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Effect Of Financial Information On Business Growth And Sustainability: A Case Of Oil And Gas Sector Of Nigerian Stock Exchange

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***Abstract:** This study examined the effect of financial information on business growth and sustainability of oil and gas companies in Nigeria. Correlational study design was employed. Secondary data were obtained from published financial statements of 9 oil and gas companies listed on Nigerian Stock Exchange from 2013 to 2017. Descriptive Statistics, Correlation and Ordinary Least Square Regression were used for analysis. The result revealed that Return on Assets has positive and significant association with business growth and sustainability while earnings per share and size have positive but insignificant association with growth and sustainability. Dividends per share and leverage have negative and insignificant association with growth and sustainability. The result further suggested that 78% of the variations in the dependent variable were caused by independent variables while 22% were accounted for by other factors not captured in the model. Based on the findings, the study recommended that the growth and sustainability of companies in the oil and gas sector is largely determined by the best use to which their assets have been put.*

***Keywords:** Financial Information, Business Growth and Sustainability and Gross Margin Growth*

I. INTRODUCTION

Financial information engenders either investment or divestment decision amongst investors and other critical stakeholders. Financial information entails vital business transactions disclosed in the annual statement of business organizations. Business growth and sustainability is anchored on the impressive financial information about an entity published in the annual reports duly audited by qualified professionals (Chiang, 2005). Financial information may be used for either internal or external purposes or both. The finance department generates a variety of information that is helpful in decision making including Profit and Loss accounts providing details of whether the business is making efficient use of financial resources or not, and balance Sheet information providing details of a business assets and liabilities, as well as the liquidity of the business (Haniffa & Hudaib, 2006). Financial information is an important element for investment decision making of shareholders and other stakeholders of a business organization considering returns made or expectation of what should be. The financial information is presented in a structured manner and in a form easy to understand (Zayol, Agaregh & Eneji, 2017).

A high quality annual report attracts funds both nationally and internationally. With the financial information disclosed in the annual statements users of financial report are able to picture exactly how their resources are being utilized. According to Healy and Palepu, (2001), the extent of growth and sustainability of a firm is communicated to the providers of capital and other stakeholders through the annual reports.

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This indicates also that Financial reporting plays an important role in decision making for a firm as it makes a framework for the analysis of the performance of the firm. Kamardin and Haron (2011) submitted that investors demand information in order to assess the timing and uncertainty of current and future cash flows so that they may evaluate firms and make investment decisions. Ghazali and Weetman (2006) equally remarked that it is a known fact that the extent to which business organizations report their activities especially as it has to do with finance, is one of the determining factors of the business growth and sustainability.

The oil and gas sector is a critical sector of Nigeria economy contributing greater percentage to the country's gross domestic product (Adeyemi, 2015). A recovery from the sector is a pointer that vision 20:2020 alongside other national blueprints may be achieved. An investigation of this sector will bring to limelight the extent to which companies in this sector generate profit on its assets; a precondition for stimulating the growth and sustainability of the sector and Nigeria economy as a whole. Therefore, one of the best ways to do this is to examine critically the reporting patterns of the listed firms in the sector. This is to ensure that stakeholders have unlimited access to every detail in the financial report and are able to understand all the facts behind the figures that have been produced and further boost investment in the sector (Leuz & Verrecchia 2001).

In order to achieve the above, the Securities and Exchange Commission codes 2011 (SEC Code, 2011) mandated listed firms to make certain information available for the users in form of disclosures in the financial report. The question, therefore, is, to what extent does the financial disclosures influence business growth in Nigeria with particular reference to the oil and gas sector companies.

STATEMENT OF THE PROBLEM

The initial investment in any business entity in any sector of the economy is based on feasible investment opportunities. Subsequent investment or reinvestment is based on sustained success recorded in the business or notable growth potentials imminent in the business enterprise or sector. Extant studies on the subject matter in Nigeria demonstrated the extent of auditor classification, corporate social responsibility, and environmental disclosures and other aspects of financial accounting information (Uwuigbe & Egbide, 2012; Mgbame, Otuya & Ovie, 2013). The current study is basically concerned with financial information and business growth and sustainability using Gross Margin Growth of the companies in the oil and gas sector of the Nigeria stock exchange as a measure of business growth and sustainability. To achieve the set objective, financial information is broken into the returns accruable to investors on the assets employed, the earnings per share on the invested capital, dividend per share declared and paid to investors, leverage and size disclosed over the years being investigated.

OBJECTIVES OF THE STUDY

The main objective of the study is to investigate the effect of financial information on Business growth and sustainability of listed oil and gas companies on Nigeria stock exchange. The specific objectives are stated below:

- ✓ To examine the effect of return on asset on business growth and sustainability of oil and gas companies on Nigerian stock exchange
- ✓ To investigate the effect of earnings per share on business growth and sustainability of oil and gas companies on Nigerian stock exchange
- ✓ To find out the effect of dividend per share on business growth and sustainability of oil and gas companies on Nigerian stock exchange
- ✓ To determine the effect of leverage on business growth and sustainability of oil and gas companies on Nigerian stock exchange
- ✓ To determine the effect of firm size on business growth and sustainability of oil and gas companies on Nigerian stock exchange.

RESEARCH QUESTIONS

- ✓ To what extent does return on asset affect growth and sustainability of oil and gas companies on Nigerian stock exchange?
- ✓ To what extent does earnings per share affect growth and sustainability of oil and gas companies on Nigerian stock exchange?
- ✓ To what extent does dividend per share affect growth and sustainability of oil and gas companies on Nigerian stock exchange?
- ✓ To what extent does Leverage affect growth and sustainability of oil and gas companies on Nigerian stock exchange?
- ✓ To what extent does firm size affect growth and sustainability of oil and gas companies on Nigerian stock exchange?

RESEARCH HYPOTHESIS

Ho_1 Return on asset has no significant effect on business growth and sustainability of oil and gas companies on Nigerian stock exchange

Ho_2 Earnings per share has no significant effect on business growth and sustainability of oil and gas companies on Nigerian stock exchange

Ho_3 Dividend per share has no significant effect on business growth and sustainability of oil and gas companies on Nigerian stock exchange

Ho_4 Leverage has no significant effect on business growth and sustainability of oil and gas companies on Nigerian stock exchange

Ho_5 Firm size has no significant effect on business growth and sustainability of oil and gas companies on Nigerian stock exchange.

SIGNIFICANCE OF THE STUDY

The study will be of immense importance to the various users of financial statements. Investors both individual and corporate will obtain financial information that can support their investment or divestment decisions. Lenders who are interested in the ability of a company to pay back the principal and interest at maturity will also use the findings of the study to determine the reliability of their decisions. Shareholders will also obtain information about the best use to which their resources have been put over time.

II. LITERATURE REVIEW

A. THEORETICAL FRAMEWORK

The study is anchored on three theories. They include information content theory, capital asset pricing theory and efficient market hypothesis model. The information content theory is based on corporate announcements sent into the market or general public. It emphasizes that such announcements have information content as mangers use cash dividend announcement to signal changes in their expectations about the future prospect of the company when the market becomes imperfect (Connelly, Certo, Ireland, & Reutzel, 2010). It is worthy of note that investment and financing decisions of firm's are made at the management discretion. As a result, company mangers use earnings as a tool to convey information about the prospects of the company. Like dividends, if earnings convey useful information, it will reflect on stock price changes immediately following a public announcement. An increase in equity (shares) issued by a company reduces the price of its share, stock splits cause price increase while issuing more debt instruments leads to price increase actions. Pandey, (2010); Berhardt, Douglas, and Robertson (2005) in their study noted that markets are rarely in equilibrium, the information has a cost and it does not reach all at the same time. As a result, earnings or dividend announced by companies instigate reactions from investors and subsequently affect investors' decisions.

Capital asset pricing model is used to determine theoretically the required rate of return of an asset if the asset is to be part of a well-diversified portfolio; especially if the asset has non-diversifiable risk. The model takes into account the asset sensitively to non-diversifiable risk. Capital asset pricing model suggest that inventors cost of equity capital is determined by beta (Samreen, 2014 and Pandey, 2010). This theory is suitable for the study in that ascertaining asset sensitivity and the rate of returns which depends on the financial information available to the investor in addition to the outcome of analyses made out of the information, and ultimately determines investment decisions.

The efficient market hypothesis model described an efficient market as one where a large number of rational investors intends to maximize profit, compete with each other in trying to predict future values of securities, and one where current information is almost available to all participants (Osuala, Ugwuma, & Osuji, 2012). In an efficient market, the securities prices are presumed or reflect the effect of financial information based on past, present and future events. The theory is also suitable for the study as it emphasizes the effect of information in the financial market, which is the platform for investment decisions.

B. CONCEPTUAL FRAMEWORK

Business education as a concept moves with time and shaped by technological changes. This entails that past and present views shall provide a complete grasp of the concept of business education. Popham (1975) in Michael, (2013) said when a group of people were asked what business education is? The reply was as follows: A business executive replied, "Business Education is education to produce goods and services". A radical retorted: It is the avenue to make enormous profit. One teacher responded: Economic concepts necessary for living in a business economy. Another teacher answered: Learning skills to enter a business or distributive job. A person on the street said "Shorthand and typing, that's it". After looking at the different views of business educators, Popham came to a conclusion that: Business education is a course that prepares students for entry into and advancement in jobs within business and it is equally important because it prepares students to handle their own business affairs and to function intelligently as consumers and citizens in a business economy. Lashgari and Moghaddam (2015), defined business education as those business programmes and courses taught ordinarily at the secondary school level. Kiplangat, Bitok, Tenai and Rono (2010), defined Business education as an essential part of the preparation of youths for live and living. Therefore any worthwhile programme has to move with time. However, business educators have always accepted that change is a fact of life. From the typewriter to the transistor, business curriculum has continually shaped itself to meet the needs of business. As a result, the success and survival of business education constantly depends on its ability to adapt and keep pace with the needs of its recipients. It is essential that business education be a useful and vital component of transformation agenda if the curriculum of business programs across the country is to continue to meet the needs of its students and other members of the society.

The importance of business education to a nation is quite enormous. Joshua, Namuosonge and Sakwa (2014) and Gentry and Fernandez (2008) enumerated the importance of business education in any economy as discussed below:

- ✓ Business Education is important to a nation as it acquaints her citizens with employable skills and facilitates their gainful employment and job creators thereby reducing overdependence on the nations' economy.
- ✓ It also contributes to economic development of a nation through development of sound values and abandonment social vices such as sexual immorality, pride, corruption and examination malpractice and violence.
- ✓ Knowledge of financial information disclosed in financial statements enables citizens of a country to invest gainfully in economic projects with positive net present value.
- ✓ If citizens of a country develop sound moral value then the country will be free from insecurity and peace will reign supreme. This will encourage more investment in the country and ultimately foster growth and development.
- ✓ Business education has made it possible for those who want to be retrained in order to upgrade their skills to have access to education.

- ✓ Business education guarantees accurate keeping of financial resources records, understanding ways of recording business transactions, improving arithmetical skill/develop basic skills in arithmetic and contribute to economic growth and stability.

The perception of investors about the company's ability influences investor's decisions. Financial Information disclosed in the financial statements of business organisations serve useful purposes in the world of business and finance (Zayol, Agaregh & Eneji, 2017). Business growth and sustainability is anchored on these financial information which include return on assets, earnings per share, dividend per share Leverage and several others. The return on assets according to Kim, Hoskisson and Wan (2004), measures how efficient a company manages its assets to produce profits during a period. It is worthy of note that profits sustain business growth. Since company assets' sole purpose is to generate revenues and produce profits, return on assets helps both management and investors to see how well the company can convert its investments in assets into profits. Earnings per share as yet another vital financial information bothers the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share enable analysts and traders to establish the financial strength of a company. It is often considered to be one of the most important variables in determining a stock's value. Therefore, investment in companies is determined by value per share the company can produce. Dividend per share is a great way for a company to signal strong performance to its shareholders. Hence, not all income earned in a year are distributed to owners as dividends. It is a major source of growth potential to the company. The focus of leverage is to determine the ability of a business to take care of its obligations falling due and continue its operation. A high leverage ratio threatens continued business operations. All these information and much more are provided to assist in financial statements to assist in decision making process of individual and corporate investors.

Financial information can only be useful if the published financial statement is the information source that is most directly related to the items of interest to both existing and potential investors (Zayol, Agaregh & Eneji, 2017 and Otley 2001). According to Gentry and Fernandez, (2008), the satisfaction of the needs of various users of accounting information as contained in the annual report can be acceptable as the objective of financial information. This objective of financial information is emphasized by the various accounting principles because investors and creditors use them in making rational investment decision. Financial statement fairly represents business and economic situation of a country, which if studied carefully can lead to the achievement of some financial and economic goals and eventually a sustained growth. This is evidence from the picture balance sheet provides to the investors on the financial conditions of the company as a whole while the profit and loss accounts summarize the income expenses and expenditures of the company in a given period of time. Also, Chong and Lal, (2011), Ojeka, Mukoro and Kanu (2015) and Olowokure, Tanko and Nyor (2016) remarked that through the use of financial reports that users can assess the project of receiving cash as divided or interest and proceeds from sales, exemptions or maturing securities or loans for instance. Cash flow statement shows how cash is predicted to move around at a particular given period of time. It is useful for planning future expense. It shows whether or not there will be enough cash to carry out the planning activities and whether or not the cash coming in will be enough to cover the expenses. It is useful in the determination of the company's liquidity in a given period of time.

C. EMPIRICAL REVIEW

Amahalu, Abiahu, Obi and Nweze (2018) ascertained the effect of Accounting Information on Market Share Price of Information, Communication and Technology (ICT) firms listed on Nigeria Stock Exchange. The specific objectives were to ascertain the effect or otherwise of Dividend per share, Earnings per Share and Return on Equity on Market Share price of ICT firms listed on the floor of Nigeria Stock Exchange from 2010-2016. Ex-post fact research design was used for this study. Secondary data were sourced from the publications of Nigeria stock exchange. Inferential statistics of the hypotheses were carried out with the aid of E-view 9.0 statistical software using Co-efficient of correlation and Simple Linear Regression (SLR) analysis. The study revealed that Dividend per Share, Earnings per Share and Return on Equity has a positive and statistically significant effect on Market Share Price at 5% significance level. The study recommended among others that since accounting variables have significant influence on market share price, there should be better accounting information disclosure and improved quality financial reporting by ICT firms in Nigeria.

Onaolapo and Odetayo (2012) examined the effect of accounting information system on organizational effectiveness with special reference to selected construction firms in the Ibadan metropolis. The study specifically examined the effects of accounting information on quality of financial reports and decision –making. Purposive sampling technique was adopted in selecting a total of ten personnel from each of the selected companies as sample for the study. A hypothesis was formulated and both descriptive and inferential statistical tools were employed to analyze the data. The results show that accounting information system has effect on organizational effectiveness. Recommendations were subsequently made to both the managers of such organization and government on how the use of AAIS known as 'Contract Plus– Financial and Project Accounting' package software can enhance performance in Finance Departments.

Ahmed, Maysam and Naim (2018), examined empirically the proposed relationship between the quality of financial reporting and non-financial business performance in public listed companies in Jordan and considered whether their demographic attributes (type, size and experience) have any impact on the quality of financial reporting. The study reviewed a conceptual framework based on the content analysis of the previous studies. The study employed primary data obtained through self-administrated questionnaire to 239 respondents from public listed companies in Stock Amman Market database (2017). The results showed that the components of the quality of financial reporting significantly influence non-financial business performance and the variations of the quality of financial reporting among the companies were significantly found to be related to their size and experience and not on the basis of type of business, which they belong.

Zayol, Agaregh and Eneji (2017), empirically investigated the effect of financial information on investment decision of shareholders of banks in Nigeria. The data for the study were extracted from published annual reports of five selected banks in Nigeria from 2009 to 2015. Correlation matrix and regression analysis were deployed to establish the relationship between the variables. The results revealed a positive relationship, indicating that dividend per share have significant influence on investment decision of shareholders of banks in Nigeria. The study recommends that both existing and prospective investors can factor financial information relating to dividend paid per share while making investment decision in shares of Nigerian banks; as dividend per share is positively correlated with investment decisions of shareholders.

Adejoh and Hasnah (2016), examined company reporting transparency and firm performance in Nigeria and its relationship with performance of non-financial listed companies in Nigeria. The study adopts the panel data analysis (2010-2013) and relationship between transparency and firm performance. The research adopts the panel corrected standard errors (PCSEs) as a result of autocorrelation and heterocadesticity in the model. The findings of the study shows research which further concludes that transparency of relevant information can lead to firm performance as shown by the significant relationship (positive with Tobin's Q and negative with ROA) of transparency of board and transparency in financial have positive relationship with Tobin's Q. The study recommends that a public limited company should practice full disclosure of material information and to disclose more than the statutory minimum requirements.

Osuala, Ugwuma, & Osuji (2012), investigated the effect of information content of financial statement on shareholders' investment decision in some selected firms Nigeria. In order to determine the relationship between information contents of financial statement and shareholders' investment decisions, the researcher used some of the content of financial statement including profitability, Dividend Per Share (DPS), Earnings Per Share (EPS), leverage and liquidity as proxy variables while shareholders' investment decision was represented by change in number of shares. Data for the study was obtained from the published annual reports of selected firms. Regression model was employed to establish the relationship between the variables. The findings indicated that shareholders in the Nigerian Capital Market do not rely heavily on financial statements as a major determinant for their investment decision. It was observed that other variables outside firms' annual reports such as regularity of dividend payment and market price of shares are critical to shareholders in their investment decision.

Shun & Chyan (2011), Conducted a research in Taiwan relating to the influence of information search on risky investment preferences, the study suggested that digital information search increases the individual interest in the risky investment because investment might reduce their uncertainties via greater understanding of companies financial status. It stated that due to lack of information and understanding for various risks, investors desire advice from professional advisors (financial experts). They especially desire a face to face contact when choosing a complex investment. Information here also is imperative to investment decision in respect to risky investments, especially in a portfolio of stock, where DPS is also key in selecting stocks to combine in a portfolio of investment

III. METHODOLOGY

A. STUDY DESIGN

The study adopts a correlational research design suitable to explain the relationship between two or more variables.

B. POPULATION

The population of the study consists of 10 listed companies in the oil and gas sector of Nigerian Stock Exchange.

C. SAMPLE AND SAMPLING TECHNIQUE

A sample 9 oil and gas companies listed on Nigerian stock exchange were used. The choice of 9 companies out of 10 was due to ease of data accessibility.

D. SOURCES OF DATA

The study is based on secondary sources of data. Secondary data were extracted from annual reports and accounts of the study companies published on their websites and the Nigerian Stock Exchange fact book. Consequently, the data required were used for analysis and to test the formulated hypotheses and provide answers to the research questions.

E. VARIABLES AND THEIR MEASUREMENT

Variables and their measurement are shown in table 1 below:

Variable	A prori expectation	Measurement
Business Growth and Sustainability (GMG)		The difference between companies' revenue and its cost of goods sold.
Return on Assets (ROA)	+	Total income divided by total value of assets.
Earnings Per Share (EPS)	+	Net profit after interest and tax divided by outstanding shares.
Dividend Per Share (DPS)	+	Declared dividends divided by ordinary shares outstanding.
Leverage (LEV)	+	Total debt divided by

		total assets
Size	+	Natural logarithms of total assets

Source: Compiled by the Researcher, 2018

Table 1: Variables and their Measurement

F. MODEL SPECIFICATION

The study adopts a multiple regression model expressed mathematically as:

$GMG_{it} = \alpha_0 + \beta_1 ROA_{it} + \beta_2 EPS_{it} + \beta_3\ DPS_{it} + \beta_4 LEV_{it} + \beta_5 Size + e_{it}$

where,

GMG_{it} = Compound Annual Growth rate of firm i for time period t

α_0 = y Intercept

ROA_{it} = Return on assets of firm i for time period t

EPS_{it} = Earnings per share of firm i for time period t

DPS_{it} = Dividend per share of firm i for time period t

LEV_{it} = Leverage of firm i for time period t

Sizeit = Size of firm i for time period t

$\beta_1, \beta_2\ \beta_3\ \beta_4\ \beta_5$ = Coefficients of the independent variables

e_{it} = error term in the prediction process of firm i for time period

G. METHOD OF DATA ANALYSIS

Multiple regression analysis and descriptive statistics were used as the major techniques of data analysis to determine the effect of financial information on business growth and sustainability.

IV. RESULTS AND DISCUSSIONS

VARIABLE	MEAN	STD. DEV	MIN.	MAX.
GMG	195.86	237.74	0	1000
ROA	199.70	244.06	-134	995
EPS	0.98	2.37	-8.12	12.20
DPS	0.07	0.64	-0.03	0.23
LEV	0.87	0.53	0.00	1.96
SIZE	0.79	0.88	0.33	5.58

Source: Stata Output

Table 2: Descriptive Statistics

The Table above shows the summary result of five independent variables measured in relation to the dependent variable of the oil and gas companies listed on Nigerian stock exchange over the period of study. It also shows that standard deviation of business growth and sustainability is 237.74, return on assets is 244.06, earnings per share is 0.98, dividend per share is 0.07, leverage is 0.87 and size is 0.79 indicating the variability in the variables employed based on the data used for the study. The table further shows the mean value of business growth and sustainability of 195.86 indicating on average the extent of growth of the study companies during the study period with minimum and maximum values of 0 and 1000 respectively. The mean of return of asset, earnings per share, dividend per share, leverage and size of the company are respectively 199.70, 0.98, 0.07, 0.87 and 0.79 indicating on average the impact of financial information on business growth and sustainability. The minimum and maximum values for the financial information variables further indicate the rage of their contribution to the growth and sustainability of business in the study sector.

A. REGRESSION

Before performing the regression analysis, a number of tests were performed on the sampled data to ascertain the degree of normality, heteroskedasticity and multicollinearity. Hauman specification test was also conducted to select the appropriate model for analysis. A Shapiro-Wilk test for normal data was conducted to check outliers in the sampled data. The result shows that apart from leverage which has z statistics value at more than 5% level, all other variables indicates that the dataset is not normally distributed. However the findings may not be affected hence the dataset is fit for interpretation of the model. The Breusch-Pagan/Cook-Weisberg test of heteroskedasticity was conducted to check if the size of the error term differs across all values of independent variables which may affect the beta coefficients, coefficient of determination (r^2) and F-statistics of the study model. The result revealed that the size of the error term is not heteroskedastic. Moreover, Tolerance values and Variance Inflation Factor (VIF) for multicollinearity test revealed absence of multicollinearity in the dataset. Hausman specification test was equally conducted to select between fixed effect and random effect regressions models. The result indicates that fixed effects model is the most appropriate. Consequently, the regression results presented below and analyzed in the study is based on Fixed Effects model.

Variable	Beta Coef.	t-values	Prob.>t
GMG	99.4788	1.95	0.061
ROA	0.5456493	5.11	0.000
EPS	1.558564	0.23	0.820
DPS	-218.2997	-0.57	0.574
LEV	-19.24687	-0.33	0.740
SIZE	24.70469	1.39	0.175
R2			0.7881
Wald chi2			4.57
Prob.>chi2			0.0009

Source: Stata Output

Table 3: Summary of Fixed Effects Result

The table above shows coefficient of determination which expresses the degree with which changes in independent variables predict changes in dependent variable. The prediction power of the independent variables over the dependent variable is shown by R^2. The r^2 indicates that 78% of the total variation in the dependent variable (business growth and sustainability) of oil and gas companies listed on Nigerian Stock Exchange is accounted for by the regressors (return on assets, earnings per share, dividend per share, leverage controlled for the size of the companies). The F-statistics of 4.57 with Probability of F (0.0009) suggests fitness of the model used for the study. The r^2 also shows that only 22% of the variation in the dependent variable is accounted for by factors not included in the study. The nature of the relationship is discussed as follows:

A positive relationship exists between business growth and sustainability and return on assets based on coefficient and t-value of 0.5456493 and 5.11 respectively and p-value of 0.000. The moderate positive association demonstrates the contribution of the sampled companies to the assets employed during the study period. This is associated with increased business growth and sustainability. Based on the result, the hypothesis which states that Return on asset has no significant effect on business growth and sustainability of oil and gas companies on Nigerian stock exchange is rejected. It also shows a positive association between earnings per share which is insignificant given the coefficient of 1.558564 and t-value of 0.23 and p-value of 0.820. The strong positive relationship between business growth and sustainability is associated with increasing business growth and sustainability. The result supports the null hypothesis, and as such the null hypothesis is accepted.

Furthermore, a negative relationship exists between business growth and sustainability and dividend per share. The relationship is strong but insignificant given the coefficient of -218.2997 and t-value of -0.57 and p-value of 0.574. The result indicates that dividend per share is associated with decreasing business growth and sustainability. This provides evidence in support of the null hypothesis that dividend per share does not significantly affect business growth and sustainability of oil and gas companies in Nigeria. The result in respect of leverage equally suggests negative association with business growth and sustainability of the sampled companies. The relationship is negative and insignificant at -19.24687 beta coefficient and 0.740 significant levels. Based on the result, the null hypothesis is accepted and the alternative hypothesis rejected at 5% levels. Firm size shows a positive but insignificant relationship with business growth and sustainability given the beta coefficient of 24.70469, t-value of 1.39 and probability of t as 0.073. Based on the result, the null hypothesis is accepted.

V. CONCLUSION AND RECOMMENDATION

Based on the findings, the manner in which the assets of the companies in oil and gas sector of the Nigerian stock exchange are put to use contribute significantly to the growth and sustainability of their operations. The negative effect of dividends per share and leverage is said to be statistically insignificant and so also the positive effect of earnings per share and size of the companies. The study therefore recommended that growth and sustainability of companies in the oil and gas sector is largely determined by the best use to which the assets have been put.

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