

Effect of Accounting Information on Stock Price: Evidence from Quoted Healthcare Firms in Nigeria

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ABSTRACT

This study examined the effect of accounting information on stock price of quoted Healthcare firms in Nigeria, with a view to determining whether accounting information has the ability to significantly affect stock price of Healthcare firms in Nigeria. The study used ex-post facto research design and the period covered was ten years; spanning from 2012 to 2021. Secondary data were sourced from the Nigerian Stock Exchange Fact Book and Annual financial reports of companies quoted on Healthcare sector of Nigeria stock exchange. Ordinary least square (OLS) regression method was employed for the analysis. Findings show that accounting information in terms of dividend per share has a significant positive effect on stock price of Healthcare firms in Nigeria. While earnings per share and return on equity showed no significant positive effect on stock price indicator. Based on the findings, the study recommends that the Healthcare companies should continue to channel their resources towards improving DPS to ensure that it maintains 1% level of significance; as this will enable them to have high MPPS value and invariably perform better in the stock market. The study further recommends that companies should try to maintain high EPS and ROE as though insignificant in the short run, have tendency of being significant in the long run.

1.1

INTRODUCTION

Accounting information refers to information that arises from business transactions which are summarized and published in financial statements of a company (Chapman, 2018). According to Osundina, Jayeoba and Olayinka (2016), accounting information is also a means by which we measure and communicate economic events whether in the management of a business enterprise, making investments or in being observant in the receipt and disbursement of money. Osundina et. al. (2016) identifies the forms of accounting information which includes but not limited to

earning per share, dividend per share, return on asset, return on equity, book value per share, debt to equity ratio, cash flow ratio, net assets per share, amongst others.

There are many users of accounting information, each of whom has different concerns about the business. Managers rely on accounting information to be able to forecast the potential results of different business decisions. Employees depend on accounting information to know that the business will continue to operate in a financially stable way. Investors rely on accounting information to know how a business utilized their money to generate profit and to compare the business to other businesses in order to evaluate investment strategies. Suppliers and other creditors need accounting information to know about the financial performance of a business and whether or not the business has enough assets or is using too much credit. Regulators use accounting information to determine the extent of compliance to regulatory issues and the government use accounting information for tax and fiscal policies (Chapman, 2018).

As an investor, financial statements will only be used when evaluating corporate stock if they provide useful information. Therefore, it is important to have a system that accurately captures the realities of a business's operations and its financial standing and reports the information in good faith (Chapman, 2018).

Several factors can cause a change in a company's stock price, these includes financial policy, monetary policy, industrial policy, foreign trade policy, accounting information, investors' expectation, market supervision and other internal factors (Junjie, Gang & Chao, 2013). But amongst all these, Serife and Uger (2012) perceived accounting information to be the most important factor used by investors in deciding whether to invest in a company's stock or not.

Many scholars have investigated the relationship between accounting information and stock price, such scholars include; Asif, Arif and Akbar (2016), Glezakos, Mylonakis and Kafouros (2012), Olugbenga and Atanda (2014), Anachedo, Egbunike, Nnojie and Jeff-Anyeneh (2021), Mulenga and Bhatia (2018), Ijeoma (2015), Okoro, Ibanichuka and Micah, (2020), Ewereoke (2018), Osundina, Jayeoba and Olayinka (2016), amongst others. But they documented varying results.

In the Nigerian context, studies have been done by some researchers like Osundina, Jayeoba and Olayinka (2016); Anachedo, Egbunike, Nnojie and Jeff-Anyeneh (2021), Okoro, Ibanichuka and Micah (2020), Musa (2013), Akadakpo and Mgbame (2018) and Ijeoma (2015). Their studies concentrated on some sectors like manufacturing sector, consumer goods sector, conglomerate sector and banking sector. Thus, their findings on the effect of accounting information on stock price differ and therefore difficult to draw policy implication from. This present study contributes to literature by empirically studying the effect of accounting information on stock price using Healthcare sector for a period of ten years, spanning from 2012 to 2021. This study is necessary because researchers seem unattracted to this sector when deciding the scope of their study, not minding the vital role they play in the economy and the number of persons employed by the sector. The choice of the period of this study was necessitated by the adoption of International Financial Reporting Standard (IFRS) in Nigeria and preparation of IFRS compliant financial statements.

1.2 Objective of the Study

The main objective of this study is to investigate the effect of accounting information on stock price of quoted Healthcare firms in Nigeria. The specific objectives are:

1. To examine the effect of earnings per share on stock price of quoted healthcare companies in Nigeria.
2. To determine the effect of dividend per share on stock price of quoted healthcare companies in Nigeria.
3. To evaluate the effect of return on equity on stock price of quoted healthcare companies in Nigeria.

2.3 Statement of Hypotheses

The following hypotheses were put forward to guide the study:

1. **Ho:** Earnings per share does not significantly affect stock price of quoted healthcare companies in Nigeria.
2. **Ho:** Dividend per share does not significantly affect stock price of quoted healthcare companies in Nigeria.
3. **Ho:** Return on equity does not significantly affect stock price of quoted healthcare companies in Nigeria.

LITERATURE REVIEW

2.1. Accounting Information

Accounting information refers to information contained in published financial statements of a company which are published in annual, half yearly or quarterly basis (Anachedo et al., 2021). The events that occur in business operations almost always translate into accounting information, once identified, the information is then classified and recorded, and it eventually finds its way into various accounting reports. Accounting information is of prime importance to several stakeholders. The management use them to improve efficiency, investors use them for investment decisions, creditors use them for credit rating, regulators use them to determine the extent of compliance to regulatory issues while government use them for tax and fiscal policies (Anachedo et al., 2021).

2.2. Stock Price

A share price or stock price is the amount it would cost to buy one share of a company. It is the price of a single share of a company's stock (Menaje 2012). In a publicly traded company, stock price is determined by forces of demand and supply. Other factors that can fluctuate stock price according to Velankar, Chandani and Ahuja (2017) include; earning per share, dividend per share, payout ratio, size of the firm and dividend yield, management, diversification, amongst others. The empirical study conducted by Okoro, Ibanichuka and Micah (2020) and Ijeoma (2015) found evidence of significant relationship between accounting information and stock price of quoted firms in Nigeria. Menaje (2012), and Yu and Huang (2005) have proven that stock price is directly related to the accounting information in Philippines and Shanghai stock exchange, China.

2.3. Earnings per Share (EPS) and Stock Price

The term earnings per share (EPS) represents the portion of a company's earnings, net of taxes and preferred stock dividends, that is allocated to each share of common stock (Islam et al., 2014). EPS describes the profitability of the company that is reflected in each share (Nalurita, 2014). Higher EPS value, of course, encourages shareholders and other investors because of the greater profit that will be provided to them. The increase in EPS generally shows the company's

growth and results in increase in market price of shares (Nalurita, 2014). The study by Nalurita (2014), Natasha, Rikus and Lana (2017), Asif, Arif and Akbar (2016) and Menaje (2012) affirmed that there exist a positive relationship between earnings per share and market price of shares. Sari and Wahjoedi (2021) provided evidence that Earning per Share (EPS) partially has a positive and significant effect on the stock price of consumer goods subsector manufacturing companies listed on the IDX in 2014-2018. Islam et. al. (2014) provided empirical evidence that share price does not move as fast as the EPS moves. They further found that the share price movement depends on micro and macro economic factors on the economy. EPS is calculated as: $EPS = \text{net income} \div \text{average outstanding common shares}$.

2.4. Dividend per Share (DPS) and Stock Price

Dividend per share (DPS) indicates the return earned per share. This ratio shows the amount payable per share to equity shareholders out of a pool of profit made by a company (Velankar, Chandani & Ahuja, 2017). Earnings retained in the business is not a part of dividend per share ratio and thus is ignored when computing for Dividend per share. The shareholders own net profit after taxes but the income that they really receive is the amount of earnings distributed and paid as cash dividend. It is a reward for risk taken by the investor on their investment. It is a share of profit of the company divided among its shareholders. It is strategic distribution of portion of company's taxed earnings decided by the board of directors to a class of its shareholders. Dividend per share according to Velankar, Chandani and Ahuja (2017) can be in the form of cash, stock or property. Velankar, Chandani and Ahuja (2017) found evidence that DPS significantly affect stock price when they examined the impact of EPS and DPS on stock price of selected public sector banks of India. On the other hand, Sari and Wahjoedi (2021) disclosed that DPS partially has a positive and significant effect on share price. DPS can be calculated by using the following formula:

$$DPS = \frac{D - SD}{S}$$

D - Sum of dividends over a period (usually 1 year)

SD - Special, one time dividends

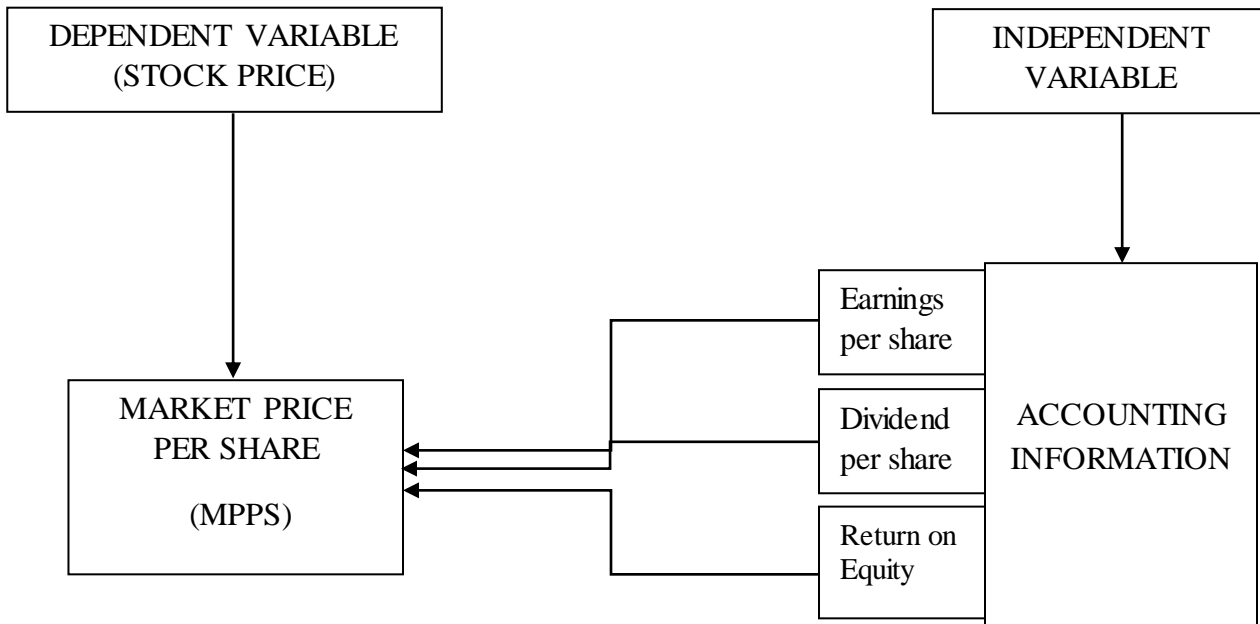
S - Shares outstanding for the period.

2.5. Return on Equity (ROE) and Stock Price

Return on equity is a measure of earnings (income) that is available for the owners of the company (both ordinary shareholders and preferred shareholders) on the capital they invested in the company (Purnamasari, 2015). In general, the higher the return or income earned, the better the position of the owner of the company. ROE is usually calculated by dividing net profit by average shareholder equity. Hongkong (2017) disclosed that ROE can provide an overview of three main things, namely: (1) the company's ability to generate profits (profitability); (2) company efficiency in managing assets (assets management); and (3) debt used in doing business (financial leverage). Purnamasari (2015), Johan and Septariani (2017), Hongkong (2017) and Utomo (2019) show that return on equity (ROE) has positive and significant effect on stock price.

$$ROE = \frac{\text{Net profit after tax} \times 100}{\text{Shareholder Equity}}$$

Figure 2.1: Conceptual model of the study



Source: Researcher’s concept, 2022

THEORETICAL FRAMEWORK

3.1. Efficient Market Theory (EMT)

This study was anchored on Efficient Markets Theory (EMT) propounded by Eugene Fama (1970). The theory states that the price of an asset reflects all relevant information that is available about the intrinsic value of the asset. Although the EMT applies to all types of financial securities, discussions of the theory usually focus on one kind of security, namely, shares of common stock in a company. A financial security represents a claim on future cash flows, and thus the intrinsic value is the present value of the cash flows the owner of the security expects to receive. EMT was initially used to refer to a market that adjusts itself rapidly to new information (Fama, 1970). This view was later modified to a market which fully reflects all available information, that is, “efficient market” (Fama, 1991). Reilly and Brown (2003) stated clearly that stock market is expected to be externally and information wise efficient; such that security prices is an unbiased reflection of all available information on the security’s expected future cash flows and the risk involved in owning such a security.

Fama (1970) classifies market information into three depending on how quickly share prices reflect such information:

1. Weak form EMH: - In this market, share prices reflect all past market information;
2. Semi strong form EMH: - In this market, prices fully reflect all publicly available information.
3. Strong form EMH: - The strong form efficiency holds that prices are expected to reflect both public and private information (Anachedo et al., 2021).

3.2. Empirical Review

Asif, Arif and Akbar (2016) undertook a study titled ‘Impact of Accounting Information on Share Price: Empirical Evidence from Pakistan Stock Exchange’. A model that includes specific accounting ratios (earning per share, book value per share, capital employed per share and operating cash flow per share) and shares a price was developed for the study. The data were collected from the companies listed in KSE-30 index. The time frame spans from 2006 to 2013

and OLS regression models was used to examine the relationships. The resulting evidence suggest that accounting information parameters have significant influence on share price and they have joint explanatory power in determining stock prices.

Glezakos, Mylonakis and Kafouros (2012) conducted a study titled 'Impact of Accounting Information on Stock Prices: Evidence from the Athens Stock Exchange. The study explored the impact relationship between earnings and book value in the formulation of stock prices on a sample of 38 companies listed in the Athens Stock Market during the 1996-2008 periods. The resulting evidence revealed that the joint explanatory power of the above parameters in the formation of stock prices increases over time.

Okoro, Ibanichuka and Micah (2020) studied the relationship between accounting information and the stock prices of quoted firms in Nigeria. The general objective was to examine if accounting information have any effect on market value of quoted firms. Cross sectional data was sourced from financial statement of 23 manufacturing firm from 2008-2017. Stock price of the firms was modeled as a function of assets turnover rate, book value per share and debt equity ratio. Ordinary least square method of cointegration, unit root and granger causality test was used to determine the extent to which human resource cost affect quality of financial report. The study found that the independent variables explained 78 percent variation on the market value of the quoted firms. The beta coefficient of the variables indicates debt equity ratio and assets turnover rate have positive effect on the stock prices of the quoted firms while book value per share have negative effect on the stock prices of the manufacturing firms. From the regression summary, the study concludes that there is significant relationship between accounting information and prices of the quoted firms.

Anachedo, Egbunike, Nnojie and Jeff-Anyeneh (2021). undertook a study titled 'Accounting Information and Stock Price: Empirical Evidence from Quoted Manufacturing Firms in Nigeria'. The objective of the study was to examine the nexus between accounting information and stock price of quoted consumer goods manufacturing firms in Nigeria. The study adopts an ex post facto research design; and, the sample drawn from quoted consumer goods manufacturing firms on the Nigerian Stock Exchange (NSE). The study employed a combination of descriptive and inferential statistical technique to analyse the data. The panel data from 2011 to 2019 was retrieved from annual financial reports and empirically analysed using the pooled OLS procedure. The results showed a non-significant negative effect of earnings per share and sales growth ratio on the stock price indicator; while, the operating cashflow ratio had a significant positive effect. The profitability ratio, i.e., return on assets had a non-significant positive effect on stock price indicator.

Mulenga and Bhatia (2018) conducted a study titled 'Review of accounting variables affecting stock price movements. The study provides an extensive and comprehensive review of research undertaken on value relevance of accounting information. Interviews and previous studies undertaken in various countries, sectors or industries were selected as the sample. The review considered 70 studies conducted by researchers from various countries, where stock markets are well emerged or are emerging. The study identifies that earnings per share and book value per share are the most significant and leading variables in value relevance literature.

Olugbenga and Atanda (2014) investigated the value relevance of accounting information of quoted companies in Nigeria using a trend analysis. Secondary data were sourced from the Nigerian Stock Exchange Fact Book, Annual Financial Reports of Sixty six (66) quoted companies consisting of financial and non-financial firms in Nigeria and the Nigerian Stock Market annual data. The Ordinary Least Square (OLS) regression method was employed in the analysis. The study reveals that accounting information on quoted companies in Nigeria is value relevant. That is, that accounting information directly influences the value of securities in the capital market.

Nalurita (2014) examined the impact of Earnings Per Share on the Market Prices, Price-Earning-Ratio and Price to Book Value. Using twenty-four companies which represent Property and Real Estate industry and a period of seven years taken from 2009 to 2015, with the use of regression analysis, the findings shows that on the one hand there exists a positive relationship between earnings per share and market price of shares and on the other hand earnings per share does not statistically influence the market ratio.

Natasha, Rikus and Lana (2017) investigated the effect of earnings per share categories on share price behavior, the study focused on some South African companies and aimed to determine which category of EPS (basic EPS, diluted EPS or headline EPS) is best associated with share prices of the top 40 JSE listed companies in South Africa. No South African studies have previously attempted to answer this question. The top 40 JSE listed companies were selected as the research sample and the relationship between different categories of EPS and share prices was analysed empirically for the period 2005 to 2013. The study demonstrated that basic EPS correlated best with the changing behaviour of share prices. Furthermore, the study established that headline EPS proved to deliver lower correlation coefficients than other EPS categories.

Menaje (2012) explored the impact of selected financial variables on share price of publicly listed firms in the Philippines. The study aims to determine whether earnings per share (EPS) and return on assets (ROA) have significant influence on share price of publicly listed firms in the Philippines. The study used the 2009 financial reports of 50 publicly listed firms taken from the OSIRIS electronic database. Result of the Spearman Rank order Correlation disclosed strong positive correlation of EPS with share price. ROA disclosed a weak negative correlation with share price.

Sari and Wahjoedi (2021) conducted a study titled 'Impact of DPS, EPS on stock price and Investment Decision'. Their findings revealed that Dividend per Share (DPS) and Earning Per Share (EPS) simultaneously have a positive and significant effect on the share price of manufacturing companies in the consumer goods sub-sector listed on the IDX in 2014-2018.

Islam, Khan, Choudhury and Adnan (2014) undertook a study titled 'How Earning Per Share (EPS) Affects Share Price and Firm Value'. The study provided empirical evidence on how EPS affect the share price movement. They collected and analyzed 22 scheduled banks with 110 firm year data and found that share price does not move as fast as the EPS move. The study further found that the share price movement depends on micro and macro economic factors on the economy.

Velankar, Chandani and Ahuja (2017) examined the Impact of EPS and DPS on stock price of selected public sector banks of India. The time series data on different variables; EPS, DPS and Stock Price were taken for carrying out the study mainly from the websites of money control and NSE. Time period is taken to analysis the cause and effect relationship between EPS, DPS and Stock Price, 9 years period from 2006-07 to 2014-15. Stationarity test, regression model assumption was checked through ARCH LM test and to check the impact of EPS and DPS on stock price, regression test was applied. The hypothesis was tested and the results show that EPS and DPS have significant effect on Stock price of selected Public sector banks in India. The study has disclosed that 83.43% variation in Stock Price is being explained by the independent variables EPS and DPS,

Hongkong (2017) investigated the effect of Earning Per Share and Return on Equity on stock price of listed banks. The data of the sample drawn from financial statements in period of 2006 to 2009 which make total observed data is 40. The study finds that partially EPS and ROE variables affect stock prices which can be seen in the results of the t test.

METHODOLOGY

This study used ex-post facto research design to examine the effect of accounting information on stock price of quoted healthcare firms in Nigeria. The population of this study consists of all the listed healthcare firms on the Nigerian Stock Exchange as at December 31, 2021; they are seven in number. Those that have complete financial records on their websites or Nigerian Stock Exchange for the period of 2012– 2021 are six and constitute the sample of the study. The data was obtained from the annual reports and accounts of healthcare firms and Nigerian Stock Exchange fact book. The data on share prices were collected from the Nigerian Stock Exchange database. The study employed descriptive and inferential techniques such as the mean, median, standard deviation, and Skewness-Kurtosis statistics, etc. Secondly, correlation analysis was used to examine the relationship among the variables. Lastly, multiple regression technique was used to validate the hypotheses. The study used the Pooled OLS (Ordinary Least Squares).

Model Specification

Functional Form of Model Specification

In order to achieve the objectives of this study and test of the hypotheses, a functional relationship in form of multiple linear regression model consisting of dependent and independent variables were formulated. The regression models are presented as follows;

$$MPPS = F(\text{EPS}, \text{DPS}, \text{ROE}) \dots \dots \dots (1)$$

Testable Form of Model Specification

The dependent and independent variables are presented in their testable form below to help unravel the effect accounting information has on stock price.

$$MPPS_{it} = \alpha_{0it} + \alpha_1 \text{EPS}_{it} + \alpha_2 \text{DPS}_{it} + \alpha_3 \text{ROE}_{it} + E \dots \dots \dots (2)$$

Where:

Dependent Variable:

$MPPS_{it}$ = Market Price Per share (stock price) and it is measured as share price for firm i at the end of year t.

Independent Variables:

EPS_{it} = Earnings per share is measured as earnings per share for firm i at the end of year t

DPS_{it} = Dividends per share is measured as dividends per share for firm i at the end of year t

ROE_{it} = Return on equity for firm i at the end of year t

A priori Expectation Sign $B > 0$. Means positive

E = Error term

i = Cross-sectional

t = Time/ period

α_0 = constant in the model

$\alpha_1, \alpha_2,$ and α_3 = coefficient of the independent variable.

Table 4.1.1. Descriptive statistics of the sampled quoted companies

	MPPS	EPS	DPS	ROE
Mean	9.800667	0.422667	0.178500	3.322000
Median	2.045000	0.110000	0.100000	5.060000
Maximum	70.00000	7.440000	1.500000	480.5500
Minimum	0.570000	-1.290000	-1.000000	-257.6000
Std. Dev.	18.29364	1.522691	0.492840	75.75334
Skewness	1.957059	2.878275	0.478829	3.517230
Kurtosis	5.210575	12.95297	4.740626	29.66394
Jarque-Bera Probability	50.51742 0.000000	330.4987 0.000000	9.867221 0.007200	1901.123 0.000000
Sum	588.0400	25.36000	10.71000	199.3200
Sum Sq. Dev.	19744.79	136.7968	14.33056	338575.6
Observations	60	60	60	60

Source: Author (2022) using E-view 10

Table 4.1 shows the mean (average) for each of the variables, their maximum values, minimum values, standard deviation and Jarque-Bera (JB) statistics (normality test). The results in Table 4.1 provided some insight into the nature of the selected Nigerian quoted companies that were used in this study. Firstly, the large different between the maximum and minimum values of MPPS, EPS, DPS and ROE shows that the sampled quoted Healthcare companies in the study are not dominated by either large or small companies and that the MPPS values which represent our dependent variables changes over the year period (2012 – 20121) covered by this study.

Also, in table 4.1, the Jarque-Bera (JB) which test for normality or the existence of outliers or extreme values among the variables, shows that all the variables are normally distributed at 1%

level of significance. This means that any variable with outlier is not likely to distort our conclusion because they are normally distributed and are therefore reliable for drawing generalization. This also implies that a least square estimation can be used to estimate the panel regression model.

Table 4.2: Pearson Correlation Matrix of the Sampled Healthcare Companies

	MPPS	EPS	DPS	ROE
MPPS	1.000000			
EPS	0.325416	1.000000		
DPS	0.790832	0.261812	1.000000	
ROE	0.068583	0.133123	0.024947	1.000000

Source: Author (2022) using E-view 10

The use of correlation matrix in most analysis is to check for multicollinearity and to explore the association between the each explanatory variable and the dependent variable. Table 4.2 focuses on the correlation between MPPS, EPS, DPS and ROE.

The findings from the correlation matrix table, shows that Earnings Per Share (EPS, 0.33) was moderately associated with MPPS. A close look at the correlation matrix also revealed Dividend Per Share (DPS, 0.79) was positively and strongly associated with MPPS. However, this strong association at 79% does not reveal the presence of multicollinearity or perfect multicollinearity stage which is deemed to occur when the percentage of the correlation is 90% and above. The findings in table 4.2 also revealed that ROE was positively and weakly associated with MPPS at 7%. In checking for multicollinearity, we noticed that no two explanatory variables were perfectly correlated. This means that there is the absence of multicollinearity problem in our model.

Table 4.3: Panel Multiple Regression Result

Dependent Variable: MPPS

Method: Panel Least Squares

Date: 11/26/22 Time: 12:42

Sample: 2012 2021

Periods included: 10

Cross-sections included: 6

Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.129899	1.569850	2.630761	0.0110
EPS	1.472233	1.004612	1.465474	0.1484
DPS	28.13300	3.077210	9.142371	0.0000
ROE	0.008057	0.019495	0.413263	0.6810

R-squared	0.641550	Mean dependent var	9.800667
Adjusted R-squared	0.622348	S.D. dependent var	18.29364
S.E. of regression	11.24207	Akaike info criterion	7.741543
Sum squared resid	7077.512	Schwarz criterion	7.881166
Log likelihood	-228.2463	Hannan-Quinn criter.	7.796158
F-statistic	33.40946	Durbin-Watson stat	1.415710
Prob(F-statistic)	0.000000		

Source: Author 2022 using E-view 10

In table 4.3, the R-squared and adjusted R-squared values were (0.64) and (0.62). This indicates that all the independent variables jointly explain about 74% of the systematic variations in MPPS of our sampled companies over the period (2012 – 20121). The above average R-Squared value is realistic as it clearly shows MPPS and its interaction with EPS, DPS and ROE can help in better understanding of the behaviour of MPPS of companies post IFRS adoption period in Nigeria. The F-statistics (33.41) and its P-Value (0.00) show that the MPPS regression model is generally significant and well specified. The F-Statistics also shows that the overall MPPS regression model is significant at 1% level.

In addition to the above, the specific findings from each explanatory variable from the panel regression model are provided as follows:

Earnings Per Share (EPS): based on the t-statistics 1.47 and P-Value 0.15, was found to have positive effect on the sampled companies' MPPS. However, this effect was not statistically significant since its P-Value is above 5% level of significance. The result therefore suggests that we should accept hypothesis one (H₁), which stated that earnings per share does not significantly affect stock price in the Nigerian stock market. This negates the findings of Ijeoma (2015) but supports the views of Anachedo, Egbunike, Nnojie and Jeff-Anyeneh (2021).

Dividend per share (DPS): based on the t-statistics of 9.14 and p-value of 0.00, was found to have a positive influence on our sampled quoted companies' MPPS and was statistically significant at 1% since its p-value is less than 0.05. This result therefore suggests that we should reject our null hypothesis two (H₂), which stated that dividend per share does not significantly affect stock price in the Nigerian stock market, to accept our alternate hypothesis two. This finding therefore shows that companies that declare high DPS, is an indication that they perform better and their MPPS value are positively and significantly affected too. This finding confirm our aprori expectation that companies with high DPS should have high MPPS value and invariably perform better in the stock market than those with low or negative DPS values. This finding is consistent with the findings of Olugbenga and Atanda (2014)

Return on Equity (ROE): based on the t-statistics of 0.41 and p-value of 0.68 was found to have a positive effect on our sampled quoted companies' MPPS. However, this effect is not statistically significant at 1%, 5% or even 10% levels. We therefore, accept our null hypothesis four (H₃) which stated that return on equity does not significantly affect stock price in the Nigerian stock market. This means that companies with high value of ROE does not perform better than companies with low ROE in terms of their MPPS as this (ROE) does not have statistical significant effect on MPPS of Healthcare companies in Nigeria.

5.1 CONCLUSION

From results and observations made, this study concludes that; accounting information in terms of dividend per share has a significant effect on stock price of Healthcare companies in Nigeria. Earnings per share was found to have positive effect on the sampled companies' MPPS. However, this effect was not statistically significant since its P-Value is above 10% level of significance. Dividend per share was found to have a positive influence on our sampled quoted companies' MPPS and was statistically significant at 1% since its p-value is less than 0.05. This finding shows that companies with high DPS should have high MPPS value and invariably perform better in the stock market than those with low or negative DPS values.

Return on equity has no significant effect on stock price of Healthcare companies in Nigeria. The implication of this finding is that a firms with high ROE does not mean that they will have high market price per share value since ROE does not significantly affect MPPS of quoted Healthcare companies in Nigeria.

5.2. Recommendations Based on Findings

From the analyses and discussion of the data presented in chapter four, the following recommendations were made:

1. Dividend per Share (DPS) has 1% level of significance. That is, we are 99% confident that DPS has a strong positive effect on stock prices. Hence, the study recommends that the pharmaceutical companies should continue to channel their resources towards improving DPS to ensure that it maintains 1% level of significance; as this will enable them to have high MPPS value and invariably perform better in the stock market
2. Earnings per Share (EPS) and return on equity (ROE) were found to have a positive effect on our sampled quoted companies' MPPS but this effect is not statistically significant. The study recommends that companies should try to maintain high EPS, and ROE as though insignificant in the short run, have tendency of being significant in the long run.
3. This study also recommends that any effort geared towards improving quality of accounting information is in a right direction.

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