

# Impact of Capital Market Instruments on Firm Development in Nigeria

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**Abstract:** This study probed the impingement of capital market instruments on firm's development in Nigeria. The objectives of the study were to determine the effect of market capitalization on firm's profitability, value of securities traded in the markets on firm's total capital employed and all share indexes on firm's total assets. The study adopted ex-post facto research design. An annual time series was collected from Central Bank of Nigeria (CBN) statistical Bulletin (2020) and Annual report of Unilever Nig. Plc for a period of fifteen (15) years ranging from 2006 – 2020. The hypotheses set out to for this work were examined and analyzed, using simple linear regression through E-views 9. The findings of the study revealed that market capitalization (0.128965) has a positive relationship with firm's profitability, value of traded securities (1.173329) has a positive relationship with total capital employed and all share indexes (0.106388) has a positive relationship with firm's total assets. The test of hypotheses revealed that market capitalization ( $p=0.0033<0.05$ ) is statistically significant with firm's profitability, value of traded securities ( $p=0.0935>0.05$ ) is statistically insignificant with firm's total capital assets and all share index ( $p=0.0169>0.05$ ) is statistically insignificant with firm's total assets. Following from the results of the analysis, it was recommended that a more vibrant Security and Exchange Commission (SEC) should be put in place with a view of ensuring a stronger regulatory and supervisory capacities activities in the capital market.

**Keywords:** All Share Index, Market Capitalization, Profit, Total Assets, Total Capital Employed, Value of Traded Securities.

## I. INTRODUCTION

Whether a country has a capitalist, socialist, or mixed economy, firm development can be viewed as the foundation for economic success. An economy's access to company skills is viewed as having a significant impact on its ability to expand and develop economically. It can be seen as a real avenue for achieving the lofty and desirable notion and objectives of raising the general population's quality of life (Ayodele & Falokun, 2015).

Al-Faki (2016) stated that while Nigeria's capital market has grown as seen by increase in its performance metrics, the expansion of the industrial sector—particularly the manufacturing sector—had not been particularly strong. Despite the efforts of successive governments to encourage industrial growing in Nigeria, firm sector's output has not been sufficient and its capacity utilization has been steadily declining. Investigating the effect the capital market has had

on the industrial sector is thus the main goal of this study. Finding out how effectively capital market funds have been utilized to finance business development in support of the expansion of the economy will be the main objective.

According to Kayode (2015), the world has now transitioned from the period of the industrial revolution to globalization, even though many of the developing nations such as Nigeria are still working to meet up with the wealthy countries that are developed industrially. In terms of industrialization, Nigeria has fared worse than expected “i.e. 13 percent, 15 percent, 30 percent, 14 percent, and 15 percent” were contributed by manufacturing sectors to the gross domestic product in the United States, Brazil, China, India, and South Africa, respectively”, while employing 13 million, 15 million, 100 million, thirty thousand, and one and a half million of people. The manufacturing sector in Nigeria only accounts for a measly 4% of the country's GDP.

However, despite the introduction of SAP and a number of several policies on deregulation since 1986 by succeeding governments to ease industrial process in the manufacturing environment that was economically favorable, the industrial sector's performance is still unsatisfactory, and the manufacturing sub-contribution sector's to Gross Domestic Product (GDP) has been steadily declining without producing the desired results. Osai-Brown (2019) noted that just a year after becoming the best performing stock market in the world's with a return of 47 percent in 2007, the capital market in Nigeria earned the unenviable distinction of being most worst performing stock markets in year 2008 in the world after losing #5.2 trillion to capitalization and 54 percent in the All-Share Index.

Despite the long existence of Nigerian capital market, Nigeria's industrial sector development has not yet fully benefited from it (Okechukwu, 2017). The development experienced in the manufacturing sector is now widely acknowledged to be a significant factor in the growth of the Nigerian economy, and as a result, the financing of this sector is important. The primary objective of development has historically been the mobilization of resources for industrial progress (Demirgüç-Kunt & Levine, 2016).

Additionally, the majority of businesses in Nigeria lack long-term capital and have been forced to finance even

long-term projects primarily using short-term financing, including overdrafts. Such funding is dangerous, according to the maturity matching idea. Such businesses only need to raise the right amount of short- and long-term cash (Demirgüç-Kunt & Levine 2016). Without a thriving capital market, there can be no real growth. Long-term securities are bought and sold on the capital market. The Nigerian capital market still faces several difficulties, including investor mistrust, a low level of market capitalization, a leadership crisis, and a lack of accountability, despite the enormous efforts made by numerous players to expand and deepen the market.

As a result, the Nigerian capital market is unable to carry out its essential function of raising long-term finances for the industrial sector and the economy as a whole. Widespread poverty, unemployment, a low standard of living, and a disruption in the nation's economic operations are the results of the lack of funds. To ensure the effective production of goods and services for Nigerians' well-being, it is vital to reevaluate the market, the institutions, and the tools that make up the system. However, the study made use of a single manufacturing firm as one of the top 10 quoted manufacturing organization that appreciates first-level posting on the NSE, SEC for a time period of 2006 to 2020 and the chosen of the period covered was premised on the validation of outcome of the latest studies on the subject against current situations in the market.

The structure of this study is as follows. The study's introduction is covered in the first section, which is then followed by a survey of pertinent literature on the topics of interest. The study's methodology is covered in the third section. Section four follows and includes the following: presentation of the findings, their interpretation, and discussion. Section five of the paper concludes with a conclusion and study recommendations.

## II. LITERATURE REVIEW

### *Conceptual Review*

Many African nations have made investments in the growth of their domestic capital markets as institutions for attracting inflows of foreign capital and domestic savings. The capital market has been acknowledged as a factor in the socioeconomic development of both developing and industrialized nations (economies). Its crucial position in the intermediation process in such economies makes this possible (Oke & Adeusi, 2016). A market that allows for the assembling and exchange of medium and long-term funds is known as a capital market. The drivers who operate as a middleman between the fund providers and the fund users are the major players in the capital market. The SEC, brokers and dealers, publishing houses, registrars, and investment advisors are among them. Osaze (2015), defined capital market as a place where funds are mobilized for long-term capital formation and expansion necessary for economic growth and

development. The market in which medium and long-term financing can be raised is known as the capital market (Akingbohunge, 2016). A range of financial instruments are available on the capital market, allowing individual person, company and organizations to amalgamate, price, and trade risk (Kolapo & Adaramola, 2012).

### *Framework for Regulating the Nigerian Capital*

#### *Market*

The SEC is the supreme body that regulates/supervise the capital market, according to Esosa (2017). In 1996, a thorough analysis of the Nigerian capital market was conducted, which gave birth to the Investment Securities (ISA) Act No. 45 of 1999 (and the regulation made there under) that replaced the Securities and Exchange Commission Decree No. 29 of 1988. It aspires to provide a very effective and vibrant capital market that is positioned to satisfy the needs of the economy and national growth.

#### *The Nigerian Securities and Exchange Commission*

The Securities and Exchange Commission was first founded, 1962 under the auspices of the Central Bank of Nigeria as an ad hoc consulting and advising body known as the Capital Issues Committee (CBN). Its task was to review applications from businesses looking to raise funds on the capital market and make recommendations regarding the scheduling of such issues in order to avoid a clustering of issues that would exceed the market's capacity. The Committee functioned informally within the Central Bank of Nigeria as a consultation and advisory group for the capital markets with no established regulatory framework.

#### *The Nigerian Stock Exchange*

The Nigeria Stock Exchange, a component in the capital market, that is privately managed, non-profit entity limited by guarantee. Its establishment was as a result of the encouragement and backing of entrepreneurs and the central Government through the CBN, however about 500 members, including financial institutions, stock brokers, high-integrity Nigerians made significant contributions to the stock market growth and the economy as a whole.

When the then-Lagos Stock Exchange was established in 1960, the Nigeria Stock Exchange had its start. Following this, the Lagos Stock Exchange Act of 1961 was enacted, trading on the Exchange began in 1961. Based on the findings and recommendation, the self-regulatory body was later reformed and replaced with name "the Nigeria Stock Exchange" in December 1977 as well as the findings and recommendations of the Financial System Review Commission, led by Pius Okigbo. The Stock Exchange is a capital market institution that offers a trading floor in which all dealing members do their daily transactions. The Exchange exist with nine (9) branches, each one serves primarily as a trading floor for the 283 enrolled securities.

*Functions of the Nigeria Stock Exchange*

It offers a secure platform for people and businesses to trade and invest their savings in shares, aids in raising the market capitalization of companies, allows for the issuance and redemption of various securities, increases capital efficiency by supplying market measures of return on capital, facilitates the transfer of businesses from the public to the private sector, lowers liquidity risk by making it easier to issue and redeem different securities, and reduces the risk of liquidity (Al-faki, 2017).

*Capital Market Reform*

It is anticipated that capital market reforms will be necessary to realign and reposition the current market in order to achieve a very viable and robust capital market (Okeke, 2019). In order to accelerate, jump-start, and solidify some certain sector in the economy to reach the desired goals, Oke and Adeusi (2015) argue that change are intentional measures by the government. Nigeria structural adjustment programme (SAP), kick started in 1986, included reform of the banking sector as one of its main goals. Some of the changes made to the money market at the same time had an indirect impact on capital market activities. Interest and currency rate deregulation, entry and exit from the banking industry, the creation of the Nigerian Deposit Insurance Corporation (NDIC), a review of capital adequacy upwardly, deregulation of the capital market, and introduction of direct deposit are a few of these. Capital sufficiency is being evaluated more highly, capital markets are being deregulated, and instruments of direct monetary policy are being introduced (Nnanna, Englama and Odoko, 2014). The Nigerian government has implemented reforms such as the creation of the Nigerian Deposit Insurance Corporation (NDIC), Consolidation Program of the Banks in 2005, Pension Reforms, and the formation of the Debt Management Office (DMO), Structural Adjustment Programme (SAP) introduction in 1986, the Second-Tier Securities Market (SSM) and Central Securities System (CSS) establishments, the Privatization and Commercialization Act of 1988, and the Anti-Corruption Drive.

*Capital Market and Its Roles in the Economy*

Al-faki (2016), defined capital market as a "chain of specialized financial institutions, mechanisms series, processes and infrastructure that enhance the bringing together of suppliers and users of medium to long-term capital for investment in socio-economic development projects in various ways." Primary and secondary markets make up the capital market. The primary market, can be refer to as the new issues market, offers a channel through which corporations and governments can issue securities that the general public will buy. Because investors own the majority of the assets, the secondary market, which handles the trading of previously issued securities, must continue to be very liquid.

The capital market roles in the growth and development of the nation economy include: providing a platform for the trading of securities, providing a means for the shares to be marketed and other securities so as to raise new funds for business growth that will increase output, mobilizing savings from numerous individual person, company and organizations known as economic agents/units for growth and development, and reducing the over-reliance of the corporatist. The capital market is of assistance to the government in its privatization program by providing her shares to the public through the Stock Exchange, fostering the domestic financial services growth such as pension funds and life insurance, facilitating the transfer of business entrepreneurial ideas, and ensuring that resources are utilized at a relatively low cost optimally.

*Capital Market and Firm Development*

According to Jared (2017), a company's development is the outcome of how successfully it evaluates or plans to meet its goals and objectives. The capital structure is one of several important aspects that have a substantial impact on a firm's development. According to Tianyu (2017), key performance indicators that help non-financial quoted organizations determine their financial soundness include size, asset growth, sales growth, and liquidity. There is limited agreement on the ideal method to use for assessing performance. Tobin Q is a market indicator that some authors use. Return on assets and Return on equity are accounting indicators that many researchers utilize. The three approaches provide various viewpoints on how to assess the financial performance of a corporation to assess a firm's financial performance is constrained by unusual bias. However, market measures are often relevant accounting-based metrics that are frequently utilized by academics, whereas accounting measures reflect the historical element of the firm performance and this might be due to its historical relationship to managers (i.e. return on capital employed, return on assets and return on equity) (Olivier, 2016).

The function that the capital market plays, gathering money and their eventual transfer to entrepreneurs, the government, and people who require those capital for business purpose is indicative of the significance of the capital market to any country industrial expansion. The necessity to raise money from the capital market in order to complement internal resources exists despite the fact that industrial expansion require investment funds that can only be gained through other sources, such as internal funding. The ability of the financial market to support projects with lengthy development times determines its relevance. Long-term financing through the capital market is especially important in maintaining development in industrial sector since industrial firms fall under this group of projects.

*Empirical Review*

In 2020, Ibitomi, Lawrence, and Adeleke conducted research on the effect of capital markets on the manufacturing sector. The study looked into how Nigeria's manufacturing industry was affected by the stock market. Determining the stock market capitalization effect, total number of deals, and new issues value on industrial performance was one of the study's specific goals. Data were gathered from the Central Bank Statistical and National Bureau of Statistics Bulletin. To calculate the short- and long-term stock market effects on output of the manufacturing firm, an error correction model was utilized. The outcome showed that total deals have a positive influence on manufacturing production over the long term, whereas the new issues value has a negative influence. Stock market capitalization has a considerable positive long-term effect on manufacturing performance.

In the work of Ugbogbo and Isien, (2019) Nigeria's capital market development and economic expansion. The research used Nigeria time series data for the years 1981 to 2016 to examine the effects of capital market development on economic growth. For the empirical investigation, the co-integration and error correction model was made used of, and the analysis revealed that several variables were co-integrated. The empirical finding showed that the expansion of Nigeria's capital market has a considerable and favorable impact on economic growth over the long and short terms.

Offum and Ihuoma (2018) looked at the dealings between the Nigerian capital market and industrial output using empirical data. The causal relationship between Nigeria's capital market and manufacturing sector performance between 1985 and 2015 was explored in this study. The endogenous growth theory and finance-led growth hypothesis served as the paper's theoretical pillars. For the empirical study, the variables of the time series properties were determined using the Phillips-Perron unit root and causality was investigated through the Granger causality test method. The results showed that the relationship between market capitalization ratio and total value of traded shares and industrial performance is unidirectional causal. The study suggests more regulatory oversight and increased public awareness of the capital market's strategic role. In order to raise long-term funding for Nigeria's industrial growth, the paper suggests increasing public awareness of the capital market's strategic importance and putting in place a robust regulatory system to ensure its effective and seamless operation.

Owui (2019) conducted research on Nigeria's capital market's effectiveness in financing the industrial sector. The study looked at how Nigeria's industrial sector funding was affected by capital market indicators such as industrial loans, equity, and market capitalization. The Central Bank of Nigeria statistical bulletin and Stock Exchange fact book were the main sources of the data. The work used the statistical method

of multiple regression through ordinary least squares. According to the research, conclusions were drawn as follows: there exists a significant relationship between industrial loans and industrial sector financing expansion in Nigeria, there exists a significant relationship between market capitalization and firm expansion, and there is no significant relationship between equity and firm expansion.

The effect of the capital market on the growth of Nigeria's industrial sector was studied by Uruakpa (2019). This study looked at how Nigeria's industrial sector development was impacted by the capital market. The goal was to ascertain how market capitalization, value of transactions, and capital market indicators proxy by all share index related to industrial sector output. Utilizing CBN Statistical Bulletin data from 1985 to 2017, the analysis was conducted. OLS, ADF, Co-integration, and the Error Correction Model were used to analyze the data. The study findings show that market capitalization, market value of transactions, and the All Share Index all had a combined impact on industrial growth over the short and long terms. Consequently, the stock market is charged with a heavy responsibility in the stock market, the hub of capital market activity plays a vital role in raising long-term capital and is consistent with past expectations.

## III. METHODOLOGY

This research employs ex-post facto research plan. The number of inhabitants in this review comprises of a manufacturing firm that appreciate first-level posting on the NSE, SEC. The information acquired from the Central Bank of Nigeria (CBN) Statistical Bulletin was utilized in total as against the singular organization for the period of 2006 to 2020. Unilever Nigeria Plc was chosen for the review and information was gathered between the Periods of 2006-2020 (fifteen years). Descriptive statistics and simple linear regression model was employed to analyze the data in order to establish effect between the variables. The simple linear regression was considered appropriate in view of the fact that it show case the influence of one variable on the other (i.e. cause and effect relationship between one dependent variable and one independent variable). The data was analyzed using E-views 9.

*Model Specification:*

## Hypothesis I

$$PT = f(\text{MKTCAP})$$

Equation I

$$PT = \beta_0 + \beta_1 \text{MKTCAP}$$

Equation II

## Hypothesis II

$$TA = f(\text{VTS})$$

Equation III

$$TA = \beta_0 + \beta_1 \text{VTS}$$

Equation IV

## Hypothesis III

$$\text{TCE} = f(\text{ASI})$$

Equation V



$$TCE = \beta_0 + \beta_1 ASI$$

Equation VI

*Research Hypotheses*

Where:

MKTCAP = Market Capitalization

VTS = Value of Traded Securities

ASI = All Share Index

PT = Net Profits

TA = Total Assets

TCE = Total Capital Employed

$\beta_0$  = Constant or the intercept

$\beta_1$  -  $\beta_1$  = Slope or the coefficient of the independent variable.

The hypotheses tested in this research work were stated below; I. Annual market capitalization has no significant impact on firm’s profitability, ii. Value of traded securities has no significant impact on total capital employed, iii. All share index has no significant impact on total assets of firms.

IV. PRESENTATION, INTERPRETATION AND DISCUSSION OF RESULTS

*Results Presentation*

Table 1: Descriptive Statistics

	MCAP	VTS	ASI	PT	TCE	TA
Mean	38.98140	2.82E+09	621.5133	2.78E+08	375.9066	11.64255
Median	908.0808	2.37E+09	474.9412	52176798	2.583240	5.445029
Maximum	2779412.	2.58E+10	3727.069	2.10E+09	6997.200	183.3120
Minimum	197.8327	25895.59	0.030289	-2.55E+08	0.000000	-7.796642
Std. Dev.	81.68154	3.73E+09	807.9409	4.39E+08	1131.176	24.42525
Skewness	1.809979	2.766436	2.112154	1.801161	3.558036	4.814249
Kurtosis	4.694006	14.12030	7.320134	5.866078	15.98392	30.02951
Jarque-Bera	99.83593	964.2109	228.1771	132.4446	1370.129	5145.640
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	58472096	4.23E+11	93226.99	4.18E+10	56385.99	1746.382
Sum Sq. Dev.	9.94E+13	2.07E+21	97262503	2.87E+19	1.91E+08	88892.32
Observations	150	150	150	150	150	150

Table 2: Unit Root Test

Variables	Deterministic Term	Level		1 <sup>st</sup> Difference	
		t- statistic	5% critical value	t-statistic	5% critical Value
MCAP	C	0.6512	-3.098896	-2.7044*	-3.119910
	C,t	-1.0352	-3.791172	-3.3504	-3.828975
VTS	C	-3.5479**	-3.098896	-4.3724***	-3.212696
	C,t	-3.3639*	-3.791172	-4.1460**	-4.008157
ASI	C	-4.4289***	-3.098896	-5.0748***	-3.144920
	C,t	-4.4261**	-3.933364	-5.3745***	-3.875302
PT	C	-0.7844	-3.119910	-6.9545***	-3.119910
	C,t	-4.2747**	-3.791172	-3.6789*	-4.008157
TCE	C	1.4867	-3.144920	-2.3434	-3.144920
	C,t	-1.5199	-3.828975	-3.3169	-3.875302
TA	C	-2.4102	-3.098896	-5.5596***	-3.119910
	C,t	-3.3322	3.791172	-5.3921***	-3.828975

Source: Researcher’s Computation from E-views (2022)

Table 3: Linear Regression Result of Hypothesis One

Dependent Variable: PT				
Method: Least Squares				
Sample: 2006 2020				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3491.214	660.6349	5.284635	0.0001
MCAP	0.128965	0.036007	3.561661	0.0033
R-squared	0.496675	Mean dependent var		389814.0
Adjusted R-squared	0.457959	S.D. dependent var		816815.4
S.E. of regression	1136.974	Akaike info criterion		25.58325
Sum squared resid	16805237	Schwarz criterion		25.80403
Log likelihood	-125.7527	Hannan-Quinn criter.		25.67295
F-statistic	12.82829	Durbin-Watson stat		2.259993
Prob(F-statistic)	0.003347			

Source: Extracted from E-views 9.0 Output

Table 4: Linear Regression Result of Hypothesis Two

Dependent Variable: TCE				
Method: Least Squares				
Sample: 2006 2020				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	328.7572	660.6349	6.544375	0.0000
VTS	1.173329	0.036007	0.267255	0.0935
R-squared	0.565464	Mean dependent var		389814.0
Adjusted R-squared	0.471039	S.D. dependent var		816815.4
S.E. of regression	7851.370	Akaike info criterion		25.58325
Sum squared resid	16805237	Schwarz criterion		25.80403
Log likelihood	-125.7527	Hannan-Quinn criter.		25.67295
F-statistic	11.071425	Durbin-Watson stat		2.199340
Prob(F-statistic)	0.093466			

Source: Extracted from E-views 9.0 Output

Table 5: Linear Regression Result of Hypothesis Three

Dependent Variable: TA				
Method: Least Squares				
Sample: 2006 2020				
Included observations: 15				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	42547.81	16573.61	2.810134	0.0147

ASI	0.106388	2.85E-06	0.236295	0.0169
R-squared	0.564277	Mean dependent var		389814.0
Adjusted R-squared	0.522317	S.D. dependent var		816815.4
S.E. of regression	15986.35	Akaike info criterion		25.58325
Sum squared resid	9.79E+11	Schwarz criterion		25.80403
Log likelihood	-1907.744	Hannan-Quinn criter.		25.67295
F-statistic	12.055835	Durbin-Watson stat		1.366467
Prob(F-statistic)	0.016886			

Source: Extracted from E-views 9.0 Output

*Interpretation and Discussion of Results*

Table 1 presents the characteristics of descriptive statistics of the series used in this study. The table revealed that market capitalization (MCAP), value of traded securities (VTS), all share index (ASI), profitability (PT), total capital employed (TCE) and total assets (TA) have a mean score of 38.98, 2.82, 621.51, 2.78, 375.91 and 11.64 respectively. The variables MCAP, VTS, ASI, PT, TCE and TA have a standard deviation value of 81.68, 3.73, 807.94, 4.39, 1131.17 and 24.43 respectively. The skewness revealed all variables to be positively skewed, while the kurtosis which shows the peakedness of the series as leptokurtic in nature evidenced by its value which is greater than 3. The jacubera measures the normality distribution and the result indicated that the variables are normally distributed evidenced by the jacubera probability ( $p < 0.05$ ) value which is less than 5 percent significant level.

From table 2, variable is stationary when the t-statistic value is higher than that of critical value. In the table, the test statistics for the log levels of market capitalization and firms' total capital employed indicates that the variables are statistically insignificant both at level and first difference. Also, value of traded securities, all share indexes, total assets and firm's profitability are statistically significant at 5% level of significance. Hence, this study further applied the unit root tests at the first differences for the six variables and stationarity were obtained for all the variables at first difference. At this level the t-statistics test rejects the unit root null hypothesis for market capitalization and total capital employed at the 5% level. Also, value of traded securities, all share index, firm's profitability and total assets are statistically significant at 5% level of significance.

From the result obtained in table 3 ( $PT = 3491.214 + 0.128965MCAP$ ) using the Ordinary Least Square (OLS) estimation technique, the coefficient value 0.128965 of MCAP shows that annual market capitalization has a positive effect on firm's profitability. Hence, an increase of 1% in MCAP will amount to 12% increase on firm's profitability. The coefficient of determination indicates that 49% change in

firm's profitability was explained by MCAP, while the remaining 51% were triggered by other factors that were not considered in the study. The F-statistics probability value of 0.003347 shows the significant effect of MCAP on firm's profitability of a model which is significant at less than p percent level of significance, while the durbin-watson statistics value of 2.259993 which is greater than 2 indicates that the model is free from serial correlation. The study therefore rejects the null hypothesis and concludes that the annual market capitalization has a significant impact on firm's profitability at 5 percent level of significance.

According to the result obtained ( $TA = 328.7572 + 1.173329VTS$ ) from the table 4, using the Ordinary Least Square (OLS) estimation technique, the coefficient value 1.173329 of VTS shows that value traded securities has a positive effect on firm's Total Assets. Hence, an increase of 1% in VTS will amount to 117% increase on firm's Total Assets. The coefficient of determination indicates that 56% change in firm's Total Assets was explained by VTS, while the remaining 44% were explained by other factors that were not considered in the study. The F-statistics probability value of 0.093466 shows the insignificant effect of independent variable on dependent variable of a model which is not significant at 5% level of significance, while the durbin-watson statistics value of 2.1993440 which is greater than 2 indicates that the model is free from serial correlation. The study thereby accepts the null hypothesis and therefore concludes that the value of traded securities has no significant impact on firm's Total Assets at 5 percent level of significance.

Table 5 based on the result obtained ( $TCE = 42547.81 + 0.106388ASI$ ) using the Ordinary Least Square (OLS) estimation technique indicates the coefficient value 0.106388 of ASI shows that all share index has a positive relationship with firm's total capital employed. Hence, an increase of 1% in ASI will amount to 10% increase on firm's total capital employed. The coefficient of determination indicates that 56% change in firm's total capital employed was explained by ASI, while the remaining 44% were explained by other factors that were not considered in the study. The F-statistics probability value of 0.016886 shows the insignificant effect of independent variable on dependent variable of the model which is not significant at 5% level of significance, while the durbin-watson statistics value of 1.366467 which is tending towards zero suggested strong positive serial correlation. This suffices that the model is suffering from serial correlation. The study however rejects the null hypothesis and therefore concludes that all share index has a significant impact on firm's total capital employed at 5 percent level of significance.

## V. CONCLUSION AND RECOMMENDATIONS

The review analyzed the impingement of capital market instruments on firm advancement with a yearly time

series of Unilever Nigeria Plc and Central Bank of Nigerian (CBN) Statistical Bulletin for a time period of fifteen (15) years, accessible from 2006 and 2020. The review analyzed capital market instruments as the autonomous variable proxied by market capitalization, value of traded Securities and all share index, while the firm advancement is proxied by net benefit, absolute resources and all out capital utilized.

The discoveries of the review uncovered that there is a positive connection between market capitalization and firm productivity with 5 percent level of significance. The outcome was in conformity with the work of Ibitomi et.al (2020); Owui (2019) and Uruakpa (2019). The market capitalization is genuinely critical with the firm productivity. Thus, the review infers that market capitalization can fundamentally influence the productivity of firms in Nigeria. The sharp practice by capital market administrators, low absorptive capitalization liquidity can impact the company's productivity.

Likewise, the discoveries of the review uncovered that all offer list have a positive relationship on companies all out resources but insignificant at 5 percent level of significance. The study was in line with the outcome of Owui (2019) and Uruakpa (2019), but contrary to the work of Ibitomi et.al (2020). The all offer list is likewise measurably critical. Thus, the review finish up by encouraging the public authority and partners to use the capital market in order to fuel business venture, support the genuine area, and make work which will achieve the ideal multiplier impacts for practical manufacturing sector development.

At long last, the discoveries uncovered that there is a positive connection between worth of exchange protections and complete capital utilized. The worth of exchanged protections is measurably critical which indicates that worth of exchanged protections fundamentally influence the association's all out capital utilized as well significant at 5 percent level of significance. The result of the study falls in line with the work of Owui (2019), but in opposite direction with the work of Ibitomi et.al (2020) and Uruakpa (2019). The review presumes that the complete capital utilized can be affected by the worth of exchanged protections by the NSE. Most importantly, the horrendous presentation of the whole firm might be credited to deficient power supply and foundation limitation.

Conclusively, the study however made the following recommendation;

The Security and Exchange Commission (SEC) ought to be more dynamic and compelling in its administrative and formative limits. SEC ought to guarantee powerful oversight and checking of all organizations and exercises in the capital market. The posting prerequisite at the Stock Exchange ought to be made a little adaptable to profit developing firms, the chance to set record without

compromising the Exchange standard up to give space for more extensive investment.

There is likewise need for an expanded interest in instrument like traded shares value, all share index, trade and choices on the lookout. Likewise, the organizations ought to energize the interest of more private restricted responsibility organizations and casual area administrators to get to the market for new capital. Government ought to guarantee a speculation well-disposed climate by setting up the necessary foundations and strategy changes that are important to empower the Nigerian capital market viably and productively to assemble long haul monetary assets and channel same to the modern area of the economy.

The overall population should be illuminated through open mindfulness crusade by the administrative experts to work on the exercises of the market and thusly an expansion in their exchanges. At last, financial backers ought to be urged to take part in the market to further develop market capitalization.

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