RESEARCH ARTICLE

ASSETS MIX AND FINANCIAL PERFORMANCE OF LISTED CONSUMER GOODS FIRMS IN NIGERIA

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Abstract

This study assessed the effect of asset mix on financial performance of selected consumer goods firms in Nigeria. The specific objectives of the study were to determine the effects of tangible non-current assets, current and intangible assets structures and returns on asset. Ex post facto research design was adopted and data obtained from the annual reports of the companies for a seven-year period from 2013 to 2019. Multiple regression analytical technique was employed in analyzing the data. The findings of the study revealed that the independent variables employed in the study explained about 13.7% of the variations in returns on asset. Specifically, both current and intangible assets have positive and significant effect with ROA at 5% level of significance. Noncurrent asset has positive but insignificant effect on ROA. Thus, the assets composition of a firm plays a critical role in the financial performance of that firm, although it explains only about 14% of the performance of the firm. It was therefore recommended that firms should increase their current and intangible assets, but should keep it at an optimum level that will ensure that maturing short-term business obligations are met

1.INTRODUCTION

No organization can exist without resources- human or material. Organizational resources are referred to as its assets. The management of these resources underpins the continued viability of a business and therefore represents a key feature of business prosperity. [1] According to the International Accounting Standards Board Conceptual Framework (2011), assets are resources under the control of the organization, arising from past events, from which future economic benefits are expected to flow to the entity. Essentially, they are simply resources under the control of the organization, used by management to generate profit or grow the firm's shareholders' wealth, as the case may be. These assets may be tangible, intangible or wasting assets. They may also be classified into current and non-current assets.

The assets mix or structure shows the ratio between the various components or classifications of the firm's assets, which it uses to finance its operations and/or generate profit. It also refers to the way in which the assets of the organization are patterned or categorized. According to ZhengSheng [2] asset structure entails how resources are diversely allocated. It can be divided into the following categories: turnover assets, production assets and wasting assets.

Koralun-Bereźnicka et al [3] on his part, posits that asset mix is the way the firm's assets are structured; which were identified as tangible non-current assets, intangible non-current assets

and current assets. A similar approach was taken by Schmidt (2014), where asset structure was described in terms of: current assets; long term investments; tangible non-current assets; intangible assets; and others assets. [4] Performance on the other hand, the bottom-line for most organizations, particularly private sector organizations. It shows the extent that resources of the firm are used efficiently to achieve their goals. [5] Non-performance, could therefore spell failure on the part of the management of the organization.

A firm can be assessed based on the financial and non-financial criteria. While the latter entails an assessment based on qualitative factors such as number of customers, the firm's market share, the quality of product, etc, the former could be ascertained using various financial indicators or ratios such as profitability, liquidity, market and efficiency ratios. Okpara and Ifurueze (2020) posit that financial performance shows both the financial strongholds and less-performing areas of a firm by expressing associations between the statement of financial position items and the income statement items. [6] Evaluating the financial performance of a firm, therefore, enables decision makers to judge the results of business strategies and activities in monetary terms. This study, however, focuses on financial performance of firms.Talking about the interconnectedness between assets mix and financial performance, it has generated a lot of controversies among researchers in recent times. Essentially, the assets mix or structure is very important to a

firm; not only because it impacts on the financial performance and position of the company, but also affects the stakeholders' interests in the firm. Accordingly, financial managers constantly strive to achieve optimal assets mix in their firms; as it is their responsibility to most appropriately balance the risks associated with idle and performing assets.

According to Brigham et al [7] the composition of capital must include issues such as the assets mix, the stability of the firm sales, the financial leverage, and profitability, etc. and also other internal environmental factors affecting the company itself. These conditions must be included when the managers are faced with task of financial decision making.

2. Statement of the problem

Organizations cannot exist without resources- human or material. Effective management of these resources (assets) underpins the continued viability of a business. These resources has represents a key feature of business prosperity. The importance of assets in generating value for companies has attracted a great deal of research on different aspect of assets both from developed and developing economy. Thus, there had been extant studies on the link between company assets structure and financial performance. However, most of results of empirical studies on the subject were mixed. Not only that, but their methodologies were different. Again, none of the prior studies had specifically looked at the consumer goods sector in Nigeria. For instance, Mawih (2014) looked at the influence of asset structure on firm performance of company's listed in the manufacturing sector listed in Oman and found that asset mix had a strong positive impact on the return on equity. [8] Reyhani (2012), on his part, investigated the relationship between assets structure and profitability of selected companies of Tehran Stock Exchange (TSE). [8] The study revealed that the fixed assets had a significant positive effect on EBIT. Again, ZhengSheng et al [2] looked at effect of an optimal asset structure on business performance and found that asset structure had a strong and significant influence in determining the financial performance of firms. Due to those empirical contradictions, particularly the inability of previous studies to provide definite conclusions regarding the link between assets mix and firm performance, we attempted to join the on-going debate by investigating the Consumer Goods Sector in Nigeria between 2013 to 2019. Specifically, the study addressed the following fundamental research questions:

1. Do non-current assets have any effect on the return on asset (ROA) of listed firms in Nigeria?
2. To what extent do current assets influence the return on asset (ROA) of listed firms in Nigeria? and
3. Do intangible assets have any influence on the return on asset (ROA) of listed firms in Nigeria?

3. REVIEW OF RELATED LITERATURE
3.1 Financial Performance and Measure

Financial performance refers to an assessment of firm's ability to utilize its assets in the generation of profits as well as wealth maximization. [1] It involves growing the firm's profit, including shareholders' wealth maximization; which are among the major objectives of a firm. [10] Various indicators have been used to measure the financial performance of the firms by various scholars. Okwo et al. [11] looked at the financial performance of listed companies in the brewery sector using operating profit margin, as measure of performance. Similarly, a study by ZhengSheng et al [2] used the operating revenue as proxy of business performance in an effort determine the optimal allocation of asset structure on financial performance; while Olatunji et al [12] used net profit banks as the measure of their financial performance. This study adopts return on assets as a measure of financial performance; and was measured as profit after tax divided by the total assets.

3.2 Asset Mix and Dimensions

Assets mix has been defined by using various aspects by the different scholars based on the direction of the study. According to Koralun-Bereźnicka [3] asset structure simply entails a combination of the various asset components which were identified as: fixed assets; intangible fixed assets and current assets, including cash in hand as well as cash at bank. On his part, Mawih et al [8] investigated the assets structure and conceptualized it as the ratios of the firm's fixed and current assets to its total assets respectively. Chukwu et al [13] investigated the effect of intangible non-current assets on the stock value of listed deposit money banks in Nigeria. They specifically looked at the effects of goodwill and software costs on the Earnings per share of quoted banks. The results revealed that computer software costs were not significantly related to market value while goodwill arising from business combination was positively related to market performance. Ferreira et al [14] sought to identify the impact of different classes of intangible non-current assets on the profitability of 25 major technological companies in the world, for a four-year period, 2014–2017. The study used Pearson's correlation coefficients, and multiple linear regression models to assess the relationship and empirical evidence from the study shows a negative impact of some of the intangible assets disclosed on companies' financial position on performance.

This study describes assets mix as the ratio individual asset types or components to the total assets of the firm as at a particular statement of financial position date. For this purpose of our study, assets mix were seen from the dimensions of: tangible non-current assets, intangible assets and current assets.

3.3 Tangible Non-Current Assets Mix

Tangible non-current assets are also known as property, plant and equipment. According to IAS 16, Property, plant and equipment are tangible assets such as plant and machinery, motor vehicles, land and buildings (free or leasehold) and plant & machinery held for either rentals; for the production supply of goods and services or for administrative purposes. A firm acquires plant and machinery and other productive fixed assets for the purpose of generating sales. Therefore, the efficiency of tangible non-current assets could be judged in relation to the firm's revenue generated. Nangih and Onuora (2020) posit that noncurrent assets are distinguished from other current assets because they are long term in nature; not usually procured for resale, and are normally employed to generate income directly or indirectly for entity. On their part, Chukwu et al [15] assert that the level of property, plant and equipment assets available to a computer invariably influences how well they will perform. The tangible non-current assets mix shows the ratio of tangible non-current assets to total assets of the firm as at a particular point in time.

3.4 Current Assets Mix

Current assets are those resources under the control of the entity, arising from past events from which economic benefits are expected to flow to the entity, but are used up within one accounting period. In other words, they are assets that are convertible to cash and cash equivalents within one accounting period. Examples of current assets include trade receivables, inventories, prepayments, short term investments, etc.

Current assets were described as life blood of every firm, hence primary task of every manager is to keep current assets flowing and use the cash flows to generate profits. Current asset management therefore entails the planning, organizing and controlling of the current assets of a firm. [16] Essentially, we can conclude that any asset under the control of a firm that can be easily converted into cash within one year can be considered as a current asset. Nangih, Obuah, and Kumah et al [17] examined the effect of current assets on the equity value of listed oil and gas companies in Nigeria. The findings revealed that both dimensions of the independent variables (receivables and inventory) significantly and positively affected equity price whereas cash did not. The study therefore concluded that the receivables of oil and gas firms in Nigeria did not positively influence their share prices. For this study, the current assets mix is represented by the ratio of total current assets to total assets of the firm.

3.5 Intangible Assets Mix

According to a International Accounting Standards 38, intangible non-current assets are identifiable nonmonetary asset without physical substance. Hence, they are resources under the control of the entity, but have no physical form (Nangih and Onuora, 2020). They include patent rights, soft wares, trademarks, brand names, goodwill, franchise agreements, etc. Anuonye (2017) opined that assets are said to be intangible where; 1. They have no physical substance and are non-financial, 2. They entail expectations of economic benefits that carry no legal rights or legal rights in relation only to persons, 3. The assets can be identifiable, that is, capable of being sold of separately without selling of the business entity as a whole. He emphasized that intangible assets have positive impacts on the financial position and performance of the enterprises, as they influence an organization's ability to generate cash flows. This study conceptualizes intangible assets mix as the ratio of total intangible assets to total assets of the firm as at a particular date.

3.6 Theoretical Framework

This study was anchored on Trade-off theory. The trade-off theory was introduced by Kraus and Litzenberger in 1972. The theory suggests that entities choose the ratio of debt to equity finance employed in financing the assets of the firm by carrying out a costs-benefits analysis. It was then expanded by the Myers in 1984 [19], who introduced adjustment costs, including those resulting from asymmetric information and agency issues [20]. They concluded that there is an advantage to financing with debt, the tax benefits of debt and there is a cost of financing with debt, the costs of financial distress including bankruptcy costs of debt and non-bankruptcy costs. Studies on the relationship between asset structure and capital structure have concluded that the higher the collateral, the higher the potential leverage.

Based on this finding, this study assumes that the firm with sufficient assets is in a position to utilize the optimum capital structure which then leads to better financial performance. The assumption is also based on the findings of various scholars that: the higher the collateral, the higher the potential leverage; the higher the share of current assets the greater the long term assets; and the higher the share of current assets, the lower the shortterm debt. [3] Based on this theory, this study works on the view that sufficient assets may reduce the risk and the bankruptcy cost, thus improving the performance of the firm.

3.7 Empirical Review

Empirical studies on investment in assets mix have demonstrated mixed result based on various sectors. Reyhani et al [9] examined the effect of assets structure on the performance of some companies of Tehran Stock Exchange. The study conceptualized assets structure (the independent variable) as fixed assets and variable assets and while EBIT was used as the proxy for the as a dependent variable. The findings of the study revealed that the fixed assets have a significant positive effect on EBIT.

Mwaniki et al [21] investigated the association between asset structure and performance firms quoted under the commercial and service sectors on the Nairobi Stock Exchange. The study employed: Property, Plants and Equipment; current assets; intangible assets; and long-term investments as dimensions of the independent variable. Secondary data from the annual reports from 2010 to 2014 were collected and was analyzed with multiple regression analysis. The results indicated that Property, Plants and Equipment, and long-term investments had statistically significant and positive effect on financial performance, while current assets and intangible assets did not have statistical significance on firm financial performance. This study concluded that the firms should increase long term investments and PPE to increase profitability.

Kotšina et al [22] examined the impact of the investment intensity on return on investment. It employed a sample of 8,074 companies across the European Union member countries for the period between 2001 and 2009. The result showed that there was strong negative (or positive) impact of companies' investment intensity on firms' return on assets.

Azadi [23] investigated the effects of the changes in assets (fixed and current) on operating earnings listed companies on the Tehran Stock Exchange. The study used the ordinary least squares (OLS) as to test the study hypotheses. The findings revealed that the coefficient of variation of fixed assets had positive and significant effect on the operating earnings.

Okwo et al [11] examined the effect of firm investment in fixed assets on the profit margin using four brewery companies listed on the Nigerian Stock Exchange for the period 1999 to 2009. The operating profit margin was taken as the dependent variable while the independent variables were Sales/Net Fixed Assets ratio, Interest Rates, Foreign Exchange Rate, and Inventory/Cost of Sale ratio. The findings showed a positive and non-significant relationship between investment in fixed assets and profit margin among brewery companies in Nigeria.

Olatunji et al [12] assessed the effect of investment in non-current assets on profitability of selected quoted banks in Nigeria. Data were sourced from financial statements for the period 2000-2012. Net profit was used as the measure of the dependent variable whereas the independent variables were

proxied by building, land, Leasehold premises, fixtures and fitting, and investment in computers. The findings revealed a significant relationship between the variables. It was concluded that investments in fixed assets had strong and positive statistical impact on the profitability of banking sector in Nigeria.

Nangih et al [1] examined the influence of capital intensity on the performance of listed oil and gas firms in Nigeria. The study used property, plant and equipment, intangible non-current assets, non-current prepayments as well as investment property as the dimensions of the independent variable while employing the profit margin as a measure of the dependent variable. Data was generated from nine (9) listed oil and gas companies for five years (2014 to 2018). The result of the random effect regression model used for testing the hypotheses showed that the predictor variables all had significant positive effects on the profit margin except intangible non-current assets. The study concluded that oil and gas companies with higher capital intensity were likely to be more profitable than those with low intensity.

From the literature review and the objective of the study, the following null hypotheses were formulated and tested in the study:

- HO_1: There is no significant relationship between fixed or non-current assets and return on asset of listed firms in Nigeria.
- HO_2: There is no significant relationship between current assets and return on asset of listed firms in Nigeria.
- HO_3: There is no significant relationship between intangible assets and return on asset of listed firms in Nigeria.

4. METHODOLOGY

This study adopts the ex post facto design, which seeks to establish functional relationships existing among a given set of variables. Population of study comprises all consumer goods manufacturing firms listed on the Nigerian Stock Exchange. The sample size comprised of ten (10) listed consumer goods manufacturing firms listed on the Nigerian Stock Exchange. The study employed convenience sampling techniques to select the ten (10) firms since these consumer goods firms had the needed complete records for the data spanning 2013–2019 (7 years). The ten firms were: Champion Breweries plc, Vitafoam Nig plc, Nestle Nig plc, Nigerian Breweries plc, Unilever Nig plc, Cadbury Nig plc, Dangote Sugar plc, Guinness Nig plc, PZ Nig plc and Honeywell Nig plc. Secondary data that were generated from ten (10) selected listed consumer goods firms' annual reports for the period 2013–2019 (7years) was used. Data collected was analyzed using both descriptive and inferential statistical techniques were employed to analyze the relationships between the variables under study in a bid to realize the objectives of the study. Particularly, the multiple regression technique was employed; which is based on the method of least squares.

Model Specification

To test the hypotheses stated for this study, asset structure model was adopted from prior study [8]. The model was modified in this study to expresses return on asset as a function of tangible non-current assets structure, current assets structure and intangible asset structure; as follows:

$$ROA = f(NASSET, CASSET, IASSET) \qquad \dots (1)$$

This is further represented in its mathematical form as:

$$ROA = \beta_0 + \beta_1 NASSET + \beta_2 CASSET + \beta_2 IASSET + \mu_t \qquad \dots (2)$$

Where ROA = Return on asset (a proxy of performance)

NASSET = Tangible non-current asset

CASSET = Current asset

IASSET = Intangible assets

β_0 = Constant/intercept

β_1–β_3 = Coefficients of the regression.

Variables Measurement

The variables used for the study were measured as indicated below;

NASSET- Tangible non-current asset structure as the ratio of total tangible non-current assets to total assets of the firms; which is total tangible assets divided by total asset

CASSET- defined was the current asset ratio was measured as the ratio of total current asset to total asset. That is current asset divided by total asset.

IASSET- Intangible assets structure or ratio was measured as total intangible assets divided by the total assets.

Apriori Expectation

The a priori expectations are:

β_1, β_3 >0

It is expected that the explanatory variables of asset structure (tangible non-current, intangible and current assets) will have significant positive impacts on return on assets (a proxy for performance) of the listed consumer goods manufacturing firms in Nigeria.

5. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

5.1 Data Presentation

The data obtained by the researchers as presented in the appendix in table 5.1.It shows the assets structure of ten selected listed firms for a seven-year period from 2013 to 2019. The data were analyzed, using various analytical techniques; and the results obtained are presented below.

The result above indicates that all the variables employed in the model are positively skewed except NASSET. Moreover, the Jarque-Bera statistics also indicate that all the variables are normally distributed, except intangible assets.

The result in table 5.2 shows that all the variables in the model have positive correlations with ROA except NASSET. Where *, implies statistical significance at 1% levels

The result in Table 5.3 shows that the independent variables determine 13.7% of the variations in returns on asset. Furthermore, the F-statistic of 4.65 and associated p-value of 0.005 shows that asset mix explains financial performance. However, the t-statistics indicate that both current and intangible assets have significant relationships with ROA at 5% level of significance.

5.2 Testing of Hypotheses

The hypotheses earlier formulated were tested as a presented below.

5.3 Hypothesis One

The first hypothesis stated that there is no significant relationship between tangible non-current assets and return on assets. This was tested using the multiple regression inferential test, as presented in Table 4.4. The decision rule was to reject the null hypothesis if the p-value of the t-statistic is less than 0.05. Given the coefficient of 0.057656 and p-value of 0.4472, the mull hypothesis is accepted. It is therefore concluded that there is no significant relationship between tangible non-current assets and return on assets.

5.4 Hypothesis Two

The second hypothesis stated that there is no significant relationship between current assets and return on assets. This was tested using the multiple regression inferential test, as presented in Table 4.4. The decision rule was to reject the null hypothesis if the p-value of the t-statistic is less than 0.05. Given the coefficient of 0.196589 and p-value of 0.0128, the mull hypothesis is rejected. It is therefore concluded that there is a significant relationship between current assets investments and return on assets.

5.5 Hypothesis Three

The third hypothesis stated that there is no significant relationship between intangible assets and return on assets. This was tested using the multiple regression inferential test, as presented in Table 4.4. The decision rule was to reject the null hypothesis if the p-value of the t-statistic is less than 0.05. Given the coefficient of 0.356954 and p-value of 0.0092, the mull hypothesis is rejected. It is therefore concluded that there is a significant relationship between intangible assets investments and return on assets.

6. Discussion of Findings

From the results in theTable 4.3, all the variables have positive relationships with ROA, which means that they all met their apriori expectations. The positive sign on their coefficients implied that increasing levels of tangible non-current, current and intangible assets also lead to increasing level of financial performance. While those of current and intangible assets are significant at 1%, Noncurrent assets is not significant. The significant positive relationship between noncurrent assets and ROA agrees with those of Okwo et al [11], Olatunji et al [12] and Reyhani et al [9], who found a positive relationship between fixed assets investment and profitability. The reason for this is that investments in fixed assets, such as property, plant and machinery (PPE) drive the productive base of the firm. Thus, investments in PPE to a great extent determines the product quality of the firm. However, the insignificance of the relations is due to the fact that production level alone does not determine efficiency. On the other hand, the relationship between current assets and return on assets is significant. This result, however, is different from that of Mwaniki [22] whose study established that current assets and intangible assets do not have statistical significance on financial performance. The reason for this is that the composition of a firm's current assets gives an indication of their allocative efficiency as well as shows the managerial expertise of the firm. Similarly, the relationship between intangibles and ROA is positive and statistically significant. This also differs from the findings of Mwaniki and Omagwa (2017) above. The reason for the positive relationship is that technology plays a critical role in the modern business setting.

Table 5.1 Descriptive Statistics

	NASSET	CASSET	IASSET	ROA
Mean	47.04405	46.20212	3.222439	6.159413
Median	49.63528	46.76902	0.704311	4.642331
Maximum	88.48197	112.2637	28.20598	26.49347
Minimum	5.294142	11.17347	0.000181	-12.89190
Std. Dev.	20.31338	21.79253	7.630904	7.620889
Skewness	-0.173370	0.383805	2.669976	0.445530
Kurtosis	2.136337	2.870720	8.284923	3.629645
Jarque-Bera	2.526252	1.767322	164.6327	3.472115
Probability	0.282769	0.413267	0.000000	0.176214
Sum	3293.083	3234.148	225.5707	431.1589
Sum Sq. Dev.	28471.71	32769.08	4017.918	4007.378
Observations	70	70	70	70

Source: Researcher's Computation using Eviews.

Table 5.2 Asset Structure and Profitability Indices of Selected Listed Firms in Nigeria

Name of Company	Year(%)	NASSET(%)	CASSET(%)	IASSET(%)	ROA(%)
CHAMPION BREW-ERIES	2013	79.23	11.17	0.13	-12.89
	2014	71.35	16.04	0.07	-7.87
	2015	66.97	22.52	0.80	0.75
	2016	67.93	21.74	0.72	5.32
	2017	69.20	21.43	0.82	5.13
	2018	71.84	19.60	0.69	-2.52
	2019	70.50	21.29	0.66	1.53
VITAFOAM	2013	28.29	66.22	0.36	4.21
	2014	24.23	63.16	0.35	5.98
	2015	22.72	68.81	0.41	1.68
	2016	18.66	59.22	0.39	3.15
	2017	17.62	60.35	0.35	1.47
	2018	14.26	68.45	0.23	3.21
	2019	17.81	63.21	0.23	12.74
NESTLE	2013	60.88	38.59	0.53	20.57
	2014	63.66	64.75	1.09	20.96
	2015	58.00	40.86	1.13	19.91
	2016	41.38	57.63	0.99	4.67
	2017	49.30	49.39	1.31	22.97
	2018	45.19	50.97	1.38	26.49
	2019	41.06	55.35	1.32	23.62
NIGERIAN BREW-ERIES	2013	60.68	17.92	21.19	17.04
	2014	55.36	16.28	28.02	12.04
	2015	55.26	16.11	28.21	10.43
	2016	51.95	20.28	27.06	8.08
	2017	50.96	22.86	25.68	8.25
	2018	52.30	22.19	24.99	4.61
	2019	52.64	18.85	25.22	4.21
UNILEVER	2013	53.08	42.06	3.72	10.80
	2014	54.29	40.60	3.06	5.27
	2015	54.55	41.87	2.33	2.38
	2016	40.38	57.31	1.30	4.24
	2017	24.68	74.29	0.58	6.15
	2018	22.51	76.84	0.34	8.00
	2019	30.82	68.92	0.25	-7.16
CADBURY	2013	39.21	60.76	0.03	13.95
	2014	55.98	42.80	1.19	5.25
	2015	54.07	44.85	1.00	4.06
	2016	49.97	48.69	1.40	-1.04
	2017	48.84	50.10	1.06	1.06
	2018	48.28	50.96	0.75	2.99
	2019	46.81	52.68	0.50	3.72
DANGOTE SUGAR	2013	28.97	67.29	0.28	14.94
	2014	30.16	65.43	0.21	12.24

	2015	28.19	67.88	0.10	11.87
	2016	16.82	80.66	0.01	8.07
	2017	18.15	79.76	0.00	19.29
	2018	16.78	98.36	0.00	14.47
	2019	16.15	92.26	0.00	7.37
GUINESS	2013	72.78	26.63	0.48	-9.80
	2014	68.53	30.86	0.46	7.23
	2015	71.78	27.41	0.77	6.38
	2016	63.68	34.94	1.25	-1.47
	2017	59.80	39.19	0.93	1.32
	2018	63.69	35.63	0.65	4.38
	2019	62.70	36.91	0.40	3.41
PZ	2013	37.03	61.92	1.05	4.42
	2014	35.81	63.17	1.02	9.83
	2015	39.99	58.91	1.09	9.50
	2016	43.48	55.65	0.87	0.67
	2017	37.05	60.87	1.39	3.06
	2018	36.05	59.43	1.28	2.19
	2019	40.21	54.67	1.32	0.90
HONEYWELL	2013	5.29	36.89	0.03	5.13
	2014	5.34	43.45	0.02	5.25
	2015	72.53	27.41	0.05	1.65
	2016	70.69	29.27	0.04	-3.98
	2017	88.48	11.50	0.02	3.80
	2018	82.68	17.31	0.01	3.55
	2019	77.54	22.47	0.03	0.05

Source: Computed from Company Annual Reports (2013-2019)

Table 5.3 Correlation Statistics

	NASSET	CASSET	IASSET	ROA
NASSET	1.000000			
CASSET	-0.798907	1.000000		
IASSET	0.128735	-0.420503	1.000000	
ROA	-0.249419	0.289085	0.140817	1.000000

Source: Researcher's Computation using Eviews.

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Table 5.3: Multiple Regression of ROA and Assets Mix

Independent Variables	Coef.	t-Stat	P>/t/
NASSET	0.057	0.764	0.447
CASSET	0.196	2.558	0.012*
IASSET	0.356	2.682	0.009*
Intercept	-6.786	-0.962	0.339
F – Stat	4.650		0.005*
R-squared	0.174		
Adjusted R-squared	0.137		
Number of Observation	70		

Source: Authors Computation Extracted from E-views Output

7. CONCLUSIONS AND RECOMMENDATIONS

The overall thrust of this study was to assess the impact of asset mix on financial performance of selected listed firms in Nigeria. Specifically, the study sought to determine the relationships between tangible non-current assets, current and intangible assets and returns on asset based on data obtained from the annual reports of companies over a seven-year period from 2013 to 2019. The conceptual, theoretical and empirical literatures were reviewed with a view to establishing gaps existing therein. The multiple regression analytical technique was employed in analyzing the data. The findings of the study revealed that the independent variables determine 13.7% of the variations in returns on asset. Furthermore, the F-statistic of 4.65 and associated p-value of 0.005 shows that asset structure explains financial performance. However, the t-statistics indicate that both current and intangible assets have significant relationships with ROA at 5% level of significance. Based on the findings obtained from the results, the following conclusions were drawn.

1. The assets composition of a firm plays a critical role in the financial performance of that firm, although it explains only about 14% of the performance of the firm.
2. The proportion of fixed assets positively contributes to firm performance but not significantly.
3. Both current assets and intangibles significantly enhances a firm's level of performance, as they indicate the resource-allocative efficiency of the firm as well as the level of technological adoption; which is important in amassing competitive advantage.

Based on the findings and conclusions, the following policy recommendations are advocated as they could go a long way in strengthening the asset structure policy of listed in Nigeria, especially those in the consumer goods subsector.

1. Firms should increase their current and intangible assets, but should keep it at an optimum level that will ensure that maturing short-term business obligations are met and at the same time avoid keeping excess idle funds. This is because such investments will result in a proportionate increase in their financial performance. Therefore, excessive liquidity should be avoided.
2. The management of listed firms in Nigeria should ensure that it takes into consideration the quality of each assets in order to ensure contribute positively to the productivity of the firm, so as to enhance the overall profitability of the firm.

3. The management of consumer goods firms should carefully consider the levels of their non-current assets investments, as they may not make any meaningful contribution to financial performance.

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