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Aremu, Paul Olabode & Adegbie, Folajimi Festus

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[*1]Aremu, Paul Olabode & [2]Adegbie, Folajimi Festus

Department of Accounting, School of Management Sciences, Babcock University, Ilishan-Remo, Ogun State, Nigeria

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Abstract

Although merger and acquisition is very crucial to the growth of organizations, to assess the potential profit and benefits of mergers and acquisitions, company valuation is required. Nevertheless it seems that wrong valuation choices has affected the decisions of many organization as regarding which company to merge with or which one to acquire and this has also affected many business organization. Studies have had inconclusive findings thereby creating a gap which needs to be filled. Hence, this study examined the effect of assets valuation on mergers, and acquisition of selected money deposit banks in Nigeria. This study quantitatively examined how assets valuation affects merger and acquisition of selected money deposit banks in Nigeria. The study employed survey research design. A stratified selection strategy was used to choose a representative sample from the research population. Data were analysed using descriptive and inferential statistics. The study findings shows that Assets valuation has a positive significant effect on mergers, and acquisition of selected money deposit banks in Nigeria (Adj R^2 = .279, f = 127.375, $p<0.05$). The result of hypothesis concluded that assets valuation had a significant effect on merger and acquisition of selected money deposit banks in Nigeria in Nigeria. Based on the findings, the study recommend that adequate valuation of assets be examined or carried before acquiring a bank. Also investors should only invest or merge with banks whose assets have appreciable outlook so as to remain profitable at a long run.

Keyword: *Assets, Acquisitions, stakeholders, Mergers, Valuation*

1.0 Introduction

Merger and acquisition has been a significant force in the global economy for many years. However, organizations now find it more complex and risky to acquire or to be acquired, as a result of the complexities in valuing the assets to be acquired. This has raised a lot of concern among business owners, stakeholders as well as the public, as there seem to be increasing cases of inadequate and wrong valuation choices among many organization (Wang, 2021). Nevertheless, organizations have found different ways to enhance their growth and expansion and among them are merger and acquisition being a major approach. Although merger and acquisition is very crucial to the growth of organizations, to assess the potential profit and advantages of mergers and acquisitions, company valuation is required. Nevertheless it seems that wrong valuation choices has affected the decisions of many organization as regarding which company to merge with or which one to acquire and this has also affected many business organization (Sinkkonen, 2019).

World over, since the start of 2020, the business organizations had been in upheaval. Since that time, businesses have been operating in a novel mergers and acquisitions environment that is still developing. If viewed from the firms' financial and operational perspectives, COVID-19, global financial recession has an impact on several aspects of the deal, including strategy and targeting as well as integration and value generation. Through a lens of value creation, businesses are adjusting and positioning themselves to better negotiate acquisitions, divestitures, and other agreements. It is no secret that mergers and acquisitions face fierce competition worldwide and run the danger of failing. 83% of mergers and acquisitions, according to KPMG research, do not result in higher shareholder returns. According to Wang (2021) inadequate valuation caused by bad judgments caused mergers to cause a two-thirds loss of value on their stock market shares. Many times, there are delicate challenges surrounding attempts to successfully integrate entities. Mergers are typically driven mostly by one common factor: fear, globalization and technical advancements have had a significant impact on the global economic landscape because of their direct impact on administrative choices at the corporate level (Li, Jian, Li, 2019). When a company merges or acquires another, the choice is typically centered on market fit or product, with distinctions among personnel being overlooked. It is a serious mistake to think that handling and resolving employee problems is straightforward (Xiangxiang, Yue, & Yunwen, 2022).

Over the years, there have been a number of mergers and acquisitions in the United States, all with the goal of expanding (Sinkkonen, 2019). Wall Street dealmakers have a history of expanding businesses, and some of the most recognizable names in the corporate world have taken part in multibillion-dollar mergers and acquisitions. An anticipated $11 billion combination of American Airlines and US Airways was previously announced. In contrast, the $28 billion joint acquisition of the food giant Heinz by Warren Buffett's Berkshire Hathaway and the private equity group 3G was announced. These are only two merger and acquisition transactions that follow the $20 billion-plus takeover of Dell private equity firm Silver Lake Partners and its founder, Michael Dell (Bader et al., 2018). Mergers and acquisitions might have wrong motivations. Many times, there are delicate challenges surrounding attempts to successfully integrate entities. Mergers are typically driven mostly by one common factor: fear. Globalization and technical innovations, according to Bader et al. (2018), have had a significant impact on the global economic landscape due to their direct impact on administrative choices at the corporate level. When a company merges or acquires another, the choice is typically centered on market fit or product, with distinctions among personnel being overlooked.

Financial market breakdown, technological innovation, and the foundation of the European Monetary Union (European single currency) in Europe created a common platform for bank rivalry, which led to expansion. Mergers and acquisitions were employed to grow the business. Bank mergers and acquisitions in Europe have reduced the number of banking institution in individual nations within the Union, according to Xiangxiang, Yue, and Yunwen (2022). Bank mergers and acquisitions in Indonesia totaled 2.1 billion US dollars as of April 6, 2017, translating to Rp. 27.93 trillion at an exchange rate of Rp. 13,300 for one US dollar. This figure climbed by 2.1% over the same time the prior year. The total number of agreements reached 56. From this amount, 334.1 billion US dollars have full status, 707.5 billion US dollars have pending status, and 1 billion US dollars have suggested status (Mardianto, Christian, & Edi, 2018). Studies show that these mergers and acquisition were greatly influenced by the valuation and worth of the companies. Without that, it would be difficult to make a meaningful decision (Selvi, 2019; Bader, et al. 2018).

Although merger and acquisition seemed good very good for businesses, Zorn, DeGhetto, Ketchen, & Combs (2020) asserted that mergers affect shareholders in the sense that the smaller company shares are likely to have increase while the shares of a bigger company might fall thereby causing some challenges to shareholders, making it difficult for investment and other business opportunities. This generally affects business organizations as shareholders and investors tend to move towards the companies whose shares are doing well in the financial market (Zhang & Fang, 2019). In addition, the proposed merger premium may also be discounted by the market if the transaction confronts major potential obstacles, such as regulatory clearance. On the other hand, if investors feel that the news of the acquisition would result in larger offers from more bidders, shares of a firm may trade above the planned merger premium (Selvi, 2019).

When an organization announces that it will acquire another, the share price of the target company frequently increases and approaches the takeover price, while the share price of the acquiring company occasionally declines to reflect the cost of the acquisition. Both companies' shares may increase if the market perceives a merger to provide synergies that will benefit the acquirer and the target. Both share prices may even decrease if investors believe the transaction to be a mistake. These according to Selvi (2019) affect the performance of these companies, thereby making it hard for potential investors to be attracted. In Nigeria, Bader et al. (2018) posits that although performance improvement is an objective of mergers and acquisitions, outcomes are frequently unsatisfactory. Merger and Acquisition in the Nigerian companies has not really made wave in the industry unlike the banking industry. Most of the merger and acquisition deal of some organizations end at the pre-merger stage, those being acquired still perform below expectation (Bader, 2018), this seems to be the reason for poor organizational performance experienced among some commercial banks in Nigeria.

West African enterprises, like their global rivals, are not falling behind in their pursuit of excellence in business performance. Several mergers and acquisitions were completed across several businesses, with the banking industry posting the largest number of mergers. However, as highlighted in the study, not all mergers and acquisitions result in superior outcomes; the end result happens to be failure due to poor valuation of assets. In Nigeria, some banks failed as a result of poor valuation issues which has made it necessary for more studies to be carried out to examine the possible reasons for such failures. In addition, studies, (Mardianto, Christian, & Edi, 2018; Selvi, 2019; Bader, et al. 2018) have had inconclusive findings thereby creating a gap which needs

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to be filled. Hence, this study examined the effect of assets valuation on mergers, and acquisition of selected money deposit banks in Nigeria.

2.0 Literature Review

2.1 Conceptual Review

Merger and acquisition deals have the potential to break new ground in corporate restructuring and, if they are successful on a global scale, might overtake organic growth as the fastest way for businesses to grow (Sinkkonen, 2019). With an average transaction value of $1 trillion annually, the acquisition market is strongly proactive on a global scale (Qin & Liu, 2022). The term Merger and Acquisition are used interchangeably. Qian and Zhu (2018) a merger, according to is the joining of two or more organizations in order to keep the entity operational. A merger is the uniting of two firms, only one of which is still in operation. Apreku-Djan, Ameyaw, Ayittah, Ahiale, Owusu, (2022) opined that the acquiring company will go through the merger procedure and inherit the liabilities and assets of the merging company. When a corporation purchases another company, a legal subsidiary of another company, or certain assets from another company, it is said to be making an acquisition. B. Acquired by a production facility. An acquisition, in other words, is the acquisition of a company, a division, or a business asset like a factory.

Thus, Zhang and Fang (2019) defined a merger as the coming together of two or more businesses to form a single, bigger business. These are often deliberate activities that result in a new corporate name (often a mashup of the names of the original firms). Similar to this, Sinkkonen (2019) described a merger as a situation in which the assets of two organizations are owned by a single entity (which may or may not be one of the original two firms), which has all or almost all of the shareholders of the two organizations. A merger, according to Apreku-Djan, Ameyaw, Ayittah, Ahiale, Owusu, (2022) is the coming together of two businesses. The merging firms no longer exist and just one business endures. The merging firm's assets and liabilities are transferred to the acquiring entity. Companies currently use mergers and acquisitions as a strategy to strengthen their competitive position in the global market. In general, mergers and acquisitions aim to increase financial strength, economies of scale, and economies of scope while creating synergies or added value over the medium to long term (Mardianto, Christian & Edi, 2018). Financial statements provide information on mergers and acquisitions that have an impact on the firm and alter operational and financial circumstances. A merger and acquisition's success or failure may be determined by examining the financial performance of the two firms following the combination. Selvi (2019) agrees with Xiangxiang, Yue, & Yunwen, (2022) the fundamental distinction between an acquisition and a merger is how the shareholders are treated: "In the event of an acquisition, shareholders of the acquired company are paid off; in the case of a merger, there is no disinvestment of the owners of the amalgamating companies.

The "takeover of one company's ownership and managerial control by another" is referred to as an acquisition (Apreku-Djan, Ameyaw, Ayittah, Ahiale, & Owusu, 2022). An asset, such as a "plant, a division, or perhaps an entire company," is purchased by the purchasing organization (Luo & Ren, 2021). A corporation is bought by another party in a transaction known as an acquisition (Qian & Zhu, 2018). Additionally, an acquisition typically happens when a stronger corporation buys a weaker one (Renneboog & Vansteenkiste, 2019). According to Apreku-Djan, Ameyaw, Ayittah, Ahiale, and Owusu (2022), an acquisition is the non-cooperative purchase of shares or other assets from another business in order to gain managerial influence and control. An

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acquisition is a transaction in which one company purchases the assets of another company's legal subsidiary, the target entity, from that company (Mardianto, Christian & Edi, 2018).

The lowest cost of capital will be reached when two enterprises combine into one, according to Luo & Ren (2021). For instance, merging will allow a well-known brand, which investors regard as financially reliable, to obtain funds at the most beneficial rate. Additionally, the scale will offer rational diversity for risk mitigation. The combination of two firms results in the creation of a massive company with monopolistic power since large businesses have a greater impact on the market than small ones. According to Wang (2021), a merger of two companies would result in a huge organization and a personnel difficulty. Because mergers do not stop with an agreement, integrating the new firm in a way that assures effective operation and optimizes earnings is a problem (Zhang & Fang, 2019). Since there may be discrepancies between the accounting statements of many firms, reconciliation is a continuous challenge.

2.1.2 Asset Valuation

Asset assessments are conducted on any property to ascertain its value(s) in order to accomplish a certain purpose and serve as a decision-making tool (Yu & Yan, 2022). It is the amount of money used to swap property (Olaniran & Onakoya, 2020). According to Selvi (2019), value is an economic concept that refers to the price that a buyer and a vendor of a good or service that is for sale are most likely to agree upon. The market's view of the benefits accruing to someone who possesses the thing or services and has the option to sell them as of the valuation's effective date is represented by the economic notion of value. Olaniran and Onakoya (2020) assert that a company's asset valuation takes into account asset depreciation and appreciation in order to reflect the assets' current market worth under the going-concern premise. The organization is anticipated to last for a very long period, if not forever. This presumption is used when valuing corporate assets for an ongoing business (Yu & Yan, 2022).

Companies may opt to utilize comparison indicators like price-earnings ratios or enterprise value-to-sales ratios, say Bader, Augustine, Giuliana, John, and Alex (2018). The association may decide to give a multiple of the company's entire earnings as the value proposition for the purchase in the first scenario, the writers underlined. Prior to any such offer being made, financial records and/or stock performance will give a clear indication of the company's worth. As an alternative, businesses might suggest purchasing value as a multiple of revenue (Bader, Augustine, Giuliana, John, and Alex, 2018).

The future worth of the firm is estimated and then discounted to the current value by calculating anticipated income and removing asset depreciation (Luo & Ren, 2021). Once the assets' value has been established, the organization uses it to offer the target company a takeover value by revealing its anticipated future value to the target company's shareholders. According to Bader, Augustine, Giuliana, John, and Alex (2018), accurate asset valuation is essential since it has a big impact on the subsequent organization's financial health.

2.2 Theoretical Review

2.2.1 Agency Theory

The agency hypothesis of Jensen and Meckling was published in 1976. The distinction between the interests of principals and agents is the subject of agency theory. The agency costs and ownership structures model developed by Jensen and Meckling in 1976 is crucial to corporate governance. The most basic kind of agency theory examines instances in which one person (the agent) is in charge of carrying out a cost plan assignment on behalf of another person (the principle). As a result, it may be claimed that both people are utility maximizers since they are driven by both monetary and non-monetary reasons, particularly when there are uncertainties and information asymmetries. If it exists, it may cause problems with incentives. The agency theory is one of the ancient concepts in social sciences, according to Jensen & Meckling (1976).

According to the agency theory, managers are motivated by their own financial gain and work to further those interests rather than that of the shareholders. For instance, managers could be interested in acquiring fancy offices, company vehicles, and other luxuries since they (managers) do not bear the cost of these items; rather, the owners do (shareholders). How to balance the conflicting interests of managers and shareholders is the main problem with agency theory. The stated profitability of the company is therefore impacted when management have incentives to manipulate outcomes, such as reaching or exceeding profits objectives and getting performance-based compensation.

This theory is particularly pertinent to this study since it examines the several performance measures that must be included into a control system in order to obtain satisfactory financial outcomes. Consequently, it eliminates one of the greatest obstacles faced by management accountants: determining which performance indicators to utilize for controlling operations and/or rewarding important individuals in the banking industry. Perrow (1986) asserted that the "principal and agent dilemma" may also arise from the principal side and attacked positivist agency academics for focusing solely on the agent side. He stated that this viewpoint is oblivious to the fact that the principals lie, shirk their obligations, and take advantage of the agents. Additionally, he claimed that the agents are unwittingly dragged into a dangerous working environment where there is little space for intervention and the principals act opportunistically. He believed that individuals are moral and behave honorably while acting in the company's best interests. This argument persisted in the literature on finance and developed into the well-known stewardship concept (Donaldson, 1990).

2.2.2 Stakeholder Theory

The stakeholder theory was made popular by Richard Edward Freeman in 1984. Stakeholder's theory is a theory of organisational management and business ethics that talks about morals and values in managing an organisation. The theory assumes that a business that occupies all its employees in decision making activities influences the performance of the organisation. Also the theory of stakeholder stresses on how relationships affect how the organisation conducts its activities. Strategies implementation entails gathering of information and effective problem solving. Furthermore, the stakeholder theory is that organisations that manage their stakeholder relationships effectively will survive longer and perform better than those organisations that do not as postulated by Shiller (2003). A major purpose of stakeholder theory is to help board of directors and managements understand their stakeholders' environments and manage more effectively within the terms of the relationships that exist for their companies. It is also the purpose of stakeholder theory to help directors and managers improve the value of the consequences of their actions, and minimise the harms to stakeholders (Jensen, 2001).

Theory of stakeholder asserts that organisations should develop certain stakeholder competencies and this encompasses making a commitment to monitoring stakeholder interests. Strategy is a thoughtful search for a plan of action that will develop a business's competitive advantage and compound it. For any organisation, the search is an interactive process that begins with recognition of where you are now and what you have now. It is the process of specifying the organisation's objectives, developing policies and plans to achieve these objectives, and allocating resources to implement the policies and plans to achieve the organisation's objectives (Thompson, et al., 2007). Meanwhile Johnson, Scholes and Whittington (2008), viewed strategy as the direction and scope of an organisation over the long-term, which achieves advantage for the organisation via its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholders' expectations.

Elias and Cavana, (2003) point out that some interesting characteristics of the stakeholder concept is the dynamics of stakeholders, that over time, the mix of stakeholders may change. New stakeholders may join and wish to be included in any considerations, while others may drop out, through no longer being involved in the process. The concept of the dynamics of stakeholders was also acknowledged by Freeman, and according to him, in reality stakeholder's change over time, and their stakes change depending on the strategic issue under consideration. (Aikhafaji, 1989) also contributes to the understanding of this concept of dynamics of stakeholders; to explain it he defined stakeholders as the group to whom the corporation is responsible. Phillips (2003: 5), calls for the principle of fair play by corporations towards its stakeholders the principle of stakeholder fairness provides a defensible source of moral obligations among stakeholders that has been therefore missing in the literature on stakeholder theory.

Criticism of Stakeholder Theory

Why should managers pay attention to stakeholders? Phillip (2003), point out that the most fundamental challenge to stakeholder theory is establishing a justification for managerial attention to stakeholders akin to that justifying maximising shareholder wealth. "Any convincing justification for maximising shareholder wealth must, at its core, be a moral argument". (p. 156). Jensen, (2001), proposes value maximisation of stakeholder theory, stating that a firm cannot maximise value if it ignores the interests of its stakeholders, He points out that the big challenge facing corporate boards and managements is determining the trade-off between the firm's objectives and the interests of its stakeholder groups.

If the stakeholder theory is not good for companies why do so many boards of directors and managements of corporations embrace it? One answer lies in directors and managers undercover of stakeholder theory follow polices that meet their personal interests instead of polices that meet the company's long-term objectives and the interests of its stakeholders. There are other shortcomings with stakeholders' theory which creates problems for the boards of directors. Finding solutions to these problems created by both the shareholder and stakeholder models call for directors to take ethical and moral issues into considerations when setting their business objectives. It is a balancing act that looks good in theory but difficult to deal with in practice, as directors are faced with the problems of determining not only who their companies' stakeholders are, but what their interests actually entail.

Some of the advantages of Stakeholder theory includes that it is a single model that identifies the objectives of a corporation. It also takes economical and ethical questions into consideration. Furthermore, it promotes fairness for everyone involved in the company and gives directors an objective. They must work to benefit the stakeholders. This creates an environment where social wealth is promoted for everyone. Stakeholder theory is a good combination of economy and ethics. No company can survive if it only has the shareholders' economic gain in mind. It needs to accept feedback from creditors, customers, employees, suppliers, and the like. After all, a stakeholder's investment directly impacts the company's performance and wealth. As a result, if directors keep stakeholders in mind, the entire company will stand to benefit from that frame of mind.

Limitations of stakeholder's theory include heterogeneity within stakeholders and pressure groups. Although the stakeholder model does propose a differentiation into distinct categories or segments within each class, many inconsistencies will strike the observer (Freeman, 1984: 56). The members within a category are not at all homogenous; often quite the contrary, and, so far, stakeholder theory has largely ignored intra-stakeholder heterogeneity (Harrison and Freeman, 1999). Stakeholder groups and subgroups may also have multiple interests and multiple roles (Winn, 2017). As Wolfe and Putler expressed it, stakeholder group homogeneity focuses on heterogeneity across rather than within stakeholder groups (2002).

Shareholders, for example, are far from being a monolithic, homogeneous group, differing widely in terms of interests, involvement and influence capacity (Winn, 2017). They represent a vast array of subgroups such as financial partners, institutional or private controlling shareholders or marginal small individual investors, with or without representation on the board, long-term or short-term investors and day traders. They are all bundled in one group as they have a common stake, but they do not necessarily share a common objective. Similarly, other categories of stakeholders are far from homogeneous (Argenti, 2017). For instance, the group labelled employees includes managers, blue- and white-collar workers, production and administrative staff, all with different responsibilities and educational levels. They may have conflicting interests, with both personal and group interests clashing, and they may pursue different agendas and priorities. The supposedly homogenous character of some external stakeholder and pressure groups is similarly at odds with reality

The stakeholder theory was chosen as the underpinning theory for some reasons. First, this theory was employed by different authors (Sinkkonen, 2019; Zorn, DeGhetto, Ketchen, Combs, 2020) to conceptualize organizational performance. Secondly, the theory viewed merger and acquisition as the process through which the stakeholders of an organization increases the financial strength, economies of scale, and economies of scope while creating synergies or added value over the medium to long term, to meet the needs of the markets and to fulfil stakeholders' expectations (Qin & Liu, 2022).

2.3 Empirical Review

Apreku-Djan et al. (2020) carried out a study on the effect of a holistic merger and acquisition capability framework on value-based financial performance of banks in Ghana. The purpose of the study was to investigate the effect of a holistic merger and acquisition capability framework on value-based financial performance of banks in Ghana. The study used a judgmental sampling technique to select four (4) fully licensed and operational commercial banks in Ghana. Multiple regressions are used in showing linear relationship between holistic merger and acquisition capability framework. The findings of the study revealed that there is a strong positive relationship between holistic merger and acquisition capability framework. Furthermore, the study reveals the interdependence of the merger and acquisition motives, pre-M&A success capability strategies, post- merger and acquisition integration capability strategies and managerial competence on shareholder value maximization. The findings of the study will enable the passing of a legislation that will compel all managers to be saddled with shareholders' interest when deciding on any investment activity or financial policy.

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Also, Olaniran and Onakoya, (2020) finds that assets valuation had positive contribution to merger and acquisition. Mazzariol and Thomas (2016) discover, using UK data, that asset valuation has a substantial influence on merger and acquisition of selected Nigerian banks. The data, however, suggest that acquisition also drives performance and growth. Xiangxiang, Yue, & Yunwen (2022) also carried out a study that aimed to evaluate Bank of Africa's performance after acquiring Amalgamated Bank. The study employed financial ratios such as profitability, liquidity and financial leverage. The result showed a significant effect of merger and acquisition on asset valuation. The study concluded that a profit-oriented business would constantly weigh the desirability of entering via internal methods versus entry by acquisition when making its entry choice, and then chose the means commensurate with its corporate objectives of continuing organization growth.

Wang (2021) studied the resilience dividend valuation model guide. Regression analysis with a traditional fixed Effect (FE) model and the Ordinary Least Squares (OLS) technique, as well as correlation analysis, were employed. Taking into account the reporting qualities of understandability, relevance, consistency, comparability, dependability, objectivity, and completeness, the results showed that asset value had a beneficial influence on mergers and acquisitions. The study indicates that more proactive participation of all workers in merging organizations is required to guarantee that the process runs well and that everyone is included in the transition.

Selvi (2019) looked into mergers and acquisitions as a crucial source of company sustainability. According to the findings of this study, profitability performance after mergers and acquisitions shows a large reduction, with the exception of the GPR, which saw a less significant decrease after mergers and acquisitions, and the NPR, which experienced minor gains. According to the study, mergers and acquisitions can cause major industry restructuring and contribute to rapid industrial expansion by establishing an economic scale.

Though several studies have been conducted on mergers and acquisitions, the conclusions differ from various authors (Li, Jian, Li, 2019; Zhang & Fang, 2019 Zorn et al., 2020). The results of some studies have concluded that there exists a positive relationship between mergers and acquisitions and firm performance. Other studies also concluded that mergers and acquisitions harm a firm's performance (Selvi, 2019; Sinkkonen, 2019). Notwithstanding these contradictions in findings, most of these studies focused on businesses operating in different industries in the developed world. Although the Nigerian Banking Sector has had its fair share of the mergers and acquisitions cake, few studies focused on the on the Nigerian based industries and how these mergers and acquisitions affected them thereby creating a gap that needs to be filled.

Gaps in the study

Several studies (Apreku-Djan et al., 2022; Li et al., 2019; Luo & Ren, 2021 and Mazzariol & Thomas, 2016), reviewed above tested the effect of assets valuation on mergers, and acquisition, however few studies have been conducted around money deposit banks. Furthermore, studies such as Selvi (2019), Sinkkonen (2019) and Wang (2021) were conducted in United Kingdom, Japan, USA and Australia on mergers and acquisitions – a major prospect for business sustainability. Thereby making it obvious that most of the studies around merger and acquisition has been done more in the developed economies (Zhang, Fang, 2019). Based on the researcher’s knowledge, there seem to be paucity of information on merger and acquisition around developing countries which Nigeria is one of them.

Also, several studies Sinkkonen (2019); Wang (2021); Renneboog and Vansteenkiste (2019) have used secondary data to examine the effect of merger and acquisition on assets valuation. Few studies utilized primary data to carry out the empirical and inferential aspect of the study. Therefore, these identified gaps makes it imperative for the study to be undertaken thereby filling the identified gaps.

3.0 Methodology

This section explained how the investigation was conducted. This section involves the study population, analysis and techniques and methods of data analysis.

Method of Data Collection and Analysis

This study employed a survey research design. A cross sectional study is advantageous because it is relatively inexpensive, can be administered in a variation of formats, such as virtual assessments, social media assessments, paper assessments, email assessments, mobile assessments, telephone surveys, and allows respondents to provide more honest and valid responses.

The study's participants included employees of three selected Financial Institution in Nigeria (Field survey, 2022). These three financial selected quoted financial institutions have large assets and have either acquired or merged with another bank. The selected banks are well-known in the public, these banks have preserved their credibility for the sake of the society's record, and they are also among the quoted banks in Nigeria. Both senior and managerial workers from these selected banks will be employed in the study. The banks are mentioned in Table 1.

Table 1: Population of the selected Financial Institution

S/n	Financial Institution	Population of senior and management staff
1	UNITED BANK OF AFRICA	781
2	ACCESS BANK	800
3	Polaris BANK	850
	Total	**2431**

Source: Human Resource Department of selected Financial Institution (2022)

The overall sample size for this study was determined using the (Taro Yamane Calculator see Table II), the Taro Yamane frequently calculate the sample size from a population. The framing of the research issue is a crucial and fundamental phase in the research process. Taro Yamane assists researcher in narrowing down a subject into a manageable research question.

A stratified selection strategy was used to choose a representative sample from the research population. Specific categories of senior and managerial workers were represented through stratified sampling.

To collect data from the personnel of the selected commercial banks, this study used primary sources of data collection (questionnaires). Primary data is justified since it allows the researcher to obtain firsthand information and opinions for the study. Furthermore, primary data is less costly and provides more confidentiality. The questionnaire was used to collect primary data since it will help in the collection of data in an orderly and efficient manner. Soft copies of the questionnaires were administered through goggle forms to the listed quoted financial institutions in the study.

In this study, a closed-ended and well-structured modified questionnaire was used. Assets valuation as independent variable while merger and acquisition as dependent variable. For this

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study, the questionnaire was divided into three parts. Respondents were asked to provide demographic information such as their gender, age, educational qualifications, length of service, and management level in Section A, which dealt with demographic aspects. The independent variable which is assets valuation is in Section B. In Section C, this was focus on merger and acquisition. A four-point interval scale was utilized to help respondents in their responses for both the independent and dependent variables, with each point indicator being: 4= strongly agree, 3 = agree, 2 = disagree, 1 = strongly disagree; the questionnaire was tweaked to fit the situation.

Model specification

The variables for this study were operationalized thus:

Y= Dependent Variable

X= Independent Variable

Y= Merger and Acquisition (MA)

X= Assets Valuation (AV)

Functional Relationship

Y = f (X)

Where: Y = Dependent Variable (Merger and Acquisition)

X = Independent Variables (Assets Valuation)

MA =f(AV) *……………Equation 1*

4.0 Data Analysis and Results

4.1 Text of Hypothesis

Hypothesis: There is no significant effect of assets valuation on mergers, and acquisition of selected money deposit banks in Nigeria.

Table 2: Regression analysis of assets valuation and mergers, and acquisition of selected money deposit banks in Nigeria

Variables	*B*	*T*	*Sig*	*R*	*R^2*	Std. Error of the Estimate
(Constant)	9.691	8.758	.000	.528[a]	.279	3.51853
Assets valuation	.544	11.286	.000			
a. Dependent Variable: Mergers, and acquisition						

The result presented in Table 2 shows that Assets valuation has a positive significant effect on mergers, and acquisition of selected money deposit banks in Nigeria ($\beta = 0.544$, $t = 11.286$, $p<0.05$). The r value for the regression model is 0.528 which shows that Assets valuation has a moderate positive significant relationship with merger and acquisition. Furthermore, the r square value for the regression model is 0.279. This finding is supported by a positive and significant unstandardized β coefficient in table 4.3 ($\beta = 0.544$, $t = 11.286$, $p<0.05$). The t-statistic was 11.286, which was more than 1.96 (as observed in the t-tables at 5 percent significance level). Hence, Assets valuation significantly affects mergers, and acquisition of selected money deposit banks in Nigeria. On the strength of these findings, assets valuation significantly affects mergers, and acquisition of selected money deposit banks in Nigeria. The result of the standard error of the estimate is 3.51853. This means that the variability in the prediction is 3.51853. The regression model used to explain the variation in mergers, and acquisition due to the effect of assets valuation can be stated thus:

MA = 9.691+0.544 AV……………………...…………………………. (eq.i)

Where:

MA = Merger and Acquisition

AV=assets valuation

The R^2 value of 0.279 showed that 27.9% variation in the Merger and Acquisition was caused by assets valuation. The constant was 11.426, which suggests that if assets valuation is at zero; the value of Merger and Acquisition would be 9.691. The coefficient of Assets valuation was 0.544 which indicates that one unit change in Assets valuation results in 0.544 units increase in mergers, and acquisition of selected money deposit banks in Nigeria. This suggests that an increase in asset valuation will subsequently increase mergers, and acquisition of selected money deposit banks in Nigeria. Based on the results, the null hypothesis one (Ho_1) which states that there is no significant effect of assets valuation on merger and acquisition of selected money deposit banks in Nigeria was rejected.

Decision

At the 0.05 level of significance, the f = 127.375, where the p-value is 0.000 which is less than 0.05 level of significance adopted for this study. This implies that null hypothesis that there is no significant effect of assets valuation on merger and acquisition of selected money deposit banks in

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Nigeria was not accepted. Therefore, we will accept the alternative hypothesis that there is a significant effect of assets valuation on merger and acquisition of selected money deposit banks in Nigeria

4.3 Discussion of Findings

The study examined the effect of assets valuation on merger and acquisition. The result shows that there is a significant effect of assets valuation on merger and acquisition of selected money deposit banks. This result is consistent with the findings of Silvija (2017) and Cohen and Dalton (2017) which found that assets valuation has a significant correlation with merger and acquisition. The studies of Stallworth, Lynn, and Dean (2014) and Peterson (2012) aligned with the findings and indicated that assets valuation of a business has always been an important issue in dealing with merger and acquisition. The study also found that assets valuation had minimal effect on merger and acquisition of money deposit banks. The study indicated, however, that the age and number of assets of a bank has a significant effect on its financial performance among listed banks in Nigeria. Also, Amahalu and Obi (2020) The influence of valuation on the financial performance of publicly listed conglomerates in Nigeria was investigated. The study discovered that asset valuation has a substantial impact on merging. Ogbodo and Akabuogu (2018) discovered a cause-and-effect link between assets valuation and merger and acquisition in their investigation of the effects of asset valuation decision on the merger acquisition of selected Nigerian banks.

4.4 Implication of Findings

From the analysis carried out, it is deduced that assets valuation contribute significantly to merger and acquisition.

Financial Institutions: The result of the study concluded assets valuation (AV) had a significant effect on merger and acquisition (M&R) of selected quoted financial institutions in Nigeria. As a result of this findings, it is imperetive that Nigerian financial insution has to comprehend how assets valuation affects the merger and acquisition of tha banking institutions, therefore financial institutions should ensure high level of assets which can give high value to attract acquirers as well as mergers.

Investors (Local and Foreign): The result of the study concluded that assets valuation (AV) had a significant effect on merger and acquisition (MA) of selected quoted financial institutions in Nigeria. As a result of this finding, this implies that assets valuation is an important factor to be considered before any meaningful investment can be concluded by investors. Therefore, before making any investment decisions on investment, investors should ensure that all assets are put into consideration so as to make an informed decision.

Future Researchers: The finding of this study is important in that it could serve as a basis for further prospective research following the research findings of this study.

5.0 Conclusion

The result of hypothesis one concluded that assets valuation had a significant effect on merger and acqusition of selected quoted financial institutions in Nigeria.

6.0 Recommendations

i. Based on the findings, the study recommends that adequate valuation of assets be examined or carried before acquiring a bank.

ii. Investors should only invest or merge with banks whose assets have appreciable outlook so as to remain profitable at a long run.

Contribution to Future Research

This study contributed to the body of knowledge in the following areas.

Policy: As a key contribution to the body of knowledge, this study bridged an important gap in earlier research, this research will add knowledge in asset valuation, and merger and acquisition, by carrying out a true and fair examination of the financial institutions before merging takes place.

Concepts: The present study provides a useable information and knowledge on the concepts of asset valuation, and merger and acquisition.

Theories: The study provided information on the theory of asset valuation, and merger and acquisition (Agency Theory). The theory was relevant to the study it showed that assets valuation is a credible tool that enhance the decision to acquire or merger with an organization.

Empirical contribution: The result of the study contributed that asset valuation (AV) had a significant effect on merger and acquisition in selected quoted financial institutions in Nigeria.

Accounting practice: As a result of this research, accounting and auditing practice now know more about how Professional skepticism affects fraudulent financial institution the effort would be valuable to society and would aid in understanding how professional skepticism affects fake reports, particularly in Nigeria's financial industry.

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