Cash and Cash Equivalents and Account Receivables on Market Value of Listed Consumer and Industrial Goods Firms in Nigeria

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ABSTRACT

The market value of firms is a crucial indicator of how investors perceive its performance and growth and managers and investors are seeking to optimize asset structure for improved firm value. To that end, this study investigates the effect of cash and cash equivalents and account receivables on market value of listed consumer and industrial goods in Nigeria. The independent variables Cash and Cash Equivalents and Account Receivables were measured at their carrying values in the financial statement divided by Total Assets. The dependent variable market value was proxied by Tobin's Q calculated by adding the market value of equity and the book value of debt, then dividing by total assets while the control variable was proxied by firm size. The study adopts longitudinal panel data research design and relied on secondary data extracted from the audited annual financial reports of sampled firms listed on the Nigerian Exchange Group (NGX) as at Dec 31st, 2024. The study utilised a purposive sampling technique to select 25 consumer and industrial goods firms as its sample population out of a population of 33. The study data was analysed using descriptive statistics and panel regression analysis via STATA 13 statistical software. The study found that both cash and cash equivalents and account receivables exert positive but statistically insignificant effects on market value while firm size which is the control variable showed a negative and insignificant effect on market value. The study concluded that these financial resources enhance liquidity and operational flexibility but does not strongly influence investor perception or long-term valuation in the consumer and industrial goods firms in Nigeria. The study recommended strategic deployment of liquidity that can enhance competitiveness and attract investor confidence and efficient receivables management to strengthen receivables collection systems, and strike a balance between sales growth and liquidity risk.

Keywords: Cash and Cash Equivalents, Account Receivables, Market Value, Tobin's Q and Consumer and Industrial Goods Firms.

INTRODUCTION

The market value of consumer and industrial goods firms in Nigeria has experienced notable fluctuations over the years, reflecting inconsistencies in the financial performance of firms within the sector. Market value, often measured through indicators such as Tobin's Q and market capitalization, serves as a critical gauge of a firm's sustainability, competitiveness, and investor confidence. It reflects how the stock market perceives a firm's current performance and future growth prospects. In this regard, the efficient management of key financial resources particularly cash and cash equivalents (CCE) and accounts receivables (ACCREV) plays a fundamental role in shaping investor perceptions and driving market valuation.

In emerging economies like Nigeria, the role of liquidity management becomes even more crucial due to the underdeveloped nature of financial markets, limited access to affordable credit, and intense macroeconomic volatility. Firms in the consumer and industrial goods sector operate under challenging economic conditions marked by persistent inflation, exchange rate instability, high energy costs, and tight credit conditions. These challenges heighten the need for careful management of liquid assets such as cash and receivables to ensure operational efficiency, protect firm value, and sustain competitiveness.

Cash and cash equivalents provide firms with immediate liquidity to meet short-term obligations, capitalize on investment opportunities, and cushion the impact of financial shocks. On the contrary, account receivables represent credit extended to customers, which can signal potential revenue growth but may also expose firms to credit risks. When receivables are poorly managed, firms may face liquidity shortages, increase bad debts, and weaken profitability. While maintaining adequate liquidity is essential, excessive cash holdings or inefficient receivable practices can also send negative signals to investors, suggesting managerial inefficiency or idle resources. Thus, firms must strike a balance between maintaining liquidity and enhancing profitability to maximize their market value.

The consumer and industrial goods sector is a vital contributor to Nigeria's economic development, supporting manufacturing, construction, and other productive sectors, while supplying essential capital and consumer goods. Despite its importance, a decline in the performance of firms within the sector has been observed in recent years. Many firms have experienced reduced profitability, escalating production costs, and sales inconsistencies, which have contributed to declining investor confidence. A review of market indices for the sector such as stock price movements and market capitalization trends shows persistent downward shifts, indicating concerns about the financial resilience and long-term viability of these firms.

Existing empirical studies on liquidity and firm performance have produced mixed and often contradictory results. For instance, some studies (Winasis et al., 2020; Wuave et al., 2020; Agegnew, 2019) identified a positive relationship between liquidity holdings and firm performance, while others (Babatunde, 2023; Adenugba et al., 2019) reported negative or insignificant effects. Similarly, Qureshi and Mahmood (2020) found a positive effect of cash holdings on firm value but noted that account receivables were negatively associated with firm value. These inconsistencies highlight the need for context-specific investigations, particularly within Nigeria's unique economic landscape, where structural and macroeconomic conditions differ significantly from those of developed economies.

Despite the critical role of cash and receivables in enhancing operational efficiency and financial stability, many Nigerian consumer and industrial goods firms continue to struggle with optimal liquidity management. There is limited empirical evidence specifically examining how cash and cash equivalents and account receivables influence market value in this sector. This gap has created uncertainty for financial managers and investors regarding the optimal liquidity strategies required to enhance firm valuation and long-term sustainability. It is against this background that the present study seeks to empirically examine the effect of cash and cash equivalents and account receivables on the market value of listed consumer and industrial goods firms in Nigeria over a recent ten-year period 2015–2024. By focusing on these liquidity components, the study aims to provide evidence-based insights that can assist financial managers in optimizing liquidity levels, guide investors in evaluating firm value, and support policymakers in strengthening the financial resilience of firms within the sector.

In an attempt to tackle the statement of the problem above, the following hypotheses were formulated and tested:

Ho_1: Cash and Cash Equivalents Ratio have no significant effect on Market Value of Listed Consumer and Industrial Goods Firms in Nigeria.

Ho_2: Trade Receivables Ratio have no significant effect on Market Value of Listed Consumer and Industrial Goods Firms in Nigeria.

LITERATURE REVIEW

Conceptual Review

Cash and Cash Equivalents

Cash and cash equivalents (CCE) are highly liquid assets that include cash on hand, bank deposits available for immediate use, and short-term investments that can be quickly converted into cash with minimal risk (e.g., treasury bills, money market funds, and short-term bonds). These assets are essential for meeting short-term

obligations and ensuring operational liquidity. Jeremiah (2020) defines cash and cash equivalents as assets that can be rapidly converted into cash without significant value loss. They typically include physical currency (coins and banknotes) and short-term financial instruments with original maturities of three months or less, such as commercial paper and certificates of deposit. As the most liquid component of a company's balance sheet, these assets provide immediate access to funds for covering operational expenses and financial obligations. According to Madugba and Ogbonnaya (2016), cash and cash equivalents are reported under current assets and listed first due to their high liquidity. They serve as a key financial indicator for stakeholders' investors, creditors, and analysts by offering insights into a company's short-term financial health. A higher CCE balance suggests greater financial flexibility and resilience in managing obligations, whereas a lower balance may indicate liquidity risks and challenges in meeting immediate commitments.

For this study, cash and cash equivalents refer to a subclass of current assets that includes raw cash, bank deposits, and other liquid assets that can be quickly converted to cash. The financial value of these assets is measured at the end of each accounting year for the sampled firms. For this study Cash and Cash Equivalents ratio was used as proxy for cash and cash equivalents which is calculated by the carrying value of Cash and Cash Equivalents in the statement of financial position divided by Total Assets. (Sathyamoorthi et al., 2020).

Cash and Cash Equivalent Ratio

The Cash and Cash Equivalent Ratio (CCE Ratio) is a fundamental liquidity metric, it measures the proportion of a firm's cash and cash equivalents relative to its short-term liabilities or total assets, depending on the usage context. It shows a firm's ability to meet immediate obligations without relying on additional financing. The CCE Ratio is used to evaluate the firm's short-term liquidity, financial flexibility, and risk management regarding cash resources. This study measured CCE as indicated as CCE Ratio = Cash and Cash Equivalents in the statement of financial position divided by Total Assets.

Account Receivables

Account Receivables represent payments a company expects to receive from customers who have purchased goods or services on credit Abubakar & Olowe (2019). The credit period typically ranges from a few days to several months and, in some cases, up to a year. As a crucial component of a company's financial health, account receivables are classified as current assets on the balance sheet since they are generally collected within a year.

Account Receivable plays a vital role in a firm's working capital, enabling daily operations. However, poor management of receivables can lead to liquidity challenges and, in extreme cases, business failure. Effective management ensures proper credit risk assessment, customer monitoring, timely detection of late payments or disputes, and prevention of bad debts. Proper account receivables management directly enhances profitability by minimizing bad debt expenses, improving cash flow, and increasing liquidity for investments or acquisitions. By maintaining strong credit policies and collection strategies, businesses can strengthen financial stability and sustain long-term growth. For this study Trade receivables ratio was used as proxy for account receivables which is calculated by the carrying value of Trade receivables extracted from the financial statement divided by Total Assets. (Habakku et al., 2023)

Trade Receivables Ratio (TRR)

The Trade Receivables Ratio (TRR) is a key financial metric that assesses the efficiency with which a firm collects payments from its customers who purchase goods or services on credit. By measuring the proportion of trade receivables relative to a firm's sales or total assets, the TRR provides insight into the firm's ability to convert credit sales into cash within a reasonable period. This ratio serves as both a liquidity and operational efficiency indicator, highlighting how effectively a firm manages its account receivable and maintains a healthy cash flow. A high TRR may indicate that a substantial portion of sales is tied up in outstanding receivables, potentially leading to cash flow constraints, while a low TRR generally reflects prompt collection practices and strong credit management policies.

Consequently, the TRR is not only a measure of financial efficiency but also an important tool for evaluating the firm's short-term liquidity, risk of bad debts, and overall effectiveness in managing its working capital. TRR can be measured relative to its total assets or total sales. This study measured TRR as indicated as TRR = Trade receivables in the statement of financial position divided by Total Assets.

Market Value

Market Value represents the economic worth of a firm as perceived by the market, reflecting the collective assessment of investors regarding the firm's growth prospects, profitability, and overall financial health. According to Gichobi (2019), market value represents claims from both secured and unsecured creditors as well as shareholders. Emeka-Nwokeji (2019) argues that market value is influenced by management's ability to adapt to changes in the economic environment, highlighting the role of investor confidence in valuation. Modigliani and Miller (1958) assert that a firm's asset earning potential directly influences its market value, emphasizing the relationship between operational efficiency and valuation. Measurement of market value commonly includes market capitalization (stock price multiplied by outstanding shares), price-to-earnings (P/E) ratio and more sophisticated measures such as Tobin's Q ratio. Tobin's Q ratio compares market value to total assets, providing insight into how the market values the firm's current and future earnings potential. This study relies on the use of Tobin's Q as the proxy for measuring market value of firms.

Tobin's Q Ratio

Tobin's Q ratio was Introduced by Kaldor (1996) and redefined by William and James Tobin in 1969, serves as a measure of a firm's financial performance by comparing its market value to the replacement cost of its assets, serving as a critical indicator of market expectations and asset efficiency. This model incorporates both accounting book values and market valuations, making it less susceptible to managerial manipulation. The Tobin's Q ratio is calculated as the sum of a firm's share price multiplied by the number of common shares outstanding, plus preference stock and total net debt, divided by the book value of total assets. A firm is considered to create market value when its return on investment exceeds its cost of investment. Tobin's Q reflects market expectations regarding future profitability in relation to return on assets or gross profit margins, both of which are linked to current performance. The theory suggests that a Tobin's Q value between 0 and 1 indicates that the replacement cost of a firm's assets is higher than its market value, potentially signaling an undervalued stock. Conversely, a Tobin's Q value greater than 1 implies that the firm's shares are priced higher than the cost of replacing its assets, which may indicate overvaluation. Additionally, a high Tobin's Q ratio signifies a company's success in leveraging investments to create greater market value relative to its book value. Albuquerque et al. (2015) describe Tobin's Q as a dynamic measure reflecting investor expectations about a firm's future profitability, positioning it as a key metric for market sentiment. The ratio is typically calculated by adding the market value of equity and the book value of debt, then dividing by total assets.

Firm Size

Firm Size is a fundamental control variable in financial research, reflecting a company's scale, market presence, and resource capacity. Penrose (1959) defines firm size in terms of the firm's ability to exploit internal resources for growth, suggesting that larger firms have more opportunities for diversification. Emeka-Nwokeji (2019) posits that larger firms benefit from economies of scale, greater access to capital markets, and enhanced bargaining power, contributing to financial stability and competitive advantage. Mawih (2014) emphasizes that firm size affects financial performance, with larger firms often demonstrating more stable earnings and reduced risk exposure. Aggarwal and Padhan (2017) state that firm size is typically measured using the natural logarithm of total assets. It is a key factor in decision-making for both small and large firms at local and international levels, influencing asset allocation and market value. Larger firms tend to be more diversified and less exposed to risk, with a positive correlation often observed between firm size, earnings per share, and the market-to-book value ratio. Firm size serves as a classification metric based on various financial indicators, including total assets, logarithmic size, and market value of shares. Previous research suggests that the relationship between firm size and market value remains consistent across both financial and non-financial firms. Generally, a company's size is determined by its total assets, commonly assessed using the natural logarithm of total assets (Ayturk et al., 2016; Aggarwal & Padhan, 2017). Measurement of firm size provides insights into a firm's growth potential,

operational efficiency, and market influence. Firm size is typically measured by total assets, total revenue, or market capitalization, providing a comprehensive view of a firm's scale and operational capacity. This study measures firm size as natural logarithm of total assets.

Empirical Review

Ibiam et al. (2024) analysed the effect of current assets management on the operational performance of firms in the consumer goods Industry in Nigeria. The study adopted an ex-post-facto research design, covering a ten-year period from 2013 to 2022. The study employed multiple regression analysis and found that accounts receivable turnover had a negative but statistically insignificant impact on firm turnover, suggesting that receivables management did not meaningfully enhance operational performance. The study concluded that credit management plays a limited role in driving operational outcomes, highlighting the need for improved efficiency in receivables collection. However, the study presents several gaps by focusing exclusively on operational performance, overlooking broader financial and market-based measures of firm value and examining only receivables without considering other key current asset components, such as cash and cash equivalents, which are critical to liquidity management and investor perception. The present study addresses these gaps by extending the analysis to market-based performance, using Tobin's Q as a proxy for firm value, and by incorporating both cash holdings and accounts receivable as explanatory variables. This approach provides a more comprehensive assessment of how liquidity management affects the market valuation of consumer and industrial goods firms in Nigeria.

Maccarthy and Jibrin (2023) examined the relationship between financial assets and performance in Nigerian deposit money banks, using cash equivalents as the independent variable and return on assets (ROA) and return on equity (ROE) as performance measures. Using linear regression on data from United Bank for Africa Plc covering 2012–2018, the study found a positive and significant relationship between cash equivalents and bank performance, concluding that financial assets materially influence operational outcomes in the banking sector. Despite its insights, the study has notable limitations. Its analysis was restricted to a single bank and a narrow time frame, limiting generalizability. Additionally, it focused solely on accounting-based performance measures and excluded other liquidity components, such as receivables, which may also affect firm performance. The time gap and sector-specific focus reduce the applicability of its findings to contemporary corporate environments, particularly in non-banking sectors. The current study addresses these gaps by examining both cash and accounts receivable as components of liquidity and by adopting market-based performance measures, using Tobin's Q, to assess their effect on the valuation of Nigerian consumer and industrial goods firms.

Babatunde (2023) examined the effect of current asset investment on financial performance for sustainable development of industrial goods. The study adopted ex-post facto research design and data were collected from financial statement of listed industrial goods firms in Nigeria using secondary date collection method covering a period 2011 to 2020. the study found that trade receivables negatively and significantly affected return on assets (ROA), while cash and cash equivalents had a positive but insignificant effect on earnings per share (EPS) and a negative, significant effect on ROA. Firm size had a positive and significant effect on the relationship between current asset investment and financial performance. The study highlighted that ineffective management of receivables can undermine profitability, emphasizing the need for robust credit policies and collection practices. Despite these contributions, the study presents notable gaps. First, it relied solely on accounting-based performance measures (ROA and EPS), overlooking market-based indicators that capture forward-looking investor assessments. Second, the study's data ended in 2020, creating a temporal gap that excludes more recent post-2020 economic dynamics. Third, while it examined cash and receivables, the focus was largely on EPS and ROA, leaving the effect on firm valuation unexplored. The present study addresses these gaps by shifting from accounting-based to market-based performance measures, using Tobin's Q as a proxy for firm value. This approach allows for a more comprehensive evaluation of how cash and receivables influence market valuation in consumer and industrial goods firms in Nigeria, capturing both current liquidity management and investors' forward-looking assessments.

Azali and Newstyle (2022) examined the relationship between current asset investment and financial performance in Nigerian industrial goods manufacturing firms. Using an ex-post facto design and data from five purposively sampled firms spanning 2010–2020, the study employed OLS multiple regression to analyze annual

reports and financial statements. Results indicated a positive and significant relationship between cash and cash equivalents and return on assets (ROA), suggesting that efficient cash management enhances profitability. However, the study's scope was limited, covering only five firms and focusing narrowly on current assets and accounting-based performance measures. These limitations reduce the generalizability of the findings and overlook broader firm valuation considerations. The current study addresses these gaps by extending the analysis to a larger set of listed firms, incorporating both cash and accounts receivable, and shifting from accounting-based measures to market-based performance, using Tobin's Q as a proxy for firm value. This approach provides a more comprehensive understanding of how liquidity management influences market valuation in consumer and industrial goods firms in Nigeria.

Imo (2021) investigated the relationship between financial assets and performance in Nigerian deposit money banks, using cash equivalents as the independent variable and return on equity (ROE) and return on assets (ROA) as performance measures. The study analyzed time-series data from United Bank for Africa Plc covering 2012–2018, using linear regression in SPSS. Results indicated a positive and significant relationship between cash equivalents and bank performance, highlighting the importance of cash holdings in enhancing financial outcomes. Nonetheless, the study had notable limitations. It focused exclusively on a single bank, considered only a few variables, and relied on a narrow time frame, limiting generalizability across the banking sector. These constraints reduce its applicability to contemporary corporate realities and to other sectors, including consumer and industrial goods. The current study addresses these gaps by examining both cash and accounts receivable, expanding the scope to multiple firms, and shifting the focus from accounting-based measures to market-based performance, using Tobin's Q. This approach provides a more comprehensive understanding of how liquidity management influences firm valuation in Nigerian consumer and industrial goods firms.

Sathyamoorthi et al. (2020) examined the impact of liquidity management on the financial performance of commercial banks in Botswana using an ex-post facto design and secondary data from all nine banks covering 2011–2019. Financial performance was measured with return on assets (ROA) and return on equity (ROE). The study found that certain liquidity ratios, such as loans-to-total-assets and liquid-assets-to-total-assets, positively influenced performance, while others, including loans-to-deposits and liquid-assets-to-deposits, had negative effects. Cash-and-cash-equivalents-to-total-assets and cash-to-deposits ratios showed statistically insignificant relationships with performance, reflecting the complexity of balancing liquidity and profitability in the banking sector. Despite these insights, the study was limited by its banking-sector focus, reliance on accounting-based measures, and data ending in 2019, restricting applicability to other sectors and current economic conditions. The present research addresses these gaps by shifting the focus to Nigerian consumer and industrial goods firms, examining both cash and accounts receivable, and using market-based performance, proxied by Tobin's Q. This allows for a broader assessment of how liquidity management influences firm valuation in a different institutional and sectoral context.

Qureshi and Mahmood (2020) investigated the relationship between accounts receivable and firm value in South Asian emerging economies, using an ex-post facto panel design with secondary data from India, Bangladesh, and Pakistan for 2011–2018. The study found a non-linear relationship: moderate investment in accounts receivable enhanced firm value, whereas excessive receivables negatively affected valuation due to increased default risk and liquidity strain. While insightful, the study is limited by its regional focus and reliance on historical data, reducing its applicability to the Nigerian context and contemporary financial dynamics. The present study addresses these gaps by examining the effect of accounts receivable on market-based firm value, using Tobin's Q, within Nigerian consumer and industrial goods firms and covering a more recent period. This approach allows for context-specific insights into how receivables influence firm valuation under Nigeria's unique economic and institutional environment.

Adenugba et al. (2019) examined the effect of accounts receivable management on the performance of selected Nigerian firms, using Nestlé Nigeria Plc and Cadbury Plc as case studies for 2000–2011. Regression analysis revealed that accounts receivable significantly and negatively affected profitability, indicating that higher receivable levels undermined firm performance due to inefficiencies in credit management and reduced liquidity. The study concluded that effective receivables management is essential to improving profitability. However, the study is limited by its narrow scope, covering only two firms and an outdated period, and by its exclusive focus on accounting-based measures rather than market-based valuation. These limitations reduce the applicability of

its findings to broader contemporary corporate contexts. The present study addresses these gaps by examining both cash and accounts receivable and their effect on market-based performance, using Tobin's Q, across a larger sample of Nigerian consumer and industrial goods firms. This approach allows for a more comprehensive understanding of how liquidity management influences firm valuation in the Nigerian market.

Abubakar and Olowe (2019) investigated the impact of accounts receivable management on the financial performance of ten Nigerian quoted firms, using an ex-post facto design and secondary data covering 2012–2018. The study employed multiple regression analysis, with accounts receivable ratio, debt ratio, and revenue growth as proxies for receivables management, and return on equity (ROE) as the performance measure. Results indicated that all three indicators positively and significantly affected financial performance, suggesting that efficient receivables management enhances profitability and shareholder returns. However, the study presents both variable and temporal gaps. It focused solely on accounting-based performance (ROE) rather than market-based valuation, and its data ended in 2018, limiting relevance to more recent corporate and market conditions. The current study addresses these gaps by examining both cash and accounts receivable as key liquidity components and assessing their effects on market-based performance using Tobin's Q, providing a more comprehensive evaluation of liquidity management and firm valuation in Nigerian consumer and industrial goods firms.

Onyeka et al. (2018) examined the effect of cash and liquid substitutes on the profitability of 36 quoted Nigerian manufacturing firms, using an ex-post facto panel design with secondary data from 2003–2017. Multiple regression analysis revealed that cash and cash equivalents positively and significantly influenced return on assets (ROA), indicating that effective liquidity management enhances profitability. The study concluded that maintaining adequate cash holdings is a strategic component of financial performance in the manufacturing sector. However, the study is limited by its exclusive focus on accounting-based profitability measures and its data ending in 2017, which restricts applicability to current market conditions. It also did not consider market-based performance indicators, leaving a gap in understanding how cash holdings influence firm valuation from an investor perspective. The present study addresses these limitations by extending the analysis to market-based performance, using Tobin's Q, and by incorporating both cash and accounts receivable as liquidity components. This approach provides a more comprehensive assessment of the relationship between liquidity management and firm valuation in Nigeria's consumer and industrial goods sector.

Agbi and Yusuf (2017) examined the relationship between short-term asset-mix accounting (STAMA) and profitability among 17 listed Nigerian consumer goods manufacturing firms, using data from 2010–2014. Employing the dynamic panel general method of moments, the study used accounts receivable, accounts payable, and inventory as proxies for STAMA, with return on assets (ROA) as the performance measure and firm size as a control. Results indicated that sales growth, cash conversion cycle, and accounts receivable positively influenced profitability, while leverage and accounts payable had negative effects, highlighting the importance of efficient short-term asset management for financial performance. However, the study is limited by its outdated data (ending in 2014) and cross-sectoral approach, which reduces its applicability to specific subsectors and contemporary market conditions. Its focus on accounting-based measures also leaves the effect of STAMA on market-based valuation unexplored. The current study addresses these gaps by focusing on Nigerian consumer and industrial goods firms, incorporating both cash and accounts receivable as key liquidity components, and assessing market-based performance using Tobin's Q. This approach provides a more contemporary and investor-focused perspective on how liquidity management affects firm valuation.

Theoretical Framework

Signaling Theory

Signaling Theory, originally introduced by Spence (1973) in the field of labour economics, has since been adapted to corporate finance to explain how firms reduce information asymmetry between insiders and outsiders. Miller and Rock (1985) advanced its application in finance by showing that managers, who generally possess superior knowledge about the true financial health and growth prospects of the firm, use observable financial decisions as a mechanism to convey credible signals to external investors. Since direct communication of private information may not always be considered reliable, managers instead rely on actions such as capital structure

adjustments, dividend policies, and asset allocation choices. These actions, which involve tangible costs and benefits, provide investors with clues about the underlying value and long-term prospects of the firm. For instance, raising capital through equity issuance is often interpreted by the market as a signal that the firm may be overvalued, which can depress share prices. In contrast, the use of debt financing is typically seen as an indication of managerial confidence in the firm's future cash flows, since debt commitments require regular servicing and reflect management's assurance of sustained profitability.

Within the Nigerian consumer and industrial goods firms, the application of signaling theory is particularly relevant due to the prevalence of market inefficiencies, weak investor protection mechanisms, and heightened economic uncertainty. In such an environment, investors often rely heavily on financial indicators as signals of firm quality. Two particularly important indicators in this context are cash and cash equivalents (CCE) and account receivables (ACCREV). The level of cash holdings in a firm serves as a strong liquidity signal. Healthy cash reserves typically reflect prudent financial management, operational efficiency, and the ability to absorb macroeconomic shocks such as exchange rate volatility, inflationary pressures, or fluctuations in consumer demand. Such reserves reassure investors of a firm's resilience and its ability to meet short-term obligations without financial distress, thereby fostering confidence and potentially increasing market value. Conversely, excessively high cash balances may also be interpreted negatively, as they could suggest inefficient utilization of resources or the absence of profitable investment opportunities.

In the same way, the management of account receivables functions as an important signal of operational performance and strategic orientation. Receivables represent sales made on credit and therefore reflect the firm's relationship with its customers as well as the effectiveness of its credit policy. Moderate receivables with quick turnover often signal strong product demand and disciplined collection practices, reinforcing investor confidence in the firm's cash-generating capacity. On the other hand, persistently high receivables may be interpreted in two contrasting ways. They may indicate aggressive market expansion and strong sales growth, which could be a positive signal in industries with intense competition. However, they may also reflect weak credit control and heightened exposure to default risks, which could undermine liquidity and reduce firm value. In the Nigerian context, where economic volatility frequently affects consumer purchasing power and firms often extend credit to maintain sales, the interpretation of receivables as a signal is particularly nuanced.

In general, signaling theory provides a useful lens for understanding how liquidity management and receivables policies influence market perceptions in the Nigerian consumer and industrial goods firms. Transparent management of these variables not only reduces information asymmetry but also communicates managerial quality and strategic direction to investors. Given the volatile macroeconomic environment in Nigeria, firms that strike a balance between maintaining adequate liquidity and exercising prudent credit policies are more likely to send credible positive signals to the market, thereby enhancing their valuation and investor trust.

Resource-Based Theory

The Resource-Based Theory (RBT) forms one of the major theoretical foundations underpinning this study. First articulated by Penrose (1959) in her seminal work on the growth of the firm and later expanded by Barney (1991), RBT emphasizes that a firm's sustainable competitive advantage and market value are derived from the possession and effective deployment of valuable, rare, inimitable, and non-substitutable resources. Unlike theories that focus primarily on external market forces, RBT adopts an inward-looking perspective by asserting that it is the strategic management of a firm's internal resources and capabilities that ultimately determines performance and long-term success. These resources can be both tangible such as cash holdings, financial assets, and physical infrastructure and intangible such as brand reputation, customer relationships, technological know-how, and managerial expertise. When managed effectively, these resources enable firms to deliver superior performance, strengthen market positioning, and achieve enduring value creation.

In applying RBT to the present study, cash and account receivables represent critical resources that directly influence operational efficiency and market valuation. Cash is the most liquid and versatile resource available to a firm, enabling it to finance operations, take advantage of investment opportunities, and absorb economic shocks. Efficient management of cash therefore reflects not only strong financial discipline but also strategic readiness, which signals resilience to investors and stakeholders. Similarly, account receivables though

intangible reflect the firm's relational capital, particularly the strength of its customer base and the effectiveness of its credit management practices. High-quality receivables, characterized by quick turnover and low default risk, can serve as a source of competitive advantage by ensuring sustainable revenue inflows and reinforcing customer loyalty. Thus, when managed strategically, both cash and receivables embody the very type of resources that RBT identifies as central to firm competitiveness and market value.

The Nigerian business environment provides a particularly relevant setting for the application of RBT. The economy is characterized by volatility in exchange rates, inflationary pressures, and fluctuating consumer demand, which often heighten uncertainty for firms. In such a context, the ability of firms to rely on and effectively manage their internal resources becomes even more crucial. External financing is frequently constrained by high borrowing costs, weak financial infrastructure, and regulatory challenges, making internal resources such as liquidity and receivables indispensable for sustaining day-to-day operations and maintaining investor confidence. Recent evidence Ujam et al. (2023) suggests that firms which align their internal resource structures balancing asset composition, leveraging liquidity, and exercising disciplined receivables management are better positioned to withstand macroeconomic instability and outperform competitors in terms of profitability and market value.

Notwithstanding its strengths, RBT is not without criticism. Scholars argue that the theory tends to underplay the importance of external environmental factors, such as regulatory regimes, industry competition, and macroeconomic constraints, which can significantly influence firm performance regardless of internal capabilities. Furthermore, intangible resources such as customer loyalty, brand reputation, or receivables quality are inherently difficult to measure and quantify, raising challenges for both researchers and practitioners in applying the theory consistently. RBT remains highly relevant for the present study, as it provides a robust framework for examining how firms can strategically deploy internal resources like cash and receivables to gain a sustainable competitive advantage. In the case of Nigerian consumer and industrial goods firms, the theory underscores that market value is not only shaped by external forces but also by how effectively firms utilize their internal strengths to navigate uncertainty, build investor confidence, and achieve long-term growth.

METHODOLOGY

The study adopts longitudinal research design and ex-post facto research method and used secondary data collection method to extract data from the annual reports and accounts of the consumer and industrial goods firms in Nigeria from Nigeria Exchange Group (NGX). The population of the study is made of 33 consumer and industrial goods firms listed on the Nigeria Exchange group for a period of ten (10) years (2015-2024). 25 sample firms were selected using the purposive sampling technique based on those listed within the period of the study (2015-2024) and based on data availability and ease of computing both independent and dependent variables. The study incorporated positivism as the research philosophy as the data were quantitative data obtained from secondary sources and applied the inductive research approach. Inductive research involves data-based analysis of variables, development of a hypothesis, data collection design discovery, and analysing of the relationship between variables with help of statistical tools. The study was analysed using descriptive statistics, correlation matrix, variance inflation factors, Hausman specification tests, Heteroskedasticity tests, Lagrangian test, normality test and robust random effect regression to test the set hypotheses of the study with the aid of STATA 13 statistical software package. The independent variable was measured using cash and cash equivalents and account receivables, while market value was measured using Tobin's Q. Control variable firm size was proxied by the natural logarithm of total assets. The regression model used to test the hypotheses was adopted from Saleh (2018) study on the Impact of Tangible and Intangible Assets Investment on Value of Manufacturing Companies Quoted on the Indonesia Stock Exchange was modified and adapted for the study, as indicated below:

Firm Value = TANG, INTANG, CR……..…...……...…….…i

The modified form of the model is stated as:

Tobin's Q = CCA, ACCREV, FSIZ……...……... ii

Expressed in Econometric model as:

$TQit=\beta_0+\beta_1 CCEit+\beta_2 ACCREVit+\beta_3 FSIZit+uit$…….……....iii

Where:

TQit = Tobin's Q proxied for Market Value. It was calculated by adding the market value of equity and book value of debt, then dividing by total assets.

CCE = Cash and Cash Equivalent are highly liquid current assets, measured using (Cash and Cash Equivalents Ratio, CCR) as cash, bank balances, and short-term investments divided by total assets.

ACCREV = Account Receivables are credit owed by customers, measured using Trade Receivables Ratio (TRR) as trade receivables divided by total assets.

FSIZ = Firm size is the control variable for the study and it was measured as the natural logarithm of total assets.

β_O– β_3 = Slope Coefficients

ìth = Firm

t=Time Period

μ = Error Term

A priori Expectation

The a priori expectation model predicts that cash and cash equivalents and account receivables will have positive coefficients (β_1 and β_3 respectively) on market value of listed consumer and industrial goods firms in Nigeria. Additionally, firm size was also expected to have positive coefficients, reflecting the conventional understanding that larger firms command higher market valuation. This expectation is based on the resource-based theory, which indicate that Firms with strong internal assets (cash and receivables management systems) are better positioned to withstand external shocks and sustain market confidence.

Table 1: Variable Definition and Measurement

S/N	Variables	Description	Abbr.	Measurement	Source	Apriori Expectation
1	Market Value	Dependent Variable	Tobin's Q	Market Value of Equity+ Book Value of Total Debt/Book value of total assets	Tahat et al. (2018)	+
2	Cash and cash equivalents	Independent variable	CCE	Cash and cash equivalents that can be converted to cash under current asset in the financial statement/Total Assets	Sathyamoorthi et al. (2020)	+

3	Account receivables	Independent variable	ACCREV	Trade receivables under current asset in financial statement/Total Assets	Habakku et al. (2023)	+
4	Firm Size	Control Variable	FSIZ	Natural logarithm of total assets	Lehenchuk et al. (2024); Ocat & Findik (2019)	+

Source: Researcher's Compilation, 2025

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive statistics shows the array of the distribution of the variables examined in the study, their underlying characteristics and identifying patterns within the dataset providing a concise summary of the significant features of the data used for the analysis. The results are shown in table 2.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
tobinsq	250	5.32512	12.9632	.43	106.84
cce	250	.17492	.1980086	0	1.51
accrev	250	.1402	.1635609	0	1.42
fsiz	250	7.28316	.9867662	4.76	9.06

Source: Author's Computation Using STATA version 13 (2025)

The mean Tobin's Q is 5.32512 with a standard deviation of 12.9632, indicating wide variations in market valuation among the listed consumer and industrial goods firms. The minimum value of Tobin's Q is 0.43 suggests that some firms are valued almost at par with their book value and maximum values of Tobin's Q is 106.84 points to outliers with exceptionally high market premiums in market valuation among consumer and industrial goods firms in Nigeria. Cash and cash equivalents (CCE) has a mean of 0.17 indicating that firms hold a moderate proportion of their assets in liquid form. However, the standard deviation of 0.198 and the extreme range between 0 and 1.51 reflect substantial differences in liquidity management practices, with some firms maintaining negligible cash reserves while others hold excessively high levels of cash relative to total assets.

Account receivables (ACCREV) account a mean of 0.14 of total assets represent relatively small proportions of total assets on average, though the ranges show that some firms hold very high levels relative to their assets. Though the variability i.e. standard deviation of 0.163 and the wide spread between the minimum (0) and maximum (1.42) highlight divergent credit policies across firms, ranging from strict cash-based operations to highly aggressive credit sales strategies.

Firm size (FSIZ) measured as the logarithm of total assets has a mean log value of 7.28 with a standard deviation of 0.99, suggest a moderate dispersion relative to the other variables with notably variation of 4.76 and 9.06 reflects the mix of both smaller and larger firms in the dataset. These variations suggest that firms differ significantly in how they manage liquidity, receivables, and scale, which may influence their market valuation. The collection observed across the variables suggests that consumer and industrial goods firms in Nigeria adopt different financial and operational strategies, particularly in liquidity management, credit policies, and growth

scale, thereby providing a basis for further econometric analysis on the role of firm-specific characteristics in explaining valuation differences, liquidity holdings, receivable management, and scale of operations.

Correlation Analysis

Correlation analysis examines the relationship between market value (Tobin's Q) and the explanatory variables cash and cash equivalents, account receivables, and firm size. It provides insights into the strength and direction of associations among the variables before conducting regression analysis. The results of the analysis are shown in Table 3.

Table 3: Correlation Matrix

	tobinsq	cce	accrev	fsiz
tobinsq	1.0000			
cce	0.1198	1.0000		
	0.0586			
accrev	-0.0281	0.1012	1.0000	
	0.6587	0.1103		
fsiz	-0.2701	0.0247	-0.0313	1.0000
	0.0000	0.6972	0.06219	

Source: Author's Computation Using STATA version 13 (2025)

In conducting the correlation analysis between Tobin's Q (Market Value) and the other variables, the null hypothesis (H_0) for each test posits that there is no significant correlation between Tobin's Q and the respective variables CCE, ACCREV, FSIZ. The decision rule for determining statistical significance involves assessing the p-values associated with each correlation coefficient. Specifically, if the p-value is less than the 0.05 significance level, the study rejects the null hypothesis, indicating a significant correlation. Conversely, if the p-value is greater than the significance level, the study fails to reject the null hypothesis, suggesting no significant correlation.

The correlation coefficient between Tobin's Q and CCE is 0.1198 with a p-value of 0.06. The p-value is greater than 0.05 significance level, leading to the acceptance of the null hypothesis indicating a weak positive insignificance correlation indicates that although firms with higher cash holdings may appear to have slightly higher market value, cash and cash equivalents do not play a decisive role in determining market value in the sampled firms. The correlation coefficient between Tobin's Q and ACCREV is -0.0281, with a p-value of 0.6587. The p-value exceeds the 0.05 threshold, suggesting an insignificant negative correlation and leading to the acceptance of the null hypothesis. This suggests that account receivables has no meaningful influence on market value, implying that an increase in receivables does not necessarily translate into higher market value, possibly because receivables tie up capital and may carry collection risks. The correlation coefficient between Tobin's Q and FSIZ is -0.2701, with a p-value of 0.0000. Since the p-value is below the 0.05 threshold, the null hypothesis is rejected, indicating a negative and statistically significant relationship. This suggests that larger firms are more likely to enjoy higher market value. The implication is that firm size may enhance investor confidence and market perception, possibly due to economies of scale, stronger competitive advantage, and better access to financing.

Multicollinearity Test (VIF)

The multicollinearity test assesses the degree of correlation among independent variables. A VIF value below 10 indicates absence of multicollinearity, while values above 10 confirm its presence, leading to rejection of the null hypothesis of no multicollinearity (Gujarati & Porter, 2006).

Table 4: Multicollinearity Test (VIF)

Variable	VIF	1/VIF
Accrev	1.01	0.988604
Cce	1.01	0.988970
Fsiz	1.00	0.998231
Mean VIF	1.01	

Source: Author's Computation Using STATA version 13 (2025)

In evaluating the multicollinearity among the variables in the dataset, the Variance Inflation Factor (VIF) is used to assess how much the variance of an estimated regression coefficient is inflated due to multicollinearity, where values below 10 indicate its absence. The results show VIFs of 1.01, 1.01, and 1.00, with a mean of 1.01, confirming that the model is free from significant multicollinearity and that the independent variables (CCE, ACCREV, FSIZ) are not highly linearly related.

Heteroskedasticity Test

The Breusch-Pagan-Godfrey test is applied to evaluate whether heteroskedasticity is present in the regression model. The null hypothesis assumes homoskedasticity (constant variance of residuals). If the p-value is below 0.05, heteroskedasticity is present; if above 0.05, the model is homoscedastic and the null is accepted.

Decision Rule

The decision rule is to fail to reject the null hypothesis (H_O) if Breusch Pagan -Godfrey test shows $p > 0.05$, or equal to the significance level of 0.05, you fail to reject the null hypothesis and conclude that homoskedasticity is likely present (i.e.no heteroskedasticity).

Table 5: Heteroskedasticity Test

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity	
	HO: Constant Variance
	Variables: fitted values of tobinsq
	chi2(1) = 273.47
	Prob > chi2 = 0.0000

Source: Author's Computation Using STATA Version 13 (2025)

The Breusch-Pagan-Godfrey test reports a chi^2 p-value of 0.0000, which is below the 0.05 threshold. This leads to rejection of the null hypothesis and confirms the presence of heteroskedasticity, indicating that the residual

variance is not constant across the fitted values of Tobin's Q. To correct this heteroskedasticity problem, a robust regression analysis was done.

Hausman Specification Test

The Hausman test determines whether fixed or random effects is more appropriate by checking if unobserved effects are correlated with the regressors.

Hypotheses:

H_o: The random effects model is more appropriate for panel data analysis.

H_1: The fixed effects model is more suitable for panel data analysis.

Decision Rule:

For the Hausman test, the null hypothesis (H_0) favours the random effects model, while the alternative (H_1) supports the fixed effects model. If $p < 0.05$, H_0 is rejected and fixed effects is preferred; if $p > 0.05$, H_0 is not rejected and random effects is more appropriate.

Table 6: Hausman Test

	____ Coefficients ____				
	(b)	(B)	(b-B)	sqrt(diag(V_b-V_B)	
	fixed	random	Difference	S.E.	
cce	3.098226	3.173814	-.0755879	.7686039	
accrev	18.67916	16.49608	2.183083	2.432349	
fsiz	-8.487072	-6.203331	-2.283741	1.555661	
b = consistent under Ho and Ha; obtained from xtreg					
B = inconsistent under Ha, efficient under Ho; obtained from xtreg					
Test: Ho: difference in coefficients not systematic					

chi2(3) = (b-B)' [(V_b-V_B)^(-1)](b-B)

= 7.33

Prob>chi2 = 0.0620

Source: Author's Computation Using STATA version 13 (2025)

The Hausman test result indicate a p-value of 0.0620, which is above the 0.05 significance level. This leads to the acceptance of the null hypothesis, suggesting that the random effects model is the more suitable choice for the dataset. Based on the presence of heteroskedasticity, a robust random effect regression analysis was carried out to test the set hypotheses.

Lagrangian Multiplier (LM) Specification Test

The Lagrangian Test was further used to decide on the main regression analysis between random and pool effect model . The decision rule states: if the p-value is more than 0.05, reject the null hypothesis (H_o) and accept the alternate (H_1) and if the p-value is less than 0.05, accept the null hypothesis (H_o) and reject the alternate (H_1).

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Decision Rule:

H_o: Random effect model is more appropriate for the panel regression analysis

H_1: Pool OLS model is more appropriate for the panel regression analysis

Table 7: Lagrangian Test

Breusch and Pagan Lagrangian multiplier test for random effects		
tobinsq[id, t] = xb + u[id] + e[id, t]		
Estimate results :		
	Var	sd = sqrt (Var)
Tobinsq	168.0445	12.9632
E	48.10885	6.936055
U	117.4919	10.83937
Test : Var(u) = 0		
chibar2(01) = 475.09		
Prob > chibar2 = 0.0000		

Source: Author's Computation Using STATA version 13 (2025)

The result of the Lagrangian test on table 7 indicate the acceptance of the null hypothesis (favouring Random effect regression) at 0.05 level of significance as seen in the Lagrangian test probability value at 0.000 lower than the critical value of 0.05. Therefore, the Random effect regression model is more appropriate and also align with the Hausman test result. Based on the heteroskedascity problem, a robust Random Effect regression analysis was used to interpret the set hypothesis.

Test of Research Hypotheses

Robust Random Effects Regression Model

The Hausman, Lagrangian (to choose between random effects and pool effects) confirmed that the Random effects model was the most suitable regression for the analysis. The Breusch-Pagan-Godfrey test detected heteroskedasticity which revealed the use of the application of the robust standard errors in the Random effects regression model. Consequently, a robust Random effects regression was applied to analyse the study's hypotheses. The results of the robust Random effects regression model are presented in Table 8.

Table 8: Robust Random Effect Regression Result

Random-effects GLS regression — Number of obs = 250
Group variable: id — Number of groups = 25

R-sq:
within = 0.1359
between = 0.0512
overall = 0.0590

Obs per group:
min = 10
avg = 10.0
max = 10

Wald chi2(3) = 3.14
corr(u_i, X) = 0 (assumed) — Prob > chi2 = 0.3701

(Std. Err. adjusted for 25 clusters in id)

tobinsq	Coef.	Robust Std. Err.	z	P>|z|	[95% Conf.	Interval]
cce	3.173814	12.1418	0.26	0.794	-20.62368	26.97131
accrev	16.49608	15.35813	1.07	0.283	-13.60529	46.59745
fsiz	-6.203331	4.728828	-1.31	0.190	-15.47166	3.065
_cons	47.63706	37.05092	1.29	0.199	-24.98141	120.2555
sigma_u	10.839366					
sigma_e	6.9360546					
rho	.70948885	(fraction of variance due to u_i)				

Source: Author's Computation Using STATA version 13 (2025)

Table 8 presents the panel regression results of Tobin's Q as the dependent variable, with Cash and Cash Equivalents (CCE) and Account Receivables (ACCREV) as independent variables, and Firm Size (FSIZ) as a control variable. The regression was estimated using a robust Random Effects model, following the Hausman specification test and the Lagrange Multiplier test, and corrected for heteroscedasticity as identified by the Breusch-Pagan-Godfrey test. The first hypothesis indicates that CCE has a positive but statistically insignificant effect on market value, with a coefficient of 3.174 and a p-value of 0.8 (>0.05). This suggests that higher cash holdings are weakly associated with higher market value, but the evidence is not statistically robust. The second hypothesis shows that ACCREV also has a positive but insignificant effect, with a coefficient of 16.496 and a p-value of 0.283 (>0.05). Collectively, the Prob > F statistic of 0.3701 confirms that CCE and ACCREV, when considered together, do not significantly influence Tobin's Q. The model's within R-squared value of 0.136 indicates that approximately 13% of the variation in Tobin's Q within firms over time is explained by CCE and ACCREV, while the between R-squared of 0.0512 shows that about 5.1% of the variation across firms is captured by the model. The rho value of 0.70949 suggests that approximately 71% of the total variation in Tobin's Q is attributable to firm-specific effects, implying that individual characteristics such as managerial efficiency, corporate strategy, capital structure, and operational capabilities play a more significant role in determining market value than liquidity and receivables management. Overall, the CCE and ACCREV variables exhibit positive but statistically insignificant influences on Tobin's Q, confirming that liquidity and receivables management alone do not significantly drive the market value of listed consumer and industrial goods firms in Nigeria during the study period.

DISCUSSION OF FINDINGS

This study investigated the effect of cash and cash equivalents (CCE) and accounts receivables (ACCREV) on the market value (Tobin's Q) of listed consumer and industrial goods firms in Nigeria. The robust random effects regression results indicated that both CCE and ACCREV exert positive but statistically insignificant effects on market value, suggesting that liquidity components alone do not drive investor valuation in this sector.

The study revealed that cash and cash equivalents (CCE) exert a positive but statistically insignificant effect on the market value (Tobin's Q) of listed consumer and industrial goods firms in Nigeria. This indicates that while

CCE contributes to liquidity and operational flexibility, it does not significantly influence investor valuation or long-term market performance, meaning holding cash supports short-term stability but does not necessarily increase market confidence or enhance firm value unless it is strategically deployed. This finding diverges from Maccarthy and Jibrin (2023) and Imo (2021), which revealed a significant positive effect of liquidity on firm performance within the banking sector. The discrepancy may stem from sectoral characteristics, as banks rely heavily on liquidity for daily operations and regulatory compliance, hence liquidity has immediate performance implications. In contrast, consumer and industrial goods firms derive value more from productive investments, efficient operations, and asset utilization rather than idle cash holdings.

However, the present finding is consistent with Babatunde (2023) and Sathyamoorthi et al. (2020), who showed that excess cash holdings often produce insignificant or even negative impacts on firm value when not efficiently deployed. This result supports the Resource-Based Theory (RBT), which posits that resources contribute to competitive advantage only when they are valuable, rare, and deployed strategically. Idle liquidity, though necessary for stability, does not inherently guarantee value creation; unless strategically invested in innovation, production, or strategic growth initiatives, it cannot improve market valuation.

The study also found that accounts receivables (ACCREV) have a positive but statistically insignificant effect on market value. This suggests that although offering credit sales may stimulate demand and support customer relationships, receivables in their current form or volume do not significantly strengthen investor perception or enhance firm valuation. This outcome aligns partly with Ibiam et al. (2024) and Babatunde (2023), who reported that receivables had either insignificant or negative effects on performance, particularly where credit sales are poorly managed or collection periods are prolonged. Excessive receivables may expose firms to bad debts, liquidity constraints, and operational risks that discourage investors and dampen market value. In contrast, Qureshi and Mahmood (2020) found that receivables enhanced firm value up to a point but reduced it when excessive, suggesting that moderate credit sales may foster growth by strengthening customer relationships and stimulating sales, while excessive receivables weaken efficiency, increase bad debt risk, and challenge liquidity, ultimately undermining investor confidence. Other studies, such as Adenugba et al. (2019) and Abubakar and Olowe (2019), similarly reported mixed results, indicating that the impact of receivables depends greatly on how effectively managers deploy and control these resources within their firm's financing and operational strategies.

Studies such as Azali and Newstyle (2022) and Onyeka et al. (2018) documented positive and significant effects of CCE on the performance of manufacturing firms in Nigeria. The divergence from the current study may be due to differences in performance measures, as those studies used accounting returns (such as ROA or ROE), whereas the current study employed Tobin's Q, which reflects investor sentiment, future growth expectations, and market confidence. This distinction underscores that firms may appear profitable in accounting terms but still be undervalued by the market if growth prospects or operational efficiency remain weak.

Overall, the findings imply that investors prioritize operational efficiency, strategic investment, innovation, and competitive positioning over short-term asset holdings. While CCE provides operational flexibility and ACCREV facilitates sales, their influence on market valuation is contingent upon strategic deployment. Resource-Based Theory (RBT) reinforces this perspective, highlighting that financial resources generate competitive advantage only when valuable, rare, and effectively utilized. The weak effect of liquidity may also reflect contextual and methodological factors, including sectoral characteristics, long operating cycles, capital intensity, market inefficiencies, information asymmetry, macroeconomic volatility, and potential endogeneity between liquidity and firm value. Firm size was also found to be negatively and insignificantly associated with Tobin's Q, underscoring that scale alone does not guarantee market confidence or valuation.

CONCLUSION AND RECOMMENDATION

In conclusion, the Prob > F statistics of the regression model is statistically insignificant with Prob > chi² = 0.3701 indicating that the explanatory variables CCE , ACCREV collectively have no significant effect on market value (Tobin's Q) of listed consumer and industrial goods firms in Nigeria. Suggesting that liquidity components such as cash and receivables do not significantly influence market value among listed consumer and industrial goods firms in Nigeria. These findings revealed that consumer and industrial goods firms in Nigeria is less dependent on liquidity or receivables management but more on how firms strategically deploy resources

to drive efficiency, innovation, and sustainable growth. From the Resource-Based Theory (RBT) perspective, cash and receivables alone are not rare or inimitable resources; their contribution to market value depends largely on strategic utilization rather than mere possession but effective strategic deployment of liquidity, aligned with growth and efficiency objectives, is essential to translating resources into sustainable market value.

In line with the above conclusions, the following recommendations have been formulated:

i. Consumer and Industrial goods firms in Nigeria should strategically deploy excess cash and cash equivalents into productive investments, research and development, and capacity expansion by implementing cash planning, budgetary controls, and forecast-based liquidity frameworks to ensure that cash holdings are aligned with operational needs and return-generating opportunities rather than maintaining idle balances that do not significantly enhance market value.

ii. Consumer and Industrial goods firms' managers in Nigeria should strengthen receivables management practices by adopting efficient credit policies like giving discounts or rebates for early settlements, use of technology to improve receivable managements and collection strategies to minimize liquidity risks associated with excessive receivables.

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