

# Accounting Information and Share Price of Firms in the Industrial Goods Sector in Nigeria

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## ABSTRACT

This study investigates the effect of accounting information on the share price of firms listed in the industrial goods sector in Nigeria, with a focus on dividend per share (DPS) and earnings per share (EPS) as key determinants. The study adopts an ex post facto research design, using secondary data extracted from the annual financial reports of all eleven (11) listed industrial goods firms from 2019 to 2024 financial year. Both descriptive and inferential statistical techniques were employed to analyze the data. Descriptive statistics were used to summarize the characteristics of DPS, EPS, and share price (SP), revealing substantial variation and positive skewness across the firms, indicating the presence of high-performing firms that significantly influence average values. Inferential analysis was conducted using panel least squares regression to examine the effect of DPS and EPS on share price. The results indicate that both DPS and EPS have positive and statistically significant effects on share price, with coefficients of 8.61 and 9.96, respectively, and p-values of 0.0000, confirming their value relevance to investors. Based on the findings, the study concludes that dividend distribution and earnings performance are critical factors influencing share prices, and recommends that firms maintain transparent dividend policies and focus on profitability to enhance investor confidence.

**Keyword:** Accounting Information, Dividend per Share, Earnings per Share, Share Price

## INTRODUCTION

In modern economies, the stock market serves as a vital platform for allocating resources and facilitating investment decisions. Share prices are often seen as reflections of a firm's perceived value, capturing the expectations, sentiments, and judgments of investors regarding the firm's future prospects (Rabiu, 2019; Osundina, Jayeoba, & Olayinka, 2016). In Nigeria, the industrial goods sector has grown significantly over the past decade, with firms contributing to employment generation, economic development, and industrialization. Yet, despite its importance, investors often face uncertainty when assessing the true worth of these firms, particularly in an environment where information asymmetry persists (Anachedo, Egbunike, Nnojie, & Jeff-Anyeneh, 2021). Accounting information, broadly defined as data derived from financial reporting, has long been recognized as a key tool for investors to make informed decisions (Bankole & Ukolobi, 2020; Ezeagu, Okwo, & Inyama, 2022). It communicates a firm's financial health, profitability, and ability to generate returns, and can influence investor behavior significantly. However, the practical relevance of this information depends on how investors perceive and interpret it in the market, particularly in emerging economies like Nigeria where financial literacy and regulatory enforcement vary across firms (MUTALIB, Shagari, & Saidu, 2024).

In Nigerian industrial, several studies suggest a linkage between financial reporting and market performance, but the consistency and strength of this relationship remain debated. For instance, Etim, Umoren, Etukafia, and Peters (2022) observed that while some investors respond strongly to firm disclosures, others appear indifferent, resulting in volatile stock price movements. Similarly, Ogbodo and Osisioma (2020) indicated that accounting information can stabilize or destabilize share prices, depending on its credibility and timeliness. This variation raises concerns about the reliability of market signals in guiding investment decisions. The challenge is further compounded by the heterogeneous nature of firms in the industrial goods sector, ranging from large multinational manufacturers to smaller, locally-focused companies (Odum, 2022; Musa, 2015). Investors may struggle to

compare firms effectively when reporting practices, disclosure levels, and transparency vary widely. Even in cases where accounting information is available, questions arise about its value relevance and whether it truly reflects firm performance in a way that informs share price determination (Chukwu, Damiebi, & Okoye, 2019).

A growing body of literature also emphasizes that both earnings performance and dividend declarations are key indicators influencing investor perceptions (Rabiu, 2019; Anachedo et al., 2021). Earnings are expected to signal profitability and growth potential, while dividends reflect a firm's commitment to sharing returns with shareholders. Yet, empirical evidence from Nigeria shows inconsistencies: some firms with strong earnings records witness muted stock price reactions, while others with modest earnings experience disproportionately high market valuations (Tirimisiyu, Nurudeen, Oyebanji, Oluwatoyin, & Ishaq, 2025; Olukole, 2025). These inconsistencies suggest that investors may not always interpret accounting information uniformly, raising questions about what factors truly drive share price movements in the sector. Regulatory reforms, IFRS adoption, and voluntary disclosure initiatives have sought to enhance transparency (Para, Bala, Khatoon, Karaye, & Abdullah, 2022; Akume, 2023), yet the influence of these measures on investor decision-making and market valuation remains partially understood. Studies like MUTALIB, Shagari, and Saidu (2024) show that macroeconomic factors and firm characteristics may interact with financial information, further complicating the relationship.

The problem is compounded by the dynamic nature of the Nigerian stock market, where external shocks, economic fluctuations, and investor sentiment often amplify stock price volatility (Bankole & Ukolobi, 2020; Ezeagu et al., 2022). Investors may therefore rely on selective or imperfect information, potentially leading to mispricing and suboptimal investment decisions. Despite growing research, there remains a gap in understanding how specific elements of accounting information, such as earnings and dividend policies, consistently influence share prices of industrial goods firms. This situation raises a critical issue: if investors cannot rely on accounting information to make consistent judgments about firm value, what then truly drives share price movements in Nigeria's sectors? Is it the quality of accounting disclosures, investor interpretation, or a combination of both that shapes market behavior? The ambiguity in the existing literature points to an unresolved question regarding the practical relevance of financial reporting for market valuation. It is this uncertainty that forms the motivation for the present study. By examining the relationship between dividend per share, earnings per share, and market share price, the study seeks to address a central question: to what extent do accounting signals influence investor behavior and share price determination in Nigeria's industrial goods sector?

## LITERATURE PREMISE

### Accounting Information

Accounting information is widely recognised as a crucial tool for decision-making in business management and investment contexts. It provides structured and systematic financial information that enables stakeholders to assess a company's profitability, liquidity, operational efficiency, and overall financial stability (Bankole & Ukolobi, 2020; Odum, 2022). Accounting information transcends conventional record-keeping by converting raw financial transactions into organised reports and statements that inform strategic direction, facilitate resource allocation, and aid in risk identification and management. In developing economies like Nigeria, where financial markets are still maturing and alternative information sources may be restricted, accounting information becomes increasingly vital. In such settings, investors rely significantly on financial reporting to manage uncertainty and make informed investment decisions (Rabiu, 2019).

A significant advantage of accounting information is its ability to reduce information asymmetry between business managers and external stakeholders. When managers have superior knowledge of a firm's activities compared to investors, the danger of adverse selection and moral hazard escalates. Empirical studies indicate that transparent, timely, and reliable financial disclosures enhance investor trust, corporate valuation, and overall market efficiency (Anachedo, Egbunike, Nnojie, & Jeff-Anyeneh, 2021; Osundina, Jayeoba, & Olayinka, 2016). Access to dependable accounting data allows investors to more precisely evaluate anticipated returns and related risks, hence enhancing confidence in financial markets. Conversely, postponed reporting, earnings manipulation, or substandard disclosures might skew share prices, incite unwarranted volatility, and lead to suboptimal investment allocation (Ezeagu, Okwo, & Inyama, 2022).

In addition to its significance for investors, accounting information is crucial in regulatory oversight and company governance. Organisations are required to prepare financial statements in accordance with established national and international accounting standards, including the International Financial Reporting Standards (IFRS). These standards aim to enhance uniformity, transparency, comparability, and accountability in financial reporting (Para, Bala, Khatoon, Karaye, & Abdullah, 2022; Akume, 2023). Compliance with such standards bolsters the trustworthiness of financial statements and diminishes confusion regarding market valuation. Therefore, compliance safeguards investors, enhances stakeholder confidence, and fortifies institutional trust in financial systems.

Accounting information is complex, comprising diverse financial measures and performance indicators. This encompasses profits numbers, dividend declarations, cash flow statements, financial ratios, and other pertinent data that collectively illustrate the economic status of a corporation (Tirimisiyu, Nurudeen, Oyebanji, Oluwatoyin, & Ishaq, 2025; Musa, 2015). Earnings data indicates a company's profitability and potential for future growth, acting as a key factor in firm value. Dividend disclosures indicate management's assurance in enduring performance and the company's readiness to allocate profits to shareholders. Earnings and dividend data are recognised as essential factors influencing investor perception and share price fluctuations (Etim, Umoren, Etukafia, & Peters, 2022).

Internally, accounting information functions as a basis for managerial planning, control, and performance assessment. Managers rely on precise financial reporting to assess operational results, review budget compliance, control expenses, and gauge departmental performance. External stakeholders, such as investors, creditors, and regulators, employ identical information to evaluate financial viability and long-term sustainability (Chukwu, Damiebi, & Okoye, 2019; Olukole, 2025). Accounting information provides a transparent depiction of financial performance, connecting managerial actions with investor expectations and ensuring coherence between internal strategy and external accountability.

Technological innovations have significantly altered the generation and distribution of accounting information. The incorporation of digital accounting systems, automated reporting tools, and real-time financial dashboards has markedly enhanced the velocity, precision, and availability of financial data. Studies demonstrate that these innovations improve decision-making efficiency and market responsiveness by supplying stakeholders with current information (Mutalib, Shagari, & Saidu, 2024; Amedu & Orji-Okafor, 2023). In Nigeria, especially in the industrial and consumer products sectors, the implementation of contemporary financial technologies has enhanced transparency and allowed investors to get pertinent financial insights more swiftly, thus refining the whole investment decision-making process.

Although accounting information is undeniably relevant, its efficacy in shaping investment decisions is susceptible to external factors. Macroeconomic instability, inflationary pressures, policy uncertainty, and inadequate regulatory enforcement might undermine the perceived credibility or significance of financial disclosures (Soje, 2023; Bankole & Ukolobi, 2020). During economic volatility, investors may devalue even high-quality financial reports due to increased risk perceptions. This highlights the necessity of producing precise accounting information while also guaranteeing its accurate interpretation, contextualisation within current economic conditions, and consistent application in decision-making processes.

Accounting information is essentially defined as consistently organised, reliable, and structured financial data produced by companies to convey their economic operations and performance to internal and external stakeholders. It mitigates uncertainty, improves transparency, guides managerial and investment decisions, and facilitates governance and regulatory compliance (Rabiu, 2019; Anachedo et al., 2021; Odum, 2022). In this study, accounting information is defined as meticulously prepared financial data—specifically earnings and dividend reports—that allows stakeholders, particularly investors, to assess organisational performance, predict potential returns, and make informed economic decisions.

## Share Price

Share price, often referred to as the market price of a firm's stock, represents the value investors are willing to pay for a unit of ownership in a company at a given point in time. It is a reflection of both the firm's current

financial performance and future growth prospects, as perceived by market participants (Rabiu, 2019; Osundina, Jayeoba, & Olayinka, 2016). In financial markets, share price serves as a critical signal to investors, guiding decisions on buying, holding, or selling shares. Its movements encapsulate the interaction between demand and supply forces in the market, influenced by macroeconomic conditions, investor sentiment, and corporate disclosures (Anachedo, Egbunike, Nnojie, & Jeff-Anyeneh, 2021). Share price is not determined solely by accounting figures but by the interpretation of those figures by investors. Studies have shown that financial performance indicators, such as earnings per share and dividend declarations, significantly affect share price determination (Etim, Umoren, Etukafia, & Peters, 2022; Odum, 2022). Investors rely on these signals to gauge profitability, financial stability, and expected returns. When companies report strong earnings or declare dividends, share prices often rise, reflecting enhanced investor confidence. Conversely, poor performance or irregular dividend patterns can lead to share price depreciation.

Market dynamics also play a significant role in share price fluctuations. Factors such as inflation, interest rates, regulatory changes, and overall economic conditions interact with firm-specific performance to influence stock valuations (Soje, 2023; Bankole & Ukolobi, 2020). In Nigeria, industrial goods firms often experience volatility in share prices due to the combined effects of economic uncertainties and market inefficiencies. This makes it imperative for investors to analyze both accounting information and external economic indicators when interpreting stock prices (Chukwu, Damiebi, & Okoye, 2019). The value relevance of share price is further highlighted by its ability to measure investor perception of a firm's worth. Studies by Musa (2015) and Akume (2023) demonstrate that transparent financial reporting enhances the credibility of share price as a reflection of firm performance. Investors are more likely to respond positively to firms with high-quality financial disclosures, resulting in stable or appreciating stock prices. On the other hand, opaque reporting practices or delayed disclosures can undermine market confidence, causing share prices to behave unpredictably (Anachedo et al., 2021; Odum, 2022). In essence, share price is both an outcome of market valuation and a tool for evaluating firm performance. It serves as a bridge between corporate performance, investor expectations, and economic realities, providing a quantifiable measure of value in the capital market (Rabiu, 2019; Tirimisiyu, Nurudeen, Oyebanji, Oluwatoyin, & Ishaq, 2025). For the purpose of this study, share price is defined as the market-determined value of a unit of ownership in an industrial goods firm, reflecting the firm's financial performance, investor perceptions, and expectations about future profitability within the Nigerian stock market.

## Theoretical foundation

The Efficient Market Hypothesis (EMH) provides a robust theoretical foundation for empirical studies examining the impact of accounting variables, such as profits per share (EPS) and dividends per share (DPS), on stock prices. The idea was originally expressed by Eugene Fama in the 1960s, while its intellectual foundations date back somewhat earlier. In 1900, Louis Bachelier made a seminal contribution by proposing that stock values exhibit a random walk behaviour. His research indicated that price variations are predominantly erratic, as they embody the incessant influx of novel information. Expanding on these first observations, Fama (1970) offered a thorough and methodical elucidation of market efficiency, contending that financial markets are "informationally efficient." In these markets, security prices at any moment completely reflect all accessible information.

The advent of the Efficient Market Hypothesis corresponded with a pivotal era in financial economics, during which academics progressively embraced quantitative and statistical methodologies to examine capital markets. In his seminal 1970 review article, Fama consolidated existing empirical research and classified market efficiency into many categories. He provided evidence suggesting that stock price fluctuations are predominantly random and challenging to predict consistently. The primary assertion of the Efficient Market Hypothesis (EMH) is that investors are unable to continuously achieve anomalous returns by scrutinising publically accessible information, as such knowledge is already incorporated into prevailing market prices (Fama, 1970). This proposal contested conventional beliefs that investors could consistently surpass market performance by superior fundamental or technical analysis, signifying a substantial shift in financial theory.

The Efficient Market Hypothesis is based on several fundamental assumptions. Initially, it assumes the presence of multiple rational, profit-oriented investors who engage in active competition within the marketplace. Secondly, information is presumed to be readily available and swiftly circulated among market participants.

Third, stock prices are anticipated to respond promptly and precisely to fresh information. Under these conditions, share prices are considered to reflect the intrinsic value of firms, informed by all available data, including accounting metrics like EPS and DPS. Thus, any new data concerning company profits performance or dividend announcements should be swiftly integrated into stock prices, allowing minimal opportunity for anticipated excess returns.

Fama further delineated three tiers of market efficiency: weak-form, semi-strong form, and strong-form efficiency. Weak-form efficiency posits that current stock prices include all historical market data, such as prior prices and trading volumes, hence rendering technical analysis ineffectual in producing abnormal returns. Semi-strong form efficiency posits that prices reflect all publicly accessible information, including financial statements, annual reports, earnings announcements, and dividend releases. Strong-form efficiency posits that stock prices incorporate all information, both public and private, including insider information.

The semi-strong variant of the Efficient Market Hypothesis is particularly pertinent for studies investigating the correlation between EPS, DPS, and share prices. This form underscores the vital importance of publicly disclosed accounting information in price determination. Earnings per share and dividend per share serve as essential performance metrics and indicators of value under this paradigm. When a company reports heightened earnings or declares dividend payments, these announcements convey significant information on profitability, financial health, and future growth potential. Investors perceive such statements as indicators of corporate robustness or fragility, prompting corresponding adjustments in market prices. Consequently, within the semi-strong form of the Efficient Market Hypothesis (EMH), accounting information—particularly Earnings Per Share (EPS) and Dividends Per Share (DPS)—is anticipated to exert a direct and immediate influence on stock prices, mirroring the market's aggregate evaluation of newly released financial data.

### **Prior Empirical Studies and Hypotheses Formulation**

Empirical studies have continuously highlighted the significance of dividend policy in influencing the share prices of companies listed on the Nigerian Stock Exchange. Rabi (2019) shown that dividend payouts, in conjunction with firm-specific attributes like profitability and leverage, substantially affect market valuation in industrial products firms. This discovery indicates that investors meticulously observe dividend decisions as a component of their comprehensive evaluation of corporate financial robustness. In a pertinent study, Osundina, Jayeoba, and Olayinka (2016) noted that accounting disclosures—specifically dividend distributions—play a role in diminishing stock price volatility. Their findings suggest that investors place significant importance on reliable and regular dividend payments, viewing them as indicators of operational stability and effective financial management. Collectively, these studies underscore the notion that dividend policy has a strategic function in moulding investor expectations and affecting overall market dynamics.

Supplementary empirical evidence reinforces this stance. Research by Anachedo, Egbunike, Nnojie, and Jeff-Anyeneh (2021), together with Innocent, Ibanichuka, and Micah (2020), established that dividend per share (DPS) is a crucial factor influencing share price performance in Nigerian manufacturing and industrial companies. Utilising multi-firm panel data studies, the researchers established that firms exhibiting bigger and more stable dividend payouts generally encounter favourable stock price fluctuations. This favourable correlation suggests that investors frequently regard DPS as a reliable and significant indicator of corporate performance, sustainability of profitability, and prospective earnings capacity. The correlation between DPS and share price was observed to endure in both short-run and long-run analyses, emphasising the lasting influence of dividend policy on firm valuation.

Additionally, studies examining regulatory compliance and voluntary disclosure methods offer further understanding of the dividend–price link. Research by Para et al. (2022) and Akume (2023) demonstrated that transparency in dividend announcements enhances investor trust and positively influences market responses to dividend information. Transparent, prompt, and thorough disclosures mitigate uncertainty, enabling investors to render better informed assessments of a firm's financial prospects. Consequently, transparent dividend reporting magnifies the beneficial impact of DPS on share prices by bolstering credibility and trust in corporate communication.

The empirical findings indicate that dividend policy is a crucial aspect of accounting information affecting stock market behaviour in Nigeria. Dividend decisions influence investor perceptions and immediately affect share valuation by indicating profitability, financial discipline, and management's confidence in future cash flows. Thus, dividend per share is an essential factor in comprehending stock price fluctuations and overall market performance. Based on this empirical evidence, the study formulates the hypothesis:

**H<sub>01</sub>:** Dividend per share (DPS) has no significant effect on the share price of firms listed in the industrial goods sector.

A separate body of research emphasizes the role of earnings per share (EPS) in driving stock prices. Studies by Ezeagu, Okwo, and Inyama (2022) and MUTALIB, Shagari, and Saidu (2024) demonstrate that EPS is a key indicator of firm profitability, significantly influencing share price movements in both financial and non-financial firms. These studies highlight that investors closely monitor earnings performance as it signals the firm's ability to generate returns, making EPS a vital component of value-relevant accounting information. Further, comparative and sectoral studies such as Etim, Umoffong, Peters, and Gabriel (2022), Soje (2023), and Amedu and Orji-Okafor (2023) reveal that EPS consistently predicts stock price variations across industrial, consumer, and oil and gas firms. These findings suggest that earnings performance is universally recognized by investors as a determinant of market valuation. In addition, research by Chukwu, Damiebi, and Okoye (2019) and Tirimisiyu et al. (2025) demonstrated that financial ratios, including EPS, remain robust predictors of share price movements, confirming the strong link between profitability measures and investor perceptions. Studies focusing on the quality of financial reporting and accounting information, such as Musa (2015), Odum (2022), and Daramola and Owolabi (2024), indicate that transparent reporting of earnings enhances market confidence and drives share price appreciation. The convergence of these empirical findings underscores the importance of EPS in guiding investor decisions and shaping stock market behavior. Consequently, this body of evidence informs the formulation of the hypothesis:

**H<sub>02</sub>:** Earnings per share (EPS) has no significant effect on the share price of firms listed in the industrial goods sector.

## METHODOLOGY

The study utilised an ex post facto research approach as the variables analyzed—dividend per share (DPS), earnings per share (EPS), and share price—are historical financial metrics that cannot be modified or manipulated by the researcher. The population comprised all eleven (11) companies listed in the industrial goods category of the Nigerian Exchange Group. Due to the population's relatively modest and controllable size, a census methodology was employed, thereby including all enterprises in the sample.

The research utilised secondary data obtained from the yearly financial statements of the chosen corporations for the financial years 2019 to 2024. Descriptive and inferential statistical techniques were employed for data analysis. Descriptive statistics, comprising the mean, standard deviation, minimum, and maximum values, were employed to encapsulate and illustrate the principal characteristics of the variables. Furthermore, multiple regression analysis was utilised to assess the influence of dividend per share and earnings per share on the stock prices of the chosen companies.

Model Specification;

$$SP = \beta_0 + \beta_1DPS + \beta_2EPS + \epsilon$$

Where:

**SP** = Share Price

**DPS** = Dividend per Share

**EPS** = Earnings per Share

$\beta_0, \beta_1, \beta_2$  = Regression coefficients

$\epsilon$  = Error term

## RESULTS, CONCLUSION AND RECOMMENDATIONS

### Descriptive Statistics Result

	SP	DPS	ESP
Mean	91.10396	3.584167	5.047292
Median	40.00000	1.000000	2.500000
Maximum	478.0000	30.00000	29.70000
Minimum	0.000000	0.000000	-0.800000
Std. Dev.	133.6402	7.383227	6.759881
Skewness	1.822544	2.594352	2.093818
Kurtosis	4.987176	8.553583	6.995556
Jarque-Bera	34.47108	115.5299	67.00151
Probability	0.000000	0.000000	0.000000
Sum	4372.990	172.0400	242.2700
Sum Sq. Dev.	839405.9	2562.066	2147.712
<b>Observations</b>	<b>66</b>	<b>48</b>	<b>48</b>

The descriptive statistics reveal considerable heterogeneity in share price (SP), dividend per share (DPS), and earnings per share (EPS) between enterprises in the industrial products industry. The average share price of ₦91.10 significantly exceeds the median value of ₦40.00, indicating that a limited number of companies with extraordinarily high share values (peaking at ₦478.00) substantially impacted the mean. This indicates that a select number of large, high-performing corporations are enhancing the total market valuation, whilst the bulk of enterprises are trading at relatively lower prices. The elevated standard deviation of 133.64 underscores significant variability in share prices among the examined companies.

DPS reports a mean of ₦3.58 and a median of ₦1.00, with values spanning from ₦0.00 to ₦30.00. This pattern indicates that while several corporations provide substantial dividends, others offer little to no payouts whatsoever. The EPS exhibits a similar pattern, with a mean of ₦5.05 and a median of ₦2.50. The minimum figure of -₦0.80 signifies that certain enterprises had losses during the study period.

The skewness coefficients for SP (1.82), DPS (2.59), and EPS (2.09) are all positive and surpass one, indicating extremely positively skewed distributions. This indicates a concentration of lower values accompanied by an elongated right tail denoting exceptionally high values. The kurtosis values for DPS (8.55) and EPS (6.99) significantly exceed the benchmark of 3, signifying leptokurtic distributions with distinct peaks and the occurrence of outliers. The Jarque-Bera test results, significant at a 0.000 probability level for all variables, indicate that the data diverge from normal distribution. This non-normality may arise from variations in firm size, profitability, and dividend policies within the industrial products industry.

### Regression Analysis Result

Dependent Variable: SP		
Method: Panel Least Squares		
Date: 02/20/26 Time: 02:35		
Sample: 2019 2024		
Periods included: 6		
Cross-sections included: 11		

Total panel (balanced) observations: 66				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DPS	8.610382	1.697561	5.072206	0.0000
ESP	9.956284	1.854098	5.369881	0.0000
C	9.990644	8.741269	1.142928	0.2591
R-squared	0.879571	Mean dependent var		91.10396
Adjusted R-squared	0.874218	S.D. dependent var		133.6402
S.E. of regression	47.39649	Akaike info criterion		10.61543
Sum squared resid	101089.2	Schwarz criterion		10.73238
Log likelihood	-251.7704	Hannan-Quinn criter.		10.65963
F-statistic	164.3313	Durbin-Watson stat		0.830465
Prob(F-statistic)	0.000000			

The regression results demonstrate that accounting variables, specifically dividend per share (DPS) and earnings per share (EPS), have a substantial and statistically significant impact on the share prices (SP) of companies in Nigeria's industrial products sector. DPS exhibits a positive correlation of 8.61 with a probability value of 0.0000, indicating that a one-naira increase in dividend per share correlates with an approximate ₦8.61 increase in share price, assuming other factors remain constant. Similarly, EPS exhibits a positive coefficient of 9.96 and is statistically significant at the 1% level ( $p < 0.05$ ), indicating that a one-naira rise in earnings per share correlates with an expected ₦9.96 increase in share price. These results indicate that investors in the sector react favourably to profitability performance and dividend distributions, highlighting the significance of accounting information in share pricing.

The intercept term is not statistically significant ( $p = 0.2591$ ), suggesting that when DPS and EPS are zero, the base share price is not statistically distinguishable from zero. The model demonstrates significant explanatory power, with an R-squared value of 0.8796 and an adjusted R-squared of 0.8742, indicating that roughly 88% of the variation in share prices is accounted for by DPS and EPS. The F-statistic of 164.33, along by a probability value of 0.0000, indicates that the overall regression model is statistically significant and appropriate for predictive applications. This indicates that accounting information, when analysed collectively, substantially impacts market valuation within the industry. The Durbin-Watson statistic of 0.83 suggests a probability of positive autocorrelation, indicating that share prices may be influenced by their historical values or other temporal factors not included in the model.

The study's findings indicate that both dividend per share and earnings per share exert considerable beneficial influences on the share prices of companies within Nigeria's industrial products industry. These findings align with previous empirical studies that confirm the significance of accounting information in stock market valuation. Amahalu, Abiahu, Chinyere, and Nweze (2018) determined that accounting information substantially affects the market share prices of companies listed on the Nigerian Stock Exchange, illustrating investors' reliance on financial indicators for investment decisions. Similarly, Etim, Umoren, Etukafia, and Peters (2022) indicated that profitability metrics and dividend policies substantially influence share price fluctuations among consumer and industrial goods companies in Nigeria, underscoring the significance investors place on earnings performance and dividend allocation in assessing firm value.

Ogbodo and Osisioma (2020) and Anachedo, Egbunike, Nnojie, and Jeff-Anyeneh (2021) similarly highlighted the predictive capacity of accounting information in elucidating share price dynamics within Nigerian manufacturing firms, asserting that transparent financial reporting mitigates information asymmetry and influences investor expectations. The favourable correlation among DPS, EPS, and share price corroborates the findings of Bankole and Ukolobi (2020) and Eriabie (2022), who reported similar outcomes in the financial services and food and beverage sectors, respectively, thus reinforcing the general applicability of accounting information's significance across various industries. Moreover, research conducted by Rabi (2019), Osundina, Jayeoba, and Olayinka (2016), and Para et al. (2022) indicates that firm-specific attributes and adherence to international standards like IFRS improve the capacity of financial information to elucidate fluctuations in share prices.

## Test of Hypotheses

### **H<sub>01</sub>: Dividend per share (DPS) has no significant effect on the share price of firms listed in the industrial goods sector.**

The regression results reveal that the dividend per share (DPS) possesses a coefficient of 8.610382, accompanied by a t-statistic of 5.072 and a p-value of 0.0000. Since the p-value is below the 5% significance threshold, the null hypothesis (H<sub>01</sub>) is rejected. This verifies that DPS has a statistically substantial and favourable impact on the share prices of companies in the industrial products industry.

The findings indicate that a one-naira increase in dividend per share correlates with an estimated ₦8.61 increase in share price. This result highlights the significance investors place on dividend payments, perceiving them as robust indicators of firm profitability and future return potential.

### **H<sub>02</sub>: Earnings per share (EPS) has no significant effect on the share price of firms listed in the industrial goods sector.**

The regression analysis indicates that the earnings per share (EPS) has a coefficient of 9.956284, with a t-statistic of 5.370 and a p-value of 0.0000. The null hypothesis (H<sub>02</sub>) is rejected due to the p-value being below the 0.05 significance threshold. This signifies that EPS exerts a statistically significant and favourable influence on share price.

This conclusion implies that companies with elevated earnings per share are generally perceived more favourably by investors. A one-naira increase in EPS correlates with an approximate ₦9.96 increase in share price. This illustrates that profits performance is crucial in establishing the market value of industrial goods companies in Nigeria.

## CONCLUSION

The study shows that accounting information—specifically dividend per share (DPS) and earnings per share (EPS)—significantly and positively impacts the share prices of companies in Nigeria's industrial products sector. Both factors were statistically significant, indicating that investors place considerable importance on dividend payouts and profitability metrics in their investment decisions.

These findings confirm the significance of financial information in influencing market valuation. It is suggested that companies exhibiting solid profits performance and consistent dividend policies are more likely to attain elevated share prices in the market.

## RECOMMENDATIONS

The following recommendations are made for the study;

1. Firms should maintain consistent and transparent dividend policies to enhance investor confidence, as higher and predictable dividend per share (DPS) positively influences share prices in the industrial goods sector.
2. Companies should focus on improving profitability and earnings quality by effectively managing operations and financial reporting, since higher earnings per share (EPS) significantly drive share price performance and signal firm value to investors.

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