DIVIDEND DECISIONS AND SHARE PRICE VOLATILITY OF LISTED ICT FIRMS IN NIGERIA

BY

Deborah Osaivbie OGIEFA
MGS 1611487

DEPARTMENT OF BANKING AND FINANCE
FACULTY OF MANAGEMENT SCIENCES
UNIVERSITY OF BENIN
BENIN CITY

OCTOBER, 2023

DIVIDEND DECISIONS AND SHARE PRICE VOLATILITY OF LISTED ICT FIRMS IN NIGERIA

BY

Deborah Osaivbie OGIEFA
MGS 1611487

A PROJECT WRITTEN AND SUBMITTED TO THE DEPARTMENT OF BANKING AND FINANCE, FACULTY OF MANAGEMENT SCIENCES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc) DEGREE IN BANKING AND FINANCE OF THE UNIVERSITY OF BENIN, BENIN CITY

OCTOBER, 2023

DECLARATION

I, **Deborah Osaivbie OGIEFA** do hereby declare that this project is entirely my work and composition. The work embodied in this project has not been submitted by another candidate for any degree and is not currently being submitted for any other degree. All references made to the works of other persons have been duly acknowledged.

Deborah Osaivbie OGIEFA **Date**

CERTIFICATION

We, the undersigned certify that this research work was submitted by **Deborah Osaivbie OGIEFA** and it is hereby approved for the partial fulfillment of the requirement for the award of Bachelor of Science (B.Sc) degree in Banking and Finance, University of Benin, Benin City.

Dr. O. Aigbovo	**Dr. J. Obayagbona**
(Project Supervisor)	**(Project Co-odinator)**
Date:_____	**Date:_____**

Dr. O.G. Omorokunwa
(Head of Department)

Date:_____

DEDICATION

I dedicate this project to God Almighty my Creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding. He has been the source of my strength throughout this program and on His wings only have I soared.

I also dedicate this to my parents and supportive siblings who encouraged me all the way and whose encouragement have made sure that I give all it takes to finish that which I started. And to my lovely husband for all your support, may the blessings of God be with them now and always "amen".

ACKNOWLEDGEMENTS

My greatest appreciation and thanks are solely to Almighty God who by His mercy and grace has been my strength, reason to keep on going both academically and in all areas of my life.

My appreciation and acknowledgement goes to my humble and hard-working supervisor Dr. O. Aigbovo for his availability, knowledgeable and excellent advice; for being a guide, altering any error and for his brilliant instructions and encouragement.

My sincere gratitude also goes to my father Mr Christopher Ogiefa who has been a strong support since d death of our mother. He didn't give up on us. "Daddy you daughter made it. Thanks for your contribution, encouragement, prayers and concern for the success of this program".

I am and will forever be grateful to my sister Mrs Eki Erharuyi who has been supportive and kind to make sure I achieve this feat. I can't fine the word to express my gratitude.

My gratitude goes to my friends Blessing, Kate and Vivian for their support and understanding throughout the course of this program.

My acknowledgement goes to my goes to my support system, my lovely and caring husband Mr. Eric Enagbare for his understanding and for keep pushing me to complete this program.

I also wish to use this opportunity to thank my course adviser Dr. A.O. Izekor for his fatherly advise and all my lecturers who has shown light to my path, may God continue to bless you for all the good legacy you have shown to your students.

I will also like to acknowledge my wonderful siblings: Osamede, Mrs Sarah Edo-Osagie, Aisosa, Etinosa, Esosa and my dearly Valery for their immense support and prayers throughout this course of study. May the Almighty God continue to bless and strengthen them. Amen.

I am eternally grateful to my pastor and his family pastor Rotimi Oluwabayo and the members of RCCG, House of God Parish for their prayers, love, encouragement and support all through this program, God bless them for all they do.

Finally, my gratitude goes to my colleagues and course mate for their advice and encouragement. I say a big thanks to you.

TABLE OF CONTENTS

ABSTRACT

In this study, the impact of dividend policy on share price of firms Listed on oil and gas sector of Nigerian Exchange Limited (NGX) was examined. In order to determine the relationship between dividend policy and share price of firms, dividend policy key proxy variables were used in the study, namely; dividend yield (DIY), dividend per share (DPS) and dividend payout (DPR) while share price (SP) on the other hand was measured using market price of shares (SP). The study also control for size of firm (FZ) in the model specification. Three hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using OLS panel least model operated with Eviews 9.0. Longitudinal research design was adopted and data for the study were obtained from the Nigerian Annual Reports and Accounts of listed oil and gas firms in Nigeria spanning from 2010 - 2021. The findings generally indicate that dividend yield, dividend per share and firm size have exerted significant impact on share price of the selected oil and gas firms. Based on this, the study concludes that dividend policy is capable of influencing oil and gas firms' share prices in Nigeria. By this implication, the study supports the relevant theories of dividend policy reviewed in this study as irrelevant theories of dividends do not hold in the case of Nigeria. The study recommends among others that firms' willing to maximize share price should consistently increase their dividend per share and reduce their dividend yield as this sends signal to the investors about the firm's market performance and financial health.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Three major decisions are vital for any organization to excel: investment decisions, financing decisions and dividend policy decisions. The most vital and controversial among them is the dividend policy decision. Dividend decision is the most vital decision of them all because the other two fundamental decisions revolve around dividend decision (Lotto, 2021). The controversy started from the Black (1976) puzzle "The harder we look at the dividend picture, the more it seems like a puzzle, with pieces that do not fit together", it further comes to the irrelevance dividend policy of Miller and Modigliani (1961) and the relevance theory of dividend by Gordon and Lintner (1956) which propose that is better you collect your dividend now than to wait for a long time for anticipating of capital gain. All these controversies are melded toward answering whether dividend payment is relevance? And how it affects the market price of firms?

Dividend policy is an important consideration in the wealth creation process, particularly whether or not to distribute dividends to shareholders. Dividend policy is often structured to cater for shareholders' expectations. The fundamental purpose of a company is to create sustainable and increased wealth for the shareholders (Mouton & Smith 2016). This is achieved through a combination of maximizing earnings and minimising risk. From an earnings perspective, wealth is increased in the form of earnings, leading to

capital growth of the share, as well as the distribution of earnings through dividends (Pelcher, 2019). As such, the dividend decision is important, because it is one of the avenues through which a company can achieve the objective of maximisation of wealth it creates for its shareholders. These two forms of wealth maximisation, capital growth and dividend payouts, affect the investor's choice of share investments based on investor preference (Gordon, 1959, Pelcher, 2019).

Investors, brokers, dealers, academics and regulators all concern about volatility in the stock prices. They do so not only because volatility is a measure of risk and affect the value of firm but also because changes in the stock prices reflect important news about the firm. By implication, the more the share price fluctuates over time, the greater the chances of either gain or loss. However, the lesser the share price volatility, the greater its desirability to investors. As such, if a stock is labeled as volatile, its price would greatly vary over time, and it is more difficult to say in certainty what its future price will be (Singh & Tandon, 2019). Based on this observation, this study deemed it necessary to investigate the relationship between dividend policy and firm share price volatility of oil and gas firms in Nigeria.

1.2 Statement of the Research Problem

The review of these previous studies revealed conflicting results. While a positive significant relationship was reported in some studies, a negative sign or no significant relationship appeared in others. The balance of evidence does not conclusively support a

significant positive or significant negative relationship between dividend decisions and share price volatility. For instance, researchers such as Hussainey, Mgbame & Chijok-Mgbame, 2014; Mladenoska, 2017; Ahmed, 2018; Utami & Wtiastuti, 2019; Isabwa (2022) among others, have investigated the effect of different proxies of dividend policy decisions (dividend payout ratio, dividend yield, dividend per share and dividend retention) on share price volatility. They concluded that dividend policy decisions significantly and positively influences share price volatility of firms. On the other hand, the studies of Sew, Mohamed and Ahmed (2015); Harshapriya (2016); Almanasee (2019) among others concluded otherwise: that dividend policy decisions significantly and negatively influences share price volatility of firms. Also, researchers such as Otieno (2016); Pelcher (2019); Bamidele and Luqman (2021) concludes that dividend policy decisions has no significant effect on share price volatility of firms.

These mixed findings could be attributed to difference in variables used, technique in measurement of variables, scope adopted, and difference in estimation techniques employed in their studies. All these may have led to the different trailing controversies in this discourse. Given the conflicting findings from these studies, there is no consensus in the empirical literature on the impact of dividend policy decisions on share price volatility of firms. The unavailability of consensus among the previous researchers and the significance of the subject matter within the field of finance create a gap for further investigation in this study.

1.3 Research Questions

This study seeks to provide answers to the following research questions:

(i) What is the effect of dividend yield on share price of listed Oil and Gas firms in Nigeria?

(ii) To what extent does firm dividend per share affect share price of listed Oil and Gas firms in Nigeria?

(iii) How does dividend payout affect share price of listed Oil and Gas firms in Nigeria?

1.4 Objectives of the Study

The general objectives of this study are to ascertain the effect of dividend policy on share price of listed oil and gas firms in Nigeria. The specific objectives are to:

(i) examine the effect of dividend yield on share price of listed Oil and Gas firms in Nigeria;

(ii) determine the effect of dividend per share on share price of listed Oil and Gas firms in Nigeria; and

(iii) ascertain the effect of dividend payout on share price of listed Oil and Gas firms in Nigeria

1.5 Research Hypotheses

The following hypotheses were tested for this study:

$H0_1$: Dividend yield has no significant effect on share price of listed Oil and Gas firms in Nigeria.

$H0_2$: Dividend per share has no significant effect on share price of listed Oil and Gas firms in Nigeria.

$H0_3$: Dividend payout has no significant effect on share price of listed Oil and Gas firms in Nigeria.

1.6 Scope of the Study

The study investigates of the effect of dividend policy on share price of listed Oil and Gas firms in Nigeria and the period of study is from 2010 - 2021. The selection of Oil and Gas firms is based on the strong financial performance of this sector in the Nigerian Exchange Group (NGX). The choice of 2010 was to capture the post global financial crisis while 2021 was chosen based on the availability of data.

1.7 Significance of the Study

The importance of this research cannot be over emphasized, as the expected findings will enhance our understanding of the effects of dividend policy on share price of listed oil and gas companies in Nigeria. This study will be of great value to shareholders,

management, regulators/policy holders, academia and students as well as other researchers interested in this field of study.

1.8 Limitations of the Study

The study is based on the data set that is collected from the publications of the financial statement of the selected firms. The reliability and the accuracy of the data will therefore, affect the robustness of the present study. Additionally, the findings of this study can only be generalized to oil and gas firms.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers conceptual review, theoretical review, methodological review, empirical literature, summary of empirical literature, research gaps, theoretical framework and conceptual framework.

2.2 Conceptual Review

2.2.1 Share Price

In layman's terms, the stock price is the highest amount someone is willing to pay for the stock, or the lowest amount that it can be bought for. The term share price is worth of a single share of a sum of sellable shares of a firm. The performance of company is reflected by its share prices. If the firm share price is continuously increasing its means that management is working for the growth of firm. Share prices serve as the basis for the assessment of whether a firm is at break even or not. These prices are relevant metrics of returns to stakeholders, therefore the value attached to them matters so much to both existing and prospective investors in the capital market (Ayunku & Apiri, 2020). Omaliko, Nweze and Nwadialor (2020) define market price of shares as one of the market based measures suitable for corporate performance assessment.

Share prices, according to Ejuvbekpokpo and Okoro (2014), serve as the basis for determining whether a corporation is profitable or not. Because these prices are meaningful indicator of returns to stakeholders, the value associated to them is extremely important to both existing and future capital market investors. According to Omaliko, Nweze, and Nwadialor (2020), one of the market-based measures suited for assessing company performance is share market price.

2.2.2 Dividend Policy

A company's dividend policy, according to Brunzell, Liljeblom, Löflund, and Vaihekoski (2014), sets the type and amount of dividends that must be paid out while also ensuring business profitability and shareholder welfare. The phrase "dividend policy" refers to a company's process for determining the frequency and volume of payouts to shareholders (Baker & Weigand, 2014). Dividend policy refers to the technique by which management decides how much to pay out as dividend to shareholders and how much to reinvest from a company's income (Muraya, 2018).

2.2.3 Dimensions of Dividend Policy

The various dimensions of dividend policy discussed in this study are dividend yield, dividend per share and dividend payout.

2.2.3 Dividend Yield

Dividend yield is a financial statistic that compares the amount of cash dividends given to shareholders to the market price per share. It is calculated by dividing the dividend per share by the share price and multiplying the result by 100. A corporation with a high dividend yield distributes a significant portion of its income as dividends. A company's dividend yield is always compared to the average of the industry to which it belongs. Among many other authors, Ogbuagu (2020) suggested that the stock price reaction to an unexpected dividend adjustment should be more pronounced in firms with high dividend yields if and only if the investors in those firms choose high-yielding equities.

Dividend yield is a financial metric that relates the amount of cash dividends paid to common shareholders to the market value of the share. Dividend yield is used by investors to show how their stock investment creates cash flows in the form of dividends or increases in asset value through stock growth (Nissim & Ziv, 2011).

2.2.4 Dividend per Share

Dividend per share (DPS) is the total of a company's declared dividends paid out for each ordinary share outstanding. The figure is produced by dividing the total dividends paid out by a company over a period of time, including interim dividends, by the number of outstanding ordinary shares issued. DPS is an important metric for investors because the amount a company pays out in dividends directly translates to income for the shareholder,

and the DPS is the most straightforward figure an investor can use to calculate his or her dividend payments from owning shares of a stock over time (Ogbuagu, 2020).

2.2.5 Dividend Payout

Dividend payout refers to the distribution by a firm to a class of its stockholders of a percentage of its net profits. For each share owned, a set amount is paid as the dividend. Although checks are the preferred method of payment for most businesses' quarterly dividends, other options include real estate, stocks, or scrip (Scott, 2003). Dividend payouts, according to Hellstrom and Inagambaev (2012), are the portions of a company's earnings that are given to shareholders. The amount of dividend that a company pays to its shareholders is known as the dividend distribution. Large dividend payments in one period would limit the amount of money available for investment in succeeding periods, which would increase the likelihood of raising stock or debt to finance investment in the next quarter. The demand for external debt financing to make dividend payments would rise throughout the following term as a result of a significant investment spend, which would reduce the amount of money available to finance dividend payouts (Fumey & Doku, 2013). The entire annual dividend paid divided by net profit is how this study calculates the dividend payout ratio.

2.2.5 Firm Size

The size of the firm may also affect the dividend payment decision of a firm. The larger firms generally have higher proportion of institutional shareholding pattern which in turn

will have easy access to capital market that leads them to pay higher amount of dividend. Other reason can be that the larger the size of the firm more it would be difficult to monitor the firm which increases the agency problem between the managers and the shareholders. Thus larger firms need to pay more dividends in order to reduce the agency problem (Labhane & Das, 2015). We have chosen the natural log of market capitalization as a proxy for size and we hypothesize a positive relation between the firm's size and dividend payout ratio.

2.2.6 Oil and Gas Sector in Nigerian Exchange Limited

The oil and gas firms or companies in the Nigerian Exchange Group (NGX) are believed to be financially viable. The performance of the sector is due to the increased production which reached a three –year high of 2.04 million barrels per day in the three year ending 2019. This crude oil has contributed largely to the economy and revenue of both government and other stakeholders involved. 80% of Nigeria's energy revenues flow to the government and about 4% go to investors. It is worthy to note that this revenue figures run into billions of dollars. Over the years, the petroleum industry has attracted stakeholders from foreign and local explorers whom have benefited greatly as a result of increase in its price (Odularu, 2008).

The oil and gas sector accounts for over 90% of Nigeria's export earnings and 80% of the revenue generated by the federal government (Polycarp, 2019). For example, data released by the National Bureau of Statistics (NBS) in 2019 shows that Nigeria's

economic growth, which is measured by Gross Domestic Product (GDP) expanded by 2.3% (on an annualized basis) in Q3 2019, compared to 1.8% in the corresponding period of the preceding year (Q3 2018). The Q3 2019 GDP growth was a little higher than the 2.1% growth recorded in Q2 2019. According to Price water house Coopers Limited (2019), the economic performance of Nigeria in Q4 2019 was driven primarily by the oil and gas sector, which is only 9.8% of GDP and grew by 6.5% in Q3 2019, compared to the –2.9% recorded in Q3 2018, and 7.2% in Q2 2019 respectively (NBS, 2019).

It has been established over the years by researchers, governments, policy makers and other stakeholders that the oil and gas industry is the mainstay of the Nigerian economy. This sector has attracted lots of investors who want to maximize their wealth in the form of dividend.

2.3 Theoretical Review

There are several theories which have been identified in determinants of dividend payout and studies. However, they are viewed from different perspectives in relation to the context of their work. The following theories are discussed in this study: Agency theory, signalling theory, dividend relevance theory and irrelevance theory.

2.3.1 The Agency Theory

The agency theory was propounded by Jensen and Meckling (1976). The theory is based on the assumption that the firm as a collection of groups of individuals with conflicting

interests and self-seeking motives. They posits that the agency relationship as a contract under which one or more persons referred to as the principal engage another person referred to as the agent to perform some service on their behalf which involves delegating some decision making authority to the agent. The management may conduct actions which are not in the best interest of the shareholders. Such conflicts lead to increased agency costs. In such cases, firms will prefer to increase their dividends and reduce agency cost by distributing the free cash flow.

According to this theory the agency problem arises between the principal owner (shareholders) and agent (manager) when the manager takes the actions which are not beneficial to shareholders and are in their own self-interest. For example, they may expend richly on perk or over invest in negative NPV projects or enlarge the firm's size beyond its optimal capacity as the reward of manager is related with the size of the firm. The payment of dividend to common equity shareholder will reduce the excess free cash flow available with the manager thereby reducing the agency problem between the manager and shareholders (Jensen & Meckling, 1976; Rozeff, 1982 & Easterbrook, 1984). The agency problem may also arise between the bond holders and shareholders. The higher proportion of tangible or collateralizable assets will ensure higher level of protection for the bondholders thereby reducing the agency problem arising due to the conflicts between the bondholders and equity shareholders.

2.3.2 Signaling Theory

The theory was propounded by Modigliani and Miller (1961) who argued that dividend may have a signalling effect. Proponents of this theory posits that dividends have a signaling effect and investors or potential investors forecasts the profit of the company, which in fact is influenced by the rate of dividend. Firms have to distribute dividends among shareholders and high dividend payments are considered positive sign of profitability by shareholders. The payment of dividends has a signaling effect as dividend payment gives information about company to the market. On the basis of dividend announcements, investors, shareholders, and potential investors predict the position of company in context of profitability and when there is an increase in dividend payments, it is a good sign for firm; it increases its goodwill and its reputation in the mind of customers and share price increases.

The signaling theory suggests that there exists information asymmetry between the insider (managers) and outsiders (shareholders).The managers have private information about the firm's current condition and future prospects which is not known to the outsiders. The managers can convey this private information to the shareholders in the form of dividend (Bhattacharya, 1979, John &Williams, 1985, and Miller and Rock, 1985). Thus, dividend acts as signaling device and managers can receive incentives for communicating the private information to the outsiders.

2.3.3 Dividend Relevance Theory

The dividend relevance theory was propounded by Walter (1963). He argued that the choice of dividend policies almost always affect the value of the firm. Walter's model shows the importance of the relationship between the firm's rate of return and its cost of capital in determining the dividend policy that will maximize the wealth of shareholders. Walter's model is based on the following assumptions:

First, the firm finances all investment through retained earrings; that is, debt or new equity is not issued. Secondly, the firm's rate of return and its cost of capital are constant. Thirdly, all earnings are either distributed as dividends or re-invested internally immediately. Fourthly, the values of earning per share and dividend remain constant. Lastly, the firm has a very long or infinite life. It is believed that this model is quite useful to show the effects of dividend policy on an all equity firm under different assumptions about the rate of return. However, the simplified nature of the model can lead to conclusions which are not true in general, though true for Walter's model.

2.3.4 Dividend Irrelevance Theory

Miller and Modigliani (1961) postulate the Irrelevance theory which states that dividends are irrelevant under ideal capital market assumptions, with rational investors, no taxes, and no bankruptcy costs. The underlying idealised capital market presumptions are: perfect capital markets, rational behavior and perfect certainty. According to them

therefore, the dividend policy does not have any impact on shareholder's wealth and they further noted that all dividend policies are equivalent. This implies that firms will continue paying dividend to their shareholders. They further noted that the shareholder's wealth is affected by the income generated by the investment decisions a firm makes, and not by how it distributes that income.

Modigliani and Miller went further to argue that regardless of how a firm distributes its income, its value is determined by its basic earning power and its investment decisions. This implies that when given a firm's investment policy, the dividend payout policy that the firm chooses to follow will affect neither the current share price nor the total returns to shareholders. That is to that investors will calculate the value of companies based on the capitalized value of their future earnings, and this is not affected by whether the firms pay dividends or not and how firms set their dividend policies.

According to Modigliani and Miller, to an investor all dividend policies are effectively the same. This is due to the fact that investors can create homemade dividends by adjusting their portfolios in a way that matches their preferences. That stockholder's wealth is unchanged when all aspects of investment policy are fixed and any increase in the current payout is financed by fairly priced stock sales. The assumptions include; existence of a 100% payout of dividend by management in every period, perfect capital markets, investors are rational and value securities based on the value of discounted future cash flow to investors, managers act as the best agents of shareholders and there is

certainty about investment policy of the firm. It is therefore clear that from the foregoing that according to Modigliani and Miller the issue of dividend policy is irrelevant.

This theory is relevant to this study as it posits that the investor is only interested in the returns and will therefore disregard dividend policy which imply that the value of a company is determined by its profits and not the distribution policy.

2.4 Empirical Review

Several works have been done on effect of dividend policy on share prices of firms. Some of the previous empirical researches are reviewed below.

Hussainey, Mgbame and Chijoke-Mgbame (2014) examine the relationship between dividend policy and share price changes in the UK stock market for the period 1998 to 2007. Multiple regression analyses were used to explore the nexus between share price changes and both dividend yield and dividend payout ratio. The study finds a positive relation between dividend yield and stock price changes, and a negative relation between dividend payout ratio and stock price changes. In addition, it is shown that a firm's growth rate, debt level, size and earnings explain stock price changes.

Ullah, Mardan, Mardan, and Usman (2016) studied the effect of dividend payout on the stock price of listed companies in Karachi Stock Exchange from 2003 to 2008. Five firms from textile industry were selected purposively. Stock price was dependent variable while the independent variable was dividend payout ratio. The size of firm, earning volatility

and growth were selected as controlled variables. Multiple regression was employed to explore the relationship of dependent with independent variables. Results showed that overall models were good fit showed by coefficient of determination values. Dividend payout ratio was significantly affecting the stock price. Other variables showed mixed results in some models were found significant.

Jatmiko (2016) studied the effect of tax rate and dividend policy on the stock price, the effect of tax rate on the stock price, the effect of dividend policy on the stock price, and the effect of tax rate on the dividend policy using a secondary data involving 14 firms from 2001-2014. The data collected were analyzed using path analysis; the results indicated that the tax rate and dividend policy had a significant positive effect on the stock price.

Hafsi (2016) measured the effect of dividends on the market value of the shares of 30 companies from various sectors in the Dubai Financial Market using simple and multiple regression analysis and the results showed that there is a positive relationship between the cash dividends and the market value of the share as well as the absence of a relationship between retained earnings and the market value for the stock.

Kumar (2016) on the same vein posits that dividend per share has significant and positive relation with firms share price. The study used OLS and concluded that firms' dividend per share influences market price of shares. Shah and Noreen (2016) studied the effect of dividend policy on share prices of quoted firms in Pakistan. The study covered 50 quoted

firms and patterned after panel regression analysis. The study reported that dividend policy is inversely associated with share prices.

Noor and Memon (2017) analysed the impact of dividend policy on market price of quoted shares in Pakistan. The study sampled 60 quoted firms listed on PSX from 2005 to 2015. The study patterned after the panel regression analysis. The study affirmed that dividend yield positive influence of payout ratio and control variables (Growth in Assets & Size) on market prices of shares.

Waweru and Otieno (2017) examined the effect of dividends on stock returns and the extent to which shareholders in the Nairobi financial market were affected during the period of 2005–2012 using statistical and linear regression analysis. Their study showed that if the dividends were small, the effect of dividends on stock returns had a negative correlation, but if the distributions were large, the effect was positive. Kanwal and Shashid (2017) reported that dividend payout positively influenced financial performance of firm. It was also noted that the firm financial performance is influenced by the dividend policy. Using regression model, the study concludes that dividend payout has effect on firms' performance.

Aribaba, Ahmodu, Ogbeide, and Olaleye (2017) examined the effect of dividend policy and share price of quoted companies in the Nigerian Stock Market between 2008- 2014 financial year using panel Estimated Generalized Least Squares (EGLS) regression with fixed effect. The study found dividend policy and dividend yield contributes to share

price reduction and were not statistically significant. The effect of dividend per share is negative and is statistically not significant across the quoted firms. Earnings per share were observed to result to positively engender share price changes was not statistically significant; dividend pay-out and firm size positively influence changes of share prices of the quoted companies in Nigerian Stock Market.

Adesina, Uwuigbe, Uwuigbe, Asiriuwa, and Oriabe (2017) examined dividend policy and share price valuation in the Nigerian banks. The study which covered from 2006 to 2015 based on data sourced from published financial statements of four major banks in Nigeria. The study employed the Ordinary Least Square (OLS). Variables considered include dividend per share, dividend retention, dividend yield, earnings per share, and share price. The study found that a significant positive relationship exists between earnings per share and market price.

Waheed, Syed, and Muhammad (2018) examined studied the effect of dividend policy on share prices of quoted firms in Pakistan. The study obtained data from 10 banks listed on Pakistan Stock Exchange from 2014 to 2016. The study was patterned after the panel regression analysis. The study reported that dividend yield is negatively related with stock prices having controlled for assets growth. Again, dividend payout ratio and firm size were insignificant in valuation of stock price volatility.

Mashkour and Sadiq (2018) aimed to analyse the relationship between dividend policy and the market value of a stock, and the policy's effect in determining the value of the

company. They used a linear regression analysis method to illustrate the relationship between dividends on one side and the market value of the stock and the value of the company on the other hand using data from a group of banking companies contributing to the Iraq market for the period of 2011–2015. The study found a positive, statistically significant correlation between dividend distribution, the market value of the stock, and the value of the company in the sample of selected banks.

Iftikhar, Ejaz, Baig, Nadeem and Shahid (2019) examines the all dividend policy effect on commercial banks stock price listed at Pakistan stock exchange for the time period 2014 to 2017. To analyze secondary data multiple regression analysis was applied with the model (MP) Market Price Per Share as the dependent variable and (EPS) Earning Per Share, (ROE) Return on Equity, (RR) Retention Ratio and (DY) Dividend Yield are independent variables. The finding of the study shows that EPS shows a highly significant positive impact on the share MP and the other three independent variable return on equity, dividend yields, and retention ratio also show a significant but negative impact on the share MP.

Singh and Tandon (2019) evaluated the effect of dividend policy on market prices of shares of 50 companies listed on the National Stock Exchange (NSE) from 2008–2017. The data was patterned after the panel regression techniques. The results of the random effect regression model support the relevant approaches of dividend policy (dividend

yield, dividend retention, and dividend payout ratio). Thus, we conclude that there is significant effect of dividend policy on the stock price of firms.

Shah and Ajmera (2019) analyzed the effect of dividend policy on share prices of quoted firms in India. The study sourced for data from the Sun Pharma firms of India from 2009 to 2018. The study was patterned after the panel regression methodology. The study confirmed that dividend retention ratio, Growth of the firm, return on equity, earning per share, size and payout ratio have positive effect on share prices.

Shetty and Rao (2020) examined the dividend policy determinants on share price of Indian nationalized banks. The study was patterned after the panel data regression techniques. The study reports the effect of dividend announcements on stock prices in emerging market. They reveal that cash dividend; retention ratio and return on equity had a significant positive relation with stock market prices and significantly explain the variations in the stock prices.

Hossin and Ahmed (2020) examined the impact of dividend policy on the market price of stock in Bangladesh from 2008 to 2017. The study patterned after the panel regression methodology. Variables considered include: earnings per Share, profit after tax, growth of asset, and dividend payout ratio. The study found that dividend payout ratio has an insignificant effect on share price volatility in the studied periods.

Emeka and Ogochukwu (2021) studied the impact of dividend policy on share price of firms listed on ICT sector of Nigerian stock exchange spanning from 2016-2020. The

independent variable is dividend policy proxy by Dividend Payout, Dividend per Share, and Dividend Yield while the dependent variable is Share Price measured by Market Price of Shares. The study adopted the OLS Model. The findings generally indicate that Dividend Payout, Dividend per Share & Dividend Yield exerted significant positive impact on Firms Share Price.

Bamidele and Luqman (2021) studied the effect of dividend policy on market value of common stocks of firms listed in Nigerian Stock Market from 2010-2014. The study patterned after the panel data regression technique based on data obtained from the audited annual reports and daily stock price of the selected firms listed in the Nigeria Stock Exchange. The study revealed that payout ratio (POR) has positive effect on stock price, though not significant while earnings per share and firm size have a significant positive relationship with stock price. Meanwhile, leverage has a negative effect on stock price though insignificant while, market to book value has an insignificant positive effect on stock price.

Emeka-Nwokeji, Nangih, Chiedu & Ekwunife (2022) studied how share prices react to dividend policies of non-financial firms in Nigeria. Data were collected from a sample of 31 non-financial firms using an ex post facto research design from 2013 to 2019, resulting in 217 firm-specific observations. Descriptive statistics and inferential statistics were used as statistical tools of analysis. Results revealed that dividend per share positively and significantly affect share prices of sampled firms. Dividend payout ratio,

dividend yield, firm, size and firm age do not have significant effect on share prices of sampled firms.

2.5 Observed Gaps in Empirical Literature

The review of the relevant empirical literature on the effect of dividend policy on the share price of firms lays a concrete basis for identifying research gaps. The following gaps in knowledge became evident. There is not enough research in Nigeria that looks at the impact of dividend policy on firm share prices. Previous researchers have primarily concentrated on industrialised countries, while studies in less developed countries, such as Nigeria, have been undertaken to a lesser or no level. Furthermore, there have been few studies that have evaluated the impact of dividend policy on market price of shares with reference to firms listed under oil and gas firms in Nigeria. There have also been various theoretical and empirical literatures established to investigate the effect as well as the relationship between the factors of dividend policy and share market prices, but none have focused on the oil and gas sector of the Nigerian Exchange Limited (NXE). Despite ongoing theoretical and empirical research, the subject of what drives corporate share price in developing countries in terms of firms' dividend policy remains an empirical question in corporate finance. As a result, theory provides contradictory predictions on whether dividend policy impacts business share price, necessitating further inquiry and clarity. Hence, this study is an attempt to fill this gap by empirically investigating the effect of dividend policy on share price of oil and gas firms in Nigeria.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the description of research technique adopted in establishing the determinants of dividend payouts of listed oil and gas firms in Nigeria. Specifically, the chapter entails the discussion of the research design, population and sample, sources of data, theoretical framework, model specification, as well as operationalization of variables and method of data analysis.

3.2 Research Design

In this study, the longitudinal research design will be employed in the analysis of the data used in the model. The choice of this design was based on the fact that the variables under investigation are historical in nature and they were gathered for a period of time.

3.3 The Population, Sample and Sampling Technique

The population of this study is made up of 12 oil and gas firms duly listed in the Nigerian Stock Market as at December 31st, 2021 (MOBIL, ARDOA, CAPOIL, CONOIL, ETERNA, JAPAUL GOLD, MRS, OANDO, RAKUNITY, SEPPLANT and TOTAL). However, the study takes a convenient sample of five (5) listed oil and gas firms in

Nigeria. The choice convenient sampling is based on data availability. The list includes - TOTAL, JAPAUL GOLD, ETERNA OIL, CONOIL and ARDOVA.

3.4 Sources of Data

The data were collected from the annual reports of six selected listed oil and gas firms from Nigerian Stock Market. Annual reports of the firms under study were for the period of 2010 to 2021 in order to critically look at the effect of dividend policy on share price of listed oil and gas within the studied period.

3.5 Theoretical Framework

Agency theory plays a key role for understanding the effect of dividend policy on share price modeled in this study. Rozeff (1982) in his model minimizes the sum of these two costs and finds that the dividend payout is a significantly negative function of the firm's past and expected future growth rate of sales, a significantly negative function of its beta coefficient, a significantly negative function of the percentage of stock held by the insiders and a significantly positive function of the firm's number of common stockholders. However, in this study dividend yield, dividend per share, and dividend payout are the dimensions of dividend policy that was investigated.

3.6 Model Specification

The specified model examines the effect of dividend policy on share of listed oil and gas firms in Nigeria. This study adapts the model of Emeka and Ogochukwu (2021) with

some modification in terms of the control variable included in this particular model. Emeka and Ogochukwu (2021) utilized three dimensions of dividend policy – dividend yield, dividend per share and dividend payout in their model without including a control variable. However, in this study we employed utilized the three dimensions of dividend policy, that is, dividend yield, dividend per share and dividend payout and also included firm size as a control variable. The model for this study can be specified in functional form as:

$SP = f(DIY, DPS, DPR, FSZ)$ …….……..…… (1)

Transforming equation (2) into its panel data form, the model takes the following specification:

$SP_{it} = \beta_0 + \beta_1 DIY_{it} + \beta_2 DPS_{it} + \beta_3 DPR_{it} + \beta_4 FSZ_{it} + \varepsilon_{it}$ ……..……. (2)

Where;

SP = Share Price

DIY = Dividend Yield

DPS = Dividend Per Share

DPR = Dividend Pay-out

FSZ = Firm Size

β= constant or intercept

β_1 - β_4 = coefficient of explanatory variables

ε_{it} = error term representing other explanatory variables that were not captured.

$_i$ represents the oil and gas firms which is from 1 to 4, while $_t$ represents time period which is 2010 – 2021.

The *a priori* expectations with respect to sign:

$\beta_1, \beta_2, \beta_3, \beta_4 > 0$.

3.7 Measurement of Variables

The variables used are defined in Table 3.2 below, along with prior researchers who used the variable in their study.

Table 3.2: Measurement of the Variables

S/N	Variable	Type of Variable	Measurement	Previous Study that Utilized the Variable
1	Share Price (SP)	Dependent Variable	Market Price of Shares	Emeka and Ogochukwu (2021)
2	Dividend Yield (DIY)	Independent Variable	Dividend Per Share /Market value Per Share	Ebire (2018)
3	Dividend per shares (DPS)	Independent Variable	Declared Dividend/numbers of shares outstanding	Nduta (2016)
4	Dividend Payout Ratio (DPR)	Independent Variable	Dividend Per Share/Earnings Per Share	Uwuigbe, Jafaru and Ajayi (2012)
5	Firm Size (FSZ)	Independent Variable	Logrithm of total Asset	Uwuigbe, Jafaru and Ajayi (2012)

Source: Researcher's Compilation, (2023).

3.8 Method of Data Analysis

In this study, two general methods are used: statistical and econometric. The statistical method employs descriptive statistics and correlation analysis. Correlation was utilised to assess the strength of relationship between dependent and independent variables. Correlation was also utilised to demonstrate the strength of correlation between the dependent and independent variables. The econometric method uses the Panel data regression technique to estimate the parameters of each variable in the model. Given the study's goal and its consistency with most past empirical studies, the model is deemed adequate.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS OF RESULTS

4.1 Introduction

Based on the empirical approach used in the investigation, this chapter analyses and interprets the data in the study. For the analysis, the panel data regression technique is applied. The empirical analysis employs two general methods in order to present a robust inquiry and analysis of the subject, namely statistical and econometric procedures. The statistical method employs descriptive statistics as well as correlation analysis to investigate the initial characterization and relationship among the variables of interest, while the panel least square (PLS) methodology is used to estimate the empirical model drawn from cross-sectional data in order to determine the effect of independent variables on dividend payout of publicly traded oil and gas companies.

4.2 Descriptive Statistics

Table 4.1: Descriptive Statistics

	SP	DIY	DPS	DPR	FSZ
Mean	57.96533	5.056000	2.951667	58.27000	7.738333
Median	20.67500	3.495000	0.275000	20.18000	7.790000
Maximum	330.0000	33.63000	21.54000	682.7500	8.320000
Minimum	0.200000	0.000000	0.000000	-225.9600	6.850000
Std. Dev.	82.08034	6.392272	4.826892	126.5640	0.314525
Skewness	1.627148	2.022049	2.021772	2.759300	-0.439003
Kurtosis	4.802110	8.678659	6.901923	13.26347	2.686824
Jarque-Bera	34.59510	121.5047	78.93812	339.4846	2.172431
Probability	0.000000	0.000000	0.000000	0.000000	0.337491
Sum	3477.920	303.3600	177.1000	3496.200	464.3000
Sum Sq. Dev.	397493.8	2410.808	1374.634	945089.0	5.836633
Observations	60	60	60	60	60

Source: Author's computations, (2023) using Eviews 9.0. Software

Table 4.1 revealed that the ratio between mean and median values is more than one, showing high level of inconsistency among variables. There is a meaningful difference between minimum and maximum value with low standard deviation (except for firm size). All the variables considered skewed to the right with long tail as indicated by their positive values (except for firm size that is negative and skewed to the left). Share price (SP), dividend yield (DIY), dividend per share (DPS) and dividend payout ratio (DPR) have peaked properties with the kurtosis value that is greater than three (3) that is relative to normal. Only firm size (FZ) has a normal distribution property as indicated by the kurtosis value that is less than three (3) which is a bench mark for normal distribution. The Jarque-Berra (J-B) statistic is significant at 1% and 5% level in the light of their corresponding probability values indicates that all the variables (except for firm size) under consideration are not normally distributed.

4.3 Correlation Analysis

It is important in econometric analysis to ensure that the independent variables in the model do not have excessive correlation patterns. Moreover, it is essential to examine, in a preliminary manner, the relationships among the variables in the study. The correlation analysis is used to conduct these investigations. The result of the correlation tests are reported in table 4.2 below.

Table 4.2: Correlation Results

	SP	DIY	DPS	DPR	FSZ
SP	1.000000				
DIY	0.043364	1.000000			
DPS	0.582389	0.480345	1.000000		
DPR	0.133488	0.816251	0.382948	1.000000	
FSZ	0.485904	0.275978	0.509293	0.349978	1.000000

Source: Author's computations, (2023) using Eviews 9.0. Software

In the correlation matrix, a positive relationship is observed between share price and all the explanatory variables. Thus, all the explanatory variables are seen to be positively correlated with share price (SP). The correlations among the independent variables indicate that dividend per share (DPS), dividend payout (DPR) and firm size (FZ) are positively correlated with dividend yield (DIY). Similarly, DPR and FZ are positively correlated with DPS. Also, FZ and DPR are positively correlated with each other. An overall consideration of the result of the correlation coefficients indicates the absence of multi-collinearity problem in the empirical estimates since none of the correlation value exceeded 0.90 percent or had perfect correlation.

4.4 Empirical Results on the Panel Analysis

We perform our econometric analysis to demonstrate the effect of dividend yield, dividend per share, dividend payout and firm size on share price of oil and gas firms listed in the Nigerian Exchange Limited (NXE) within the panel data analysis framework. Our interest is the extent of responses of dividend yield, dividend per share, dividend

payout and firm size on share price of listed oil and gas firms in Nigeria. The panel least square regression result is shown in table 4.3 below:

Table 4.3: Panel Least Square Estimates Result

Dependent Variable: SP

Variable	*Coefficient*	*t-statistics*	*Prob.*
C	-1019.974	-3.920815	0.0003
DIY	-5.748429	-2.276394	0.0272
DPS	9.296851	3.943569	0.0003
DPR	-0.116093	-1.082903	0.2842
FSZ	138.9792	4.127617	0.0001
AR(1)	0.365419	3.794265	0.0004
	$R^2 = 0.712616$; Adjusted $R^2 = 0.683291$; F= 24.30074 (0.0000); D.W = 1.937924		

Source: Author's computations, (2023) using Eviews 9.0.

The panel least squares (PLS) result in Table 4.3 shows that the serial correlation in the PLS result was corrected using the Concrane-Ocult Autoregressive (AR) (1). Convergence was achieved after 6 iterations with 55 observation included after adjustment. The R^2 value of 0.75 and Adjusted R^2 value of 0.68 in the PLS result shows that the regression fit is relatively high. This means that 68% of the total systematic variation in dependent variable (share price - SP) was explained by all the explanatory variables taken together in the model. These results affirm that at least 32% of total systematic variation in dividend payout is attributable to factors not included in this model, hence captured by the error term. The overall model is statistically significant as

indicated by the F-statistic value of 24.30 which is high and significant when compared with the probability of 0.00 indicating that a significant relationship exist between all the independent variables taken together and the dependent variable. The model do not have autocorrelation problem since the Durbin-Watson statistic value of 1.93 can be approximated 2.0.

The result further reveals that if all the explanatory variables are zero, there is a significant increase in share price by -1019.974 as shown by the intercept (constant). Dividend yield (DIY) exerts a significant negative effect on share price. Also, dividend per share (DPR) exerts a significant positive influence on share price. Furthermore, dividend payout exerts a non-significant negative impact on share price. Also, the control variable, firm size exerts a significant positive influence on share price.

4.5 Discussion of Results and Policy Implications

The findings and the policy implications of our empirical result are discussed in the following paragraph. Dividend yield (DIY) has a significant negative influence on share price (SP) during the period covered by this study, which connotes that a unit increase in DIY will result to -5.748429 significant decreases in share price of listed oil and gas firms in Nigeria. As a significant variable, it implies that DIY is an important firm specific factor that influences share price of listed oil and gas firms in Nigeria. This result corroborated the findings of Ifikhar et al., (2019) and Singh and Tandon (2019) who reported a significant effect of dividend yield on share price. It is however, contrary to

the findings of Emeka, et al., (2016) in who found no significant link between dividend yield and share price.

The empirical results further reveal that dividend per share (DPS) considered in the model has significant positive effect on share price. This implies that a unit upward movement in DPS will result to 9.296851 a significant increase in share price of listed oil and gas firms in Nigeria. This outcome is in tandem with theory, and the result conforms to the findings of Shah and Ajamere (2019), Emeka and Ogochukwu (2021) and Emeka et al., (2022) who reported a significant effect of dividend per share on share price. The outcome is however, contrary to the findings of Aribaba, et al., (2017) who reported a non-significant impact of dividend per share on share price.

The empirical results also gave indications that dividend payout (DPR) exerts a non-significant negative influence on share price of listed oil and gas firms in Nigeria. This means that a unit increase in DPR gives rise to -0.116093 significant decreases in share price making it in tandem with the conclusion of Kumar (2016), Hossin and Ahmed (2020), Bamidele and Luqman (2021) and Emeka et al., (2022) in the literature while it is inconsistent with the findings of Singh and Tandon (2019), Shah and Ajemere (2019) and Emeka and Ogochukwu (2021) who found that dividend payout significantly impacted share price.

Finally, the result reveals that firm size (FZ) exert a significant positive effect on share price. This means that a unit increase in FZ gives rise to 138.9792 significant increases in

dividend payout. Thus, growth FZ seems to be a key factor that significantly influences the share price of listed oil and gas firms in Nigeria. The result corroborated the findings of Noor and Memon (2017), Shah and Aribaba et al., (2017) and Ajemere (2019) but contradict the results of Waheed et al., (2018) and Emeka et al., (2022).

4.6 Hypotheses Testing

In this section, the working hypotheses of the study are tested based on the outcome of the results from the estimated models of the study. The hypotheses are tested using the t-statistic and probability value of the estimated panel least squares result.

Hypothesis One

$H0_1$: *Dividend yield has no significant effect on share price of listed oil and gas firms in Nigeria.*

Decision Rule: with t value (-3.920815) greater than 2 and probability value (0.0272) > 0.05, as shown in table 4.3. This rejects null hypothesis which states that dividend yield has no significant effect on share price of listed oil and gas firms in Nigeria. Therefore, the alternative hypothesis which states that dividend yield has significant effect on share price of listed oil and gas firms in Nigeria is accepted.

Hypothesis Two

$H0_2$: *Dividend per share has no significant effect on share price of listed oil and gas firms in Nigeria.*

Decision Rule: with t value (9.296851) greater than 2 and probability value (0.0003) > 0.01, as shown in table 4.3. This rejects null hypothesis which states that dividend yield has no significant effect on share price of listed oil and gas firms in Nigeria. Therefore, the alternative hypothesis which states that dividend per share has a significant effect on share price of listed oil and gas firms in Nigeria is accepted.

Hypothesis Three

$H0_3$: *Dividend payout has no significant effect on share price of listed oil and gas firms in Nigeria.*

Decision Rule: with t value (-0.116093) less than 2 and probability value (0.2842) > 0.05, as shown in table 4.3. This rejects alternative hypothesis which states that dividend payout has significant effect on share price of listed oil and gas firms in Nigeria. Therefore, the null hypothesis which states that dividend payout has no significant effect on share price of listed oil and gas firms in Nigeria is accepted.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECCOMENDATIONS

5.1 Introduction

This chapter focuses on the summary of findings from the empirical analysis as well as the conclusion. The policy recommendations based on the findings are afterward offered.

5.2 Summary of Findings

In this study, the effect of dividend policy on share price of listed oil and gas firms in Nigeria was investigated. The three dimensions of dividend policy considered in this study include, dividend yield, dividend per share and dividend payout. A sample of five out of the twelve listed oil and gas firms between 2010 and 2021 were examined using descriptive statistics, correlation analysis and panel least squares regression technique to examine the effect of dividend yield, dividend per share, dividend payout and firm size on dividend payout of listed oil and gas firms in Nigeria. The empirical results revealed that dividend yield, dividend per share and firm size are the important variable that significantly influences the share price of listed oil and gas firms in Nigeria while dividend payout was found not to be an important variable that influence share price.

Precisely, the following findings were made from the empirical analysis:

(i) Dividend yield has a significant negative effect on share price of listed oil and gas firms in Nigeria;

(ii) Dividend per share has a significant positive influence on share price of listed oil and gas firms Nigeria;

(iii) Dividend payout has a non-significant negative effect on share price of listed oil and gas firms in Nigeria; and

(iv) Firm size has a significant positive effect on share price of listed oil and gas firms Nigeria.

5.3 Conclusion

We investigate the effects of dividend policy on share price of listed oil and gas firms in Nigeria. This was embarked upon against the strong financial performance of this sector in the Nigerian Exchange Limited (NGX). Panel data on dividend policy (measured as dividend yield, dividend per share and dividend payout from 2010 - 2021 were extracted from the audited financial reports of the selected oil and gas companies and analyzed using descriptive statistics, correlation analysis and panel data regression techniques. Firm size was included in the model as a control variable. Generally, outcomes from the study seem to provide evidence that dividend yield, dividend per share and firm size are the critical factors that influence the share price of listed oil and gas firms in Nigeria

while dividend payout was found not to be key variable that influences the share price of listed oil and gas firms in Nigeria.

5.4 Recommendations

Based on the empirical findings of this study, the following policy recommendations are suggested for policy action:

(i) Management should implement sound dividend policy strategies aim at reducing their dividend yield and increase their dividend per share as this sends signal to the investors about the firm's market performance and financial health. Hence, management should grow their dividend per share and reduce their dividend yield in order to increase the market value of the company's stock.

(ii) The current year's whole income should not be paid out as a dividend to shareholders, nor should it be retained as a free cash flow, as this will reduce the share price and discourage investors.

(iii) Finally, the management of oil and gas firms should continue to improve their size in order to improve their value through increase in their share prices.

REFERENCES

Adesina, K. Uwuigbe, U. Uwuigbe, O.R. Asiriuwa, O., & Oriabe, S. (2017). Dividend policy and share price valuation in Nigerian banks. *Macroeconomics and Monetary Economics, 1*(36), 185-194.

Aribaba, F.O, Ahmodu, O.L, Ogbeide, S.O., & Olaleye, J.O. (2017). Dividend policy and share price changes in the stock market: Evidence from Nigeria. *Journal of Business and Organizational Development, 7*(4), 30 - 47.

Bamidele, M. I. & Luqman, S. O. (2021). The effect of dividend policy on stock price in Nigeria. *Economica, 14*(6), 55 – 71.

Bhattacharya, S. (1979). Imperfect information, dividend policy, and "The bird in the hand" fallacy. *The Bell Journal of Economics*, *10*(1), 259 – 270.

Black, F., & Scholes, M. (1974). The effects of dividend yield and dividend policy on common stock prices and returns. *Journal of Financial Economics*, *1*, 1-22.

Easterbrook, Frank H. (1984). Two agency-cost explanations of dividends. *The American Economic Review*, *74*(4), 650 – 659.

Ebire, M., & Onmonya, L. (2018). Effect of dividend policy on the performance of listed oil and gas firms in Nigeria. *International Journal of Scientific and Research Publications (IJSRP), 8*(6), 14 – 28.

Ejuvbekpokpo, A., & Okoro, S. (2014). Determinants of stock price movement in Nigeria: evidence from the Nigerian stock exchange. *Journal of Economics and Sustainable Development, 5*(3), 1-7.

Emeka, O. L., & Ogochukwu, O. N. (2021). Impact of dividend policy on share price of listed ICT firms in Nigeria. *International Journal of Academic Research in Business and Social Sciences, 11*(9), 1489 – 1502.

Emeka-Nwokeji, N. A., Nangih, E., Chiedu, C. O., & Ekwunife, E. N. (2022). Reaction of share prices to dividend policy of non-financial firms in Nigeria: A panel data approach. *Copernican Journal of Finance & Accounting, 11*(2), 31–49. DOI 10.12775/CJFA.2022.007.

Fumey, A., & Doku, I. (2013). Dividend payout ratio in Ghana: Does the pecking order theory hold good? *Journal of Emerging Issues in Economics, Finance and Banking, 2*, 14-45.

Gordon, M. J. (1959). Dividends, earnings, and stock prices. *The Review of Economics and Statistics*, *41*(2), 98-105.

Hafsi, R. (2016). Effect of the dividend policy on the performance of shares of listed companies in Dubai Financial Market. *Algerian Journal of Accounting and Financial Studies, 15*(2), 39 - 49.

Hellstrom, G., & Inagambaev, G. (2012). Determinants of dividend payout ratios, A study of Swedish large and medium caps. *Journal of Emerging Issues in Economics, Finance and Banking*, 2, 52-65.

Hossin, S., & Ahmed, F. (2020). Dividend policy and stock price volatility in the Bangladesh capital market: An experimental analysis. *Saudi Journal of Economics and Finance, 4*(7), 359-368.

Hussainey, K., Mgbame, C. O., & Chijoke-Mgbame, A. M. (2014). Dividend policy and share price volatility: UK evidence. *The Journal of Risk Finance, 12*(1), 57 – 68. doi:10.1108/15265941111100076

Iftikhar, Y., Ejaz, S., Baig, W., Nadeem, K., & Shahid, J. (2019). Dividend policy and share price volatility: Evidence from Pakistan stock exchange of listed commercial banks. *Issues in Economics and Business, 5*(1), 35 – 44.

Jatmiko, D.P. (2016). The influence of agency cost, market risk, and investment opportunities on dividend policy. *International Journal of Management and Commerce Innovations, 3*(2), 68-75.

Jensen, M. C. (1986). Agency costs of free cash flow, corporate finance, and takeovers. *The American Economic Review*, *76*(2), 323-329.

Kanwal, M., & Shahid, H. (2017). The relationship between dividend payout and firm financial performance. *Research in Business and Management, 4*(1), 5-13.

Kumar, J. (2016). Corporate governance and dividend policy in India. *Journal of Emerging Market Finance, 5*(5), 15-58.

Labhane, N. B., & Das, R. C. (2015). Determinants of dividend payout ratio: Evidence from Indian companies. *Business and Economic Research, 5*(2), 217 – 241.

Lintner, J. (1956). Distribution of incomes of corporations among dividends retained earnings and taxes. *American Economic Review, 46*(2), 97-113.

Mashkour, S.S., & Sadiq, Z.A.S. (2018). The relationship between the dividend policy and the market value of the stock and its effect on determining the value of the company applied research in a sample of banks registered in the Iraq market. *Journal of the Kufa Studies Center, 5*(1), 12 – 31.

Miller, M. H., & Modigliani, F. (1961). Dividend policy, growth, and the valuation of shares. *Journal of Business, 34*(4), 411–433.

Miller, M. H., & Rock, K. (1985). Dividend policy under asymmetric information. *The Journal of Finance*, *40*(4), 1031-1051.

Mouton, M., & Smith, N. (2016). Company determinants of capital structure on the JSE Ltd and the influence of the 2008 financial crisis. *Journal of Economic and Financial Sciences 9*(3), 789–806. https://doi.org/10.4102/jef.v9i3.71.

Muraya, R. W. (2018). Influence of firm specific characteristics on dividend policy for manufacturing companies on the Nairobi securities exchange. (Unpublished M.Sc thesis, School of Business at KCA University, Kenya).

Nduta, N. (2016). The effect of dividend policy on the financial performance of firms listed at the Nairobi securities exchange. Master Theses - College of Humanities and Social Sciences.

Nissim, D., & Ziv, D. (2011). Dividend changes and future profitability. *Journal of Finance, 56* (6), 2111 – 2133.

Odularu, G. O. (2008). Crude Oil and the Nigerian Economic Performance. Oil and Gas Business. Geneva: World Trade Organization Centre, Willian Rappard. http://www.ogbus.ru/eng.

Ogbuagu, N. (2020). Effect of dividend policy on firms performance. *Journal of Accounting, Business and Social Sciences, 3*(2), 1-18.

Omaliko, E., Nweze, A., & Nwadialor, E. (2020). Effect of social and environmental disclosures on performance of non-financial firms in Nigeria. *Journal of Accounting and Financial Management, 6*(1), 40-58.

Omaliko, E., Okeke, P., & Obiora, F. (2021). Impact of covid-19 pandemic on liquidity and profitability of firms in Nigeria. *International Journal of Academic Research in Business and Social Sciences, 11*(3), 1331-1344.

Pelcher, L. (2019). The role of dividend policy in share price volatility. *Journal of Economic and Financial Sciences 12*(1), 12 - 21. https://doi.org/ 10.4102/jef.v12i1. 221.

Rozeff, M. S. (1982). Growth, beta and agency costs as determinants of dividend payout ratios. *The Journal of Financial Research*, *5*(3), 249-259.

Scott, D. L. (2003). An A to Z guide to investment terms for today's investor. *Journal of Financial Economics, 12*(2), 230 - 250.

Shah, M. N. K., & Ajmera, B. C. (2019). An impact of dividend policy on stock price of sun Pharma. *Cikitusi Journal for Multidisciplinary Research, 6*(5), 402-420.

Shetty, R., & Rao, S. (2020). The determinant of dividend policy and its impact on share prices of Indian nationalized banks. *Studies in Indian Place Names, 40*(50), 2833–2850.

Singh, N.P., & Tandon, A. (2019). The effect of dividend policy on stock price: Evidence from the Indian market. *Asia-Pacific Journal of Management Research and Innovation, 15*(1-2) 7–15.

Ullah, H., Mardan, K.PS., Mardan, K.P., & Usman, H. (2016). The impact of dividend policy on stock price volatility: A Case study of selected firms from textile industry in Pakistan. *International Journal of Academic Research in Economics and Management Sciences, 5*(3), 1-13.

Uwuigbe, U., Jafaru, J., & Ajayi, A. (2012). Dividend policy and firm performance: a study of listed firms in Nigeria. *Accounting and Management Information Systems, 11*(3), 442- 454.

Waheed, U. R., Syed, G. A., & Muhammad I. Q. (2018). The impact of dividend policy on share price volatility in the context of banking sector of Pakistan. *Journal of Managerial Sciences, 1*(5), 3- 19.

Walter, J. E. (1961). Dividend policy: its influence on the value of the enterprise. *The Journal of Finance*, *18*(2), 270 – 291. DOI: 10.1111/j.1540-6261.1963.tb00724.x

Waweru, F., & P. Otieno, (2017). Cash dividend change announcement effect on share price return evidence from Nairobi securities exchange. *International Journal of Business and Finance, 10*(3), 39 – 47.

Zameer, H., Rasool, S., Iqbal, S., & Arshad, U. (2013). Determinants of dividend policy: A case of banking sector in Pakistan. *Middle-East Journal of Scientific Research, 18*(3), 410 - 424.

APPENDIX

YEARS	COMPANIES	EXCHANGE SECTOR	SP	DIY	DPS	DPR	FSZ
2010	TotalEnergies Marketing Nigeria	Oil & Gas	21.71	13.11	10	90.77	7.84
2011	TotalEnergies Marketing Nigeria	Oil & Gas	71.14	10.7	10	81.73	7.86
2012	TotalEnergies Marketing Nigeria	Oil & Gas	120.57	8.29	10	72.69	7.88
2013	TotalEnergies Marketing Nigeria	Oil & Gas	170	5.88	10	63.65	7.9
2014	TotalEnergies Marketing Nigeria	Oil & Gas	142.5	7.72	11	84.43	7.98
2015	TotalEnergies Marketing Nigeria	Oil & Gas	147.01	6.89	10.12	84.92	7.92
2016	TotalEnergies Marketing Nigeria	Oil & Gas	299	3.36	10.03	23.02	8.14
2017	TotalEnergies Marketing Nigeria	Oil & Gas	229.95	8.41	19.34	81.88	8.03
2018	TotalEnergies Marketing Nigeria	Oil & Gas	203	4.35	8.83	37.65	8.12
2019	TotalEnergies Marketing Nigeria	Oil & Gas	110.9	19.43	21.54	320.96	8.13
2020	TotalEnergies Marketing Nigeria	Oil & Gas	130	4.49	5.84	96.03	8.16
2021	TotalEnergies Marketing Nigeria	Oil & Gas	221	4.68	10.34	20.82	8.32
2010	Japaul Gold & Ventures Plc	Oil & Gas	0.57	10.89	0.06	-5.55	7.35
2011	Japaul Gold & Ventures Plc	Oil & Gas	0.56	7.26	0.04	-3.7	7.43
2012	Japaul Gold & Ventures Plc	Oil & Gas	0.55	3.63	0.02	-1.85	7.51
2013	Japaul Gold & Ventures Plc	Oil & Gas	0.54	0	0	0	7.59
2014	Japaul Gold & Ventures Plc	Oil & Gas	0.5	0	0	0	7.59
2015	Japaul Gold & Ventures Plc	Oil & Gas	0.5	0	0	0	7.53
2016	Japaul Gold & Ventures Plc	Oil & Gas	0.5	0	0	0	7.48
2017	Japaul Gold & Ventures Plc	Oil & Gas	0.5	0	0	0	7.45
2018	Japaul Gold & Ventures Plc	Oil & Gas	0.21	0	0	0	7.38
2019	Japaul Gold & Ventures Plc	Oil & Gas	0.2	0	0	0	7.37
2020	Japaul Gold & Ventures Plc	Oil & Gas	0.62	0	0	0	7.19
2021	Japaul Gold & Ventures Plc	Oil & Gas	0.39	0	0	0	7.12
2010	Eternaoil	Oil & Gas	2.75	0	0	0	8.04
2011	Eternaoil	Oil & Gas	2.75	0	0	0	7.78
2012	Eternaoil	Oil & Gas	2.75	0	0	0	7.52
2013	Eternaoil	Oil & Gas	2.75	0	0	0	7.26
2014	Eternaoil	Oil & Gas	2.75	0	0	0	7.27
2015	Eternaoil	Oil & Gas	2.05	0	0	0	7.46
2016	Eternaoil	Oil & Gas	3.1	8.06	0.25	22.07	7.5
2017	Eternaoil	Oil & Gas	4.06	7.39	0.3	19.54	7.68

2018	Eternaoil	Oil & Gas	4.7	8.51	0.4	51.7	7.73
2019	Eternaoil	Oil & Gas	3.6	6.94	0.25	-225.96	7.46
2020	Eternaoil	Oil & Gas	5.1	0	0	0	7.55
2021	Eternaoil	Oil & Gas	5.05	1.98	0.1	-11.85	7.66
2010	Conoil	Oil & Gas	74.36	33.63	5.5	682.75	7.92
2011	Conoil	Oil & Gas	26.93	22.91	4	462.7	7.92
2012	Conoil	Oil & Gas	20.5	12.19	2.5	242.65	7.92
2013	Conoil	Oil & Gas	67.93	1.47	1	22.6	7.92
2014	Conoil	Oil & Gas	38.11	10.47	3.99	332.66	7.94
2015	Conoil	Oil & Gas	24.74	4.03	1	30.07	7.84
2016	Conoil	Oil & Gas	37.48	8	3	73.36	7.84
2017	Conoil	Oil & Gas	28	11.07	3.1	136.28	7.8
2018	Conoil	Oil & Gas	23.25	8.6	2	77.28	7.78
2019	Conoil	Oil & Gas	18.5	10.81	2	70.37	7.8
2020	Conoil	Oil & Gas	20.85	9.59	2	96.37	7.69
2021	Conoil	Oil & Gas	22	6.82	1.5	33.77	7.73
2010	Ardova Plc (Forte Oil)	Oil & Gas	193.41	0	0	0	6.85
2011	Ardova Plc (Forte Oil)	Oil & Gas	92.84	0	0	0	7.24
2012	Ardova Plc (Forte Oil)	Oil & Gas	7.73	0	0	0	7.63
2013	Ardova Plc (Forte Oil)	Oil & Gas	108.3	0	0	0	8.02
2014	Ardova Plc (Forte Oil)	Oil & Gas	227.9	0.94	2.13	96.96	8.14
2015	Ardova Plc (Forte Oil)	Oil & Gas	330	0.41	1.35	47.13	8.09
2016	Ardova Plc (Forte Oil)	Oil & Gas	84.43	2.64	2.23	156.44	8.15
2017	Ardova Plc (Forte Oil)	Oil & Gas	43.48	0	0	0	8.17
2018	Ardova Plc (Forte Oil)	Oil & Gas	28.7	0	0	0	8.15
2019	Ardova Plc (Forte Oil)	Oil & Gas	18.1	6.35	1.15	38.33	7.67
2020	Ardova Plc (Forte Oil)	Oil & Gas	13.55	0	0	0	7.81
2021	Ardova Plc (Forte Oil)	Oil & Gas	13	1.46	0.19	-6.47	8.1

	SP	DIY	DPS	DPR	FSZ
Mean	57.96533	5.056000	2.951667	58.27000	7.738333
Median	20.67500	3.495000	0.275000	20.18000	7.790000
Maximum	330.0000	33.63000	21.54000	682.7500	8.320000
Minimum	0.200000	0.000000	0.000000	-225.9600	6.850000
Std. Dev.	82.08034	6.392272	4.826892	126.5640	0.314525
Skewness	1.627148	2.022049	2.021772	2.759300	-0.439003
Kurtosis	4.802110	8.678659	6.901923	13.26347	2.686824
Jarque-Bera	34.59510	121.5047	78.93812	339.4846	2.172431
Probability	0.000000	0.000000	0.000000	0.000000	0.337491
Sum	3477.920	303.3600	177.1000	3496.200	464.3000
Sum Sq. Dev.	397493.8	2410.808	1374.634	945089.0	5.836633
Observations	60	60	60	60	60

	SP	DIY	DPS	DPR	FSZ
SP	1.000000	0.043364	0.582389	0.133488	0.485904
DIY	0.043364	1.000000	0.480345	0.816251	0.275978
DPS	0.582389	0.480345	1.000000	0.382948	0.509293
DPR	0.133488	0.816251	0.382948	1.000000	0.349978
FSZ	0.485904	0.275978	0.509293	0.349978	1.000000

Dependent Variable: SP
Method: Panel Least Squares
Date: 08/06/23 Time: 16:26
Sample: 2010 2021
Periods included: 12
Cross-sections included: 5
Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-413.0438	233.9921	-1.765204	0.0831
DIY	-6.441078	2.312175	-2.785723	0.0073
DPS	10.54560	2.124782	4.963144	0.0000
DPR	0.145948	0.112947	1.292179	0.2017
FSZ	59.95396	30.53075	1.963724	0.0546

R-squared	0.481090	Mean dependent var	57.96533
Adjusted R-squared	0.443351	S.D. dependent var	82.08034
S.E. of regression	61.23924	Akaike info criterion	11.14711
Sum squared resid	206263.4	Schwarz criterion	11.32164
Log likelihood	-329.4133	Hannan-Quinn criter.	11.21538
F-statistic	12.74786	Durbin-Watson stat	1.405535
Prob(F-statistic)	0.000000		

Dependent Variable: SP
Method: Panel Least Squares
Date: 08/06/23 Time: 16:02
Sample (adjusted): 2011 2021
Periods included: 11
Cross-sections included: 5
Total panel (balanced) observations: 55
Convergence achieved after 6 iterations

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1019.974	260.1434	-3.920815	0.0003
DIY	-5.748429	2.525234	-2.276394	0.0272
DPS	9.296851	2.357471	3.943569	0.0003
DPR	-0.116093	0.107205	-1.082903	0.2842
FSZ	138.9792	33.67056	4.127617	0.0001
AR(1)	0.365419	0.096308	3.794265	0.0004

R-squared	0.712616	Mean dependent var	57.91127
Adjusted R-squared	0.683291	S.D. dependent var	82.91251
S.E. of regression	46.66057	Akaike info criterion	10.62635
Sum squared resid	106683.2	Schwarz criterion	10.84533
Log likelihood	-286.2245	Hannan-Quinn criter.	10.71103
F-statistic	24.30074	Durbin-Watson stat	1.937924
Prob(F-statistic)	0.000000		

Inverted AR Roots	.37