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2022/2023 PhD Thesis Abstract

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RT: Financial Performance and Taxes Paid by Quoted Companies in Nigeria

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AB: Taxes are one of the key sources of finance to the government, and contribute to the economic growth of Nigeria. Studies indicate that poor performance of companies in the dimensions of return on equity, return on capital employed, net profit before tax and earnings per share, in Nigeria could affect tax revenue. Past studies focused on effect of corporate taxes on financial performance without looking at how financial performance affected taxes paid. Therefore, the study examined the effect of financial performance on taxes paid (effective tax rates, companies income tax, tertiary education tax and value added tax) by quoted companies in Nigeria.

The study adopted *ex-post facto* research design. The population was 173 quoted companies on the Nigerian Stock Exchange as at December 31st 2020. A sample size of 30 was selected using purposive sampling based on companies that consistently reported positive earnings and had complete relevant data for the period of study. Data were extracted from the published annual reports of selected companies from 2006 to 2020. Validity and reliability of data were premised on the statutory audit of the financial statements. Data were analyzed using descriptive and inferential statistics (multiple regression) statistics.

The findings revealed that financial performance had significant effect on effective tax rate ($Adj.R^2 = 0.02$, $F(4, 445) = 7.90$, $p < 0.05$); companies income tax ($Adj.R^2 = 0.89$, $F(4, 445) = 1594.80$, $p < 0.05$); tertiary education tax ($Adj.R^2 = 0.20$, $F(4, 445) = 18.30$, $p < 0.05$) and value

added tax ($Adj.R^2 = 0.12$, $F(4, 445) = 2.50$, $p < 0.05$) of quoted companies in Nigeria. On the aggregate, financial performance significantly affected corporate taxes ($Adj.R^2 = 0.31$, $F(4, 445) = 27.60$, $p < 0.05$) while firm size significantly moderated the effect of financial performance on taxes paid by quoted companies in Nigeria ($Adj.R^2 = 0.41$, $F(4, 445) = 50.20$, $p < 0.05$).

The study concluded that financial performance enhanced taxes paid by quoted companies in Nigeria. The study recommended that management should pay adequate attention and care to earnings and net profit to enhance their return on capital employed to further improve the effective tax rate of their companies. The government should avoid repressive tax laws that could discourage companies from paying taxes.

Keywords: Effective tax rate, Financial performance, Firm size, Quoted companies, Taxes paid, Value added tax

Word Count: 369

Abbreviations: RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract

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