Education Tax Effect on Firms' Value of Consumer Products Industries in Nigeria

Ubesie Madubuko Cyril, Ani Thomas Maduabuchi, Asogwa Joseph Okechukwu
1,2,3 Department of Accountancy, Faculty of Management Sciences,
Enugu State University of Science and Technology,
Email address:
ubesiemadubuko@yahoo.com

D.O.I: 10.56201/ijebm.v8.no4.2022.pg36.48

Abstract

This study is to determine the effect of education tax on firms' value of firms in the Consumer products industry in Nigeria. Education tax represents independent variable while return on investment, return in equity and earnings per share concentration on firms value of Consumer products companies. Random sampling technique was used in selecting a sample of five (5) out of nineteen (19) Consumer products companies for the study. The study adopts the ex-facto research design which resulted in the extraction of data from secondary sources; such as audited corporate annual reports of beverage industries and Nigeria Stock Exchange fact book. Data collected were analyzed using descriptive statistics, correlation and regression analysis. Hypotheses testing were done with linear regression analytical techniques using SPSS analytical software package. The results indicated that Education tax has insignificant but positive effect on return on investment of sampled consumer products industry in Nigeria while Education tax has a significant but positive effect on return on equity of sampled consumer products industry in Nigeria and Education tax has a significant but positive effect on earnings per share of sampled consumer products industry in Nigeria. The policy implication is that education tax is good predictors of financial performance. The consumer product industries, must strive to improve their generated sales revenue and other source like investing in profitable tangible and non-tangible asset. Consequently, it is recommended that government should provide and enabling environment for companies increase their return on investment, firms of consumer products industry should be sure of a positive return on investment otherwise other opportunities with return should be considered. Government should also reduce the education tax rate to encourage return on equity of consumer products industry in Nigeria and consumer product firms should strive high to increase their profit and minimize their cost. Consumer products industry should provide good policy and strategy that will enhance more revenue to encourage earnings per share since is one metrics to measure financial health firms.

Keywords: *Earnings Capacity, Education Tax, Return on Equity, Return on Investment*

Introduction

Consumer products industries in Nigeria contribute positively to nation's economy by generating employment and industries' growth and are made up of durable goods and non-durable goods. Durable goods are goods include cars; furniture and electrical appliances have above three years significant lifespan while non-durable goods are goods for immediate consumption like Food, Consumer products s, and clothing with a lifespan that is shorter than three years. They also contribute to the social well-being of Nigerian. Currently, retail and wholesale sales make up 16 percent of Nigeria's GDP.

The most widely discussed issues in the area of public finance have been one of the taxation of corporate profits in Nigeria. Corporate revenues are currently subject to multiple taxations. Profits are taxed first at the corporate level and then, when distributed as dividends or when capital gains are realized, taxed a second time at the individual level finally at education tax. Corporations are legal entities that separate from the owners. The ability to attract multiple investors through the sale of shares or bonds gives corporations broad access to capital and greater potential for growth [20]. stated that shares of corporations can be easily transferred to other investors without disrupting the operations of the industries. The owners of corporations also enjoy limited liability since, in case of default; their liability is limited to the amount they have invested. In Nigeria, business entities can avoid double taxation but in the process lose some of the special privileges mentioned earlier, if they organize as pass-through entities. Pass-through entities, such as sole proprietorships, partnerships, and subchapter S corporations, avoid double taxation by passing all profits and losses onto their shareholders [4].

The tax system is an opportunity for government to collect additional revenue needed in discharging its pressing obligations. A tax system offers itself as one of the most effective means of mobilizing a nation's internal resources and it lends itself to creating an environment conducive to the promotion of education facilities.

A tax indeed is a major part of the means through which monetary resources are mobilized by governments for the execution of projects and programs [1]. Sufficient tax revenues make many government projects possible and help elected officials and politicians to remain in office longer if the government implements programs and projects demanded by the public. Additionally, the collection of appropriate tax revenues can help to stabilize the economy by ensuring less dependency on government borrowing [10], 2013). [31], indicated that Ghana as middle income country, no longer had access to concessional loans to support revenue shortfalls; hence, the need for the Ghana Revenue Authority to intensify domestic revenue mobilization.

The economic and social development of any country depends on the amount of revenue generated for the provision of infrastructures in that given country. And one major means of generating the amount of revenue for providing the needed infrastructure is through a well-structured tax-system [23]. Furthermore, [2] stated that taxation is the most important source of revenue to the government; owing to the inherent power of the government to impose taxes, the government is assured at all times of its tax revenue no matter the circumstance.

As in [29] posit, the main reason for taxation however is to generate revenue that enables government finance its expenditure and to redistribute wealth which translates to financing development of the country involved. They further stated that the economic effects of tax include micro effects on the distribution of income and efficiency of resource use as well as macro effect on the level of capacity output, employment, prices, and growth. Consequently, tax revenue is a veritable means of financing economic development, as such administration, collection and remittances of tax revenue should be as effective and efficient in such a way that minimal revenue leakage is witnessed so as to have sufficient revenue for economic development.

Education Tax is a tax chargeable on all industries registered in Nigeria at chargeable profits as a contribution to the Education Tax Fund. This means that all registered industries in Nigeria are required to pay a percentage of their assessable profit into an Education Tax Fund. The tax is charged at 2%.Education tax is mandated every registered firms to pay her education tax through its agent to the government to enhance education development projects and other facilities.

Statement of the Problem

In Nigeria, industries are mandated by law to pay education tax of 2% on profit earned with company income of 30%, withholding tax of 10% and value-added tax of 7% in the year/period preceding assessment. Relevant tax authorities includes Federal Inland Revenue Service, State Internal Revenue Service and Local Government Revenue Committee which collect taxes and other charges on behalf of Federal, State and Local government respectively. Corporations embark on corporate tax planning in other to alleviate tax liability legally. The need to discuss education tax cannot be over emphasized in firms. The negative effect of education tax on manufacturing firms is worrisome, putting many firms in to losses after tax payment. Many firms in Nigeria were unable pay their salaries, shareholders and embark on invest on capital projects.

Education tax was supposed to enhance education in developing countries Nigeria inclusive to compete with developed countries of the globe but little was invested. Education tax and other taxesare alarming and seriously devastating.

A few studies exist on effect of education tax on firms value but on economic growth [29] other studies were done on different segment of taxes like company income tax [24]; [20]; [6], Petroleum Profits Tax, Company Income Tax ([9]; [30]; [32]; [17], Value Added Tax ([18; [22]; [19; [27]. In view of the additional education tax to other taxes that this study designed to determine the effect of education tax on firms value of consumers' product industry in Nigeria.

Objectives of the Study

The main objective of this study is to determine the effect of education tax on firms' value of firms in the Consumer products industry in Nigeria. Specific objective of the study are:

1. To determine the effect of education tax on return on investment of firms in the Consumer products industries in Nigeria.
2. To examine the effect of education tax on return on equity of firms in the Consumer products industries in Nigeria.
3. To analyze effect of education tax on earnings per share of firms in the Consumer products industries in Nigeria.

Research Questions

1. How does education tax affect return on investment of firms in the Consumer products industries in Nigeria?
2. To what extent does education tax has effect on return on equity of firms in the Consumer products industries in Nigeria?
3. How has education tax related to earnings per share of firms in the Consumer products industries in Nigeria?

Statement of Hypothesis

1. Education tax has no significant effect on return on investment of firms in the Consumer products industries in Nigeria.
2. Education tax has no significant effect on return on equity of firms in the Consumer products industries in Nigeria.
3. Education tax has no significantly related with earnings per share of firms in the Consumer products industries in Nigeria.

Review of Related Literature

Conceptual Review

Return on Investment

Return on investment is a performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. It is a very popular metric because of its versatility and simplicity. That is, if an investment does not have a positive ROI, or if there are other opportunities with a higher ROI, then the investment should be not be undertaken [13]. It is the benefit to the investor resulting from an investment of some resource. A high return on investment means the investment gains compare favorably to investment cost.[5] return on investment (ROI) is the amount of money you receive (or lose) in relation to the amount invested.

[2], referred return on investment as earning power provides an index for determining how profitability the company has been in the use of the assets. If the assets of the company have been efficiently managed, it will reflect in a high return on investment. He further said it is therefore the ultimate test of business success. And [11] referred rate of return as return on investment. It is obtained by dividing the operating income by the total investment where investments total is equal to total assets. The higher the ratio the more returns that accrue to the investors [2]. Consequently, all companies desire to earn a high return on investment than industrial average. They are

however, constrained by the fact that in a competitive environment no single firm can significantly influence the product price or industry cost structure. They face a trade- off between sales to total assets and return on sales.

Return on investment is an excellent measure of the ability of a firm in successfully husbanding all the resources available to it in generating income for the benefit of all classes of investment in the firm [2].

Return on Equity

In [16] posits Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets. ROE is considered a measure of a corporation's profitability in relation to stockholders' equity. Return on equity is the amount of net income returned as a percentage of shareholders equity and it reveals how much profit a company earned in comparison to the total amount of shareholder equity found on the balance sheet. Formula for ROE = Net income after tax / Shareholder's equity.

[7] Return on Equity shows the profitability of own capital or often referred to as the profitability of the business. This ratio is also influenced by the large-small enterprise debt, if the debt the greater proportion of this ratio will also increase. Economic Value Added is one way to assess financial performance.

Earnings per Share

Earnings per share (EPS) are an important financial measure, which indicates the profitability of a company. [15] stated that earnings per share represents the portion of a company's earnings, net of taxes and preferred stock dividends, which are allocated to each share of common stock. [8] asserted that the EPS is calculated by dividing the company's net income with its total number of outstanding shares. It is a tool that market participants use frequently to gauge the profitability of a company before buying its shares. Earnings per share is one of the most important metrics employed when determining a firm's profitability on an absolute basis.

EPS is the portion of a company's profit that is allocated to every individual share of the stock. It is a term that is of much importance to investors and people who trade in the stock market. The higher the earnings per share of a company, the better are its profitability. While calculating the EPS, it is advisable to use the weighted ratio, as the number of shares outstanding can change over time.

Review of Theories

2.1.1. Benefit Received Theory

This theory posits that payment of tax should depend on the benefit received from government which implies that there should be a direct proportion between the burden of tax on an economic entity and benefits received by the economic entity. This beneficial exchange of relationship between state and citizens depends on provision of essential services the level of tax paid should be in line with the service provided. While goods and services are provided by the state to the society, citizens and beneficiaries are expected to bear the cost of the provision of the infrastructural amenities which they benefit from.

In other words, the justification of payment of taxes is the hallmark of benefit theory of taxation. Musgrave (1959) in [3] emphasize that the benefit principles of taxation plays a dual role of working as a cumulative justice principle based on contract of relationship between the state and the citizens on one hand, and on the other hand it presents the principle of equity in taxation which makes citizens to pay taxes equivalent to the amount of benefits received by the state.

Evidently, the practicability of the benefit received theory of taxation has been challenged, and seen as unrealistic since it lacks scientific methods to measure the monetary terms of benefit received by government services. Indeed, in a welfare state the poor benefits more from state services which implies that the poor should pay more taxes, services provided by the state in most cases are unidentifiable and indivisible, the creation of employment, redistribution of income and equitable distribution of wealth as justified by the reasons for taxation will not holds if this theory is applied in practice.

However, the concept of benefit received theory of taxation remain useful to tax administrators, policy makers and indeed government on the ground that the motivation of taxpayers' compliance that will close tax revenue gap will depend on the provision of essential social and economic infrastructure by government to her citizenry.

Empirical Review

[25] This study sought to determine the impact of taxpayers' education and enlightenment on tax compliance by operators in the informal sector. The survey method was adopted with a population of 19,383,447 from twelve states of Nigeria while the sample size of 400 was determined using the Taro Yamane formula. The study found a positive relation between the level of taxpayers' education and tax compliance. The study therefore recommends that taxpayers' education and enlightenment should be carried out regularly by State Boards of Internal Revenues across the country.

[29] Determine the impact of education tax revenue on economic development of Nigeria within the period of 2006-2017. Specially, it investigated the extent to which tertiary education tax affects Gross Domestic Product and Human development index of Nigeria within the period of 2006- 2017. Data were gathered from Federal Inland revenue service (FIRS) planning, reporting and statistic department report for various years, Central bank of Nigeria Annual statistical Bulletin and annual Reports and United Nations development program (UNDP) Annual Reports. Regression analysis and thematic analysis were employed for the analysis of the data. Findings indicate tax education tax revenue has a significant impact on economic development and thus indicates that education tax revenue is crucial aspect of government funding needed for economic developmental purposes. Education tax has a positive and strong relationship with economic development when measured on the GDP as well as HDI. The implication of this study is that Nigeria's economic development pursuit has not been adequate as it has witnessed low to medium level of development within the period examined in the face of tax revenue generated. There is need to advocate for increase in tax revenue generation and judicious use of tax revenue in order to foster economic development. In other words, there is need to ensure that revenue leakages are reduced and prudent expenditure towards economic growth and development pursuits are maintained.

[28] Determine the effect of Tertiary Education Tax Fund (TETFUND) on management in Nigerian tertiary education. Specifically, the study sought to determine whether ETF fund allocations to Nigerian Tertiary Institutions significantly affect the enrollment ratio to Nigerian Tertiary Institutions in Nigeria. The hypothesis was formulated in line with the objectives of the study. Survey and Time series research design were adopted. Data were obtained from National Bureau of Statistics by use of financial ratios and tested using regression analysis with aid of SPSS statistical package version 20.0. Based on the analysis, the study found that ETF fund allocations to Nigerian Tertiary Institutions have no correlation with the enrollment ratio of Nigerian Tertiary Institutions. Based on the findings, the study recommends that to the intervention agency to achieve meaningful on its constituents fund allocations should commensurate with enrolment ratio of tertiary institutions in Nigeria.

[12] Investigates the effect of Company Income Tax and Tertiary Education Tax on Nigeria Gross Domestic Product (GDP). Time series data were sourced from annual reports and accounts of sampled firms, Central Bank of Nigeria Statistical Bulletin, Nigeria Stock Exchange Fact book, Federal Inland Revenue Service website and related journals. The tool employed for test of hypotheses was the Simple regression technique. Relationship between the model variables (including the dependent variables) was tested using correlation analysis. The outcome of the analysis depicts that company income tax and tertiary education tax significantly affects Nigeria Gross Domestic Product. In terms of the relationship between the model variables, it was found that the independent variable relate strongly and significantly with Gross Domestic Product. In conclusion, the researcher concludes that company income tax and tertiary education tax, both are major determinants of the growth or otherwise of Gross Domestic Product in most developing countries such as Nigeria. Hence, the implication is that company income tax and tertiary education tax are good predictors of Gross Domestic Product. The three tiers of government: Federal, state and local authorities, must strive to improve their internally generated revenue through non-oil tax sources; judging by the outcome of data analysis.

[14] Analyzes the dynamic responses, causality and interrelationships among government education expenditure, taxation and economic growth in Nigeria. VEC Granger

causality and the VECM were analyzed between the periods 1981 and 2013, The VEC causality test indicated that unidirectional causality exist among government expenditure on education, taxation and economic growth in Nigeria, though with the advent of the economic recession 2008/2009, a bi-directional causation emerged between the economic recession indicator, government education expenditure and human capital development. The Forecast Error Variance Decomposition further indicated that the predominant variations in Nigeria's education expenditure and the growth rate in real per capita GDP were largely due to the rising trends in the country's tax revenue profile. Also, variability in the shocks of economic growth, 'own shocks' of economic recession and human capital development mainly account for the large share of variability in economic recession. The VECM estimation evaluated the dynamic adjustment of the multivariate model and found that the economy moderately adjusts to change in the country's government expenditure on education, and that the responsiveness of government expenditure on education is significant and exceeds the responsiveness of human capital development, RGDP per capita growth rate and total tax revenue. These error correction coefficients were significantly and differently influenced with the advent of economic recession. The implications of the study were explicitly stated and next recommended a well restructured and future-oriented fiscal policy that would ensure a rapid attainment of the country's macroeconomic goals.

[26] Examines the notion that formal education accelerates economic growth using Nigerian data for the period 1980-2005. Time series econometrics (cointegration and Granger Causality Test) are applied to test the hypothesis of a growth strategy led by improvements in the education sector. The results show that there is cointegration between public expenditures on education, primary school enrolment and economic growth. The tests revealed that public expenditures on education Granger cause economic growth but the reverse is not the case. The tests also revealed that there is bi-directional causality between public recurrent expenditures on education and economic growth. No causal relationship was established between education tax on education and growth and primary school enrolment and economic growth. The paper recommends improved funding for the education sector and a review of the primary school curricula to make it more relevant to the needs of the Nigerian society.

Therefore, the consumer products industries can play a major role in the future economic growth of Nigeria. So this sector requires considerable attention. This study aims to fill this gap of non-availability of research work on consumer products industries in Nigeria, in respect of education tax and its effect on the sector financial performance for past ten years annual time series.

3.1. Method of Research

The research work focus on the empirical analysis of the effect of education tax on firms' value of consumers' product industries in Nigeria. The ex-post factor research design was used because it involves events that have already taken place in the past. The records observed were from 2011-2020, a period of ten years. The variables tested were education tax as a control variable while dependent variables are return on investment, return on equity and earnings per share. It was generated from annual report of sample industries.

Population and Sample Size

The population of this study comprise of nineteen (19) consumers product industries quoted in the Nigeria Stock Exchanges. The sample size consists of five (5) companies in consumer product firms in the Nigeria Stock Exchanges were selected using random sampling method for the study.

Data Collection Techniques

Data on education tax, return on investment, return on equity and earnings per share were extracted from annual reports are proven to be more reliable because companies are required to keep accounts and to produce accounts that give true and fair view of their company according to Companies and Allied Matters Decree 1990.

Method of Data Analysis

The study used secondary data that were extracted from the selected consumers' product industries from 2011 to 2020 financial year. Data collected were analyzed using descriptive statistics, correlation and regression analysis. Hypotheses testing were done with linear regression analytical techniques using SPSS analytical software package. Linear regression model was developed and tested to explain the effect of education tax on firms' value consumers' product industries in Nigeria.

3.1.1. Model Specification

The model is a ordinary least square (OLS) which states that the dependent variables Y is a function of the independent variables, X. mathematically, *Y = f(xi)*

Such that $Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + e_i$ in this study, we have that

$$EDUTAX = \beta_0 + \beta_1 ROI_1 + \beta_2 ROE + \beta_3 EPSei$$

Where
EDUTAX = Education tax
ROI = Return on Investment
ROE= Return on Equity
EPS = Earnings per Share
$\beta_0 =$ Constant
β_1, β_2 and β_3
e_i= Schochastic error associated with the model.

Decision Rule

Reject the null hypothesis if the p-value is less than 0.05 otherwise, do not reject.

4.1. Data Presentation and Analysis

4.2. Data Analysis

Table 1:Test of Hypothesis One:

Ho: Education tax has no significant effect on return on investment of firms in the Consumer products industries in Nigeria.

Table 1.*RegressionResult for Hypothesis One.*

Variables	B	Beta	T	P-value
Education tax	4.077E-007	.143	-1.000	.322
.000				Adjusted R^2
1.000				F-value
.322				P-value

Source: Author's Computation Using SPSS 20 Statistical Software.

The regression result in Table 1 indicates that education tax has no effect return on investment of firms in the consumer products industry in Nigeria. The extent of influence employed on education tax is insignificant and positive. The adjusted R^2 is 0.000 and this reveals that about 0% of variations in education tax could be explained by return on investment while 100% could explain by other factors.

Decision Rule

The P-Value of 0.322 for return on investment is high than p-value of 0.05; Ho is therefore accepted and rejected the alternate hypothesis. The study concluded that education tax has insignificant but positive effect on return on investment of sampled consumer products industry in Nigeria.

Table 2:Test of Hypothesis Two:

Ho: Education tax has no significant effect on return on equity of firms in the Consumer products industries in Nigeria.

Table 2.*Regression Result for Hypothesis One.*

Variables	B	Beta	T	P-value
Education tax	2.239E-007	.279	2.009	.050
.058				Adjusted R^2
4.036				F-value
.050				P-value

Source: Author's Computation Using SPSS 20 Statistical Software.

The regression result in Table 2 indicates that education tax has effect on return on equity of firms in the consumer products industry in Nigeria. The extent of influence employed on education tax is significant and positive. The adjusted R^2 is 0.058 and this reveals that about 6% of variations in education tax could be explained by return on equity while 94% could explain by other factors.

Decision Rule

The P-Value of 0.050 for return on equity is equals p-value of 0.05; Ho is therefore rejected and accepted the alternate hypothesis. The study concluded that education tax has a significant but positive effect on return on equity of sampled consumer products industry in Nigeria.

Table 3:Test of Hypothesis Three:

Ho: Education tax has no significant effect on earnings per share of firms in the Consumer products industries in Nigeria.

Table 3.*Regression Result for Hypothesis One.*

Variables	B	Beta	T	P-value
Education tax	.000	.779	9.209	.000
.631				Adjusted R^2
84.814				F-value
.000				P-value

Source: Author's Computation Using SPSS 20

Statistical Software.

The regression result in Table 3 indicates that education tax has affection earnings per share of firms in the consumer products industry in Nigeria. The extent of influence employed on education tax is significant and positive. The adjusted R^2 is 0.631 and this reveals that about 63% of variations in education tax could be explained by earnings per share while 37% could explain by other factors.

Decision Rule

The P-Value of 0.000 for earnings per share is less than p-value of 0.05; Ho is therefore rejected and accepted the alternate hypothesis. The study concluded that education tax has a significant but positive effect on earnings per share of sampled consumer products industry in Nigeria.

5.1. Summary of Findings

1. Education tax has insignificant but positive effect on return on investment of sampled consumer products industry in Nigeria.
2. Education tax has a significant but positive effect on return on equity of sampled consumer products industry in Nigeria.
3. Education tax has a significant but positive effect on earnings per share of sampled consumer products industry in Nigeria.

5.2 Policy Implication of the Findings

The policy implication is that education tax is good predictors of financial performance. The consumer product industries, must strive to improve their generated sales revenue and other source like investing in profitable tangible and non tangible asset.

5.3 Conclusion

The researcher found that education tax has insignificant but negative effect on return on investment and also has significant but positive effect on return on equity and earnings per share of the sampled consumer products industry in Nigeria.

5.4 Recommendations

1. Consequently, it is recommended that government should provide and enabling environment for companies increase their return on investment, firms of consumer products industry should be sure of a positive return on investment otherwise other opportunities with return should be considered.
2. Government should also reduce the education tax rate to encourage return on equity of consumer products industry in Nigeria and consumer product firms should strive high to increase their profit and minimize their cost.
3. Consumer products industry should provide good policy and strategy that will enhance more revenue to encourage earnings per share since is one metrics to measure financial health firms.

Appendix one

Table 1.*Extracted Variables of Interest with Corresponding Industries, Values and Year.*

INDUSTRIES	YEARS	EDUCATION TAX	ROI =N=	ROE =N=	EPS =N=
NIGERIAN BREWRIES	2020	1,040,212	0.95	0.04	94
	2019	1,007,645	1.04	0.09	201
	2018	1,035,673	1.07	1.16	243
	2017	1,325,309	1.16	0.18	413
	2016	1,368,150	1.07	0.17	358
	2015	1,404,960	0.98	0.22	482
	2014	1,510,764	0.91	0.24	562
	2013	1,548,778	1.29	0.38	570
	2012	1,333,675	5.18	0.41	503
	2011	1,295,360	1.26	0.49	508
PZ	2020	25,488	0.65	0.10	1.50
	2019	14,322	0.73	0.08	0.41
	2018	77,425	0.78	0.02	0.56
	2017	168,458	0.74	0.03	0.10
	2016	112,334	1.44	0.02	0.55
	2015	166,647	1.41	0.60	1.01
	2014	100,772	0.96	0.64	1.23
	2013	113,323	1.13	0.06	0.61
	2012	39,458	0.95	0.06	1.64
	2011	114,546	0.77	0.12	0.41
UNILEVER	2020	48,695	0.97	-0.06	-0.69
	2019	00	0.87	-0.11	-1.29
	2018	295,908	1.07	0.12	1.84
	2017	260,040	1.07	0.09	1.78
	2016	123,631	3.67	0.26	0.81
	2015	69,128	3.82	0.14	0.32
	2014	117,349	3.88	0.32	0.64
	2013	178,224	3.82	0.50	1.25
	2012	205,493	3.96	0.56	1.48
	2011	180,012	4.09	0.57	1.46
VITAFOAM	2020	106,646	2.47	0.28	276
	2019	58,498	3.42	0.26	126
	2018	19,192	2.42	0.10	47
	2017	11,839	2.97	0.04	18
	2016	10,122	2.32	0.09	41
	2015	12,398	3.34	0.05	20
	2014	25,378	3.04	0.17	81
	2013	22,330	3.55	0.12	48
	2012	26,111	1.38	0.18	69
	2011	22.964	1.56	0.20	63
NEWCO PLC	2020	00	0.45	-0.42	-461
	2019	00	0.51	-0.20	-318
	2018	2,368	0.98	-2.10	-4
	2017	2,436	1.47	0.03	71
	2016	4,452	1.63	0.09	211
	2015	3,409	1.61	0.05	117
	2014	2,694	1.63	0.06	136
	2013	3,799	1.65	0.06	117
	2012	2,950	1.67	0.05	101
	2011	00	7.58	0.29	139

SOURCE: annual report of the industries.

Appendix Two

Table 2.*Descriptive Statistics.*

	Mean	Std. Deviation	N
ROI	1.9468	1.44006	50
EDUTAX	311928.4793	504541.24096	50

Table 3. *Correlations.*

		ROI	EDUTAX
Pearson Correlation	ROI	1.000	-.143
	EDUTAX	-.143	1.000
Sig. (1-tailed)	ROI	.	.161
	EDUTAX	.161	.
N	ROI	50	50
	EDUTAX	50	50

Table 4. *Model Summary*[b]*.*

Model	R	R Square	Adjusted R Square	Std Error of the Estimate	Durbin-Watson
1	-.143a	.020	.000	1.44007	.874

a Predictors: (Constant), EDUTAX
b Dependent Variable: ROI

Table 5.*ANOVA*[a]*.*

Model	Sum of Squares	Df	Mean Square	F	Sig.
1Regression	2.073	1	2.073	1.000	.322
Residual	99.542	48	2.074		
Total	101.615	49			

a Dependent Variable: ROI
b Predictors: (Constant), EDUTAX

Table 6. *Coefficients*[a]*.*

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std Error	Beta		
1 Constant	2.074	.240		8.638	
EDUTAX	-4.077E-007	.000	-.143	-1.000	.000.322

a. Dependent Variable: ROI

Appendix Three

Table7 .*Descriptive Statistics.*

	Mean	Std. Deviation	N
ROE	.1380	.40568	50
EDUTAX	311928.4793	504541.24096	50

Table 8.*Correlations.*

		ROI	EDUTAX
Pearson Correlation	ROE	1.000	.279
	EDUTAX	.279	1.000
Sig. (1-tailed)	ROE	.	.025
	EDUTAX	.025	.
N	ROE	50	50

	EDUTAX	50	50

Table 9.*Model Summary*[b].

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.279[a]	.078	.058	.39867

a. Predictors: (Constant), EDUTAX
b. Dependent Variable: ROE

Table 10.*ANOVA*[a].

Model	Sum of Squares	Df	Mean Square	F	Sig.
1Regression	.626	1	.626	4.036	.050[b]
Residual	7.439	48	.155		
Total	8.064	49			

a. Dependent Variable: ROE
b. Predictors: (Constant), EDUTAX

Table 11.*Coefficients*[a].

	Unstandardized Coefficients		Standardized Coefficients	T	Sig
Model	B	Std Error	Beta		
1 Constant	.068	.066		1.038	.304
EDUTAX	2.239E-007	.000	.279	2.009	.050

a. Dependent Variable: ROE.

Appendix Four EPS

Table 12*Descriptive Statistics.*

	Mean	Std. Deviation	N
EPS	96.9524	195.56700	50
EDUTAX	311928.4793	504541.24096	50

Table 13.*Correlations.*

		EPS	EDUTAX
Pearson Correlation	EPS	1.000	.799
	EDUTAX	.799	1.000
Sig. (1-tailed)	EPS	.	.000
	EDUTAX	.000	.
N	EPS	50	50
	EDUTAX	50	50

Table 14*Model Summary*[b].

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799[a]	.639	.631	118.78762

a. Predictors: (Constant), EDUTAX
b. Dependent Variable: EPS

Table 15.*ANOVA*[a].

Model	Sum of Squares	Df	Mean Square	F	Sig.
1Regression	1196772.214	1	1196772.214	84.814	.000[b]
Residual	677303.947	48	14110.499		
Total	1117358.013	49			

a. Dependent Variable: EPS
b. Predictors: (Constant), EDUTAX

Table 16x.*Coefficients*[a].

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std Error	Beta		
1 Constant	.333	19.806		.017	.987
EDUTAX	.000	.000	.799	9.209	.000

a. Dependent Variable: EPS.

References

[1] Abubakari A.,&Adafula C.J.(2013) Evaluating taxpayers' attitude and its influence ontaxcompliance decisions in Tamale, Ghana: *Journal of Accounting and Taxation.* 5(3),48-57.

[2] Aguolu, O., (2004). *Taxation and tax management in Nigeria, (3rd Edition)* Enugu: MeridianAssociates.

[3] Amah C. O. (2021). Taxation and Nigerian Economy: an Empirical Analysis. *InternationalJournal of Management Science and Business Administration* 7(4), 29-35.

[4] Brealey, Richard A. and Myers, Stewart, C. (2000). Principles of Corporate Finance, SixthEdition, McGraw-Hill Irwin.

[5] Christ, J. (2014), Concepts of Return on Investment and Risk. The Nest [Retrieved on June,2021]. http://WWW.budgeting.thenest,com>investing >Investment Return.

[6] Chude, D. I. &Chude, N. P. (2015) Impact of company income taxation on the profitability ofcompanies in Nigeria: a study of Nigerian breweries. *European Journal of Accounting,Auditing and Finance Research.* 3(8).1-11, www.eajournals.org

[7] Dyah P (2015). Effect of changes in return on assets, return on equity, and economicvalueadded to the stock price changes and its impact, *Research Journal of Finance andAccounting 6(6). www.iiste.org.*

[8] Economic Times (2021, 07 July). Definition of 'earnings per share (EPS)https://economictimes.indiatimes.com

[9] Etim, O. E, Nweze, A. U. &Nsima J. U. (2020)Petroleum Profits Tax, Company Income Taxand Economic Growth in Nigeria. *Journal of Accounting, Finance and Auditing Studies* 6(4): 164-187. hppt://www.jafas.org

[10] Gamze, O. Y &Gumus, E.(2013). Determinants of Tax Evasion Behavior: Empirical Evidencefrom Survey Data. *International Business and Management.*6(2).15-23www.cscanada.netwww.cscanada.org

[11] Garrison, R. H and Noreen, E. W (2000). *ManagerialAccounting,* (9th ed) IrwinMcGraw-Hill Education.

[12] Inyiama O. I.&Nwankwo C. N. (2016). Effect of Corporate and Tertiary Education Tax onNigeria Economic Growth. *Account and Financial Management Journal,*Everant.org/AFMJ1(7); 415-425.

[13] Investopedia.LLC (2015), Agency Theory Definition. Retrieved June, 2021, from investopedia:http: en.wikipedia.org

[14] Iyoha, M. A.&Arodoye, N. L. (2015). Government education expenditure, taxation and growthin Nigeria. *West African Financial and Economic Review* 3(2).https://www.researchgate.net/publication/329041089

[15] James, M. (2021). What is the formula for calculating earnings per share (EPS)?https://www.investopedia.com

[16] Jason, F. (2021). What is return on equity (ROE)? https://www.investopedia.com

[17] Lyndon M. E. & Paymaster F. B. (2016) Relationship between Petroleum Profit Tax, PersonalIncome Tax and Economic Growth in Nigeria. *Research Journal of Finance andAccounting,* www.iiste.org 7 (12).

[18] Mukolu, M.O &Ogodor, B.N (2021). Effect of Value Added Tax on Economic Growth ofNigeria. IAR*Journal of Business Management,*https://www.iarconsortium.org/journal-info/IARJBM; 2(1):203-210.

[19] Mureșan, M., David, D., Elek, L. &Dumiter, F. (2014) Value added tax impact on economicactivity: importance, implication and assessment – the Romanian experience.*Transylvanian Review of Administrative Sciences,* 131-151.

[20] Nnubia, I. C. &Okolo, M. N (2018). Effect of

corporate tax on profitability of businessorganizationsin Nigeria. *International Journal of Management Studies, Business &Entrepreneurship Research.* 3(4), http://www.casirmediapublishing.com

[21] Nzewi, U. C (2007), *Financial Management*, Onitsha, Noben Press Ltd.

[22] Obaretin, O &Uwaifo F. N. (2020) Value added tax and economic development in Nigeria.*Accounting and Taxation Review*, 4(1):148-157.

[23] Ogbonna, G.N. &Appah, E., (2012). Impact of tax reforms and economic growth in Nigeria: Atime series analysis. *Current Research Journal of Social Sciences* (4)1, 62-68.https://www.researchgate.net ›

[24] Olaoye, C. O. &Alade, E. O. (2019) Effect of corporate taxation on the profitability of firms inNigeria.*Journal of Economics and Behavioral Studies*11(1). 191-201.

[25] Oloyede, F. L. &Nwachukwu J.(2021)Taxpayers' education: enhancing tax compliance in theinformal sector of Nigeria.*International Journal of Innovative Research & Development.*10 (2),220. www.ijird.com

[26] Omojimite, B. U. (2010). Education and economic growth in Nigeria: a granger causalityanalysis. *An International Multi-Disciplinary Journal, Ethiopia.* 4(3a). 90-108.

[27] Onwuchekwa, J., C. &Aruwa, S., A.S. (2014) Value added tax and economic growth in Nigeria.*European Journal of Accounting Auditing and Finance Research*. www.eajournals.org2,(8).62-69.

[28] Oraka, A. O., Ogbodo, Cy&Ezejiofor, R. A. (2017). Effect of tertiary education tax fund(tatfund) in management of Nigerian tertiary institutionshttps://www.preprints.org/manuscript/201710.0033/

[29] Ordu, P. A. &Nkwoji, N. O. (2019). Impact of education tax on economic development inNigeria. *International Journal of Innovative Development and Policy Studies* 7(3):1-17*www.seahipaj.org*

[30] Osasu O. &Monye-Emina, H. E. (2019) Petroleum Profit Tax and Economic Growth in Nigeria.*Amity Journal of Economics* 4 (2), 72-82.

[31] Terkper, S. (2003). Managing small and medium-size taxpayers in developing economies. *Taxnotes international,*211-234.

[32] Yahaya, K., A. &Bakare.T., O. (2018)Effect of petroleum profit tax and companies income tax on economic growth in Nigeria. *Journal of Public Administration, Finance and Law.*13/