ground of providing greater monitoring and advice (Singh & Harianto, 2014). Fama and Jensen (1983) posit that large boards improve board performance by reducing CEO dominance. Brown and Caylor (2004) submitted that a board size of six to fifteen memberships is the most ideal for efficient recital. However, Conger and Lawler (2009) assert that there is no ideal size for a board and the right size for any board should be driven by effectiveness of the board to quickly take judicious decisions that benefit the business.

Balagobei, (2018) examined the impact of corporate governance on the value relevance of accounting information of listed hotels and travels in the Colombo Stock Exchange. Twenty listed companies were analyzed for a period of five years from 2012 to 2016. The study revealed that board independence and ownership structure have a negative and significant influence on value relevance of financial information of listed hotels and travels in Sri Lanka while firm leverage has a negative influence.

Habib and Azim (2008) examined the relationship between corporate governance and the value-relevance of accounting information in Australia. The regression results showed that firms with a strong governance structure manifest a higher value-relevance of accounting information. Furthermore, the results showed that firm-specific economic variables are significant factors of the value-relevance of accounting information.

Ogeh and Fiador (2013) examined how internal mechanisms of corporate governance, affect the value relevance of reported accounting earnings of listed firms on the Ghana Stock Exchange. The study adopted Ohlson (1995) valuation model with a panel dataset, random effects regression model. The results indicated that net asset value per share is value relevant on the Ghanaian market, and even more so when the board size is small or the CEO also doubles as the board chair. Board independence represented by the percentage of non-executive directors on the board is not significant in the market valuation of shares, and when significant has a negative effect.

Kajola, Olabisi and Fapetu (2019) investigated the relationship between the corporate governance mechanism and capital structure of 42 Nigerian listed firms over a period of 2005-2016. The study adopted fixed effects least squares technique for estimation, the result revealed a positive and statistically significant relationship between board gender diversity and capital structure. However, there was insignificant relationship between corporate board size; board independence on

capital structure decision of the sampled firms. The study recommended that corporate shareholders and regulatory bodies should put in place robust policies that would improve the involvement of more women on the board.

3. Methodology and Data

3.1. Research Design and Data Collection

The study adopted secondary data and historical research design to determine the relationship that existed between corporate governance and value relevance of Nigerian listed consumer goods firms. The research design was adopted to derive a better knowledge of the present through the assessment of the past events and accurately predict the future. The population of the study consisted of 21 Nigerian listed consumer goods firms as at 2018 out of which 10 firms with complete dataset were selected over a period of 10 years (from 2009 to 2018). The purposive sampling technique was adopted to select the samples based on availability of relevant data and profitability performance for the period covered by the study.

3.2 Data and Model Specification

The panel data analysis for the multiple regression models that explained the *A-Priori* relationship between corporate governance and value relevance of accounting information of selected Nigerian listed consumer goods firms is specified in equation 3.1 and 3.2:

$$MVS=f(BCOMP,BDD, AUDIND, BSIZE, FSIZE) \quad 3.1$$

Where:

MVS = Market Value of Share

BCOMP = Board Composition

BDD = Board Due Diligence

AUDIND = Audit Committee Independence

BSIZE = Board Size

FSIZE = Firm Size

β_0 = Constant or intercept

β_1 - β_5 = Coefficient of slope parameters

e_{it} = Error Term

β is the coefficient of explanatory variable

i is the firm specific

t is the time dimension of the variables (10) years

Hence, adopting the economic model, the following equation model is formulated:

$$MVS_{it} = \beta_0 + \beta_1 BCOMP_{it} + \beta_2 BDD_{it} + \beta_3 AUDIND_{it} + \beta_4 BSIZE_{it} + \beta_5 FSIZE_{it} + e_{it} \quad 3.2$$

3.3. Estimation Technique

The study adopted Levin, Lin and Chu Technique of estimation to test the stationary level of the series. The study adopted ordinary least square regression model, Hausman test was used to select the most suitable model between the fixed and random effect regression models. Multiple regression analysis was adopted to analyze the data with the aid of E-view software, Version 9.0. Hypotheses were tested with the use of regression technique, because the results produced by regression are robust and it is a commonly used estimator for unidentified parameters.

The study variables and their measurements are presented in table 1

Table 1

Measurement of Variables

S/N	Variables	Variables type	Measurement	Sources
1	Market Value of Share	Dependent (Y)	The price per share at the end of three months after the firm's balance sheet date	Whelan3 (2007); Ou and Sepe (2002); Okun and Amake(2018)
2	Board Composition	Independent (x)	The proportion of independent outside directors to total number of directors on the board	Jamila, Bahamman, Sabo and Rabi (2016); Shehu and Abubakar (2012); Hassan(2011)
3	Board Due Diligence	Independent (x)	Natural logarithm of total number of meetings held by the board of directors during a financial year.	Shehu and Abubakar(2012)
4	Audit Committee Independence	Independent (x)	The proportion of independent audit committee members to the total number of audit committee members.	Jamila, Bahamman, Sabo and Rabi(2016); Shehu and Abubakar(2012)
5	Board size	Independence (x)	Natural logarithm of total number of directors on board	George and Karibo, (2014)
6	Firm Size	Control	The Natural log of the total asset of the firm.	(Alnaif, 2014)

Source: Various empirical Studies (2019).

3.4. Hypotheses formulation

The following hypotheses were stated to guide the study:

- i. H_{01} : There is no significant relationship between board composition and value relevance of financial statement of listed consumer goods firms in Nigeria
- ii. H_{02} : There is no significant influence of board due diligence on value relevance of financial statement of listed consumer goods firms in Nigeria
- iii. H_{03} : There is no significant relationship between audit committee independence and value relevance of financial statement of listed consumer goods firms in Nigeria
- iv. H_{04} : There is no significant relationship between board size and value relevance of financial statement of listed consumer goods firms in Nigeria

4. Control variable

H_{05} : There is no significant relationship between firm size and value relevance of financial statement of listed consumer goods firms in Nigeria

4.1. Results

Table no. 2 presented the descriptive statistics results of the studied variables namely market value of share traded, board composition, board due diligence, audit committee independence, board size and firm size in studying the relationship between corporate governance and value relevance of financial statement of Nigerian listed consumer goods firms.

Table 2

Descriptive Statistics

	MVS	BCOMP	BDD	AUDIND	BSIZE	FSIZE
Mean	123.7386	0.478912	1.570272	0.497952	0.102778	0.108865
Median	22.25500	0.519231	1.609438	0.500000	0.097849	0.108855
Maximum	1580.000	0.818182	2.079442	0.600000	0.265165	0.122454
Minimum	1.050000	0.066667	0.693147	0.333333	-0.30378	0.098756
Std. Dev	275.8317	0.234798	0.224849	0.028469	0.092238	0.004177
Skewness	3.490728	-0.25719	-0.03544	-3.13699	-0.68453	-0.02175
Kurtosis	15.42521	1.710386	4.310705	26.54198	5.351719	3.478124
Jarque-bera	846.3609	8.032058	7.179050	24.73282	30.85389	0.960395
Probability	0.000000	0.018024	0.027611	0.000000	0.000000	0.618661
Observation	100	100	100	100	100	100

Source: Authors' computation using E-view software, Version 9.0.

Market value of share had a mean and standard deviation values of 123.7286 and 275.8317 respectively. These values depicted that on the average, share are publicly traded for 124 kobo. The result showed that data were highly dispersed from the mean, exhibiting the heterogeneous nature of data. The minimum and maximum values were 1.050000 and 1580.000 respectively. The board composition had a mean and standard deviation values of 0.478912 and 0.234798 respectively. The standard deviation is lower than the mean value indicating that board composition clusters round the average. The minimum and maximum values were 0.066667 and 0.818182 respectively. The board due diligence (BDD) had a mean of 1.570272 and standard deviation of 0.224849 which was statistically lower compared with the mean, indicating that board due diligence exhibited considerably clustering around the average. The minimum and maximum observation was 0.693147 and 2.079442 respectively. Audit committee independence (AUDIND) had a mean and standard deviation value of 0.497952 and 0.028469 respectively. This showed that series were highly clustered to the mean, which indicated the homogeneity of the series. The minimum and maximum observation was 0.333333 and 0.600000 respectively.

Finally, all the series except MVS were negatively skewed while the kurtosis values for all the series except board composition were above 3 indicating that the distribution were leptokurtic and had more extreme positive values. The results of Jarque-bera normality test for all the series with the exception of firm size were not stationary as their statistical values were significant at 5% level of significant.

4.2. Correlation Result

Correlation analysis focused on the type of relationship between variables, strength of relationship among variables. In this section, a summary of the Pearson product moment correlation between the variables examined were presented in the table 3 and then further explained.

Table 3

Correlation Matrix

	MVS	BCOMP	BDD	AUDIND	FPRT	FSIZE
MVS	1.000000					
BCOMP	-0.158074	1.000000				
BDD	-0.261740	0.100939	1.000000			
AUDIND	-0.178207	0.128114	0.059445	1.000000		
BSIZE	0.376226	0.039883	0.023682	-0.081701	1.000000	
FSIZE	0.198552	-0.431741	-0.068717	0.075226	-0.232876	1.000000

Source: Researcher's Computation 2019, using E-view software, Version 9.0.

The values of the correlation co-efficient range from -1 to 1 and the sign of correlation co-efficient indicates the direction of the relationship (positive or negative), the absolute values of the correlation co-efficient indicated the strength, with larger values indicating stronger relationships. The correlation coefficients on the main diagonal are 1.0 because each variable has a perfect positive linear relationship with itself. The correlation coefficient of all of the independent variables (board composition, board due diligence, audit committee independence, board size and control variables (Firm's profitability and firm size) have weak relationship with the dependent variables (Market Value of Shares), which implied that their values were not close to 1. Also, board composition, board due diligence, and audit committee independence are negatively related to the market value of shares.

4.3. Unit Root Test

The unit root test was computed to determine the stationarity of the series. This ascertained whether series were stationary at level $I(0)$ or at first difference $I(1)$. This study adopted Levin, Lin, Chu test (LLC) which accounted for common root. Table 4 presented the result of the unit root test and the null hypothesis of the test is stated below:

LLC, H_0 : Unit root with common process

Table 4

Unit root test

Levin, Lin, Chu Unit Root Test							
	Level			First Difference			
Variables	MODEL A	MODEL B	MODEL C	MODEL A	MODEL B	MODEL C	I(d)
MVS	-3.45014***	-7.91363***	-2.91879***	-----	-----	-----	I(0)
BCOMP	-0.09826	0.26811	-3.4969***	-----	-----	-----	I(0)
BDD	-5.79702***	-4.34402***	-0.05626	-----	-----	-----	I(0)
AUDIND	-4.76620***	-4.76416***	0.01855	-----	-----	-----	I(0)
BSIZE	-4.63358***	-6.96256***	-4.25416***	-----	-----	-----	I(0)
FSIZE	-4.11714***	-0.03548	6.91473	-----	-----	-----	I(0)

where Model A depicts intercept, Model B depicts Intercept and trend and Model C depicts None. ***, ** and * shows the rejection of null hypothesis at 1%,5% and 10% respectively.

Source: Author's Computation (2019,) using E-view software, Version 9.0.

Using the null hypothesis of the test, stationarity of the series was ascertained by comparing the probability values with the three conventional levels of significance in econometrics which are 10%, 5% and 1%. The summary of the order at which each of the series is significant is shown at the extreme left of the table I(d). The results of the Levin, Lin, Chu test showed that all the series were stationary at level I(0). Hence, this study adopted the panel least square regression since the criterion for the adoption is that the series must be stationary at level. The lag length was selected using the Schwarz Information Criteria (SIC).

4.4. Regression Results

Table 5 offered the main regression results. The study estimated two linear regression namely the fixed effect regression, and random effect regression. Thus we made the necessary comparison based on the Hausman test. The statistical significance of the Hausman test validated random effect models as shown in line with the submissions of Hausman (1978), Gujarati and Porter (2009), and Wooldridge (2012).

Table 5

Regression Results

Variables	Fixed effect model			Random effect model		
	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.
BCOMP	25.94200	0.225014	0.8225	4.545551	0.040011	0.9682
BDD	-404.7276	-3.614220	0.0005	-292.6589	-2.781764	0.0065
AUDIND	14266.36	2.071792	0.0414	19286.22	2.954405	0.0040
BSIZE	1632.309	5.577611	0.0000	1341.024	4.927984	0.0000
FSIZE	-1199.466	-1.550685	0.1247	-1288.154	-1.718469	0.0890
C	-921.0197	-0.987865	0.3261	-1135.573	-1.263450	0.2096
R-Squared	0.693635			0.718316		
Adj. R-square	0.653561			0.674336		
F-Stats	3.635362 (0.000074)			7.237805 (0.000002)		
Durbin-Watson	2.338901			2.379402		
Hausman Test						
Test Summary	Chi-Sq. Statistic		Chi-Sq. d.f.	Prob.		
Period random	9.433785		6	0.1506		

Source: Researcher's computation, 2019, using E-view software, Version 9.0.

Board composition showed a positive and statistically insignificant relationship with the market value of share of Nigerian listed consumer goods firms. This showed that board composition had no significant influence on market value of share. The implication of this is that an increase in board composition will yield one unit increase in market value of share but not significant. Board due diligence showed a negative and significant relationship with the market value of share. This implied that an increase in board meetings has a significant effect on market value of share. However, an increase in board due diligence led to a decrease in market value of share by one unit. Audit committee independence showed a positive and significant relationship with the market value of share. Therefore an increase in the independence of audit committee members has a significant influence on market value of share. This showed that an increase in the audit committee independence will yield one unit increase in the market value of share. Board size had a positive and significant association with the market value of share. Therefore an increase in the board size brought about a significant increase, at an acceptance level of 5%, in the market value of share. Finally, firm size showed a positive and significant relationship with the market value of share. Therefore an increase in the firm size will significantly affect the market value of share.

Furthermore, table 5 showed the coefficient of variation of 71% which is the explanatory ability of the model for the systematic variations in the dependent variable. The Adjusted R-squared value revealed the coefficient of determination of approximately 67% which implied the total variation in market value of shares explained by the explanatory variables in the model while the remaining 33% is explained by variables not included in the model. The Durbin Watson has value of 2.379402. This indicated that the model is free from autocorrelation because the value of Durbin-Watson is within the acceptable region and this confirmed the statistical reliability of the model. The f-stat is significant at 5% indicating that the model specification was fit to predict the market value of share.

5. Discussion of findings

The study examined the relationship between corporate governance and value relevance of financial statement of Nigerian listed consumer goods firms. From the result of our analysis, the Board composition revealed a positive and insignificantly relationship with market value of share. This result is consistent with (Kajola, Olabisi and Fapetu 2019); (Shehu & Abubakar, 2012), who discovered insignificant association between board composition and the market value of shares and in contrast with Ahmad and Sallau (2018) whose result showed that board composition had a positive and significant impact on market value.

Furthermore, board due diligence had a negative and significant relationship with market value of share. This implied that an increase in board due diligence leads to a decrease in market value of share by one unit. The result of the study is in agreement with finding of Kajola, Olabisi, and Fapetu (2019) who submitted that regular meetings strengthens cohesive bonds among directors and enables them to thoroughly consider issues that are germane to the survival and growth of the business and take decisions on them. However, Olabisi and Omoyele (1992), held a view that board meeting is costlier and disadvantageous in terms of travelling expenses, refreshments.

The result further showed a positive and significant relationship between audit committee independence and market value of shares. This indicates that an increase in the independence member of the audit committee yields a significant increase in the market value of shares. This study is in line with Shehu and Abubakar (2012). Thus, a firm with higher independent audit committee member has greater potential to influence market than one with lower independent audit committee.

The result revealed a positive and significant relationship between board size and market value of share among consumer goods firms in Nigeria. Various studies such as Mungly, Babajee, Maraye and Seetah (2016); Fama and Jensen (1983); Brown and Caylor (2004) supported the findings. For example, Mungly, Babajee, Maraye and Seetah (2016) argued that a small board size improves the quality of financial reporting as directors can communicate better and increase the information content and this reduces the chance of earnings management. Sing and Harianto, (2014) posited that large board provides greater monitoring and advice. Fama and Jensen (1983) submitted that large boards improve board performance by reducing CEO dominance.

The results showed a relationship between firm size and market value of shares. This finding is in line with the findings of previous studies such as Ogeh and Fiador (2013). The findings of this study indicated that bigger firms in terms of assets have better value relevance of accounting information than smaller ones.

Conclusive the overall results conformed to previous studies such as Kajola, Olabisi and Fapetu (2019); balagobei (2018); Ibrahim and Salihu (2015); Habib and Azim (2013) who submitted that effective implementation of corporate governance enhance value relevance of firms.

5.1. Conclusion and Implication of the Study

The study confirmed clearly that the identified variables explained the market value of shares. In essence, increase in audit committee independence translates to a

higher market valuation. However, board composition does not have a significant relationship with market value of share which implies that it is not relevant when deciding corporate governance and value relevance of accounting information. It is worth of note that board composition and board due diligence have a positive relationship with market value of shares. Therefore policies aimed at enhancing board due diligence, audit committee independence and board size should be formulated and implemented among consumer goods firms in Nigeria.

The study recommended that Nigerian company's law should enforce Nigerian listed consumer goods firms to place a high premium on corporate governance structure that are value relevant so as to improve shareholders wealth and other stakeholders. The relevance of this study includes the benefit to consumer goods firms in Nigeria to improve the uniformity of firm practices and operations as regard policy formulation and implementation. The researchers would also gain better understanding of the value attached to the corporate governance in terms of value relevance of accounting information.

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