FIRM VALUE, CORPORATE ATTRIBUTES AND TAX SAVINGS

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Abstract
The study aimed at examining the effect tax savings on firm value. The cross-sectional research design was adopted in the study. The population comprises firms in the consumer subsector in the Nigerian. A sample of twenty firms was selected and period under review is ten, 2010-2019 financial years. The study used multivariate regression technique. The outcome study reveals that tax savings has negatively influence on firm value. This study recommends that there is need for organizations to introduce more vigorous tax savings practices that will assist in reducing their effective tax obligations and therefore advance their inclusive worth. Also, it is recommended that Nigeria quoted firms could engage the services of professional tax advisors, rather than depending on the top management team merely for matters involving tax planning activities

Introduction
Corporate entities are lawfully mandated to pay whatsoever is appropriate within the allowable structure of the tax allowable Deed or Verdict. Inside the tax rulings there are proviso or gaps that directors of corporate bodies can take via passable tax planning to enable then pay lower tax thereby increasing the retained earnings and by extension increasing firms worth in the long run. Taxpayers who are cautious of good tax administration can leverage on such tax incentives by running their business undertakings in such a way so as to benefit from tax waver thereby paying lower tax.

Tax is a momentous expenditure/obligation to business and shareholders which unvaryingly shrinks cash flow available as profit. Stakeholders prefer to employ tax saving activities in order upswing not only income after tax but also cash available for use (Khurana & Moser, 2013; Tijjani, 2019).

Tax saving activities comprise of all genuine moves (likes tax planning, tax avoidance and effective tax rate) taken by a firm to whittle down tax liability or even eradicate the taxes owed to tax authorities (Pniowsky, 2010). This can be accomplished by leveraging on various tax charges in several quarters and economic activities, plus tax inducements delivered within tax guidelines (Fallan et al., 1995). From the corporate strategist stand point it said that factors within the firm ecosystem have high influence on firm value. The argument that is brought to fore by corporate strategist scholars is that since organizations operate within a given biome it is unlikely for it worth not be determined by the interaction or interface of specific characteristics or inhabitants that co-exist within this biome with the external environment. They further report that this interface can either lead to declination or increase in worth of a firm. On the other hand, some scholars looked at factors that enhance firm value from the conservatism stand point. They argue that laws and corporate policies accommodate determinants of firm value. Conservative school of thought argues that governmental policies such as tax law and firm policy go a long way to impact firm value. The attempt to amalgamate the thoughts of corporate strategy scholar and that of the conservatism on of firm value is the impetus for this study.

In an economic atmosphere subjugated by globalization and instabilities, governments and business organization will have opposing goals. Governments are concerned with gathering funds to run state budget and investments, while private owners are concerned with enhancement of firm value and reduction of cost. Dess, Lumpkin and Taylor (2008) argue it incumbent that management to implore foremost and minor shift firm's strategy in order to achieve this goal. Kaplan and Norton (2006) opine that lots of firms nave their managerial stratagems focused on the monetary themes at growing incomes, reducing cost and growing output, enhancing asset consumption and plummeting risk as a mean of accomplishing and upholding competitive advantages in the market. Davis (2009) further documents that the twofold problems confronting numerous firms currently is to advance the value of goods and services while plummeting communal overhead costs.

Many prior studies approach the firm value and government tax policy as singularities with unidirectional relationship ((Hamidah & Umdiana,2017; Sucuahi & Cambarihan,2016; Suffah & Riduwan 2016; Sucuahi & Cambarihan, 2016; Tiska,(2015; Annisa & Chabachib,(2017; Winarto,2015). However few recent studies (Ileana, Aurelia, Adriana & Arina, 2016) reveal that Tax saving activities thrive on factors within the confinement of both governmental and organizational policies. Some scholars suggest that factors in the corporate ecosystem (firm, profitability, liquidity, leverage, mention but a few) have strong influence on both firm value and tax saving activities of the firm and be responsible for the mixed results gotten from prior studies.

The foregoing depict that the causality between factors within the firm ecosystem (firm size, leverage, profitability, liquidity), firm value and tax saving acting is not clear. This study is aimed at bridging the gap in prior studies by inserting factors within the firm ecosystem into existing model. The broad objective of the study is to examine the causality between firm value, corporate attributes and tax saving while the specific objectives

Liturature Review
Conceptual Framework

Tax Saving

Chen et al (2010) define tax saving as the internal energy exerted by a firm to diminish tax paid employing aggressive tax planning actions or tax avoidance mechanism. In the similar manner Fran et al (2009) see tax saving as the deployment of devices that is aimed at lowering income tax. Jones (2012) elucidates tax saving as a lawful way of plummeting taxes. Bruce et al (2007) note that the tax saving activity is an avid moves employed by firms to whittle down overdue from influencing and distressing their pecuniary stratagem arrangement. Bruce et al (2007) document that tax saving signifies diverse management actions to reduce taxable income that can be lawful or unlawful. Desai and Dharmapal (2006) opine that saving tax undertakings are categorized by intricacy and mystification, which are virtually hard to perceive. In real sense the utmost objective of tax saving is to rise the aggregate revenue of the firm which generates affirmative indicator to foreign financers.

Tax savings is the variance amid actual tax rate and effective tax rate. In a circumstance where a corporate entity functions over some boundaries with dissimilar legal tax rates, variation in these tax rates can crate tax saving identified by the firm. Tax savings employ to quantify tax planning indicates that executives have inducements to decrease pecuniary statement tax expense because, tax planning is considered as a device which firms employ engender lasting tax savings and/or momentary tax savings accomplished via deferments (Ftouhi, Ayed & Zemzem, 2010)

Tax savings therefore, comprises not only a strategy that is aimed at the minimizing tax liability but also device put into perspective the cash flow consequence on the business in regard to most advantageous step to be taken by a corporate entity offset its tax obligation devoid of appropriate legitimate sanction. Kiabel and Akenbor (2014) document that reducing tax obligation via suitable tax saving stratagem is a deed of transferring cost from the government to the company.

Hanlon and Slemrod (2007) document that stockholders are concerned with plummeting the tax liability so as to upsurge the entity's value. Corporate tax savings tends to decrease the present worth of corporate taxes so as to upsurge their profitability and, importantly their souk price via lawful means and amongst the prospects provided by tax law. It is perceived that the improved in profitability of a firm can be achieved via tax administration, that is known as be a legitimate mean of plummeting expenditures on taxes, when taxpayers recognize occasions in law to reduce corporate ' tax burden (Goncharov & Zimmermann, 2005; Tang, 2005; Desai & Dharmapala, 2006; Formigoni, Antunes, & Paulo, 2009; Minnick & Noga, 2010; Tang & Firth, 2010).

Armstrong, Blouin, Jagolinger, and Larcker (2013) report that tax saving is a vital outlay pronouncement that corporate executives ought to advance stockholders worth.

Effective Tax Rates

Different authors define the concept effective tax rate (ETR) in different ways. Mendoza, Razin and Tesar (1994) see effective tax rate as a real revenue that sums all revenue bases and a real tax burden that conglomerates all diverse encumbrances of tax from several channels of revenue. Gouveia and Strauss (1994) valued an effective tax function by linking real tax encumbrance to economic revenue. Johnson, Rosenberg and Williams (2012) report that real tax rate is employ to quantify what personals, organizations or business entities remit taxes as a

fraction of their pre-tax earnings. In other words, it is the average rate at which firms are supposed to remit tax and it is computed by dividing aggregate tax expenditures by the chargeable earnings.

According to Ilaboya,Izevbekhai and Ohiokha (2016) a negative relationship exists between profitability and effective tax rate because firms that are profitable have enough resources to hire the services of a reputable tax consultant who will help them plan their tax affairs to take advantage of all available legal loopholes. According to Gupta and Newberry (1997), Richardson and Lanis (2015), Munnick and Noga (2010) and Armstrong et al. (2012), a positive relationship exists between performance and effective tax rate.

Theoretical Framework
Agency theory

Habbash (2010) opines agency theory is the foremost theory and has been given grander concern by academicians and financial experts. The agency theory is founded on the principal-agent standpoints. The separation of proprietorship from manager in contemporary organizations creates the framework for the functionality of the agency theory. In current times the owners of enterprise are broadly discrete and are do not take part in the daily running of the firm but instead put it in the hands of the managers (Habbash, 2010).

The managers are hired ts are appointed to manage the day to day operations of the corporation. The separation of ownership and controlling rights results conflicts of interest between agent and principal. To solve this problem or to align the conflicting interests of managers and owners the company incurs controlling costs including incentives given for managers.

According to Bowrin and Navissi (2005) agency theory refers to a set of propositions in governing a modern corporation which is typically characterized by large number of shareholders who allow agents to control and manage their collective capital for future returns. The agent, typically, may not always own shares but may possess relevant professional skills and competence in managing the corporation. The theory offers many useful ways to examine the relationship between owners and managers and verify how the final objective of maximizing the returns to the owners is achieved, particularly when the managers do not own the corporation's resources. Agency theory identifies the role of the monitoring mechanism of corporate governance to decrease agency costs and the conflict of interest between managers and owners. It is clear that the principal-agent theory is generally considered as the starting point for any debate on the issue of corporate governance.

Agency theory having its roots in economic theory was exposited by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). Jensen and Meckling (1976) defined agency relationship as a contract under which the principal engage another person or the agent to perform some service on their behalf which involves delegating some decision making authority to the agent. If both parties to the relationship are utility maximizes, there is good reason to believe that the agent will not always act in the best interests of the principal.

The principal can limit divergences from his interest by establishing appropriate incentives for the agent and by incurring monitoring costs designed to limit the irregular activities of the agent. Control of agency problems in the decision process is important when

the decision managers who initiate and implement important decisions are not the major residual claimants and therefore do not bear a major share of the wealth effects of their decisions. Without effective control procedures, such decision managers are more likely to take actions that deviate from the interests of residual claimants. Individual decision agents can be involved in the management of some decisions and the control of others, but separation means that an individual agent does not exercise exclusive management and control rights over the same decisions (Fama & Jensen, 1983).

According to agency theory the agent strive to achieve his personal goals at the expense of the principal. Mangers are mostly motivated by their own personal interests and benefits, and work to maximize their own personal benefit rather than considering shareholders' interests and maximizing shareholders wealth. To reduce agency problem there must be better monitoring and controlling mechanisms which helps to ensure that managers pursue the interests of shareholders rather than only their own interests. The agency problem can be set out in two different forms known as adverse selection and moral hazard.

Adverse selection can occur if the agent misrepresents his ability to perform the functions assigned and gets chosen as an agent. Moral hazard occurs if the chosen agent shirks the responsibilities or underperforms due to lack of sufficient dedication to the assigned duties. Such underperformance by an agent, even if acting in the best interest of the principal, will lead to a residual cost to the principal. These costs resulting from sub-optimal performance by agents are termed as agency costs (Bathula, 2008). The concept of corporate governance presumes a fundamental tension between shareholders and corporate managers (Jensen & Meckling, 1976). While the objective of a corporation's shareholders is a return on their investment, managers are likely to have other goals, such as the power and prestige of running a large and powerful organization, or entertainment and other perquisites of their position. Managers' superior access to inside information and the relatively powerless position of the numerous and dispersed shareholders, mean that managers are likely to have the upper hand (Fama & Jensen, 1983).

Therefore, shareholders monitor and controls managers through their representatives such as board of directors. Boards of directors are considered as an important device to protect shareholders from being exploited by managers and help to effectively control managers when they try to maximize their self-interest at the expense of the company's profitability. Fama and Jensen (1983) argues that in order to minimize agency problem that emanates from the separation of ownership and control the corporations need to have a mechanisms that enables to separate the authority of decision management from decision control. This would reduce agency costs and ensures maximization of shareholders wealth by effectively controlling the power and self-centered decisions of management.

The agency theory provides a basis for the governance of firms through various internal and external mechanisms. Corporate governance mechanisms are designed to align the interest of owners and managers, constrained the opportunistic behaviors of managers and protect shareholder interests, generally to solve agency problem (Habbash, 2010). Corporate governance is a mechanism through which shareholders are assured that managers will act in their best interests and it limits agency problems. Agency theory suggests that there are a number of mechanisms to reduce the agency problem in the company such as choosing

appropriate board composition (in terms of size, gender, experience and competence), effective audit committee, and the threat of firing.

Empirical Framework

Lanis, Richardson and Taylor (2015) carry out a study to investigate the association between corporate tax saving and the firm value of 200 publicly quoted firms in Australian for a period of five years, 2006-2010. The Ordinary Least Squares (OLS) regression statistical technique was employed to analyze data extracted from the field. The result showed that liquidity is significantly positively related to tax saving.

Lestari and Wardhani (2015) carry out a work to ascertain the moderating effect of board diversity on the association tax saving with for non-banking and financial firms in Indonesia within the period of 2010 and 2011. Their findings reveal that tax saving is positively related with firm value. The study also reveal that board diversity has a positive moderating effect on the relationship tax saving and firm value.

Ribeiro (2015) performs a study to establish the determinants of tax saving in the UK using data gotten from 704 quoted firms on the floor London Stock market. Apart from the regularly examination, the study also investigated the influence of corporate governance dynamics on ETR. The outcome of the study also affirms that Political Cost Theory vis-à-vis both size and profitability inferring that big and extremely profitable firm are confronted with high tax burden in the UK. The study also finds leverage and capital intensity to be negatively related to ETR. Ana, Antonio, and Elisio (2015) examine the determining factor of tax saving using 45 quoted companies, over 2010–2013 periods. The study employed the Ordinary Least Squares (OLS) regression and found that profitability is directly proportionate to effective tax rates.

Yetty, Eka and Eneng (2016) carry out work to ascertain role of leverage on corporate tax saving in Indonesia using manufacturing firms quoted on Indonesian Stock market for the period 5 years. The study used the purposive sampling technique to select 108 firms. The multiple linear regression equation was used and the study results revealed that Leverage has no emblematic influence on effect on tax avoidance.

Sabrin, Sarita and Takdir(2016) examine the influence of cost-effectiveness on firm value using study was secondary data obtained from a manufacturing company located in the Indonesia Stock Exchange. The population of this research is manufacturing various industry sub-sectors listed in Indonesia Stock Exchange as research objects. Period manufacturing various industry sub-sectors used in the study covers a period of six years, that is, 2009 to 2014. The method of data analysis used in the data was path analysis. Their results showed that the profitability has affect the firm value because the value is a positive on the achievement of profit to justify the payment of dividends, so the stock price will increase because the company showed a positive signal to pay dividends.

Anouar and Houria (2017) carry a study to ascertain the correlation between firm size and tax saving using selected firm quoted on floor of Moroccan stock market. The study employed multivariate regression models to analyse data collected from field. The study suggests that extremely indebted corporations are probable to take advantage of the foremost features of debt-capital in order to prevent a substantial corporate tax encumbrance. The outcome of the study further shows that tax considerations have made debt funding, the preferred method of funding in areas with high taxation.

Ikponmwosa and Eriki (2017) carry out a research work to ascertain the influence of capital structure dynamics on firm' profitability and firm value selected multinational firms in Nigeria employing descriptive statistics, correlation analysis and panel data estimation methods. Their outcome shows that financial leverages, including Total Debt to Equity (TDE) ratio, Total Debt to Asset (TDA) ratio and the ratio of Long Term Debt to Equity (LDE) are inversely related to firm profitability and Firm value, measured by Return on Asset (ROA), Return on Equity (ROE) (measures of profitability) and Tobin's Q (measure of value).

Shabbir, Waheed and Mahmood (2017) investigate the tax optimization and firm value in Pakistan. This study used effective tax rates as a determining factor of firm value. Debt, earnings management and audit quality were also investigated in the study. Steadiness panel data with 38 non-financial firms and sample size of 2280 firms used. Data collected was analyzed with multivariate regression technique. The outcome of their study revealed that tax optimization, accruals and audit quality surge firm value.

Hatem (2017) perform a study to ascertain causation of profitability and firm value using a sample of two European countries: Italy and Poland. The descriptive statistics show that Italian organizations have more complex market values. The result reveals that firms in Poland are more profitable than firms in Italy. The outcome reveal there is unidirectional causation between value firm value and profitability for firms in Italy. The result further reveal that there also a unidirectional causation between firm value and profitability of firms in Poland.

Salawu, Ogundipe and Yeye (2017) examine the causation of firm value and tax saving of selected quoted companies in the Nigerian non-financial sector. The period under review is eleven years, 2004 and 2014. The pair wise vector auto-regressive (*VAR)* granger causality was used to analyze the data. The result reveal that tax saving has no causation with firm value
Adejumo and Sanyaolu (2020) investigate the association of profitability with tax saving .of selected money deport banks in Nigerian. The study used ex post facto research design. The study used least square regression technique to analyze data obtained from the field. The outcome of their study reveal that tax saving negatively influence profitability.

Khuong et al **(**2020) carry out a research work to find out correlation between tax savings and firm in Vietnam. The study used least square statistical technique to analyze data gotten from the field. The come out of the study shows that there no emblematic relationship between tax savings and firm value.

Methodology
Population
The population of this study consist of the twenty (20) Consumer Goods companies listed on Nigeria stock exchange (NSE) as at December 2020. Due to smallness of the population the study used entire population as the sample size. The sample size is twenty firms in the consumer goods sub-sector; the study selected.

Model Specification
This adopted the models below
FV = f(TSAVING)
FV= $\beta_0 + \beta_1 FSIZE + \beta_2 FLEV \; \beta_3 PROF + \beta_4 TSAVING + \mu t$ …………………………………(1)
Firm value

The dependent variable used is value of the firm (VALUE) captured by market worth- is calculated as Market capitalization plus total debt minus cash equivalent.

FV=MC+Total Debt−C

*Where***:**

MC=Market capitalization; equal to the current stock price multiplied by the number of outstanding stock shares
Total debt=Equal to the sum of short-term and long-term debt
C=Cash and cash equivalents; the liquid assets of a company, but may not include marketable securities

Table 3.1:   Variable Definition

Variables	Proxy	Measurement	Prior Studies
*Dependent Variable (*Firm Performance)			
Tax saving	***TSAV***	Effective Tax Rate- actual tax rate	Blouin, and Larcker, (2012).
Firm Value	***FV***	calculated as Market capitalization plus total debt minus cash equivalent.	Sohail & Lefen (2018)
Independent Variables			
Financial Leverage	***LEV***	Total debt to equity ratio.	Ullah & Kamal (2017)
Firm Size	***FSIZE***	The natural logarithm of total assets	Sarlak & Ahmadi (2016)
Firm Profitability	**PROF**	Profit before tax	Allan (2014)

Source: Researcher's Compilation (2021)

Data Analysis Method
This study employed descriptive statistics, correlation, and panel multiple regression technique as tools of analysis. Multiple regression technique has been proved to be a popular and powerful tool in developing business and economic models for analysing relationships between variables. The reason behind the selection of multiple regressions in this study is that, it allows the calculation of values of several coefficients in order to justify the relative contribution of several independent variables in determining the dependent variables and this shall be done with the aid of Eviews software.

Also to ensure that data for the variables of the study are suitable for the model, the study will conduct three diagnostic tests. These include: tests for data normality, multicolinearity and heteroscedasticity.

4.2.3Test of regression Assumptions
Table 4.3 Regression Assumptions Test

Multicollinearity test		
Variable	Coefficient Variance	Centred VIF
C	3.279971	NA
PAT	1.490618	1.094623
TSAVING	1.397538	1.011665

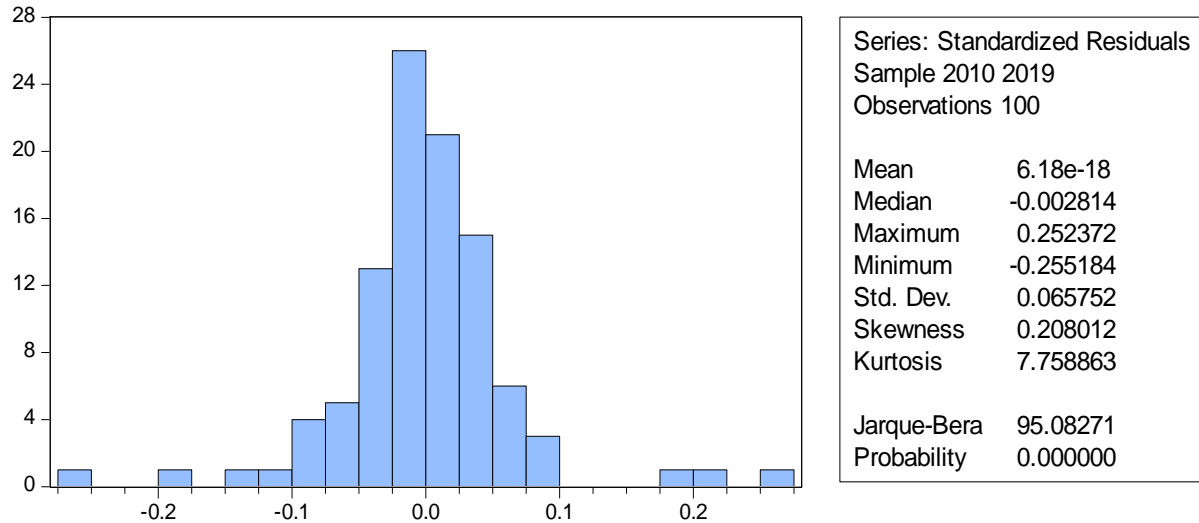| LEV | 1.540766 | 1.017180 | |
FSIZE	2.923924	1.072321	
Ramsey model test			
F-statistic = 74.74059	Prob. F(1, 93)		0.50
Breusch-Godfrey Serial Correlation LM Test:			
F-statistic = 55.038			
	Prob. F(2,92)		0.50
F-statistic = 0.121	Prob. F(1,91)		0.729

Source: Researcher's Computation (2019)

To further strengthen the result of the absence multicollinearity, we carried out a residual diagnostic   test of variance inflation factor. From table 4.3, it is observed that the variance inflation factor (VIF) which measures the level of collinearity between the variables show how much of the variance of a variable most likely the coefficient estimate of a regressor has been inflated due to collinearity with the other variables or likely regressors. They can be calculated by simply dividing variance of a coefficient estimated by the variance of that coefficient had other regressors not been included in the equation. The VIFs are inversely related to the tolerance with larger values indicating involvement in more severe relationships. Basically, VIFs above 10 are seen as a cause of concern (Landau &Everit,2003).

FV reported a of 1..09;PAT, (1.09);TSAVING, (1.01);LEV(1.01); FSIZE(1079); and FAGE(1.877. Inclusion, the VIFs of the variables is all less than 10 indicating the unlikelihood of multicollinearity amongst the variables and hence the variables satisfy a very important condition the multivariate regression analysis.

The ARCH test for heteroskedasticity was performed on the residuals as a precaution. The results showed probabilities in excess of 0.05 which led us to reject the presence of heteroskedasticity in the residuals. The Lagrange Multiplier (LM) test for higher order autocorrelation reveals that the hypotheses of zero autocorrelation in the residuals were not rejected. This was because the probabilities (Prob. F, Prob. Chi-Square) were greater than 0.05.

The LM test did not, therefore, reveal serial correlation problems for the model. The performance of the Ramsey RESET test showed high probability values that were greater than 0.05, meaning that there was no significant evidence of miss-specification.

4.2.4 Normality test

Series: Standardized Residuals		
Sample 2010 2019		
Observations 100		
Mean		6.18e-18
Median		-0.002814
Maximum		0.252372
Minimum		-0.255184
Std. Dev.		0.065752
Skewness		0.208012
Kurtosis		7.758863
Jarque-Bera		95.08271
Probability		0.000000

The histogram of the normality test further strengthened the Jarque–Bera statistics reported in table1. The result reported in figure 1 signifies a bell–shape histogram with mean Jarque-Bera value of 95.08 and associated probability value of 0.000000 which signifies normal distribution of the regression variables.

Table 4.4 Analysis for the effect firm attribute on firm value and effect firm on tax savings

Variables	Model 1
C	(-32.476) {0.000}
PAT	(11.760) {0.0000}
TSAVING	(-5.883) {0.000}
LEV	(-11.063) {0.000}
FSIZE	(37.0308) {0.000}
R^2	0.98
R^2Adjusted	0.86
F-statistic (p value)	22.57 0.00
DW-sta	1.87

Source: Researcher's compilation (2020) * sig @ 5%, t value () p value - [ ] C1=roe,C2=ROA

Analysis of Result

Two models were used in this study to ascertain the relationship between the dependent, and the independent variables in order draw an empirical conclusion.

For model I using panel least square; the effect of profitability on firm value (FV) is positive (p=-0.000, t=11.760) and statistically significant at 5% (p=0.05). The effect of tax saving on firm value (FV) is negative (p=0.00, t=-5.88) and significant at 5% (p=0.00). This implies more tax saving reduces firm value. The shows that Leverage (LEV) has negative effect on firm value (p=-0.00, t=-11.064). This effect is not significant at 5% (0.05).

Finally, the result shows that the firm size has positive effect on firm value (p=0.000, t=37.03) this impact is significant at 5% (p=0.05).This implies that bigger firm have more value. The model parameters are follows; coefficient of determination (R^2) = 98%, ADJ R^2 = 86%. These values suggest that the dependent explains about 98% of dependent variable is explained by the explanatory variables.

The F-stat=   22.57, p (f-stat) = 0.00 and D.W=1.93. The F-values confirm that the hypothesis of a significant linear relationship between the variables (dependent and independent) cannot be rejected at 5% level while the D.W statistic indicates that a serial correlation presence in the residuals is unlikely.

Discussion of Findings

The robust estimation results for the fixed effects estimation reveals that tax saving has no significant effect on firm value (FV). This result is at variance with extant negative of Tsuutsoura (2004) and Choi et al   (2010).This result is line with the result of Igbal et al (2012) which that shows tax savings has no significant effect on firm value.

The implication of this result is that tax savings whittle firm value. Consequently, the null hypothesis that tax savings has no significant effect on firm value of manufacturing firm in Nigeria is retained

Conclusion

In order for organizations to survive in the competitive marketing environment, they need to note that their long term survival partly depends on their ability to confront whittle expenses in order to maximize profit. The study examined causality tax savings, firm value and firm attributes in the Nigerian manufacturing sub-sector. The result shows that tax saving has negative effect on firm value (FV). The result further shows that rofitability has positive effect on firm value. On the contrary the result shows that Leverage (LEV) has negative effect on firm value.

In addition**,** the result shows that tax saving has negative effect on firm value (FV) is negative. The result also reveals that profitability (PAT) has negative effect on tax savings which implies profit whittle down firm value.

Finally, the result reveals that leverage has no significant effect on tax savings. The result also shows that firm size has no significant effect on tax saving.

Policy recommendations

The recent firm failures that swept across the globe in the last decade made stakeholders   to cast doubt on the veracity of earnings declared by firms. Some are of the opinion that many managers used tax shield to perpetrate earnings management. However, the weakness in regulations has posed a great challenge on the mean of preventing the re-occurrence of the menace. Weaknesses in accounting regulations are most times not obvious until they have been exploited by management.

The study recommends the need for firms to institute more robust tax planning practices that will help reduce their effective tax liabilities and therefore improve their overall value. Also, it is recommended that Nigeria quoted companies could engage the services of professional tax consultants, rather than relying on the top management team only for issues relating to tax planning activities.

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Appendage

Variance Inflation Factors
Date: 02/06/21   Time: 22:21
Sample: 1 100
Included observations: 99

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	8.82E+14	32.79971	NA
PAT	1.707605	1.490618	1.094623
ERT	1.86E+14	1.397538	1.011665
LEV	2.86E+14	1.540766	1.017180
FSIZE	2.01E+13	29.23924	1.072321

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	55.03864	Prob. F(2,92)	0.5000
Obs*R-squared	53.92814	Prob. Chi-Square(2)	0.5000

Test Equation:
Dependent Variable: RESID
Method: Least Squares

Date: 02/06/21   Time: 22:22
Sample: 1 100
Included observations: 99
Presample and interior missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	20008279	20345403	0.983430	0.3280
PAT	-1.240025	0.899355	-1.378794	0.1713
SER01	-5452581.	9326524.	-0.584632	0.5602
LEV	13379326	11755369	1.138146	0.2580
FSIZE	-3167718.	3072926.	-1.030847	0.3053
RESID(-1)	0.649212	0.103143	6.294274	0.0000
RESID(-2)	0.152085	0.102850	1.478706	0.1426

R-squared	0.544729	Mean dependent var	2.35E-08	
Adjusted R-squared	0.515037	S.D. dependent var	50532179	
S.E. of regression	35190247	Akaike info criterion	37.65852	
Sum squared resid	1.14E+17	Schwarz criterion	37.84201	
Log likelihood	-1857.097	Hannan-Quinn criter.	37.73276	
F-statistic	18.34621	Durbin-Watson stat	2.040134	
Prob(F-statistic)	0.000000			

Ramsey RESET Test
Equation: UNTITLED
Specification: FV C PAT SER01 LEV FSIZE
Omitted Variables: Squares of fitted values

	Value	df	Probability
t-statistic	8.645264	93	0.5000
F-statistic	74.74059	(1, 93)	0.5000
Likelihood ratio	58.39210	1	0.52000

F-test summary:

	Sum of Sq.	df	Mean Squares
Test SSR	1.12E+17	1	1.12E+17
Restricted SSR	2.50E+17	94	2.66E+15
Unrestricted SSR	1.39E+17	93	1.49E+15

LR test summary:

	Value	df	
Restricted LogL	-1896.046	94	
Unrestricted LogL	-1866.850	93	

Unrestricted Test Equation:
Dependent Variable: FV
Method: Least Squares
Date: 02/06/21   Time: 22:23
Sample: 1 100
Included observations: 99

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.28E+08	41601961	3.068473	0.0028
PAT	-1.157817	1.020254	-1.134832	0.2594
SER01	-510049.8	10221887	-0.049898	0.9603
LEV	-2084582.	12706591	-0.164055	0.8700
FSIZE	-19573946	7240097.	-2.703547	0.0082
FITTED^2	1.08E-08	1.24E-09	8.645264	0.0000

R-squared	0.674650	Mean dependent var		44278760
Adjusted R-squared	0.657158	S.D. dependent var		65965232
S.E. of regression	38624421	Akaike info criterion		37.83536
Sum squared resid	1.39E+17	Schwarz criterion		37.99264
Log likelihood	-1866.850	Hannan-Quinn criter.		37.89900
F-statistic	38.56922	Durbin-Watson stat		0.787162
Prob(F-statistic)	0.000000			

Dependent Variable: FV
Method: Panel Least Squares
Date: 02/6/21   Time: 22:30
Sample: 2010 2019
Periods included: 10
Cross-sections included: 10
Total panel (unbalanced) observations: 199
White cross-section standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.56E+08	42178781	-3.688096	0.0004
PAT	1.756516	1.635760	1.073823	0.2859
TSAVING	-3884845.	8209390.	-0.473220	0.6373
LEV	-9721543.	11717392	-0.829668	0.4091
FSIZE	32342406	6516833.	4.962902	0.0000

	Effects Specification			

Cross-section fixed (dummy variables)

R-squared	0.849974	Mean dependent var		44278760
Adjusted R-squared	0.827029	S.D. dependent var		65965232
S.E. of regression	27434801	Akaike info criterion		37.22288

Sum squared resid	6.40E+16	Schwarz criterion	37.58987
Log likelihood	-1828.533	Hannan-Quinn criter.	37.37137
F-statistic	37.04375	Durbin-Watson stat	1.542016
Prob(F-statistic)	0.000000		

Dependent Variable: FV
Method: Panel EGLS (Cross-section SUR)
Date: 02/6/21   Time: 22:37
Sample: 2010 2019
Periods included: 10
Cross-sections included: 10
Total panel (unbalanced) observations: 199
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.74E+08	5350686.	-32.47658	0.0000
PAT	1.508660	0.128283	11.76040	0.0000
TSAVING	-2616814.	444780.4	-5.883384	0.0000
LEV	-9560620.	864186.1	-11.06315	0.0000
FSIZE	35326165	953966.9	37.03081	0.0000

	Weighted Statistics		
R-squared	0.985034	Mean dependent var	7.944814
Adjusted R-squared	0.984397	S.D. dependent var	15.71012
S.E. of regression	0.957784	Sum squared resid	86.23091
F-statistic	1546.743	Durbin-Watson stat	1.868184
Prob(F-statistic)	0.000000		

	Unweighted Statistics		
R-squared	0.412891	Mean dependent var	44278760
Sum squared resid	2.50E+17	Durbin-Watson stat	0.406580