

DOES NON-CURRENT ASSETS INTENSITY INFLUENCE STOCK PRICES OF NIGERIAN BANKS?



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Abstract

The study investigated the effect of non-current assets intensity on stock prices of listed money deposit banks in Nigeria. The study employed the ex post facto research design and was anchored on the signaling theory. It proxied noncurrent assets intensity (the independent variable) using property plant and equipment, intangible assets and long term investments. Stock price (the dependent variable) was measured market price per share. The study used a sample of 10 listed banks in Nigeria, which were purposively selected. The data collected and used for the study was for a period of 11 years from 2013 to 2023. The panel regression technique was employed in testing the hypotheses formulated. Descriptive and correlational analysis were also carried out. The major findings reveal that all the independent variables have negative effects on the dependent variables but only PPER is significant. The results reveal that intangible assets intensity and long term investments have negative effects on the dependent variable but not significant. The findings of this study lead to the following conclusions: increasing levels of investments in plant and machinery will not stimulate stock prices of banks. Based on that the following policy recommendations were made: (i) banks should not increase property, plant and equipment intensity since it will not increase their market price per share. (ii) Finally, it was also recommended that intangible assets intensity and long term investments should not be increased as such will not stimulate stock prices.

Keywords: Non-Current Assets Intensity, Property Plant & Equipment, Intangible Assets, Long Term Investments, Market Price per Share,

1.0 INTRODUCTION

Non-current assets are long term assets employed by an entity from which it enjoys economic benefits. They are one of the core resources under the control of an entity, from which future economic benefits are expected to flow to them. Accordingly, non-current assets intensity simply means the amount of money invested by an entity to finance its operations. Nangih and Onuora (2020) opined that noncurrent assets intensity means the amount of money invested in property, plant and equipment and other non-current assets by firms to finance their operations. Shahean and Malik (2012) opined that non-current assets intensity describes the amount of total investment made by an entity in non-current assets, and is usually determined by dividing the value of total non-current assets in the statement of financial position by the value of the total assets of the firm. Stock prices, on the other hand, is a measure of per unit share as quoted or determined by market forces as at a particular date on the stock market. According to Nangih and Emeka-Nwokeji (2021), it is the market value per share at which a company's share is currently traded on the floor of a stock exchange. It means the price at which a company share can be purchased and sold in an arm's length transaction.

The primary focus of money deposit banks in Nigeria is profit maximization. Like other profit oriented entities, they employ various strategies to grow their profits, maximize their shareholders' wealth and improve their market performance. Arguably, the level of non-current assets intensity could largely influence the way banks fair (in terms of financial performance and financial position). It may affect not only how profitable a firm may be, but also how they are perceived by market watchers, including how much their shares are traded on the floor of the stock exchange. Lee (2021) opined that being more capital intensive may increase business or firm risk due to the fact that significant fluctuations in an operation's profitability are more likely for highly capital intensive businesses or firms.

1.1 Statement of the problem

The link between non-current assets intensity and firm performance has generated a lot of debates in the management science research space. It is believed that the more investments in non-current assets by firms, the better their financial performance; arguably. Further, regulatory bodies such as the Financial Reporting Council of Nigeria, the Central Bank of Nigeria, Auditors as well as the Nigerian Exchange Group (NGX) have variously emphasized the need for banks and other financial institutions to make full disclosures on how they measure, present and

report their non-current assets to ensure a more relevant and reliable financial statements prepared and presented by them.

Prior studies have been carried out across different sectors and spanning different periods in Nigeria and beyond. For instance, Yao, Yu, Zhang and Chen (2011), Svetlana and Aaro (2012), Sorayaei, Emadi and Divkolai (2012), Ansari and Gowda (2013), Ji and Lu (2014), Lubyana, Mailov, Nukulina and Shaposhnikov (2016), Oeta, Kiai and Muchiri (2019) Nangih and Onuora (2020), Chukwu and Egbuhuzor (2017), Okwo, Ugwunta and Nweze (2012), etc. have all carried out studies on the subject matter with various and divergent results. However, these studies did not consider the listed banks' non-currents intensity on their market price per share. That formed this paper's point of departure from prior studies on the subject matter. Specifically, the study attempted to provide answers to the following research questions: (i) to what extent does property, plant & equipment intensity influence market price per share of banks? (ii) to what extent do intangible non-current assets intensity affect market price per share as well as (iii) to what extent do long term assets intensity affect market price share of listed money deposit banks in Nigeria?

2.0 REVIEW OF RELATED LITERATURE

2.1.1 Concept of Market Price Per Share

Market price per share is a measure of market performance of firms. Simply, market price per share describes the amount at which the shares of the bank is quoted on the floor of the stock market such as the Nigerian Exchange Group as at a particular day. Essentially, it is a measure of an organization's earnings and appreciation in value as evidenced by the increase in the entity's worthiness in the market (Asimokopoulos, Samitas & Papadugonas, 2009). It indicates the amount which shareholders can trade a unit of their shares daily if they choose to do. According to Nangih and Emeka-Nwokeji (2021), it is the price at which a company's share is currently traded on the floor of a stock exchange. Essentially, market value per share can be affected by several factors such as financial performance of the company, outlook of the industry or sector to which the company belongs, demand and supply conditions in the market, investor sentiment and several other macro-economic conditions.

2.1.2 Non-current Assets Intensity and Dimensions

Non-current assets intensity is the level of investment in fixed assets that affects a company's long-term growth prospects. In order to make good investment decisions, investors pay more attention to achieving a high level of investment intensity. Though firms normally consider increasing their capital intensity in order to improve quality and subsequent financial performance, settling at the

right financing mode to finance such an increase is very crucial. Chukwu and Egbuhuzor (2017) again posits that given the huge investments mostly made by companies in tangible non-current assets (that is their capital intensity), it is reasonable and necessary to evaluate the returns from these investments periodically. Arguably, the level of assets invested in a firm determines its level of performance. Nangih and Onuora (2020) argued that the more capital invested in non-current assets, the more the firm is said to be capital intense and this have serious implications on the performance of the entity.

Property, Plant and Equipment Intensity- Property, plant and equipment is used as one of the measures of non-current assets intensity in this study. Property plant and equipment are assets that are long term in nature; are not normally acquired for resale, they are usually tangible and are used to generate income directly or indirectly for entity. They are also not normally liquid assets (i.e. not easily and quickly converted into cash without a significant loss in value). Chukwu and Egbuhuzor (2017) posits that the stock of tangible assets available to many firms will determine how well they will perform. Property, plant and equipment ratio is derived by dividing the total value of property, plant and equipment by the value of total assets of the entity. It shows the ratio of property plant and equipment to total assets.

Intangible Non-current Assets Intensity- These are long term assets with no physical form. They include patented technology, computer software, licensing, franchise agreements and trademarks, 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 disposed of separately without disposing 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. Intangible assets reflect core competitive competence of firms. Tsai et al. (2012) stated that intangible assets represent the future profitability and growth opportunities that promote increasing firm value.

Long term investments Intensity- Long term investments form part of non-current assets of a firm. They are investments that are not convertible to cash within one accounting period. Long-term investment assets on the statement of financial position are investments made by a company to help it sustain a successful and profitable future. These could include available for sale investments, investment in associates, investment in subsidiaries, long term

investment in financial assets, investment properties etc. They are different from current assets which are usually liquid assets that are involved in many of the immediate operations of the firm and can be convertible to cash within one accounting period such as inventory, cash, assets held for sale, or trade and other receivables. Long term investment ratio is obtained by dividing the total long term investments by total assets of the company as contained on the statement of financial position. It indicates the percentage or ratio of long term asset to total asset.

2.2 Development of Hypotheses

From the conceptual review above and in line with the research questions earlier stated, the following hypotheses were formulated for the study;

H0₁: Property plant and equipment do not affect market price per share significantly of listed money deposit banks in Nigeria

H0₂: There is no significant effect of intangible non-current assets on market price per share of listed money deposit banks in Nigeria

H0₃: Long term investments do not affect market price per share significantly of listed money deposit banks in Nigeria

2.3 Theoretical Review

This study was anchored on the Signaling theory. Signaling theory was propounded by Michael Spence in 1973. The man credited with the theory proposed that where there exist information asymmetry, it is always necessary for people to signal their type, ability and capability, hence indirectly passing information to the other party and solving the problem of information asymmetry. Essentially, the main trust of the Signaling theory is to provide a predictive mechanism or signal to avert unforeseen circumstances. The theory is also helpful in explaining behavior when two parties (individuals or organizations) possess varying information. In most cases, one party needs to decide how to convey information, while the other party needs to determine how to interpret it.

Signaling theory is widely recognized and commonly applied in various management write ups and researches. The relevance of the Signaling theory to this study because it highlights the issue of information asymmetry that can arise when financial statements are assumed to be creative. Therefore, users would need a clear and dependable financial statement that accurately reflects the entity's financial performance and position, enabling them to make informed and rational investment decisions.

2.4 Empirical Review

Egwu, Ohachosim and Itah (2023) investigated the effect of investment in non-current assets on the financial performance of firms in Nigeria. The study

population was quoted manufacturing firms in Nigeria. The study was based on the ex post facto research design and made use of secondary collected from annual financial reports of fifteen (15) sampled firms for the period of eight (8) years from 2012 to 2019. Data collected were analyzed using descriptive statistics, correlation and regression analyses. The results revealed that investment in tangible non-current assets had positive and significant effect on the return on assets while intangible non-current assets investments also had positive and significant effect on the return on. Based on that, the study concluded that both non-current assets (tangible and intangible) influenced profitability of manufacturing firms positively and significantly.

On their part, Enekwe, Ayogu, and Bolaji, (2023) also studied the effect of non-current assets on the financial performance of quoted manufacturing firms in Nigeria. The study proxied the independent variable using the log of non-current assets. It also introduced two control variables (firm size and leverage), while the dependent variable was measured by return on assets (ROA). It adopted the ex-post facto research design meaning that it made use of secondary data drawn from the annual financial reports of the sampled firms selected from the consumer goods sector for the period of 2010 to 2019. The study adopted the multiple regression model for analysis of data and the results revealed that non-current assets (NCA) impacted return on assets positively and significantly among listed consumer goods firms in Nigeria.

Nangih, Turakpe and Effe-Nnamdi (2023) examined the nexus between assets tangibility and market performance of listed firms in Nigeria. The study population was Consumer and Industrial goods sectors. It employed the ex post facto design; and was anchored on the Resource based theory. It study measured assets tangibility (the independent variable) using tangible and intangible non-current assets ratios; whereas market performance (the dependent variable) was indicated by using earnings per share and market price per share. Data were collected for the period of 2013 to 2022 and were analyzed using descriptive statistics, correlation and regression techniques. Analysis results indicated that assets tangibility had significant effect on market performance of firms at 5% significant level. Specifically, it revealed that tangible non-current assets had negative but insignificant effect on the dependent variables; while intangible non-current assets had positive and significant effect on market performance indicators.

Sabetfar (2022) studied that effect of investment effect and stock returns in Tehran Stock Exchange. The study collected data from 174 companies for a period between 2009 and 2020. Longitudinal research design was adopted. Data

collected were analyzed using regression model and the results showed no relationship between asset growth and stock returns in the Tehran Stock Exchange in very large and small companies.

Okobo and Monday (2022) studied the effect of investment in tangible non-current assets on firm performance of listed food manufacturing companies in Nigeria. The study was for a period of thirteen years spanning from 2008 to 2020. It adopted the ex-post facto research design. Data collected were analyzed using the ordinary least squares regression technique were adopted for the study. Investment in tangible non-current assets was proxied by land and buildings, plant, machinery and equipment and motor vehicles. Financial performance on the other hand was measured by return on assets. The results of the analysis showed that investment in tangible non-current assets had a significant but positive effect on the return on assets of the sample firms in Nigeria.

Anuar, Jais and Tinggi (2021) investigated the effect of non-current assets on the performance of firms. The study was carried out in Malaysia. The study population was listed construction firms in Malaysia. The study was for a period of eight years spanning from 2011 to 2017. Non-current assets was measured by fixed asset turnover, asset tangibility, and total asset turnover, while financial performance was indicated by return on assets and return on equity. The study employed descriptive statistics, Pearson correlation, and panel ordinary least squares multiple regression for analysis. The results showed that fixed asset turnover, asset tangibility, and total asset turnover had positive but insignificant effects on financial performance.

Nangih and Onuora (2020) examined the effect of capital intensity on profitability. The study population was quoted oil and gas firms in Nigeria. The study proxy capital intensity by property, plant and equipment, intangible non-current assets, non-current prepayments as well as investment property. The financial performance was measured using profit margin. Employing ex post facto research design, data were collected from 2014 to 2019 for nine sampled oil and gas firms and used for the study. Analysis were carried out using the random effect regression method and the results indicated that all the dimensions of capital intensity had significant and positive effects on the profit margin except that of intangible non-current assets, which indicated insignificant effect. The study then concluded that oil and gas companies which had greater capital intensity were likely to be more profitable.

Oeta, Kiai, and Muchiri (2019) sought to find out the relationship between capital intensity and financial performance for manufacturing companies listed in the

Nairobi Securities Exchange during the period 2010-2017. The study adopted a positivism research philosophy and an explanatory research design. The target population of the study was all the nine listed manufacturing companies in NSE. Descriptive and inferential statistics was done using panel data and SPSS version 23 software for data analysis. The findings indicated that capital intensity has a positive insignificant association with financial performance. It concluded that capital intensity does not affect financial performance of manufacturing firms listed in Nairobi Securities Exchange. The study recommended that the companies should investment more in non- current assets so as to reap capital allowances tax benefits in order to improve their financial performance.

Chukwu and Egbuhuzor (2017) investigates the effect of tangible assets on the corporate performance of manufacturing firms in Nigeria. The study used financial statement data from ten manufacturing companies listed on the stock exchange, and measured corporate performance using return on assets and return on equity. The independent variables comprise plant and machinery as well as land and building, and the models used in the study controlled for board size and board independence. Results from multiple regression analysis reveal a significant positive relationship between return on assets and plant and machinery; but the relationship between return on assets and land and buildings is negative. The study concludes that investments in tangible non-current assets affects the profitability of firms.

3.0 METHODOLOGY

In a bid to achieve the underlying objectives of this study, the ex post facto was adopted. The justification for the adoption of the ex-post is because the data already exist. The population of the study consisted of all listed money deposit banks trading on the floor of the Nigerian Exchange Group. They are sixteen (16) of them listed as December 2023 ending. The sample size for this study was determined by convenience sampling techniques based on availability of information. This study employed secondary data. The data was sourced from the annual report of the firms selected in this study from the annual reports and financial statements of the selected banks over an eleven-year period from 2013 and 2023. The data obtained was analyzed using both descriptive statistics, correlation analysis and regression model.

3.1 Model Specification

The model adopted in this study was adapted with some modifications; from the study of Nangih, and Onuora (2020). That model was modified and extended to suit this study thus:

$$MPS = f(PPER + INTG + LTIV + \mu) \quad (1)$$

This is further expressed in the econometric form as

$$MPS = \beta_0 + \beta_1 PPER + \beta_2 INTG_{it} + \beta_3 LTIV_{it} + \mu \quad (2)$$

Where MPS = Market price per share

PPER= Property plant and equipment intensity

INTG= Intangible assets intensity

LTIV= Long term investments intensity

β_0 = Constant;

$\beta_1 \dots \beta_8$ = Coefficient of the regression equation.

μ = Error term;

i = is the cross section of firms used;

t = Time period

3.2 Measurement of Variables

MPS- Market price per share is defined as the current price of the shares of the firms as at year end. (Ayodeji, 2022).

PPER- This represents the amount of tangible noncurrent assets employed per statement of financial position for the year. (Nangih & Onuora, 2020).

INTG- This represents the amount of intangible assets employed per statement of financial position for the year. (Nangih & Onuora, 2020).

LTIV- This represents the amount of long term investment assets per statement of financial position for the year (Gamayuni, 2015).

4.0 DATA ANALYSIS AND DISCUSSION OF FINDINGS

This section presents the data analysis and discussion of findings, based on the formulated hypotheses.

4.1 Descriptive Statistics

Descriptive statistics provide information concerning the basic characteristics of the data, such as the mean, standard deviation, skewedness, kurtosis and normality, etc. They also enable the comparative assessment of the variables under study. The result of the descriptive statistic is shown in table 4.1.

Table 4.1: Descriptive Statistics

	PPER	INTG	LTIV	MPS
Mean	0.028156	0.004093	0.007663	9.557000
Median	0.025507	0.002182	0.000686	6.275000
Maximum	0.137381	0.043082	0.050863	40.75000
Minimum	0.002314	0.000000	0.000000	0.500000
Std. Dev.	0.017605	0.007257	0.012307	9.926335
Skewness	3.081035	4.275450	1.727843	1.386181
Kurtosis	17.54754	21.45964	5.024645	4.019320

Jarque-Bera	1144.009	1896.933	73.52105	39.98962
Probability	0.000000	0.000000	0.000000	0.000000
Sum	3.097145	0.450254	0.842910	1051.270
Sum Sq. Dev.	0.033784	0.005740	0.016509	10740.00
Observations	110	110	110	110

Source: Author's Computation

From the results in Table 4.1, PPER, INTG, and LTIV averaged 0.028, 0.004, and 0.008 annually, respectively. They equally showed standard deviations of 0.018, 0.007, and 0.012, respectively, indicating wider variations in INTG, and LTIV. The wide margin between the means and standard deviations underscores the fact that the more spread out the data are.

Similarly, MPS also averaged 9.56, with standard deviations of 9.93, respectively. On the other hand, the skewness and kurtosis statistics indicate a highly skewed and peaky data distribution.

Lastly, the Jarque-Bera statistics suggests that the data is no normally distributed, which is usually the case with panel data sets. According to Machame (2019), normality of variable data usually is not a necessary condition for regression analysis, since the ordinary least square can still provide blue estimators, even if the data and their residuals are not normally distributed.

4.2 Correlation Test

The test for correlation shows the degree of association among the variables employed in the study. It also gives an indication of the existence or non-existence of multi-colinearity among the independent variables. The correlation statistics for the variables in the model employed in this study is shown in table 4.2 below.

Table 4.2: Correlation Matrix

	PPER	INTG	LTIV	MPS
PPER	1.000000			
INTG	0.168534	1.000000		
LTIV	-0.027863	-0.124158	1.000000	
MPS	-0.164485	-0.142808	0.012397	1.000000

Source: Author's Computation

In Table 4.2, it is revealed that PPER and INTG are both negatively correlated with MPS whereas LTIV correlates positively with the dependent variable. The results also show that there are no perfect correlations among the independent variables, thus suggesting absence of multi co-linearity in the model estimate.

4.3 Multiple Regression Test

The multiple regression technique was employed to determine the functional relationships existing between the variables in the model formulated in this study. To this end, the panel least square regression technique was employed in determining cause and effect relationships existing among the variables in the model. Specifically, the fixed effect panel regression tests were carried out in a bid to vividly determine the effect of the various capital intensity on MPS, as shown in Tables 4.3. Before that the Hausman Test was employed to select between fixed and random effect that is best to be adopted in the study. Hence the result of the Chi-Square statistics indicated 2.538458 with associated probability of 0.9423 respectively. Given that the probability value was less than 0.05, the null hypotheses are rejected, thus, the results indicate that the random effects model was most appropriate for estimating the model.

Table 4.4: Random Effects Panel Regression Test

Dependent Variable: MPS

Method: Panel EGLS (Cross-section random effects)

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Sample: 2013 2023

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.76370	3.617244	3.528571	0.0006
PPER	-100.6056	29.53643	-3.406155	0.0009
INTG	-82.65005	50.48713	-1.637052	0.1046
LTIV	-4.666776	92.01816	-0.050716	0.9596
Weighted Statistics				
R-squared	0.068260	Mean dependent var	1.129951	
Adjusted R-squared	0.041890	S.D. dependent var	4.359675	
S.E. of regression	4.267385	Sum squared resid	1930.321	
F-statistic	2.588546	Durbin-Watson stat	1.179152	
Prob(F-statistic)	0.056809			

Source: Author's Computation

Results in Tables 4.5 reveal that the variables determine 4% of the variations in MPS. More so, all the predictor variables have negative effects on the dependent variable (MPS). By implication, it means that only 4% of the changes in MPS (the dependent variable) were caused by the independent variables in our model, leaving the remaining 96%, which would be accounted for other variables outside the model as captured by the error term.

The F-statistics measures the overall significance of the explanatory parameters in the model, and illustrates the appropriateness of the model used for the analysis while the probability value means the model is statistically significant and valid in explaining the outcome of the dependent variable. From the table 4.5 above, calculated value of F-statistics is 2.588546 and its probabilities is 0.000861 which is less than 0.056809. We therefore accept the alternative hypothesis and state that there is a significant relationship between the variables. This means that the parameter estimates are statistically significant in explaining the relationship in the dependent variable.

On the other hand, the coefficient and the t-statistics helps in measuring the individual statistical significance of the parameters in the model from the result report. The result as shown on the table 4.4 above reveal that only PPE have significant effects on MPS at 5% level of significance. This means that intangibles and long term investments have not contributed significantly to MPS at 5% significance level.

4.3 Testing of Hypotheses

The hypotheses were tested using the Panel Least Square Regression method and the decision rule for the acceptance or rejection of the formulated hypotheses was to reject the null hypothesis if the p-value of the t-statistic is greater than 0.05 (5%), and vice versa. The hypotheses and the results of the tests conducted are presented as follows:

***H₀₁:** Property, plant and equipment do not significant impact market price per share of listed money deposit banks in Nigeria.*

The result of the tests, as shown in Tables 4.4, indicated t-statistics and p-value (in parenthesis) of -3.406155 (0.0009). Since the p-value of t-statistics are less than 0.05, we reject the null hypotheses and accept the alternative hypotheses. The negative coefficient value of -3.406155 revealed that PPER intensity negatively influenced market price per share, and was statistically significant at 5% level. Based on the analysis result, the study accepts the alternate hypotheses and rejects the null hypotheses, it therefore concludes that, PPER have significant effect on stock returns of banks in Nigeria.

***H₀₂:** Intangible assets intensity do not significant impact and market price per share of listed money deposit banks in Nigeria*

The result of the tests, as shown in Tables 4.4, indicated t-statistics and p-value (in parenthesis) of -1.637052 (0.1046). Since the p-value of t-statistics was greater than 0.05, we accept the null hypotheses and reject the alternative hypotheses. The negative coefficient values of -1.637052 revealed that Intangible

intensity negatively influenced stock returns, the probability values revealed that the effect of Intangible intensity on market price per share of listed banks in Nigeria was statistically insignificant at 5% level. Based on the analysis result, the study rejects the alternate hypotheses and accepts the null hypotheses, and therefore concludes that, Intangible intensity have insignificant effect on MPS of banks in Nigeria.

H0₃: There is no significant effect of Long term investments on market price per share of listed money deposit banks in Nigeria.

Similarly, the result of the tests, as shown in Tables 4.4, indicated t-statistics and p-values (in parenthesis) of -0.050716 (0.9596). Since the p-values of t-statistics was greater than 0.05, we accept the null hypotheses and reject the alternative hypotheses. The negative coefficient value of -0.050716 revealed that long term investments intensity negatively influenced market price per share. The probability value revealed that the effect of long term investments on MPS of listed banks in Nigeria was statistically insignificant at 5% level. Based on the analysis result, the study rejects the alternate hypotheses and accepts the null hypotheses, and therefore concludes that, long term investments intensity have insignificant effect on MPS of banks in Nigeria.

4.4 Discussion of Findings

The results between PPER and MPS showed a significant negative effect of PPER on MPS. These imply that increase in PPER investments will result in a decrease in MPS and significantly too. This finding is at variance with that of Chukwu and Egbuhuzor (2017), who found a significant positive relationship between plant and machinery and return on assets of manufacturing firms in Nigeria. The significant negative effect of PPER on financial performance could be due to the unproductiveness of the property, plants and equipment; since they do not generate any direct income to the firm.

Also from the results, the relationship between intangible asset intensity and all the dependent variables is also negative but insignificant; deviating also from the theoretically expectation. This implies that increase in intangible assets investment will result in a decrease in MPS. These results are inconsistent with those of the findings of Nangih and Onuora (2020), who found a significant positive effect of PPER on ROA.

Lastly, the study also found an insignificant negative effect of LTIV on MPS, as theoretically unexpected, which also implies that increase in long term investment will stimulate a reduction in increase in sock returns. The negative relationship between LTIV and MPS is hinged on the fact that such investments may

constitute a hold-up of a large chunk of firm resources, and may also be very risky ventures.

5.0 CONCLUSION AND RECOMMENDATIONS

This study was undertaken to examine the effect of noncurrent assets intensity on market price per share of listed money deposit banks in Nigeria. The specific objectives of the study were to determine the extent to which intensity of investments in property, plant and machinery, intangibles, and long term investment assets affect the market price per share of the selected banks in Nigeria. The study also explores conceptual, theoretical and empirical literatures on the relationship between the various noncurrent assets intensity dimensions and MPS. The study also utilizes data for the thirteen-year period from 2013 to 2023, which are analyzed using the fixed effect panel regression technique.

The major findings made from the study are as follows:

The results reveal that all the independent variables have negative effects on the dependent variable but only PPER is significant. Thus, increasing levels of investments in plant and machinery stimulate stock returns. The results reveal that intangible assets intensity and long term investments have negative effects on the dependent variable but not significant. Thus, increasing levels of investments in intangible assets intensity and long term investments do not stimulate stock returns.

The findings of this study lead to the following conclusions: Increasing levels of investments in plant and machinery will reduce MPS significantly. The study also concluded that intangible assets intensity and long term investments have negative effects on the dependent variables but not significant. Thus, increasing levels of investments in intangible assets intensity and long term investments may not stimulate MPS.

Based on the above, the following recommendations were made by the study: (i) the study recommend that banks should not increase in property, plant and equipment intensity since it will not improve their stock returns. (ii) the study also recommended that intangible assets intensity and long term investments should not be increased as such will not stimulate market price per share.

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