RESEARCH ARTICLE

Accrual Estimates, Earnings Persistence and Listed Consumer and Industrial Goods Firms in Nigeria

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Abstract

The study investigated the effect of accrual estimates on earnings persistence of listed consumer and industrial goods firms in Nigeria. The study employed the ex post facto research design and was anchored on the Signaling Theory. It proxy accounting estimates (being the independent variable) using depreciation estimates, intangible assets estimates, current tax estimates, and pension liability estimates earnings persistence (the dependent variable) was measured using earnings per share. The study used a sample of 25 out of the 33 listed consumer and industrial goods companies' in Nigeria. These were purposively selected. The data collected and used for the study was for a period of 7 years from 2013 to 2019. The Panel Multiple Regression Technique was employed in testing the hypotheses formulated. Descriptive and correlational analysis were also carried out. The results indicated that accrual estimates, jointly, was significant in influencing earnings persistence at 5% significant level. The study concluded that accrual manipulations influenced persistence of listed consumer and industrial goods firms. It was also recommended that the provisions of IAS 16 should be followed when estimating depreciation so that it does not affect the way performance is measured. Secondly, since the estimated amount of Intangible assets has significant effect on the earnings persistence of listed firms, they should estimate it with optimality and reasonability since affects the performance. Thirdly, since current tax estimates have significant positive effects on both the earnings persistence in Nigeria, it means that firms should be mindful when estimating current tax, as this could affect the way their performance is measured. And finally it was recommended that pension liabilities also should be estimated using the provisions of IAS 19, since it does not have significant effects on the earnings per share of listed consumer and industrial goods firms in Nigeria.

1. Introduction

It is the responsibility of the management to prepare financial reports, and communicate same to various users, who use it for decision making. According to Alomair et al [1], accounting information is not worth presenting unless it has some minimum level of both relevance and reliability. This is particularly important because a credible and reliable accounting information is a sine-qua-non for proper decision making processes, since they portray the financial position and business performance of the entity. According to Nangih and Anichebe [2], for financial reports to be relevant, reliable, understandable, and accurate, all the numbers must be factual. That is to say that all the estimates and disclosures included there in must be reasonable, verifiable and reliable, based on the underlying accounting frameworks and standards.

Accrual estimates are approximations of the amount of a business transaction for which there are no precise means of measurement or estimation. These are usually employed in historical as well as accrual based financial statements to measure the effects of past business transactions, or the present status of an asset or liability. Lev et al [3] stated that accounting estimates and projections are embedded in most financial statement items. Such estimates, therefore, are usually subjective and relative; and most often prone to managements manipulation. Some commonly used accounting estimates used or recognized in financial statements (permitted by the standards setters and regulators) include tax provisions, provisions for depreciation, estimation of the useful lives of assets, provisions for bad and doubtful debt, provision for warranty, estimate of

the value of obsolete inventories, carrying value of intangible non-current assets values, etc

Managements 'choice of accounting policy, and the recognition of certain estimates in the financial statements (based on their professional accounting judgments) arguably impact the status of their firms' financial position, financial performance and changes in financial performance reported by them. By extension, that also impacts on the way the firms' earnings persistence is measured and presented. Aside that, another reason why we need to pay attention to the impact of accrual estimates by management is that most of the biggest corporate accounting scandals in history that happened globally could be linked to the misuse of financial statements estimates or misuse of managements' judgements. For instance, the scandal committed by Cadbury Nigeria, where the company lost a lot of money, through fraudulent misrepresentation of their inventory, is another case in point. Other cases where financial statement preparers had used or intentionally manipulated their accounting estimates to fraudulently deceive users of financial statements for their selfish gains are many. Further, another obvious reason why attention should be paid to the use of estimates by preparers of financial statements is that these estimates affect the amount of the earnings reported in the financial statements, which are usually consumed by the users and that affect their decisions. By implication, it means that a wrong estimate may lead to wrong reported earnings which may in turn lead to wrong decision, by extension.

Some prior studies showed that accrual estimates have great effect, on not only financial statements quality, but also the way profits and earnings are measured. Outside Nigeria, studies by [4,5,6,7,8] Costello (2012), Galrat and Winsley (2011), Lugovsky and Kuter (2020), Zhang (2017), Belsoi et al (2017), re-iterate that accounting estimates are requirements in the preparation of financial statements, and that the degree or choice of freedom provided by standard setters to preparers has a decisive influence on the reporting data presented to the users by them. In Nigeria, on the other hand, some prior studies by [9,10,11,12] Nangih et al (2021), Ayunku and Eweke (2019), Chukwu and Egbuhuzor (2017), Umobong and Ibanichuka, (2016); were those that argued that accounting estimates included in the financial statements impacts its quality and credibility. However, there appears to be no known study that has looked at the effect of accrual estimates on earnings persistence of listed firms (particularly those in the Consumer and Industrial Goods sector) in Nigeria to the best of our knowledge. Uniquely too, we are yet to come across any study on accrual estimates and earnings persistence, which firm size as a moderating variable in Nigeria. That constitutes a study gap which this study intends to fill.

2.0 LITERATURE REVIEW

Accrual Estimates: Some items in the financial statements are estimated. Such financial statement items are commonly referred to as accounting estimates. Accounting estimates comprise a large and growing component of financial statements, making the dividing line between fact and conjecture largely unknown to investors (Lev et al, (3). The credibility of information contained in financial statements are dependent on the reliability of estimates made during its preparation and are prone to subjectivity bias. The major objective for some accounting estimates is to forecast the outcome of one or more transactions, events or conditions giving rise to the need for the accounting estimate. Accordingly, the numerous financial statements estimate and managerial projections underlying financial information introduce a considerable and unknown degree of manipulations, and perhaps bias to financial information, clearly detracting from their usefulness. Considering that it is very difficult to settle up with manipulators of estimates, is virtually impossible to prove that outcome of the estimate was intentionally manipulated as there are no effective disincentives for managers to manipulate the estimates and thereby manage the financial information prepared and presented by them. This study discusses the measures of accrual estimates to include;

i. Provision for Depreciation: Depreciation is, by definition, is the systematic allocation of the depreciable amount of the asset over its estimated useful life (IASB 2015). According to Nangih and Anichebe (2), it is an estimation of financial requirements, since the only way to know for sure how much an asset has depreciated is to have it valued periodically. Most businesses use the straight-line method of depreciation, which assumes that an asset will depreciate in value by the same amount each year over a specific period. This estimate may not reflect the asset's real-life value, because certain assets, like vehicles, tend to depreciate at a faster rate in the early years of their useful life. IAS 16-Property, Plant and Equipment provides for the reducing balance of depreciation estimation, as an alternative to the straight line method. However, both methods are based on estimates, and will producing differing results.

ii. Intangible Non-Current Assets Estimates: IAS 38, Intangibles assets prescribes the required treatment of intangibles assets. Intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is said to be identifiable when 1. The asset is capable of being separated from the entity and sold or transferred or licensed separately and 2. The asset arises from legal or other contractual rights. Examples of intangibles are development costs, goodwill, trademarks, licenses, brand names, patents, copyrights, franchises, etc. One of the important features of intangible assets that qualify for recognition is that the entity expects to receive future economic benefits from its use [11] (Chukwu et al 2017). Barron [14] observes that there is a high degree of uncertainty regarding the value of future economic

benefits the organization may derived from the use of intangible assets it controls. In many cases, the value may be anywhere near zero and a very high accounting amount. Another complication is that there is a wide range of assets that may be classified as intangible assets under IAS 38. Godfrey et al [15] posits that accounting practice in relation to valuing and recognizing intangible assets is essentially conservative. This is probably because of uniqueness of each intangible asset and the absence of relevant price indexes [14] (Barron et al 2002).

iii. Current Tax Provisions: Provision for Income Tax is the tax that the company expects to pay in the current year and is calculated by making adjustments to the net income of the company by temporary and permanent differences, which are then multiplied by the applicable tax rate. It is also the estimated amount that a business or individual taxpayer expects to pay in income taxes for the current year. Entities are liable to pay income tax on their yearly profit. This is usually estimated by applying a fixed percentage. As it is an estimate of tax liability therefore, it is recorded as a provision and not a liability. The actual payment of tax can be lesser more than the estimated amount which gives rise to under and over-provisions. The provision for tax is based on profits in entity's income statement and reasons why it is a provision and not a liability.

iv. Pension Liability Estimates: Pension fund is pool of resources contributed by the employees and the employers for the benefit of employees on retirement. These contributions could be invested in a long term interest-yielding securities so as to grow it. Defined benefit pension plans represent a well-defined class of economic transactions that are reasonably straightforward in terms of the underlying economics and financial implications. The acknowledged complexities in determining the appropriate accounting for pension plans arise from the measurement issues and the necessity for application of judgment, estimates, and assumptions due to the forward-looking nature of the obligation. In some jurisdictions or cases where pension obligations are seen to be very significant, it is very important to instill some level of confidence in the financial reporting of pensions by employers and by pension plans [17] (Nnah 2017). However, the reporting of pensions has been controversial. This is because the pension shortages of many entities have attracted many comments and debates, particularly during mergers and takeovers. This could be likened to deficiencies associated with estimating such pension costs by management.

Earnings Persistence: Earnings persistence, arguably, can be regarded as one of the measures by which business performance can be ascertained in the long term [18] (Dang & Vu, 2021). They further argued that the persistence of a business' earnings is one of the earnings quality evaluation techniques that captures the attention of potential investors and financial analysts to the firm. Hence, we can say that the persistence of and the growth of earnings of firms are among the most important economic goals of contemporary businesses today in the market economy.

Earnings are very important in the life of a firm for growth, diversification, investments, and in Shareholders' wealth maximization. It provides the needed resources for the provision of returns on investment in shares and other portfolios by shareholders and other stakeholders. The value of the ordinary shares could also reflect the performance and managerial efficiency of those who manage the firms at a point in time. EPS is considered to be the single most popular, widely used index of measuring the earnings persistence firms. It describes the company's profitability which is reflected in each share. The higher the value of EPS the greater the earnings potential and persistence as well as the possibility of increasing the amount of dividends received by the shareholders. EPS is the ratio of net profit after tax in one fiscal year to the number of shares issued.

Firm Size as a Moderating Variable: The size of a firm cannot be overruled in determining the value of the firm. Larger firms are prone to having a maximized value than smaller firms. Most companies are intent to expand the size of their business operation for them to grow either in revenue, number of employees, or size of facilities [18] (Pervan & Višić, 2012). Firm's size is measured in different ways such as asset, employment, sales, and market capitalization. This study measured firm size as natural logarithms of firm's total assets. Aulia and Agustina [19] explained that firm size is a scale that indicates a company classified as large or small. Firm size can classify a company as a big or small company based on the total assets owned or the total sales created by the company. According to Kartikasari and Merianti [20], firm size can be measured by the natural logarithm of total assets or natural logarithm of total sales. In this research study the researcher used natural logarithm of total assets,

2.2 Theoretical Review

This study was anchored on the signaling theory. Signaling theory was founded by Michael Spence in 1973. Actors within organizations commonly must make choices armed with incomplete and asymmetrically distributed information. Signaling theory seeks to explain how individuals are able to do so. This theory's primary predictive mechanism is 'separating equilibrium,' which occurs when a signal's expectations are confirmed through experience. The theory is also useful for describing behavior when two parties (individuals or organizations) have access to different information. Signaling theory is useful for describing behavior when two parties (individuals or organizations) have access to different information. Typically, one party, the sender, must choose whether and how to communicate (or signal) that information, and the other party, the receiver, must choose how to interpret the signal. Accordingly, signaling theory holds a prominent position in a variety of management

science literatures. Signaling theory is fundamentally concerned with reducing information asymmetry between two parties (Spence, 2002). In his formulation of the theory, he utilized the labour market to model the signaling function of potential employees' education background. He believes that potential employers lack information about the quality of job candidates. The potential employees, therefore, obtain education to signal their ability and quality to reduce information asymmetries of employers. Signaling theory therefore tackles the fundamental problem of communication.

The relevance of the Signaling theory to this study is that sometimes financial statements are assumed to be creative- resulting to the problem of information asymmetry. Hence, users would require a transparent and reliable financial that truly shows a true and fair view of the entity's financial performance and position in order to make sound and rational financial investment decisions.

2.3 Empirical Review

The following empirical reviews will be made to underscore our study. Anichebe and Nangih [2] looked at the effect of accrual accounting estimates on information misstatements in financial reports of Small and Medium Enterprises in Nigeria. Using the impacts of depreciation estimates, impairment loss, inventory estimates, goodwill estimates and estimated useful life of assets (dimensions of accounting estimates) on financial reports. The study employed the survey research design. Data were mainly collected primarily through the questionnaire and was analyzed descriptive statistics and regression technique via SPSS statistical software. Findings revealed that wrong estimates may lead to, but are not the only cause of misstatements in financial reports.

Lugovsky and Kuter [6] studied the effect of accounting policies and accounting estimates fair financial statements preparation and presentation in digital economy. Using exploratory research design, the study concluded that the degree or choice of freedom provided by standard setters to preparers has a decisive influence on the reporting data presented to the users by them. It further added that the reliability of financial reports is affected by many other factors including but not limited to the choice of accounting, depreciation policies, legality of the transaction and changes in accounting estimates.

Qureshi and Siddiqui [21] investigated the degree to which intangible assets affect financial performance, financial policies and market value of technological firms. Structural equation modeling analysis was used to ascertain the relationship among intangible assets, firm performance, firm policies, and market value from 2015 to 2018 using 80 companies according to the market capitalization of their respective countries. The measures used for this study were profitability efficiency, capital structure, dividend policy and market value, calculated through the proxies of ROA, ROE, ROIC,

ATO, Net Profit Margin, debt to equity ratio, dividend payout ratio, price-earnings ratio, price to sales and price to book value. The results of the analysis revealed that there was significant impact of Assets on the criterion variable between asset's impact on ROIC.

Olaoye and Adeniyi [22] examined the effect of accounting manipulations on performance of selected listed firms in Nigeria. They specifically examined the causes of accounting manipulations and also to find out if there were substantial influence of accounting manipulations on performance of firms in Nigeria. The study adopted a descriptive research design using survey for collection of data. Descriptive statistical tools and Ordinary Least Squares regression were employed to analyze data. Findings revealed that accounting manipulations negatively influence performance of corporate firms sampled.

Nwaorgu et al [23] assessed the effect of deferred tax accounting on financial performance of listed agricultural firms in Nigeria. The study made use of the ex post facto research design and employed data from 4 quoted agricultural firms on the Nigerian Stock Exchange. The data was for 7 years between 2011-2017. Data collected were analyzed using simple linear regression. Findings revealed that deferred tax accounting had positive and significant influence on profitability of listed agricultural firms. Further, the study findings revealed that deferred tax had no significant effect on both the operating cash flow and earnings per share of the firms under consideration.

Indrayani [24] examined the analysis of fixed assets depreciation method on company profits. The study used the descriptive research design and also made use of descriptive statistics method of analysis. The variables for the study were straight line method, double declining method and profit for the year. It was concluded that the depreciation method and policy had significant effect on the company profit.

Nnah [16] investigated the impact of accounting estimates on financial reporting quality of manufacturing companies in Nigeria. The study employed the survey design approach. The questionnaire was used as a source of data collection, which was tested by multi-correlation analysis method. The study found out that accounting estimates had significant relationship with financial reporting quality amongst manufacturing firms in Nigeria.

3.0 METHODOLOGY

The study was anchored on the philosophy epistemological Positivism. The ex post facto research design was adopted. The justification for the adoption of the ex-post design is hinged on the fact that the data used for the study were devoid of manipulations by the researchers. The population of this study consists of all the firms that are listed in the Consumer and Industrial Goods Sectors of the Nigerian Stock Exchange. The sample size for this study is 25. The sample size was determined through the convenience

sampling technique. The data employed in this study were sourced specifically from the annual reports and financial statements of the selected firms over the seven-year period from 2013 and 2019. The data collected obtained by the researcher were analyzed using both descriptive, correlation analysis and panel multiple regression analyses techniques.

3.1 Model Specification

EPS= f (DEPR, INTG, CUTX, PLIB, FSIZ)
(1)

This is further expressed in the econometric form as

$EPS = \beta_0 + \beta_1 DEPR_{it} + \beta_2 INTG_{it} + \beta_3 CUTX_{it} + \beta_4 PLIB_{it} + \beta_5 FSIZ_{it} + \mu$ (2)

Where EPS = Earnings per Share; β_0 = Constant; $\beta_1 ... \beta_8$ = Coefficient of the regression equation.

μ = Error term; i=is the cross section of firms used; t = Time period

3.2 Measurement of Variables

EPS – Earnings per share is defined as profit after tax divided by total number of ordinary share (Wet; 2013)

INTG- This represents the amount of intangible assets estimates scaled by total assets as per statement of financial position for the year (25) (Nangih, 2022)

DEPR- Is the value of depreciation on the financial statements scaled by total assets (25) (Nangih, 2022)

CUTX- Is the amount of current tax shown on the financial statement deflated or scaled by the total assets (25) (Nangih, 2022)

PLIB- Is the amount of employee liability indicated on the statement of financial position year scaled by the total asset [25] (Nangih, 2022)

4.0 DATA ANALYSIS AND DISCUSSION OF FINDINGS

In Table 4.1, the results of the descriptive statistics reveal that DEPR, INTG, RECV, CUTX, PLIB and FSIZ have means and standard deviations (in parenthesis) of 0.045 (0.0.05), 0.025 (0.055), 0.031 (0.042), 0.038 (0.097) and 23.32 (2.042), respectively. On the other hand, the means and standard deviations of EPS and MPS are 3.194 (8.278) and 77.863 (241.547), respectively. Furthermore, the values of skewness and kurtosis statistics also show that also the variables are skewed with high peaks. In addition, the Jarque-Bera statistics and p-values reveals that none of the variables is normally distributed, which is usually the case in most panel data sets.

From the correlation statistics in Table 4.2, all the variables are positively correlated with EPS except INTG and PLIB. On the other hand, only PLIB is negatively correlated with MPS while all other variables are positively correlated. Moreover, none of the independent variables have perfect positive correlations with each other. Thus, there is an unlikelihood of the existence of multi co-linearity between the independent variables.

In Table 4.3, the Chi-Square statistic is given as 1.144 with a probability value (p-value) of 0.950. Since the p-value is greater than 0.05, the random effects regression is considered the most suitable. Thus, the random effects regression test is employed to test the first model.

In Table 4.4, the result indicates that the independent variables determine 56.7% of the variations in the EPS of the listed consumer and industrial goods firms. Also, the F-statistic of 3.79, which has a p-value of 0.012, is statistically significant at 5%, and is an indication that the model has a high goodness of fit. In addition, the t-statistics also reveal that CUTX, and FSIZ have significant effects on EPS while all others are insignificant. Lastly, the result of the Durbin Watson statistic, which is 1.67, is closer to 2.0; and suggests that the model estimate is unlikely to be serially correlated.

First, the effect of depreciation estimates was found to be negative on the earnings per share (insignificant); which is also consistent with the expected apriori. This therefore implies that increasing depreciation costs will lead to a reduction in the earnings persistence of a firm. The reason for this is probably because depreciation is treated as an expense.

Second, the result in Tables 4.4 and 4.6 revealed that the estimated value of intangibles has a negative effect on earnings per square. This implies that an increase in value of intangibles will lead to a reduction in per share earnings. The negative effect of intangible assets on firm earnings results from the fact that excessive level of intangibles could lower financial performance because they do not directly contribute to firm profitability; as Barron et al [14] observed that future economic benefits derivable from intangible assets are largely uncertain.

Third, estimated current tax provisions were found to have significant positive effect on earnings per share of the listed consumer and industrial goods firms in Nigeria. This result is in consonance with the expected apriori, and it implies that an increase in current tax provisioning enhances the earnings persistence of the firm. These results are also similar to the result obtained in Olaoye and Alade [26], who found a significant positive effect of corporate tax on profit-after-tax. The reason for this is hinged on the fact that taxes are directly proportional to firm profitability, thus, the higher the tax provisions, the higher the earnings of the firm; and vice versa. More so, there may be additional cash flows, especially in cases where actual tax deductions are less than provisions.

Fourth, pension liability provisions negatively affect earnings per share of the listed consumer and industrial goods firms in Nigeria, which is in consonance with the apriori expectation. Thus, the more the provisions for pension liabilities, the lower the market value of the firm. The reason for this inverse relationship is that pension liabilities constitute an outflow from the organization, which reduces the earnings of the firm as fewer resources are made available for the organization's productive activities.

Table 4.1 Descriptive Statistics

	DEPR	INTG	CUTX	PLIB	FSIZ	EPS
Mean	0.044589	0.024606	0.031451	0.037937	23.32158	23.32158
Median	0.039000	0.004000	0.018000	0.015000	23.18600	23.18600
Maximum	0.606000	0.282000	0.280000	1.138000	26.68600	26.68600
Minimum	0.001000	0.000000	-0.018000	0.000000	19.26600	19.26600
Std. Dev.	0.049772	0.054568	0.042126	0.096687	2.041990	2.041990
Skewness	8.320523	3.371808	2.946904	8.865266	-0.050825	-0.050825
Kurtosis	93.77643	14.47019	14.93498	97.83336	1.884135	1.884135
Jarque-Bera	62105.20	1290.929	1291.943	67868.92	9.154589	9.154589
Probability	0.000000	0.000000	0.000000	0.000000	0.010283	0.010283
Sum	7.803000	4.306000	5.504000	6.639000	4081.277	4081.277
Sum Sq. Dev.	0.431046	0.518118	0.308773	1.626602	725.5317	725.5317
Observations	175	175	175	175	175	175

Table 4.2 Correlation Matrix

	DEPR	INTG	CUTX	PLIB	FSIZ	EPS
DEPR	1.000000					
INTG	0.196618	1.000000				
CUTX	-0.126835	0.135041	1.000000			
PLIB	-0.019725	-0.049497	0.009401	1.000000		
FSIZ	0.056617	0.186811	0.030388	-0.083982	1.000000	
EPS	0.022285	-0.023299	0.272360	-0.074731	0.216895	1.000000

Table 4.3 Hausman's Test (Model 1)

Correlated Random Effects - Hausman Test			
Equation Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.143786	5	0.9502

Lastly, the effect of firm size on earnings of the listed firms is significant, which implies that as a firm grows, she is more likely to increase its earnings persistence. This can be attributed to scales economies; as greater operating efficiency is achieved as a firm increase in size as well as scale of operations.

5.0 CONCLUSIONS AND RECOMMENDATIONS

The present study sought to investigate the effect of accrual estimates on earnings persistence of firms listed in the consumer goods as well as the industrial goods subsectors of the Nigerian Stock Exchange. The major findings made from the study are as follows;
i) Depreciation provisions have insignificant and significant negative effects on the earnings per share
ii) The estimated amount of Intangible assets has a negative effect on earnings per share
iii) Current tax estimates have significant positive effects on earnings per share
iv) Estimates of pension liabilities also have insignificant negative effects on the earnings per share.
v) Firm size has a significant positive effect on earnings persistence.

Based on that, the following policy recommendations can aid in enhancing the efficacy of accrual estimates in driving the earnings persistence of listed non-financial firms in Nigeria.

Table 4.4 Random Effects Regression Test

Dependent Variable EPS				
Method Panel EGLS (Cross-section random effects)				
Sample 2013 2019				
Periods included 7				
Cross-sections included 25				
Total panel (balanced) observations 175				
Swamy and Arora estimator of component variances				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
DEPR	-0.633466	7.012476	-0.090334	0.9281
INTG	-7.091022	15.60321	-0.454459	0.6501
CUTX	49.10342	12.37135	3.969124	0.0001
PLIB	-0.767841	3.254561	-0.235928	0.8138
FSIZ	1.110818	0.561249	1.979188	0.0494
C	-24.02362	13.21896	-1.817361	0.0709
Effects Specification				
			S.D.	Rho
Cross-section random	7.705520	0.8191		
Idiosyncratic random	3.621069	0.1809		
Weighted Statistics				
R-squared	0.609934	Mean dependent var	0.558538	
Adjusted R-squared	0.567039	S.D. dependent var	3.720267	
S.E. of regression	3.579518	Sum squared resid	2165.389	
F-statistic	3.790524	Durbin-Watson stat	1.669579	
Prob(F-statistic)	0.002799			

i)Depreciation provisions also have serious insignificant effects on the earnings per share of listed consumer and industrial goods firms in Nigeria. Hence the provisions of IAS 16 should be followed when estimating depreciation so that it does not affect the way performance is measured.

ii)The estimated amount of Intangible assets has significant effect on the performance of listed firms. That means that they should estimate it with optimality and reasonability since affects the performance of its earnings.

iii)Current tax estimates have significant positive effects on both the earnings and market prices of the listed consumer and industrial goods firms in Nigeria. That means that firms should be mindful when estimating current tax, as this could affect the way their performance is measured.

iv)Estimates of pension liabilities also should be estimated using the provisions of IAS 19, since it does not have significant effects on the earnings per share of listed consumer and industrial goods firms in Nigeria.

v)Firm size has a significant positive effect on the earnings of listed consumer and industrial goods firms in Nigeria. We therefore recommend that the size of firm should be increased so that the earnings persistence will also increase.

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