
Quality of Accounting Information and Financial Performance of Listed Consumer Goods Firms

Funmilola Christina THOMAS-FOLA¹, Clement OLAOYE (Professor)²

^{1,2}Department of Accounting, Achievers University, Owo, Ondo State, Nigeria

Abstract

This study investigates the quality of accounting information and financial performance of listed consumer goods firms in Nigeria. Using secondary data from audited annual reports of 19 firms over 2014–2023, panel regression analysis was conducted. The fixed effects results show that timeliness ($\beta = 1.0085$, $p < 0.05$), comparability ($\beta = 67.0792$, $p < 0.05$), and relevance ($\beta = 760.9541$, $p < 0.05$) significantly improve earnings per share (EPS), while reliability ($\beta = 17.5909$, $p < 0.10$) has a marginal positive effect. The model explains 29.72% of the variation in EPS and is statistically significant ($F = 3.2106$, $p < 0.001$). The study concludes that relevance has the strongest impact on performance, followed by comparability, reliability, and timeliness. It recommends improving reporting timeliness, ensuring consistent accounting practices, enhancing reliability through strong internal controls, and aligning disclosures with stakeholders' decision needs.

Keywords: Quality of Accounting Information, Comparability, Reliability, Timeliness, Reliability, Financial Performance

1.0 Introduction

The performance of the corporation has been a topic of discussion among a large number of academics working in the field of business. According to Tran-Thanh (2025), this acts as a vital statistic for a variety of decision-makers, including the board of directors, market investors, lenders, and other individuals within the industry. According to Fasua and Emeni (2025), the success of organizations can be evaluated from a variety of angles, including reputation, survival capability, and operational efficiency, among others. Previous studies (Ahmad et al., 2021; Olayiwola, 2021; Phan & Duong, 2021) that were carried out in both developed and developing nations investigated a variety of aspects of the impact that performance measures have on the performance of corporations. The reason for this is that performance measurements are of a significant amount of relevance. The quality of the accounting information in question is one of the factors that can influence performance. When it comes to mitigating the adverse effects of dividends on corporate investment decisions, which can result in erroneous decisions and pose a risk to both corporate investment and performance (Womenazu & Horsfall, 2022); the quality of accounting information is of the utmost importance. Investors are able to acquire a comprehensive understanding of the essential concepts and operations of an organization through the utilization of accounting information of elevated quality. This makes it easier to improve capital management by strengthening valuation and management functions, which ultimately leads to improvements in investment decisions and overall performance (Womenazu & Horsfall, 2022).

High-quality accounting information improves investor monitoring, which in turn reduces concerns about moral hazard. This is accomplished by making it possible for investors and managers to enter into contracts with one another. It was discovered by Harakeh et al. (2024) that companies that have accounting information of a higher quality have lower debt and capital expenses in comparison to their competitors. This enables these companies to have access to external money more efficiently or to borrow capital at a lesser cost. Thus, the performance of the companies would undoubtedly increase. Furthermore, in 2008, the International Accounting Standards Board (IASB) brought attention to the fact that the significance of financial information from corporations has developed into an essential resource for all market participants, thereby reducing information disparities among interested parties. Companies those are able to exhibit high-quality financial reporting typically show greater performance. This is because the market acknowledges the companies' commitment to providing stakeholders with information that can be relied upon. Providing information that is of a high quality regarding financial reporting is crucial because it has a favorable impact on the decisions that capital providers and other stakeholders make regarding their investments, financing, and allocations, which ultimately leads to an improvement in the overall efficiency of the market (IASB, 2008).

The issue of falsification and manipulation of accounting figures in financial statements has been increasing both internationally and nationally (Nnenna, 2019). This is despite the fact that there is empirical evidence and the influence of international financial reporting standards, the Nigerian Accounting Standards Board, and professional accounting bodies in regard to the promotion of standardized quality of accounting information and adherence to financial ethics. Researches have shown a substantial amount of interest in the connection that exists between the quality of accounting information and the performance of financial institutions. Numerous research, like those undertaken by Samer (2016), Tera and Idondeyati (2017), Rehab (2018), and Al-Dalabih (2018), amongst others, have been carried out in order to investigate this connection. It has been established through research that there is an

empirical connection between the quality of accounting information and the success of various organizations. On the other hand, the majority of these research works used primary data and questionnaires as instruments for data collection, which may possibly result in biased conclusions that are subject to manipulation by respondents.

In addition, the vast majority of studies that have utilized secondary data have just utilized discretionary accrual as criteria for evaluating the quality of accounting information. This investigation differentiates itself from previous studies by expanding the scope of inquiry to include timeliness, reliability, comparability and relevance of accounting information as proxies for accounting information quality. This is a significant step forward in the field. Previous research used return on assets as a performance indicator while the present study extend the frontiers of knowledge beyond return on assets as a measurement of performance to earnings per share (EPS). The purpose of this study is to develop a comprehensive relationship between the quality of accounting information and performance in the setting of consumer goods companies in Nigeria. Specifically, the purpose of this study is to investigate the influence that the quality of accounting information has on the performance of consumer goods companies throughout Nigeria. In line with the statement of problem, the following research questions were stated; How can timeliness of accounting information affect financial performance of consumer goods firms in Nigeria? To what extent does reliability accounting information affect financial performance of consumer goods firms in Nigeria? What is the effect of comparability accounting information on financial performance of consumer goods firms in Nigeria? What is the influence of relevance accounting information on financial performance of consumer goods firms in Nigeria?

2.1. Conceptual Review

This section explains the key concepts of the study which include quality of accounting information (timeliness, reliability, comparability and relevance of accounting information), and financial performance.

2.1.1 Financial Performance

Tran-Thanh (2025) emphasizes that strong financial performance attracts investors, benefits bondholders, and stimulates economic growth. Conversely, weak financial management in financial institutions may trigger crises that threaten corporate survival and the wider economy (Fasua & Emeni, 2025). Performance can be assessed through various metrics; however, this study adopts return on equity (ROE), return on assets (ROA), earnings per share (EPS), and market value as key indicators. ROE, in particular, is widely used to measure how effectively management utilizes shareholders' equity to generate profits (Solomon et al., 2023; Wu & Xue, 2023). It is valuable for comparing firms within the same industry and serves as a reliable gauge of financial efficiency and growth potential.

2.1.2 Quality of Accounting Information

Accounting information is regarded as the "language of business," as it records, classifies, and summarizes transactions to guide decision-making (Akinlade, 2019). High-quality accounting information enhances efficiency and supports sound economic judgments in today's fast-changing environment (Aleisa & Tijani, 2020). In contrast, poor-quality information increases agency costs, fosters information asymmetry, and weakens stakeholder protection (Borhan & Nafees, 2018).

2.1.2.1 Timeliness

Timeliness ensures financial information is provided early enough to influence decisions (Aprilia & Djuminah, (2024). Key dimensions include reporting frequency, reporting lag, and disclosure speed. Delayed reporting reduces usefulness, as outdated information may cause missed opportunities or poor decisions (Attah et al., 2024).

2.1.2.2 Reliability

Reliability reflects the trustworthiness of financial reports, ensuring they faithfully represent a firm's condition without bias or error (Tran-Thanh, 2025). Though International Accounting Standards Board(IASB) (2021) now uses "faithful representation," reliability remains tied to verifiability, neutrality, and accuracy, which build users' confidence in reported data (Lidovolo & Atieno, 2023).

2.1.2.3 Comparability

Comparability enables users to identify similarities and differences across firms and time periods (Schipper, 2022). It is achieved through consistent accounting policies and transparent disclosures. Investors and analysts depend on comparability to benchmark performance and assess trends, while its absence undermines analysis and decision-making (Efenyumi et al., 2022;Wu et al., 2023).

2.1.2.4 Relevance

Relevance refers to the ability of information to influence economic decisions by providing predictive and confirmatory value (Shamki & Al-Hamashi, 2024). Relevant information supports forecasting, risk assessment, and capital allocation (Qatawneh & Bader, 2020; Womenazu & Horsfall, 2022). Without it, financial reports lose their decision-making utility.

2.2 Theoretical Review

The theoretical foundation of this study is anchored on agency theory, signaling theory, and stakeholder theory. Each of these perspectives offers insights into the role of accounting information quality, specifically timeliness, reliability, comparability, and relevance, in shaping financial performance.

Agency theory, as introduced by Jensen and Meckling (1976), explains the contractual relationship between shareholders (principals) and managers (agents), where conflicts often emerge due to misaligned interests. Since agents may act opportunistically and pursue personal gains at the expense of owners (Fama & Jensen, 1983), high-quality accounting information becomes essential in bridging this gap. Timely and reliable reports reduce information asymmetry, comparability allows benchmarking of firm performance against industry peers, and relevance ensures that disclosures support shareholders' investment decisions. In this way, the quality of accounting information serves as a monitoring tool that minimizes agency costs and enhances financial performance.

The signaling effect theory, advanced by Ross (1977), further emphasizes the importance of information disclosure as a mechanism through which firms communicate value and commitment to external stakeholders. High-quality accounting information acts as a signal to investors by demonstrating managerial competence and organizational stability. Timeliness and relevance signal responsiveness and financial strength, while reliability and

comparability build credibility. As Busenitz et al. (2005) argue, such communication aids investors in making informed judgments, and Bhattacharya and Dittmar (2003) highlight that investment choices often depend on perceptions shaped by disclosure quality. Consequently, reliable and comparable information enhances investor confidence, reduces uncertainty, and promotes stronger financial performance.

Similarly, stakeholder theory, propounded by Freeman (1984), underscores the responsibility of managers to balance the interests of multiple stakeholders beyond shareholders alone. In this regard, quality accounting information provides the foundation for accountability and transparency to diverse groups, including regulators, creditors, employees, and the wider community. Reliable and relevant disclosures ensure that stakeholders can evaluate the impact of corporate activities, timeliness provides up-to-date insights for decision-making, and comparability fosters fairness and consistency across firms. As Freeman (2010) notes, executives must consider the broader consequences of their actions, and high-quality accounting information helps sustain stakeholder trust, strengthen relationships, and support long-term financial performance.

2.3 Empirical Review

The extant of literature reviewed on this study is categorised into four based on the objectives of the study.

2.3.1 Timeliness and financial performance

Aprilia and Djuminah, (2024) analyzed the factors that influence the timeliness of financial reporting. This study was conducted on IDX30 companies listed on the IDX in 2021-2023. Sampling in this study used a purposive sampling technique. The number of samples selected was 64. The dependent variable in this study is timeliness of financial reporting. The independent variables are company size, profitability, and institutional ownership. Logistic regression analysis is used to test the relationship between the independent variables and the dependent variables. The results of the logistic regression analysis show that the company size and profitability have a significant effect on timeliness with a positive coefficient direction.

Attah et al. (2024) investigated the effect of firm attributes on financial reporting timeliness of the eleven (11) listed oil and gas firms on the Nigerian Stock Exchange for the period 2011 to 2020. Sample of eight (8) companies were selected using purposive sampling technique after applying a single filter. Panel data were collected from the annual reports and accounts of the selected firms. The multiple regression analysis technique was used to analyse the data. The result of the study indicates that firm age, firm size and profitability significantly affect financial reporting timeliness while leverage does not influence financial reporting timeliness.

Ebaid (2022) examined the nexus between corporate characteristics and timeliness of financial reporting in Saudi Arabia. Specifically, this study investigates the relationship between financial reporting timeliness and both corporate size, profitability, leverage and institutional ownership. A sample of 67 of nonfinancial companies listed in the Saudi market during the period 2015–2018 was used. Multivariate regression analysis was performed to analyze the relationship between the four corporate characteristics and timeliness of financial reporting. The findings revealed that financial reporting timeliness is significantly correlated with three of the corporate's characteristics, which are company size, profitability and leverage, while there is no significant effect of institutional ownership on the timeliness of financial reporting.

Womenazu and Horsfall (2022) examined accounting information quality and financial performance of listed consumer goods manufacturing companies in Nigeria was the focus of this study. The sample size used was twelve (12) listed consumer goods manufacturing companies in NSE from 2009-2019. Faithful Representation of Accounting Information (FRAI), Relevance of Accounting Information (RVAI), and Timeliness of Accounting Information (TIMEAI) were explanatory proxies of the independent variable, while return on Equity (ROE) was the only proxy of the dependent variable, applying regression analysis using ordinary least squares multiple regression analysis for the data. The findings indicated that faithful representation of accounting information (FRAI) has a negative insignificant relationship with ROE and timeliness of accounting information (TIMEAI) has a negative significant relationship with return on equity (ROE); while the relevance of accounting information (RVAI) has a positive insignificant relationship with return on equity (ROE).

Fatmawati and Rohimah (2022) examined empirical evidence about the factors that affect the timeliness of financial reporting of manufacturing companies listed on the Indonesia Stock Exchange. The factors tested in this study are debt to equity ratio, profitability, ownership structure, auditor quality, and auditor turnover. The sample of this study uses 100 manufacturing companies that are consistently listed on the Indonesia Stock Exchange for the 2015-2017 period which were taken using the purposive sampling method. These factors were then tested using logistic regression at a significance level of 5 percent. The results of the study identify that profitability and ownership structure significantly affect the timeliness of the company's financial reporting, while the Debt to Equity Ratio, auditor quality, and auditor turnover have no effect on the timeliness of financial reporting of manufacturing companies listed on the Indonesia Stock Exchange.

2.3.2 Reliability of the Accounting Information System and financial performance

Tran-Thanh (2025) investigated the significance of accounting information system (AIS) quality in improving decision-making success (DMS) and non-financial performance (NFP) in the emerging economy. Primary data is acquired through a questionnaire survey administered to managers, chief accountants, heads of departments, and the board of directors of enterprises. The Partial Least Squares Structural Equation Modeling (PLS-SEM) method is adopted to test the proposed model. The findings indicate that the quality of AIS and non-financial information significantly influences the overall success of decision-making and NFP. The results also validate that DMS plays a mediating role in the correlation between the quality of non-financial information and NFP. Eventually, the non-financial information quality and DMS are serial mediators that connect AIS quality and NFP.

Lidovolo and Atieno (2023) researched on the influence of the accounting information system on the financial performance of tea manufacturing firms in Kenya, a case study of Mudete Tea Factory. The study was carried out in Mudete Tea Factory. The study used a case study research design. The study employed a census sampling technique where all the target population was used in the study. Primary data was collected by the use of questionnaires, while secondary data from the firm's audited financial statements for previous financial years. The findings of the study were presented using tables. The study showed that there exists a positive and significant relationship between the components of AIS and firm's financial performance with an average R^2 of 0.508. The study results also indicated that accounting information recording and financial reporting have a positive and significant effect on the financial performance of tea factories in Kenya.

Nyongesa (2024) investigated the influence internal audit timeliness on financial performance of Saccos in Western Kenya. The study targeted 129 internal auditors, accountants, finance officers and chief executive officers in all the 15 Deposit Taking SACCOS. Stratified random and simple sampling techniques were used to select 97 respondents from a target of 129. The study used primary data obtained through self-administered structured questionnaire. Data was analysed using both descriptive and inferential statistics, thus for descriptive mean, standard deviation, frequency and percentages were used. The results indicated that one-unit increase in internal audit timeliness would results to significant increase in financial performance by 0.339 units ($P=0.000$).

2.3.3 Comparability of Accounting Information System and financial performance

Solomon et al. (2023) examine the effect of institutional characteristics on the comparability of financial reporting of selected listed deposit money banks in Nigeria. Multiple regressions were used in examining the effect of the independent variable (institutional characteristics) on the dependent variable (comparability). The result of the data analysis shows that institutional characteristics have a low effect on the understandability of financial reporting of listed deposit money banks. However, it is concluded that institutional characteristics has a significant effect on the understandability of financial reporting of listed deposit money banks in Nigeria.

2.3.4 Relevance of Accounting Information System and corporate performance

Shamki and Al-Hamashi (2024) examined the value relevance of accounting information extracted from financial statements of 15 Iraqi companies listed on the Iraq Stock Exchange (ISX) for period 2010–2020. The relationships among accounting information (measured as earnings, book value, and cash flows) and company value (measured as stock prices) have been analyzed via descriptive statistics, correlation and regression. It is found that all these relationships are positive and significant in different levels. Compared with book value, earnings have the highest influence on stock price, while cash flows have the lowest influence on stock price. Qatawneh and Bader (2020) investigated the influence of quality of AIS outputs in improving non-financial performance of Jordanian Islamic banks. In order to achieve aim, researcher adopted a quantitative approach utilizing a questionnaire. After application; (150) individuals within financial departments in Jordanian Islamic banks responded to the questionnaire; and analysis showed that the quality of AIS outputs plays a role in improving and defining non-financial performance. The findings revealed that relevance of accounting information has significant positive relationship with performance.

Aliyu (2024) conducts an empirical examination of the relationship between the quality of accounting information and the financial performance of quoted deposit money banks in Nigeria for the period 2019-2023. In this study, the researchers employed an ex post facto research design, utilizing the websites of companies and the Nigerian stock market as sources of relevant secondary data. The Pearson Product Moment Correlation and multivariate linear regression were employed to analyze the study hypotheses and additional data. The findings indicate that all characteristics of accounting information quality, including accruals quality, audit report latency, and value relevance, significantly relate to the financial performance of listed deposit money institutions in Nigeria during the study period.

Alharbi et al. (2023) examined the influence of financial reporting quality on the relationship between social responsibility and individual company performance. This study employed a survey design, with data collected via questionnaires. Regression analysis was utilized as the estimation technique. During the pandemic, the findings indicated that social responsibility

did not influence the financial performance of the organization; however, the relationship between social responsibility and the quality of financial reporting positively affected the financial performance of the institution. The quality of financial reporting significantly influences the extent to which social responsibility affects performance. Sunarta and Astuti (2023) investigate the role that accounting information quality plays as a mediator throughout this relationship. A questionnaire was administered to the directors of rural banks in Bali, Indonesia, to gather data for this study. The structural equation-partial least squares (SEM-PLS) model was employed to analyze the research data. This study's findings indicate that the quality of the accounting information system significantly influences organizational performance and the quality of accounting information positively. The quality of accounting information significantly and positively influences business performance

3.1 Research Design

This research employed an ex post facto experimental design to examine the relationship between the quality of accounting information and the performance of consumer goods companies in Nigeria. This research design was appropriate for the study as data were collected at multiple time points and across all units. In this study, the population of the study comprises all listed manufacturing companies on the floor of the Nigeria Stock Exchange as at December, 2023. The data filtering technique was employed to arrive at our sample size. So, out of quoted manufacturing companies on the floor of the Nigerian Exchange Group as at 2023 financial year end, twenty (20) consumer goods companies were selected based on purposive method.

3.2 Model Specification

The study adapted and modified the regression model from Womenazu and Horsfall (2022) in establishing the relationship between the dependent and independent variables: The dependent variable (financial performance) was measured with Return on Equity (ROE), (ROE) while independent variable (accounting information quality) was measured with Timeliness of Accounting Information, Reliability Accounting Information, Comparability Accounting Information and Relevance of Accounting Information. Thus, the econometric model is expressed as adapted from the work of Womenazu and Horsfall (2022):

$$FP = f(AIQ)$$

FP Financial Performance was ascertained via Return on Equity (ROE), AIQ. Accounting Information Quality was ascertained via Faithful Representation of Accounting Information (FRAI), Relevance of Accounting Information (RVAI) and Timeliness of Accounting Information (TIMEAI).

The model for this study is first expressed as a relationship between quality of accounting information and financial performance of listed consumer goods firms in Nigeria. In the form

$$EPS = f(QAI) \dots\dots\dots (3.1)$$

Where EPS is the Earnings per Share and QAI is quality of accounting information. QAI is further decomposed as shown equation (3.2)

$$QAI = f(TAI, RAI, CAI, RVAI) \dots\dots\dots (3.2)$$

Stated in econometrics form, the general model for this study becomes

$$EPS_{it} = \Omega + \beta_1 TAI_{it} + \beta_2 RAI_{it} + \beta_3 CAI_{it} + \beta_4 RVAI_{it} + \varepsilon_{it} \dots\dots\dots (3.3)$$

Where:

Ω =Constant term

β_1 to β_4 = Coefficients of the independent variables

EPS_{it} = Earnings Per Share in (i) at time (t), a proxy for Financial Performance; TAI_{it} = Timeliness of Accounting Information in (i) at time (t), a proxy for quality of accounting information; RAI_{it} = Reliability Accounting Information in (i) at time (t), a proxy for quality of accounting information; CAI_{it} = Comparability Accounting Information in (i) at time (t), a proxy for quality of accounting information; $RVAI_{it}$ = Relevance of Accounting Information in (i) at time (t), a proxy for quality of accounting information; While TAI, RAI, CAI and RVAI are direct explanatory variables and the dependent variable is EPS.

3.3 Measurement of Variables

This section measures the variable that was used in the study and the expected priori expectation.

Table 3.1. Summary of Measurement of Variables

S/N	Variable	Definitions	Capacity of Variables	Measurements/Proxies	Aprior Expectation	Sources
1	EPS	Earnings Per Share	Dependent	$\frac{\text{Net Profit after taxes}}{\text{Total shareholders' Equity}}$	NA	Qosim & Latoki, (2024)
1	TAI	Timeliness of Accounting Information	Independent	Audit report lag which is denoted by the natural logarithm of the number of days in between the date of fiscal year-end and the date of independent auditors' reports for listed consumer goods manufacturing companies (i) in period (t) is used to timeliness.	+Ve	Womenazu and Horsfall (2022)
2	RAI	Reliability Accounting Information	Independent	Audit tenure is the number of years an auditor has audited a company	+Ve	
3	CAI	Comparability Accounting Information	Independent	Content Analysis: It will be based on disclosure of a Five - Year Financial Summary) Award "1" otherwise award "0").	+ Ve	
4	RVAI	Relevance of Accounting Information	Independent	R_{it} is the annual return of firm i, in period t, and is computed as follows $R_{it} = \frac{P_{it} - P_{it-1} + \text{div}_{it-1}}{P_{it-1}}$ Where P_{it} refers to the closing price of firm i at time t, P_{it-1} is the price of firm i at the end time t-1 and div_{it-1} is the dividend received for period t-1	+Ve	Womenazu and Horsfall (2022)

Source: Researcher's Compilations (2025)

4.1 Descriptive Statistics

Table 4.1 contains the descriptive statistics of selected firms' data. Emphasis was placed on the Jarque –Bera normality test, direction of skewness and the kurtosis of the variables.

Table 4.1: Descriptive Statistics

	EPS	TAI	RAI	CAI	RVAI
Mean	33.34591	5.531579	3.168421	0.889474	-0.011593
Median	2.150000	1.000000	3.000000	1.000000	2.20E-06
Maximum	2218.000	84.00000	10.00000	1.000000	0.539488
Minimum	-1275.000	0.000000	0.000000	0.000000	-1.961899
Std. Dev.	259.2454	10.13175	2.160994	0.314373	0.173912
Skewness	2.130091	4.192547	0.728144	-2.484327	-7.518342
Kurtosis	33.55564	26.55000	2.937674	7.171879	86.57865
Jarque-Bera	7535.053	4947.222	16.82023	333.2291	57090.99
Probability	0.000000	0.000000	0.000223	0.000000	0.000000
Sum	6335.723	1051.000	602.0000	169.0000	-2.202624
Sum Sq. Dev.	12702347	19401.31	882.6105	18.67895	5.716362
Observations	190	190	190	190	190

Source: Author's Computation, 2025

From table 4.1, the descriptive statistics provides insights into the quality of accounting information and the financial performance of listed consumer goods firms in Nigeria. Earnings per Share (EPS) a measure of financial performance, has a mean of 33.35, suggesting that the sector is, on average, profitable. However, the very high standard deviation of 259.25, along with a wide range from –1,275 to 2,218, reveals extreme volatility in earnings. The positive skewness of 2.13 and an exceptionally high kurtosis value of 33.56 indicate the presence of a few firms with exceptionally high profits and many with performance far from the average, reflecting instability in profitability across the sector.

4.2. Correlation Matrix

The correlation matrix shows the movement between one variable and the other. Table 4.2 is the summary of correlation coefficients among the variables under study.

Table 4.2: Correlation Matrix

	EPS	TAI	RAI	CAI	RVAI
EPS	1.000000				
TAI	0.048896	1.000000			
RAI	0.047594	-0.031660	1.000000		
CAI	0.035642	0.121535	0.268981	1.000000	
RVAI	0.462710	0.013369	0.119349	0.011141	1.000000

Source: Author's Computation, 2025

The correlation results presented in Table 4.2 reveal the nature and strength of the linear relationships between earnings per share (EPS) and the qualitative characteristics of accounting information—timeliness (TAI), reliability (RAI), comparability (CAI), and relevance (RVAI). The analysis shows that EPS has a weak positive correlation with TAI (0.0489), RAI (0.0476), and CAI (0.0356), while its correlation with RVAI (0.4627) is moderate and represents the strongest relationship in the table. This suggests that relevance of accounting information plays a more substantial role in explaining variations in EPS compared to other qualitative characteristics.

4.3 Results of Estimated Panel Least Square Model

Table 4.3: Estimation of Panel Least Square Results

Dependent Variable: EPS

Method: Panel Least Squares

Date: 08/11/25 Time: 21:24

Sample: 2014 2023

Periods included: 10

Cross-sections included: 19

Total panel (balanced) observations: 190

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TAI	1.409527	1.665312	0.846404	0.3984
RAI	15.01748	8.104914	1.852886	0.0655
CAI	58.30555	55.70696	1.046648	0.2966
RVAI	709.7475	96.79515	7.332469	0.0000
C	28.63534	5.177920	5.530208	0.0000
R-squared	0.231480	Mean dependent var	33.34591	
Adjusted R-squared	0.214863	S.D. dependent var	259.2454	
S.E. of regression	229.7121	Akaike info criterion	13.73749	
Sum squared resid	9762014.	Schwarz criterion	13.82294	
Log likelihood	-1300.062	Hannan-Quinn criter.	13.77211	
F-statistic	13.93057	Durbin-Watson stat	1.450107	
Prob(F-statistic)	0.000000			

Source: Author's Computation, 2025

From Table 4.3 the panel least squares results show that all the independent variables TAI, RAI, CAI and RVAI have positive but statistically insignificant relationship with the dependent variable EPS, except for CAI. However, least square regression assumes that all the firms under consideration have time-invariant characteristics that are their error term is fixed over time. This necessitates the estimation of the effect on fixed and random effect models. Table 4.4 contains these results

Table 4.4: Summary of Fixed and Random Effects Models Results

Fixed Effects Model					Random Effects Model				
Dependent Variable = EPS					Dependent Variable = DACC				
Variabl e	Coefficie nt	Std. Error	t-Statistic	Prob.	Variabl e	Coefficie nt	Std. Error	t-Statistic	Prob.
TAI	1.008542	0.398394	2.531519	0.0016	TAI	1.409527	0.949935	1.483813	0.1396
RAI	17.59087	9.737652	1.806480	0.0726	RAI	15.01748	10.01908	1.498888	0.1356
CAI	67.07923	27.67382	2.423923	0.0164	CAI	58.30555	26.04924	2.238282	0.0264
RVAI	760.9541	309.6220	2.457688	0.0150	RVAI	709.7475	321.6220	2.206775	0.0286
C	26.17328	4.416276	5.926505	0.0000	C	28.63534	1.537975	18.61885	0.0000
<i>R-Squared</i>			0.297236		<i>R-Squared</i>			0.231480	
<i>F-Statistic</i>			3.210599		<i>F-Statistic</i>			13.93057	
<i>Prob(F-statistic)</i>			0.000010		<i>Prob(F-statistic)</i>			0.000000	
<i>Durbin-Watson stat</i>			1.598817		<i>Durbin-Watson stat</i>			1.450107	

Source: Authors' computation (2025).

To ascertain the actual model from which conclusion is to be drawn, this study used the Hausman test which is meant to test the hypotheses that:

H₀: Random effect model is the appropriate model

H₁: Fixed effect model is the appropriate model

Table 4.5 presents the summarized Hausman test result. The decision rule with respect to which model to use is here is to reject H₀ if the probability of Chi-square statistic is less than 0.5% significance level and vice versa.

Table 4.5 Summarized Hausman Test Result

Test Summary	Chi-square statistic	Chi-square d.f.	Prob.
Cross-section random	32.79977	4	0.0021

Source: Author's Computation, 2025

Since the probability of the Chi-square statistics is 0.0000 (less than 0.5), the null hypothesis cannot be accepted, hence the fixed effect model is preferred for the purpose of drawing inference in this study.

The null hypothesis guiding estimates of the results in Table 4.4 is that there exists no significant relationship between dependent and each of the independent variables.

From the fixed effect model in Table 4.4, the fixed effects model results reveal the influence of timeliness (TAI), reliability (RAI), comparability (CAI), and relevance (RVAI) of accounting information on earnings per share (EPS) for the sampled firms. The findings show that TAI has a coefficient of 1.0085 and is statistically significant at the 5% level ($p = 0.0016$), indicating that improvements in timeliness are associated with increases in EPS. This contrasts with earlier results where timeliness was insignificant, suggesting that when firm-specific effects are controlled for, timeliness becomes a more important driver of firm performance.

RAI has a coefficient of 17.5909 and is marginally significant at the 10% level ($p = 0.0726$), implying that reliability may have a positive but less robust effect on EPS compared to other variables. CAI records a coefficient of 67.0792 and is significant at the 5% level ($p = 0.0164$), suggesting that greater comparability of accounting information enhances EPS, potentially by enabling better performance evaluation and benchmarking. RVAI shows the largest coefficient at 760.9541 and is significant at the 5% level ($p = 0.0150$), reinforcing the earlier finding that relevance is the most influential qualitative characteristic in driving EPS growth.

The constant term (26.1733) is highly significant ($p = 0.0000$), indicating a positive baseline EPS in the absence of changes in the explanatory variables. The R-squared value of 0.2972 means that approximately 29.72% of the variation in EPS is explained by the independent variables when controlling for firm-specific factors; The F-statistic (3.2106) with a p-value of 0.000010 confirms that the model is statistically significant overall. The Durbin-Watson statistic of 1.5988 suggests mild positive autocorrelation, but it is within an acceptable range for panel data analysis.

4.5 Post-Estimation Tests

The post-estimation tests carried out include the tests of normal distribution for the residuals of each of the models on the three firms' group data.

4.5.1 Tests of Residual Normality

Residual Normality Tests

Table 4.6: Results of panel least squares regression Joint Residual Normality Tests (

Test	Statistics	Obs	Probability	Remarks
Skewness	-1.855719	190	0.0000	Normally distributed
Kurtosis	17.42235	190	0.0000	Normally distributed
Jaqrue-Bera	1755.750	190	0.0000	Normally distributed

Source: Author's computation (2025)

Results of the joint tests of residuals for skewness, kurtosis and Jarque-Bera normality show that they are normally distributed.

4.6 Discussion of Findings

Quality of Accounting Information and Financial Performance of Listed Consumer Goods Firms in Nigeria

The objective of this study is to examine the effect of timeliness of accounting information on financial performance of consumer goods firms in Nigeria. The findings of this study revealed that timeliness of accounting information has a significant positive effect on financial performance of consumer goods firms in Nigeria at the probability level (p-value) of 0.0016 and t-statistic of 2.531519 at 5% significant level. Thus, the findings substantiated the theoretical expectations and endorsed the alternate hypothesis over the null hypothesis. This implies that as timeliness of accounting information improves by one unit, there is a corresponding increase of 1.008542 in the financial performance of consumer goods firms in Nigeria. These findings are in agreement with the research conducted by Aprilia and Djuminah, (2024), Fatmawati and Rohimah (2022) but contradict findings of Womenazu and Horsfall (2022), Mappadang et al. (2021).

The significant positive effect of timeliness may be attributed to the fact that the consumer goods industry in Nigeria operates in a highly competitive and dynamic environment, where quick access to accurate financial data enables management to make prompt strategic and operational decisions. Timely information also allows investors to react swiftly to market developments, thereby improving share valuation and market confidence. In addition, the increasing adoption of digital accounting systems and automated reporting processes in many Nigerian consumer goods firms has shortened reporting cycles, making financial information more responsive to decision-making needs.

The hypothesis two states that there is no significant effect of reliability accounting information on financial performance of consumer goods firms in Nigeria. The findings of the study showed that reliability accounting information has insignificant positive effect on financial performance of consumer goods firms in Nigeria at the probability level (p-value) of 0.0726 and t-statistic of 1.806480 at 5% significance level. Therefore, the finding is not upheld the theoretical expectations and embraced the null hypothesis over the alternate hypothesis. This suggests that for every enhancement in reliability accounting information there is an associated increase in the financial performance of consumer goods firms in Nigeria by 17.59087. This outcome resonates with the research conducted by Asmuni (2020) but contrary to finding of Al-Dmour (2018). Although reliability remains essential for credibility and investor trust, its statistically insignificant effect in this context could be due to

the fact that Nigerian consumer goods firms already operate under regulatory frameworks (such as IFRS compliance) that enforce minimum reliability standards. As a result, there may be little variation in reliability across firms, making it less of a differentiating factor in financial performance. Additionally, in volatile market conditions, investors and managers may prioritize the speed and relevance of information over absolute precision, especially for short-term decision-making.

Hypothesis three states that there is no significant effect of comparability accounting information on financial performance of consumer goods firms in Nigeria. The findings of this study revealed that comparability accounting information has a significant positive effect on financial performance of consumer goods firms in Nigeria at the probability level (p-value) of 0.0164 and t-statistic of 2.423923 at 5% significant level. This implies that the alternate hypothesis should be accepted while the null hypothesis rejected. Therefore, the findings corroborated the theoretical expectations and endorsed the alternate hypothesis over the null hypothesis. This implies that for every increase in comparability accounting information by one unit, there is a corresponding increase of 67.07923 in the financial performance of consumer goods firms in Nigeria. This outcome aligns with the research conducted by Wu et al. (2023), Solomon et al. (2023), Chircop et al. (2020), is not in agreement with finding of Weichao et al. (2018).

The significant impact of comparability may be explained by the fact that investors and analysts in Nigeria rely heavily on benchmarking to evaluate company performance across the consumer goods sector. Firms that present financial information in a consistent manner over time and in alignment with industry standards make it easier for stakeholders to assess operational efficiency, profitability trends, and competitive positioning. This transparency enhances market perception and can attract investment, thereby boosting financial performance.

Hypothesis four states that there is no significant effect of relevance accounting information on financial performance of consumer goods firms in Nigeria. The findings of this study revealed that relevance accounting information has a significant positive effect on financial performance of consumer goods firms in Nigeria at the probability level (p-value) of 0.0150 and t-statistic of 2.457688 at 5% significance level. Therefore, the outcome is in agreement with the anticipated theoretical expectation. This suggests that with each unit increase in relevance accounting information, there is an increase of 760.9541 in the financial performance of consumer goods firms in Nigeria. This finding is in agreement with Shamki and Al-Hamashi (2024), Qatawneh and Bader (2020) but not in agreement with findings of Womenazu and Horsfall (2022).

The strong effect of relevance likely stems from the fact that stakeholders, particularly investors, value information that directly influences their decision-making, such as earnings forecasts, market opportunities, and risk assessments. In the Nigerian consumer goods sector, where market conditions and consumer preferences shift rapidly, relevant information helps firms and investors respond effectively to emerging trends, regulatory changes, and competitive pressures. By providing decision-useful information, firms build trust, attract capital, and enhance shareholder value.

5. Conclusion and Recommendations

This study concludes that timeliness, comparability, and relevance of accounting information significantly enhance the financial performance of listed consumer goods firms in Nigeria, while reliability shows a positive but insignificant effect due to existing regulatory standards.

It is recommended that firms adopt digital technologies to improve timeliness, ensure consistency for better comparability, and provide decision-useful information to strengthen relevance. Regulators should also promote innovative reporting practices that go beyond compliance, ensuring accounting information remains responsive to the dynamic needs of stakeholders.

REFERENCES

- Ahmad, I., Sadiqa, A. B., & Khan, R. (2021). The impact of corporate governance practices on the firm financial performance of the non-financial firms. *Global Economics Review*, 6(1), 53-70.
- Akinlade, O. O. (2019). The impact of accounting information on decision making of stakeholders. *International Journal of Educational Benchmark (IJEB)*, 14(1), 1-10.
- Al-Dalabih, F. A. (2018). The impact of the use of accounting information system on the quality of financial data. *International Business Research*, 11(5), 143-158
- Aleisa, B., A., & Bashir, T. (2020). The impact of quality of information on decisions of Entrepreneurs in Saudi Arabia. *Journal of Entrepreneurship Education*, 23(25), 1-12
- Alharbi, M., Hassan, K. T., & Hussein, R. (2023). Corporate social responsibility and corporate performance: Does financial reporting quality matter? *Information Sciences Letters*, 12 (4), 1973-1985
- Aliyu, A. S. (2024). Accounting information quality and financial performance of quoted deposit money banks in Nigeria. *International Journal of Academic Multidisciplinary Research*, 8(7), 91-104.
- Aprilia, A., & Djuminah, (2024). Factors Affecting Timeliness of financial reporting: evidence on Indonesian IDX30 companies. *International Journal of Economics, Business and Management Research*, 8(9), 361- 371.
- Asmuni, I. (2020). Reliability implementation of accounting information systems in improving small and medium enterprises financial Performance. *Test Eng. Manag*, 83, 798-811.
- Attah, J. E., Attah, J. E., Odeh , B. E., & Wamakko, J. A. (2024). Effect of firm attributes on financial reporting timeliness of quoted oil and gas companies in Nigeria. *British Journal of Multidisciplinary and Advanced Studies*, 5(6), 17–35. <https://doi.org/10.37745/bjmas.2022.04204>
- Bhattacharya, U., & Dittmar, A. (2003) Costless versus costly signaling: Theory and evidence. *Entrepreneurship Theory and Practice* 29,1–12.
- Borhan, O., & Nafees, A. (2018). Effect of accounting information system on financial performance: A study of selected real estate companies in Jordan. *Organization*, 5(1), 41-50.

- Busenitz, L. W., Fiet, J. O., & Moesel, D. D. (2005). Signaling in venture capitalist—New venture team funding decisions: Does it indicate long-term venture outcomes? *Entrepreneurship theory and practice*, 29(1), 1-12.
- Chircop, J., Collins, D. W., Hass, L. H., & Nguyen, N. N. Q. (2020). Accounting comparability and corporate innovative efficiency. *The Accounting Review*, 95(4), 127-151.
- Ebaid I. E. (2022). Nexus between corporate characteristics and financial reporting timelines: evidence from the Saudi Stock Exchange. *Journal of Money and Business*, 2(1), 43-56. DOI 10.1108/JMB-08-2021-0033
- Efenyumi, P. E., Okoye, E. I., & Nwoye, J. U. (2022). Empirical evaluation of effects of intellectual capital efficiency on firm's value in some selected listed firms on Nigerian exchange group. *International Journal of Research in Social Science and Humanities (IJRSS)* ISSN: 2582-6220, DOI: 10.47505/IJRSS, 3(6), 16-37.
- Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. *The journal of law and Economics*, 26(2), 301-325.
- Fasua, H. K., & Emeni, F. K. (2025). Effect of strategic management on financial performance. Seminar Paper, Unpublished.
- Fatmawati, E., & Rohimah, S. (2022). Analysis of factors affecting timeliness of financial reporting in manufacturing companies. *Journal of Research in Business, Economics, and Education*, 4(2), 10- 17. DOI: 10.55683/jrbee.v4i2.394 Apr from share <http://ssrn.com/abstract=250049>
- Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). *Stakeholder theory: The state of the art*.
- Harakeh, M., Lee, E., & Walker, M. (2024). Understanding how the effects of conditional conservatism measurement bias vary with the research context. *European Accounting Review*, 33(1), 191-222.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.
- International Accounting Standards Board (IASB). (2021). IASB update April 2021: The Board's final decisions on IFRS Standards, Amendments. <https://www.ifrs.org/news-and-events/updates/iasb/2021/iasb-update-april-2021/>
- IASB. (2008). Exposure draft: Conceptual framework for financial reporting: The objective of financial reporting and qualitative characteristics and constraints of decision useful financial reporting information.
- Lidovolo, P. M., & Atieno, M. (2023). Influence of accounting information system on financial performance of tea manufacturing companies in Kenya-case of Mudete tea factory. *European Journal of Economic and Financial Research*, 7(2), 1- 15.

- Mappadang, A., Wijaya, A., M., & Mappadang, L., J. (2021). Financial performance, company size on the timeliness of financial reporting. *Annals of Management and Organization Research*, 2(4), 225-235.
- Nnenna, C. V. (2019). Adequacy of accounting information disclosures of Nigerian quoted firms under IFRS adoption. *Research Journal of Finance and Accounting*, 10(20), 119-128
- Nyongesa, R., Musiega, M., & Kwendo, E. S. (2024). Effect of Internal Audit Timeliness on Financial Performance of Deposit Taking Savings and Credit Cooperatives in Western Kenya. *African Journal of Empirical Research*, 5(4), 1904–1915. <https://doi.org/10.51867/ajernet.5.4.159>
- Olayiwola, K. T. (2021). The effect of corporate governance on financial performance of listed companies in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 6(9), 85-98
- Phan, T. A., & Duong, L. H. (2021). The effects of corporate governance mechanisms on firm performance: Empirical evidence from Vietnam. *Journal of Asian Finance, Economics and Business*, 8 (4), 0369–0379
- Qatawneh, A. M., & Bader, A. (2020). Quality of accounting information systems and their impact on improving the non-financial performance of Jordanian Islamic banks. *Academy of Accounting and Financial Studies Journal*, 24(6), 1-19.
- Qosim, N., & Latoki, L. (2024). The influence of return on assets (roa), return on equity (roe), return on investment (roi), and earning per share (eps) on company value in the automotive industry and its components listed on the BE. *Jurnal Sinar Manajemen*, 11(2), 114-126.
- Rehab, U. (2018). The impact of accounting information systems on organizational performance. The context of Saudi's SMEs. *International Review of Management and Marketing*, 8(2), 69-73.
- Ross, S. A. (1977). The determination of financial structure: the incentive-signalling approach. *The bell journal of economics*, 23-40.
- Sadek, D. M., Abdul Rahim, A. K., & Abas, Z. (2018). Islamic corporate governance in Islamic financial institutions. *International Journal of Academic Research in Business and Social Sciences*, 8(4), 1-10.
- Samer, M. (2016). The impact of the effectiveness of accounting information systems on operational performance in public listed industrial companies in Jordan. *Journal of Social Sciences*, 5(3), 265-276.
- Schipper, K. (2022). Discussion of 'The impact of the adoption of IFRS 11 on the comparability of accounting information'. *Accounting and Business Research*, 52(6), 727-733.

- Shamki, D., & Al-Hamashi, S. C. K. (2024). The value relevance of accounting information in Iraq. *European Journal of Business and Management Research*, 9(6), 27-33.
- Solomon, A., Samuel, O., & Tunji, S. (2023). Institutional characteristics and the comparability of financial reporting of selected listed deposit money banks in Nigeria. *International Journal of Research And Innovation in Social Science (IJRISS)*, 7(8), 156 -168. DOI: 10.47772/IJRISS |
- Sunarta, N., & Astuti, P. D. (2023). Accounting information system quality and organization performance: The mediating role of accounting information quality. *International Journal of Profession Business Review*, 8(3), 01-20.
- Tera, S., & Ido Ndeyati, J. (2017). A review of the impact of accounting information system for effective internal control on firm performance. *Indian Journal of Finance and Banking*, 1(2), 52-59.
- Tran-Thanh, T. N. (2025). Effect of accounting information system quality on decision-making success and non-financial performance: does non-financial information quality matter? *Cogent Business & Management*, 12(1), 1- 18. <https://doi.org/10.1080/233119752024447913>
- Weichao, L., Daoguang, Y., & Siyi, L. (2018). Accounting information comparability, demand differences and cross-firm information transfer. *China Journal of Accounting Studies*, 6(3), 321–361. <https://doi.org/10.1080/21697213.2018.1567113>
- Womenazu, H. S., & Horsfall, K. (2022). Accounting information quality and financial performance of listed consumer goods manufacturing companies in Nigeria. *Management, Marketing and Accounting Research Journal*, 9(2) 68-81
- Wu, S., & Xue, W. (2023). Accounting comparability and relative performance evaluation by capital markets. *Journal of Accounting and Economics*, 75(1), 1- 18. 101535.