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# Value Relevance of Accounting Information and Market Value of Listed Non-Financial Firms in Nigeria

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***Abstract***
*This study examined the influence of accounting information represented by earnings per share and book value per share on the market value of listed non-financial firms in Nigeria. The study employed secondary data which were obtained from the audited annual reports and accounts of Seventy (70) listed non-financial firms in Nigeria from 2013 – 2022. Data collected were analyzed using descriptive statistic and fixed effect panel regression in line with the outcome of specification tests for the of the study's hypotheses. The study utilized Ohlson's model by representing the firm value with the share price. The results revealed that earnings per share recorded positive and significant influence (t-stat=16.08; P-val. <0.01) on the value Nigerian listed non-financial firms while the impact of book value per share on the value of the sampled firms is negative and significant at 10% (t-stat =- 1.78; p-val <0.1) respectively. In conclusion, the study found evidence earnings per share and book value per share had strengthen market value of listed non-financial firms Based on these findings, it is recommended that management of listed non-financial firms in Nigeria should improve their operations in a way that will enhance their earnings and profitability which would in turn increase their share price.*

***Keywords**: Accounting information, market value, share price, earnings per share*

## 1.0 INTRODUCTION

Financial statement remains the most essential source of external accounting information of any corporate entity. This information ultimately determines the movement in the share price of the companies and they include among others, the earnings and equity book values of the firm. In that line, financial reports have a primary objective of providing information for investment decision making (Al-Shattarat et al., 2021). Consequent upon this, the usefulness of information contained in financial reports depends upon their usefulness for investment decision making. Financial accounting provides the rules and structure for the conveyance of financial information about businesses and other organizations (Mostafa, 2017). At any point in time, some businesses are poised to prosper while others teeter on the verge of failure. Many people are seriously interested in evaluating the degree of success achieved by a particular organization as well as its prospects for the future. While a few basic procedures or methods have changed, the purpose of financial accounting which is to prove financial information remains the same source.

Accounting information has been one of the indispensable features of the financial statement which have influenced companies' performance for a long time. Accounting information is important in the sense that managers have the discretion of expressing governance principles that enable interested managers to credibly convey their private, value relevant information to market investor. From investors' perspective, information is relevant if it contributes to the equity investment decisions of the investor. Business owners often use accounting to measure the financial performance of their companies and make business decisions. Useful accounting information must possess the primary attributes of relevance and reliability (Cheng & Li, 2014). Relevant accounting information must possess the capacity to influence the decision of the investor. Financial reporting thus encompasses the medium through which managers give stewardship on the resources entrusted in their custody.

Within the framework of the efficient market hypothesis, accounting information is a lubricating engine that drives the value of the company. The quality of the accounting information produced by the corporate firm should explain the variation in the stock prices of the firm for the market to be efficient (Al-Shattarat, 2021). Hence, the market will only be efficient if the share prices of the firms reflects the quality of accounting information. This is dubbed in accounting and finance literature as the value relevance of accounting information. In other words, efficient market hypothesis predicts value relevance of accounting information. Value relevance of accounting information addresses the degree to which accounting information summarizes the information that is impounded in share prices. Share prices reflect the aggregate behavior of investors. The value-relevance stream of research is based on the premise that if information is useful, investors will adjust their behaviour and the market will respond quickly through changes in share prices. Therefore, information is considered relevant if share returns are associated with the release of the information.

A business enterprise specifically a company is a conscious, deliberate and purposeful creation for satisfying the domain of aspiration of the society at large. It is an independent and a separate legal entity. The survival stability and growth of such entity within society largely depend on the wealth created by it through the collective efforts of all the stakeholders – providers of loan capital, employees and the government source. All these stakeholders are the parties to whom the result of operations of business is communicated. To satisfy the information needs of these users, the conventional financial accounting system generates data relating to financial performance through comprehensive income statement giving emphasis on the interest of shareholders (i.e., owners) only. Generally, investors are not in a situation to directly assess the performance of companies in which they intend to invest. They usually depend on financial statements prepared by the management of such organization. The primary purpose of financial statements is to provide information concerning the financial situation of the company, its operational results, any changes of control in the company and cash flow (Nirmala & Florence, 2011).

In the last four decades however, the decrease in the value relevance of accounting information have been reported (Ibadin, 2015; Osaze, 2007; Umoren et al., 2018). Since it is only through accounting information that managers and external users get a picture of the organization as a total entity, this irrelevance of financial accounting information, may lead to the non-effective and inefficient accomplishment of the firm's objectives, this may lead to poor decisions being taken and it may affect the profitability and performance of the organization. The inefficient use of accounting information to support their financial decision-making and the low quality and reliability of financial data are part of the main problems in financial management concerns of these companies.

Fraudulent reporting practices by corporate giants such as Enron, WorldCom and Xerox have resulted in serious harm to the world economy so significantly that financial statement users lost confidence in the financial-reporting process (Yoon et al., 2006). In late 2001 and early 2002, Enron and WorldCom declared bankruptcy.

The implication of this is that the Nigeria corporate environment is market inefficient. Even though attempts at examining the value relevance of accounting information in literature has long history, the focus on the explaining factors for the value irrelevance of accounting information documented in recent times remain shallow. Therefore, this study attempts to examine not only the value relevance of accounting information (represented by the book value of equity and earning) in Nigeria. The research questions that this study is set up to addressed are: To what extent does accounting information (influence the value of listed non-financial firms in Nigeria? The specific objective of the study is to investigate the influence of accounting information represented by earnings per share and book value per share on the value of listed non-financial firms in Nigeria

The outcome of this study would be of immense benefit to various stakeholders including managers, standard setters, policy makers, investors and shareholders who are the users of accounting information prepared by a company. In particular, the outcome of this study is expected to provide a useful insight into how investors use accounting information while making their investment decision. It will guide the regulators of corporate firms in the country on how control of management opportunistic behavior would help in enhancing the value relevance of accounting information among Nigeria corporate entities

## 2.0 LITERATURE REVIEW

### 2.1 Conceptual Review

#### 2.1.1 Accounting Information

Accounting information convey a good description of the firm's value results in bringing a close relationship between equity book value, earnings and market value. The essence of this information is in providing information about the financial position of companies, the performance of companies and also ensuring the value relevance of such information. Information is often assumed to be the basis upon which investors' confidence and expectations about market valuation are formed. If accounting provides a poor description of the firm, the value relevance of such information will likely be low ( Olaoye & Ekundayo 2022)

### 2.1.2 Book Value

The book value of equity (equity book value) is the value of shares according to the books of the company issuing outstanding shares. More specifically, the book value can be calculated by the value per share (book value per share). Book value per share is not a measure of performance but shows how much guarantee to shareholders if the company is liquidated (Apete et al. 2022)

The book value of equity presented when associated with sustainable financial principles can provide relevant information for shareholders regarding investment guarantees in the future. So that changes in the book value of equity reflected in share prices are relevant information that can be considered in the application of sustainable financial principles.

### 2.1.3 Value Relevance of Accounting Information

Market value relevance implies the existence of a statistical connection between prices or returns and financial information and the accurate definition of market prices by the accounting-based measures, considering the efficient market hypothesis that available information is mirrored by pricing (Francis &Schipper, 1999). Value relevance is reporting accounting numbers that have a predictive model related to securities market values. The information presented must be relevant to decision-making. If the financial statements are not relevant, then the information will not provide benefits for its users in evaluating certain business finances. According to Barth et al. (2001), ''...an accounting amount is defined as value relevant if it has a predicted association with equity market values" (Barth et al., 2001). Hence, book value of equity and earnings per share are regarded as value relevant as long as their respective coefficients are found to be significantly different from zero. The Financial Accounting Standard Board when addressing the Qualitative characteristics of accounting information says that: "relevant accounting information must be capable of making a difference in a decision by helping users to form predictions about the outcomes of past, present, and future events or to confirm or correct expectations," as well as define and explain event and outcome.

Francis and Schipper (1999) divided the concept of value relevance into four approaches:

1) Fundamental analysis approach, reveals that accounting information causes changes in market prices and detects stock price deviations.
2) Predictive approach, that accounting information is said to be relevant if it is useful for predicting the prospect of company performance in the future.
3) Approach to the realization of value relevance information, that accounting information Does Sustainable Reporting Moderate the Value Relevance of Accounting Information? is said to be relevant if it is used by investors to set stock prices.
4) Value relevance measurement approach, that the value relevance of the information contained in financial statements is measured by its ability to capture and summarize business information and other activities.

### 2.1.4 Market Value

The value of a market reflects the perception of the investor on the firm performance which makes it critical for the long run growth and survival of the corporate entity. Market value of a company is a description of certain conditions that the company wants to achieve as a form of public trust in the company for all activities carried out. Investors activities related to stock prices are reflected in this market value of the firms (Darmawan et al., 2019). The main objective of a firm is to increase market value which is directly related to the increase in owner or stockholder welfare. Market value is a concept that demonstrates the worth of the firm purified from cash and cash equivalents, as well as financial debts (Syamsudin et al., 2017). It is a company's value based on the total market value of its outstanding shares, or market capitalization. Tobins Q, which indicates management performance in managing firm assets, is one of the options used to estimate business value, according to Herawati (2008) while the market share price is another widely used measure. The worth of a company has become a crucial criterion for investors when deciding whether to invest or not in the search of a higher return on their investment. Therefore, the share price is the value of the statement of ownership of the company or limited liability company. Stock price fluctuations depending on the increase or decrease in supply and demand from one time to another. Stock prices rise when demand is greater than supply, and prices fall when demand decreases while supply increases.

## 2.2. Underpnining Theory

This study is anchored on the positive accounting theory. This theory which was developed by Watts and Zimmerman (1978) is anchored on three different hypotheses which explain the motivation for the management accounting choices including that which lead to earnings management. In line with the theory, management can use accounting discretion to alter accounting information which may affect the investors' perception of the firm performance while attempting to make their investment decision. Hence, the theory provides a more complex framework linking firms accounting choices to the value relevance of accounting numbers.

## 2.3 Empirical Review

Olaoye and Ekundayo (2022) examined the stock price responses and accounting information of ten Nigerian deposit money institutions from 2010 to 2019. The study evaluated how share prices behaved in respect to accounting data on book value per share, dividends per share, earnings per share, and return on assets. Panel data analysis was used to discovered that return on assets has a positive and significant impact on stock prices, and that earnings per share, book value per share, and dividends per share had favorable but negligible impact on stock prices.

Uchechukwu (2022) examined the connection between listed industrial companies in Nigeria's share price and accounting information from 2012 to 2020 . Ordinary Least Square (OLS) estimation was used to demonstrated a strong inverse link between book value of equity per share and share price.

Apete et al. (2022) examined the relationship between value relevant accounting information and the share price of 21 Nigerian manufacturing companies from 2012 to 2020. Ordinary Least Square (OLS) estimations utilising panel data results show that there is a substantial negative correlation between the share prices of manufacturing businesses listed on the Nigeria Exchange Group and their book value of equity per share. Although there is a substantial correlation between the share prices of NSE-listed industrial companies and their earnings per share.

Rahman and Liu(2021) examined the impact of accounting data on publicly traded companies' stock performance on the Indonesia Stock Exchange from 2011 to 2021. The data analysis method used was the error correction model. The findings demonstrated a strong and positive correlation between earnings per share and stock returns. In other words, the stock return increases with increased earnings per share. There is short- and long-term effects for both factors.

The association between the value relevance of earnings and book value of equity, and earnings management was explored by Al-Shattarat (2021) in study of listed firms in Saudi Arabia between 2014 and 2018.. The results of the study found that both book value and earnings were value relevant.

Hossain (2021), the study look into the importance of accounting information in relation to share market price in Dhaka Stock Exchange (DSE) in Bangladesh from 2017 to 2019. The findings supported the statistically significant positive correlation between MVPS, NAVPS, and NOCFPS. On the other hand, the findings additionally verified a statistically significant inverse correlation between EPS and MVPS.

Mbekomize and Popo (2020) employed information from businesses that were listed between 2012 and 2018 on the Botswana Stock Exchange to investigate the statistical correlation between four categories of accounting information and market share prices in Botswana Stock Exchange. Ordinary Least Squares regression analysis was to revealed that earnings, followed by dividends and book value, are the information that share prices find most valuable. Despite book value yielding a low value relevance, operating cash flows did not explain fluctuations in share values in the Botswana stock market.

Okoro et al (2020) looked at the impact of accounting information on the stock price of deposit money banks in Nigeria during a ten-year period, from 2011 to 2020. OLS was employed to demonstrate that the stock price and performance of Nigeria's listed banks are substantially and dramatically impacted by accounting information. The earnings per share of a selected Nigerian deposit money banks had a favorable and considerable impact on the stock price and book values divided by shares.

Innocent et al. (2020) studied the impact of accounting information on the stock prices of 23 Nigerian industrial companies that were listed between 2008 and 2017. Ordinary least squares method was employed to discovered that the independent variables accounted for 78% of the variation in the market value of the companies that were quoted. The variables' beta coefficient shows that while book value per share had a negative impact on the stock prices of the quoted companies, the debt-to-equity ratio and assets turnover rate had positive impact on the manufacturing companies' stock values.

Umoren et al. (2018) looked into the value relevance of accounting information among 10 sampled banks listed on the Nigerian Exchange Group between 2007 and 2016. The data were analysed using the panel least square regression. It was reported based on the outcome of the analysis that both earnings and book value per share were value irrelevant in the pre and post-IFRS adoption period in Nigeria.

## 3.0 METHODOLOGY

This study used longitudinal research design due to the nature of the data which is characterized with time and unit dimensions. The population of this study consists 106 listed non-financial firms in Nigeria. Purposive sampling technique was adopted to select sample size of 70 non-financial firms. The data needed for this study was obtained through the secondary source and extracted from the audited annual financial reports of the 70 purposively selected listed non-financial firms between 2013 and 2022. The data collected from the sampled firms were analyzed using both descriptive and inferential statistical tool of panel regression.

**Table 3.1: Measurement of Variables**

| Variable | Type Variable Labels | Indicator | Measurement | Supporting scholars |
|---|---|---|---|---|
| Share price | Dependent | SP | Closing price of the share at the year end | Al-Shattarat, 2021 |
| Book value per share | independent | BVPS | The difference between total assets and total liabilities divided by the total number of outstanding shares | Al-Shattarat, 2021 |
| Earnings per share | Independent | EPS | profit after tax divided by the outstanding shares | Fattahi et al., 2014 |
| Leverage | Control | LEV | Total debit / Total assets | Mostafa, 2017 |
| Firm size | Control | FSIZ | Log of total assets | Omokhudu & Ibadin, 2015 |
| Firm Age | Control | FA | Years of incorporation till date | Nelwan, Simatupang&Tansuria, 2020 |

**Source**: Author's Compilation (2024)

**Model Specification**

. For clarity, the model for achieving this study was adapted from Nelwan, Simatupang&Tansuria, 2020) and the model specified as follows

$$SP=f\,(BVPS, EPS, LEV, FIS, FA) \quad (3.1)$$

$$SP_{it} = \lambda_0 + \lambda_1 BVPS_{it} + \lambda_2 EPS_{it} + \lambda_3 LEV_{it} + \lambda_4 FIS_{it} + \lambda_4 FA_{it} + \varepsilon_{it} - \quad (3.2)$$

SP = the stock price of the firm
EPS = Earnings per share of the firm
BVPS =Book value per share of the firm
LEV = Leverage
FIS= Firm size
FA =Firm age
$\varepsilon_{it}$ = Error term
i = firm, t = time period ,i
$\lambda_0$, is intercept,
$\lambda_1$-$\lambda_6$ are estimated coefficients of the independent variables in model

## RESULTS AND DISCUSSION

### 4.1 Descriptive Analysis

**Table.1: Summary Statistics of the Variables**

| Variable | Obs | Mean | Std.Dev. | Min | Max |
|---|---|---|---|---|---|
| SP | 700 | 37.155 | 132.988 | .2 | 1555.99 |
| EPS | 700 | 1.934 | 5.691 | -9.86 | 57.63 |
| BVPS | 700 | .124 | .245 | -.504 | 2.756 |
| LEV | 700 | 2.009 | 7.181 | -31.05 | 39.08 |
| FIS | 700 | 6.91 | .928 | 3.738 | 8.955 |
| FA | 700 | 26.221 | 13.508 | 1 | 55 |

Source: Authors' Computation, 2024

The various summary statistics of the study is presented in this section. The results in Table 1. show the estimated summary statistics of the variables used in the study over the entire sample period. The results indicate that the average share price is #37.155 with a minimum value of 0.2 naira and maximum share price of #1555.99. The estimated standard error of 132.988 which is higher than the mean of 37.155 indicates high volatility in the share price over the entire sample period. In terms of the earning per share, the results of the descriptive statistics presented in Table 1 reveals an estimated average earning per share of 1.934 naira over the entire sample period with a and maximum of -9.86 and 57.63 earnings per share respectively. Its estimated standard deviation of 5.691 which is far above the mean value indicates high volatility over the entire sampled period. Furthermore, the results of the descriptive statistics reveal that the average book value per share over the entire period is 0.124 with a minimum and maximum value of -0.504 and 2.756 respectively.

Firm financial leverage has a mean of 2.009 with standard deviation of 7.181 indicating that wide variation in the financial leverage of Nigerian non-financial firms with a minimum and maximum of -31.05 and 39.08 respectively. For the firm age, the estimated average firm age is 26.22 years with a minimum of 1 year and maximum of 55 years. The firm size is found to have recorded 6.91 on average with standard deviation of 0.928 indicating no wide variation in the size of the sampled firms.

### 4.2 Correlation Analysis

**Table 2: Estimated Correlation Matrix of the Study**

| Variables | SP | EPS | BVPS | LEV | FIS | FA |
|---|---|---|---|---|---|---|
| **SP** | 1.000 | | | | | |
| **EPS** | 0.317 | 1.000 | | | | |
| **BVPS** | 0.283 | 0.431 | 1.000 | | | |
| **LEV** | 0.011 | 0.022 | 0.020 | 1.000 | | |
| **FIS** | 0.326 | 0.437 | 0.398 | 0.077 | 1.000 | |
| **FA** | 0.179 | 0.177 | 0.181 | 0.030 | 0.204 | 1.000 |

Source: Authors' Computation, 2024.

The estimated correlation coefficient obtained for each of the three models are presented in Table 2. The results in Table 2. for the entire sample period reveal a strong positive relationship between share price and earning per share given the estimated correlation coefficient of 0.817. The results also reveal a weak positive relationship between share price and book value per share given the estimated correlation coefficient of 0.283. In addition, the results reveal a weak positive relationship between the share price and the earnings management given the estimated correlation coefficient of 0.055 while the estimated correlation coefficient of 0.011 indicate a weak negative relationship between share price and financial leverage of the sampled firms. In addition, positive relationship exists between firm size and shareholders value with correlation coefficient of 0.326. Furthermore, the results of the correlation analysis are presented in Table 2 reveal that positive relationship exists between firm age and shareholders value as shown by correlation coefficient of 0.179. The results further reveal weak relationship among the explanatory variables as the correlation coefficient among the explanatory variables is relatively low with none of them even up to 0.5. The implication is that the problem of multicolinearity may not arise in the study.

**Table 3: Summary of Serial Correlation and Heteroscedasticity Test Results**

| Model | Test | Details | Remarks |
|---|---|---|---|
| 1 | Wooldridge test for autocorrelation in panel data | H0: no first-order autocorrelation F = 55.545 Prob > F = 0.0000 | First Order Serial Correlation Exist |
| 1 | Breusch-Pagan / Cook-Weisberg test for heteroskedasticity | Ho: Constant variance chi2(1) = 5630.07 Prob > chi2 = 0.0000 | There is evidence of heteroscedasticity |

**Source:** Authors' Compilation, 2024

In addition, the study conducted Wooldridge test for serial correlation for each of the models of the study and the results are summarized in Table3. The results as summarized in Table 3. revealed that the null hypothesis of no serial correlation is rejected in model at 1 per cent level. Hence, the study found evidence of serial correlation in model of the study. The results of the modified Wald test used in testing for the presence of heteroscedasticity are summarized in Table 3. From the results, the null hypothesis of the modified group wise test of heteroscedasticity is rejected in the model of the study. Hence, the study found evidence of heteroscedasticity in each of the model.

**Table 4: Specification Test Results for Model**

| Model | Test | Details | Remarks |
|---|---|---|---|
| | F test | all u_i=0:<br>F = 17.38 Prob > F = 0.0000 | Pooled OLS not appropriate |
| | Hausman | Test: Ho: difference in coefficients not systematic<br>chi2(5) = (b-B)'[(V_b-V_B)^(-1)](b-B) = 83.94<br>Prob>chi2 = 0.0023 | Fixed Effect is more consistent |

**Source:** Authors' Compilation, 2024

The study equally conducted specification tests including F-test and Hausman test to guide the selection of most appropriate technique of analysis. The results of the F-test for the presence of firm effect presented in the models revealed that the null hypothesis of no firm effect is reje cted implying that the model is characterized with firm effect. Thus, pooled OLS cannot be used as it violates exogeneity assumption. The results of the Hausman test for the model equally revealed that the null hypothesis in favour of random effect is rejected suggesting that fixed effect panel regression is the most appropriate for achieving the objectives of the study.

**Table 5: Estimated Fixed Effect Panel Regression Results**

| SP | Coef. | St.Err. | t-value | p-value | [95% Conf | Interval] | Sig |
|---|---|---|---|---|---|---|---|
| EPS | 10.092 | 0.628 | 16.08 | 0.000 | 8.859 | 11.324 | *** |
| BVPS | -17.011 | 9.558 | -1.78 | 0.076 | -35.780 | 1.758 | * |
| LEV | -0.0001 | 0.000 | -0.01 | 0.989 | -0.001 | 0.001 | |
| FIS | -6.130 | 7.699 | -0.80 | 0.426 | -21.249 | 8.989 | |
| FA | 0.659 | 0.627 | 1.05 | 0.294 | -0.573 | 1.891 | |
| Constant | 45.844 | 51.935 | 0.88 | 0.378 | -56.145 | 147.833 | |

| | | | |
|---|---|---|---|
| Mean dependent var | 37.155 | SD dependent var | 133.259 |
| R-squared | 0.299 | Number of obs | 700.000 |
| F-test | 53.152 | Prob > F | 0.000 |
| Akaike crit. (AIC) | 7276.561 | Bayesian crit. (BIC) | 7303.841 |

**** p<0.01, ** p<0.05, * p<0.1*

Source: Authors' Computation, 2024

The results reveal in Table 5 are obtained with fixed effect panel regression with robust standard error. The results revealed that earning per share with a coefficient of 10.092 has positive impact on firm value represented by the share price. This implies that share price increases with higher earnings per share. The corresponding p value of 0.000 indicates that the positive impact is significant at 1 per cent level (0.000<0.01). In addition, the results of the model show an estimated coefficient of -17.011 with a p value of 0.076 for book value per share which means that book value per share has negative impact which is significant at 10 percent on share price.

For the control variable, an estimated coefficient of 0.659 indicates that age of the firm has a positive impact on share price which is insignificant at all conventional level. This implies that age of the firm does not matter for firm valuation. In addition, the results show that financial leverage with an estimated coefficient and corresponding p value of -0.0001 and 0.989 does not have significant influence on the market value of the firm. The impact of firm size on market value with an estimated coefficient of -6.130 and p value of 0.426 also recorded negative but no significant influence on the market value of the firm.

### 4.3 Discussion of Findings

The study aimed at examining the impact of accounting information on the value among Nigerian listed non-financial firms. The results of the panel regression results revealed that earnings per share exerts significant positive influence on the market value of Nigerian listed non-financial firms. The implication of the results is that the share price of the Nigerian non-financial firms is higher when the earnings per share increases. Hence, the study found evidence suggesting that earnings per share is value relevant among Nigerian non-financial firms. The implication of the results is that firms with higher earnings per share attract higher share price. This might be attributed to the signaling theory where the earnings per share in accounting information signal good prospect for the firm which eventually drives the prospective investors' investment decision with spillover effect on the market share price of the listed non-financial firms in Nigeria. The results found here agree with that of other empirical literature including the study by Al-Shattarat (2021) who established value relevance of earnings per share in Saudi Arabia, Baboukardos and Rimmel (2016) who reported value relevance of earnings per share in South Africa, Callao, Cimini and Jarne (2016) who found that earnings per share increases firm value, and Omokhudu and Ibadin (2015) who found value relevance of earnings per share in a study of Nigerian firms. The results here fail to agree with the submission of Nelwan et al. (2020) that earnings per share is value irrelevant in Indonesia, Umoren et al. (2018) who reported irrelevance of earnings per share to firm value in a study of Nigerian listed banks.

In addition, the results of the panel regression in the previous section revealed that book value per share had negative and significant influence on the market share price of Nigerian listed non-financial firms. The implication of the results is that the market share price reduces with higher book value per share among Nigerian listed non-financial firms. The implication of this result is that prospective investors of the Nigerian non-financial firms have little consideration for the book value per share while making their investment decision. This result may be attributed to the fact that book value per share is less visible on the annual report of the Nigerian non-financial firms. The results here are contrary to the findings in some other previous empirical literature such as that of Callao, Cimini and Jarne (2016) who reported value relevance of book value of equity in a study of European firms, Baboukardos and Rimmel (2016) who established value relevance of book value of equity, and Al-Shattarat (2021) in a study of Saudi Arabian firms. On the other hand, a number of studies found results that agree with the findings in this study among which are the study by Omokhudu and Ibadin (2015) which reported that book value per share lowers the market share price, and Nelwan et al (2020) who reported that book value per share does not increase the value of Indonesian manufacturing firms.

## 5.0 CONCLUSION AND RECOMMENDATIONS

### 5.1 Conclusion

In this study, the impact of accounting information on the market value has been examined. The study observes that investors opinion on earnings per share and book value per share are shaped by the extent to which the organization manages earnings. Hence, the study concluded that there is impact of accounting information on the market value among listed non- financial firms in Nigeria

### 5.2 Recommendations

In line with the findings of this study, the study recommends that:

1. The study found significant positive impact of earning per share on share price. It is thus recommended that the management of listed non-financial firms in Nigeria should improve their operations in a way that will enhance their earnings and profitability which would in turn increase their earning per share in order to attract good value for the share of the company.
2. Since the study found a significant but negative impact of earnings per share on the market value of the firm, it is recommended that book value per share should be made more visible in the annual reports to increase its usage by the investors.

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