

# Corporate Assets and Financial Performance of Agricultural Firms in Nigeria

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## ABSTRACT

The research investigated how corporate assets influence the financial performance of agricultural firms in Nigeria over a decade (2012-2021). Its objectives were to determine the impact of current assets, non-current assets, and intangible assets on the annual profit of these firms. Utilizing secondary data from the annual reports of selected agricultural firms in Nigeria, the study employed an ex-post facto research design and regression analysis to test its hypotheses. The findings revealed that current assets, non-current assets, and intangible assets positively and significantly affect the annual profit of agricultural firms in Nigeria. Consequently, the study recommended that these firms optimize the utilization of current assets to support daily operations and meet ongoing expenses, given their positive impact on annual profits. Moreover, it suggested that agricultural firms should allocate non-current assets towards long-term investments, considering their positive influence on annual profits. Additionally, the study proposed that investing in intangible assets could enhance the market value of agricultural firms, given their significant impact on annual profits.

**Keywords:** Corporate Assets, Financial Performance, and Regression

## INTRODUCTION

There are diverse kinds of corporate assets in the commercial firms, such as current asset, non-current assets, intangible assets, and so on [1]. Examples of non – current assets are building, land, furniture and so on [2]. The productive capacity can be generated by investing in such assets which ensures long term profit range. The kinds of such assets do not change frequently [3]. The basic purpose of the purchase of such assets is to produce and sale more [4]. Assets have significant role in determining the profit ratio of a firm [5].

Corporate assets include intangible assets, non-current assets and current assets [6]. One of the most widely accepted accounting definitions of asset is the one used by the International Accounting Standards Board [7]. The following is a quotation from the IFRS Framework: "An asset is a resource controlled by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise [8]." This means that:

- The probable present benefit involve a capacity, singly or in combination with other assets, in the case of profit oriented enterprises, to contribute directly or indirectly to future net cash flows, and, in the case of nonprofit organizations, to provide services;
- The entity can control access to the benefit;
- The transaction or event giving rise to the entity's right to, or control of, the benefit has already occurred.

Corporate assets are assets other than goodwill that contribute to the future cash flows of both the cash-generating unit under review and other cash-generating units [9].

There are many reasons why the assets are considered to be most important. [10] noted that the non-current assets are about half of the total assets of the Agricultural firm and in a distribution firm.

A greater return on investment can be obtained by having huge level of assets which are not current [11]. However, [12] claimed that there can be negative effect of profit of a firm on the current assets of the firm, while the deficiency of current assets may drop down the stock outs and the liquidity of a firm so that the liquidity of firms could not be disturbed.

[13] defined investment as the art of planning expenditures whose return are expected to exceed one year. It involves a sacrifice of present consumption in exchange of future benefits [14]. Since investment involves a

sacrifice of present condition, there is an element of risk that future outcome may not be realized [15]. The efficiency in the use of assets can be measured with assets turnover ratio [16]. [17] opined that the assets turnover ratio measures the efficiency with which a firm is utilizing its investment in assets, such as land, building, plant and machinery, furniture and so on. It also indicates the adequacy of sale in relation to the investment in assets.

[18] stated that a firm acquires plant and machinery and other productive assets for the purpose of generating sales. Therefore, the efficiency of assets should be judged in relation to sales [19]. Generally, a high assets turnover ratio indicates efficient utilization of assets in generating sales, while a low ratio indicates inefficient management and utilization of assets [20]. Thus a firm, whose plant and machinery has considerably depreciated, may show a higher assets turnover ratio than the firm which has purchased plant and machinery recently [21]. By comparing the asset turnover of the two firms, it cannot be concluded that the former is more efficient in managing assets because of the effects of depreciation [22]. [23] opined that a company's investment in asset is dependent, to a large degree, on its line of business. Some businesses are more capital intensive than others. Firms in the natural resource just as firms in the Agricultural firms and other and industry producers require a large amount of fixed-asset investment and large capital equipment while, service companies and computer software producers need a relatively small amount of fixed assets [24]. [25] is more interested in the average assets. This asset turnover ratio indicator, looked at asset over time and compares the ratio to that of competitors [26]. This gives the investor an idea of how effectively a company's management is in using asset. It is a rough measure of the productivity of a company's assets with respect to generating sales. The higher the number of times turns over, the better. However, investors should look for consistency or increasing fixed assets turnover rates as positive statement of financial position investment qualities.

**Aim of the Study**

The main objective of this study is to examine the effect of Corporate Assets on the financial performance of Agricultural firms in Nigeria.

**Research Questions**

The following research questions are the stated specific objectives:

1. To what extent does current asset affect profit for the year of Agricultural firms in Nigeria?
2. What is the effect of non-current asset on the profit for the year of Agricultural firms in Nigeria?
3. To what extent does intangible asset affect the profit for the year of Agricultural firms in Nigeria?

**METHODOLOGY**

**Research Design**

The researcher will adopt ex-post facto research design. The choice of the ex-post facto design is because the research relied on already recorded events, and researchers do not have control over the relevant dependent and independent variables they are studying with a view to manipulating them [27].

**Area of Study**

The area of study was Agricultural firms in Nigeria.

**Sources of Data**

The source of data was secondary. The main source of data included the financial statements of the selected companies from the Agricultural industry in Nigeria.

**Population of Study**

The population of this study consists of all companies under the Agricultural industry of Nigeria that are listed on Nigeria exchange group. They are forty (40) Agricultural companies in Nigeria. They are listed in the appendix

**Sample Size Determination**

The sample size of this study consists of five selected firms in the Agricultural industry in Nigeria. The sample size was ascertained using judgmental sampling method. They are livestock feeds plc, Presco Plc and okomu palm oil Plc, Ellah lakes Plc and FTN cocoa. These five firms were selected based on the fact that the data for the five firms were all available for the duration of years under study.

**Model Specification**

Model specification is the process of determining which independent variables to include and exclude from a regression equation. The need for model selection often begins when a researcher wants to mathematically define the relationship between independent variables and the dependent variable.

A multiple regression model was used to test the effect of total asset variables (independent variables) on financial performance (dependent variable).

Thus, the model is represented as;

PAT = F (CA, NCA, IA) ..... (1)

Where:

PAT = profit for the year (it is used as a proxy for financial performance)

CA = Current Asset (it is used as a proxy for corporate asset)  
 NCA = Non-Current Asset (it is used as a proxy for corporate asset)  
 IA = Intangible Asset (it is used as a proxy for corporate asset)

In a linear regression form, it will become:

$$PAT = \beta_0 + \beta_1 CA + \beta_2 NCA + \beta_3 IA + \mu \dots\dots\dots (2)$$

$\beta_0$  = Constant Term  
 $\beta_1$  = Coefficient of CA  
 $\beta_2$  = Coefficient of NCA  
 $\beta_3$  = Coefficient of IA  
 $\mu$  = Error Term.

**Description of Variables**

**Current Asset:**

Current asset is a statement of financial position account that represent the value of all assets that can reasonably expect to be converted into cash within one year. Current assets include cash and cash equivalents, accounts receivable, inventory, marketable securities, prepaid expenses.

**Non-Current Asset:**

A noncurrent asset is an asset that is not likely to turn to unrestricted cash within one year of the statement of financial position date. (This assumes that the company has an operating cycle of less than one year.) A noncurrent asset is also referred to as a long-term asset, property plant and equipment, motor van and building and among others.

**Intangible Asset:**

An intangible asset is an asset that is not physical in nature. Corporate intellectual property, including items such as patents, trademarks, copyrights and business methodologies, are intangible assets, as are goodwill and brand recognition.

**Method of data analysis**

In order to achieve the objectives of this study, the research adopted panel least square regression model. The work used descriptive statistics and unit root test with the help of E-View econometric package to analyze the data.

**Decision Rule**

Reject null ( $H_0$ ) if the t-statistics is greater than 2.0 and the probability value is less than 0.05 (5%), otherwise accept null.

**DATA PRESENTATION AND ANALYSIS**

**Data Presentation**

Data for the study, sourced from the annual report of the selected companies were presented, tested and analyzed. The data collected were organized and used for testing the hypotheses. From the analysis and results generated, deductions and logical conclusions were obtained.

**Table 1:** Table showing the pooled data of livestock feeds plc, Presco Plc, okomu palm oil Plc, Ellah lakes Plc and FTN Cocoa processing PLC ( FTNCOCOA)

YR	COMPANIES	NCA (N', 000)	CA (N', 000)	IA (N', 000)	PFY (N', 000)
2012	LF PLC	51691060	22017398	38241819	1655023
2013	LF PLC	80860880	33374063	44217469	1655023
2014	LF PLC	99541189	30565935	69018654	5090863
2015	LF PLC	103736359	39624211	69069118	12516033
2016	LF PLC	117927934	40624211	66071011	14288312
2017	LF PLC	141671195	46087535	83614617	12492742
2018	LF PLC	191863726	42089123	78138749	23036762
2019	LF PLC	290573480	57212923	93218236	24370540
2020	LF PLC	279794899	62248599	88503824	30171590
2021	LF PLC	292015886	66291215	99509663	33482106
2012	PRESCO PLC	89218547	7445927	37643630	44962735
2013	PRESCO PLC	119620518	11104221	44134119	1177402
2014	PRESCO PLC	145928727	29326928	67488036	2861024
2015	PRESCO PLC	189422248	34658110	90160569	6174129

**Table 1 Continued**

2016	PRESCO	198636	380986	882528	7124812
2017	PRESCO	233951	375136	926825	6799200
2018	PRESCO	270439	401853	1.02E+08	9137716
2019	PRESCO	261236	513741	995709	959238
2020	PRESCO	289800	493025	1.05E+08	103291
2021	PRESCO	295909	557254	1.17E+08	996124
2012	OKOMU	168262	131000	493593	100888
2013	OKOMU	182385	171283	571200	746556
2014	OKOMU	170147	262252	6210768	738687
2015	OKOMU	198200	212871	767893	783968
2016	OKOMU	219204	303265	801503	954546
2017	OKOMU	238235	3530547	802527	1060096
2018	OKOMU	241305	375314	8915619	1210606
2019	OKOMU	253354	415774	1.03E+08	1323282
2020	OKOMU	260350	406771	99128629	1222466
2021	OKOMU	269530	442521	1.22E+08	1369924
2012	ELLA PLC	90548	605347	1894285	1460382
2013	ELLA PLC	104412	797200	2570059	1044126
2014	ELLA PLC	106987	786100	2791009	1069878
2015	ELLA PLC	114390	110726	3033211	1308822
2016	ELLA PLC	215447	321614	3843403	2154471
2017	ELLA PLC	253633	398114	3804271	2536336
2018	ELLA PLC	252759	431726	4308034	2527596
2019	ELLA PLC	349676	288112	4252025	3496767
2020	ELLA PLC	356707	284170	380495	3567071
2021	ELLA PLC	3676399	283929	283967	3676395
2012	FTN	718096	106910	890471	3827265
2013	FTN	731914	118608	969505	624443

**Table 1 Continued**

2014	FTN	738687	135411	1127707	906428
2015	FTN	783968	137363	1154016	162877
2016	FTN	921750	179279	3224992	1791109
2017	FTN	1025341	146715	3649762	1785345
2018	FTN	1210606	118637	4375411	2233549
2019	FTN	1323282	9573480	4573625	3302383
2020	FTN	1222466	7794899	5017248	3501845
2021	FTN	1369924	2015886	7249130	3864943

**Source: Financial Statement of the selected companies**

**NB:**  
**NCA:** Non-current Assets  
**CA:** Current Assets  
**IA:** Intangible Assets

PAT: Profit for the year

Table 1 showed the data comprising of non-current asset, current assets, intangible assets and profit for the year of the selected companies under study.

**Table 2:** Table showing the logs of the pooled data of livestock feeds plc, Presco Plc, okomu palm oil Plc, Ellah lakes Plc and FTN Cocoa processing PLC (FTNCOCOA)

YR	COMPANIES	LNCA	LCA	LIA	LPAT
2012	LF PLC	17.76080	16.90734	17.45944	4.204693
2013	LF PLC	18.20824	17.32329	17.60463	4.262680
2014	LF PLC	18.41608	17.23540	18.04989	4.455742
2015	LF PLC	18.45736	17.49495	18.05062	4.234107
2016	LF PLC	18.58558	17.51987	18.00624	4.382027
2017	LF PLC	18.76902	17.64605	18.24173	4.418841
2018	LF PLC	19.07230	17.55530	18.17400	4.406719
2019	LF PLC	19.48737	17.86229	18.35045	4.477337
2020	LF PLC	19.44957	17.94665	18.29856	4.477337
2021	LF PLC	19.49232	18.00957	18.41577	4.532599
2012	PRESKO PLC	18.30660	15.82318	17.44367	4.317488
2013	PRESKO PLC	18.59983	16.22284	17.60274	4.360931
2014	PRESKO PLC	18.79863	17.19402	18.02746	4.368308
2015	PRESKO PLC	19.05949	17.36104	18.31710	4.382027
2016	PRESKO PLC	19.10699	17.45569	18.29572	4.465793
2017	PRESKO PLC	19.27063	17.44021	18.34469	4.454347
2018	PRESKO PLC	19.41556	17.50901	18.44006	4.455742
2019	PRESKO PLC	19.38094	17.75465	18.41638	4.595120
2020	PRESKO PLC	19.48470	17.71349	18.47302	4.772547
2021	PRESKO PLC	19.50556	17.83595	18.58064	4.775082
2012	OKOMU	18.94104	16.38812	17.71464	4.076011
2013	OKOMU	19.02163	16.65625	17.86066	4.094345
2014	OKOMU	18.95217	17.08223	17.94438	4.151197
2015	OKOMU	19.10479	16.87361	18.15658	4.234107
2016	OKOMU	19.20551	17.22753	18.19941	4.234107
2017	OKOMU	19.28877	17.37955	18.20069	4.234107
2018	OKOMU	19.30157	17.44069	18.30590	4.314818
2019	OKOMU	19.35030	17.54307	18.45383	4.317488
2020	OKOMU	19.37754	17.52118	18.41193	4.481080
2021	OKOMU	19.41219	17.60542	18.62173	4.477450
2012	ELLA PLC	18.32139	15.61614	16.75694	4.262680
2013	ELLA PLC	18.46386	15.89145	17.06202	4.304065
2014	ELLA PLC	18.48823	18.18001	17.14450	4.342506
2015	ELLA PLC	18.55513	16.21999	17.22772	4.369448
2016	ELLA PLC	19.18823	17.28628	17.46445	4.387263
2017	ELLA PLC	19.35140	17.49966	17.45422	4.382027

**Table 2 Continued**

2018	ELLA PLC	19.34795	17.58072	17.57858	4.430817
2019	ELLA PLC	19.67252	17.17628	17.56549	4.454347
2020	ELLA PLC	19.69243	17.16250	17.45440	4.369448
2021	ELLA PLC	19.72261	17.16165	17.16179	4.499810
2012	FTN	18.08953	16.18492	16.00209	4.204693
2013	FTN	18.10859	16.28876	16.08713	4.273884
2014	FTN	18.11780	16.42125	16.23828	4.234107
2015	FTN	18.17729	16.43556	16.26134	4.310799
2016	FTN	18.33920	16.70187	17.28903	4.330733
2017	FTN	18.44571	16.50140	17.41276	4.356709
2018	FTN	18.61180	16.28900	17.59410	4.392101
2019	FTN	18.70080	16.07451	17.63840	4.406719
2020	FTN	18.62155	15.86898	17.73098	4.356709
2021	FTN	18.73544	14.51657	18.09898	4.488636

**Source: Eviews 10.0**

Table 2 shows the logs of non-current asset, current assets, intangible assets and profit for the year of the selected companies under study. These variables were logged to improve the regression result of the study.

**Data Analysis**

Data analysis depicts how the data collected for each of the companies are analyzed with diverse analytical tools.

**Descriptive Analysis**

**Table 3: Description of the Characteristics of the Variables under**

**Study for the pooled data of livestock feeds plc, Presco Plc, okomu palm oil Plc, Ellah lakes Plc and FTN Cocoa processing PLC (FTNCOCOA)**

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	LNCA	LCA	LIA	LPAT
Skewness	-1.000589	-1.277835	-0.789867	0.511028
Kurtosis	3.268395	4.332848	2.700950	3.149222
Jarque-Bera	5.095942	10.38491	3.231237	1.333580
Probability	0.078240	0.005558	0.198768	0.513354
Observations	50	50	50	50

**Source: Author’s Computation from Eviews 10.0**

Table 3 contains the description of the variables using normality test which comprises of Skewness, Kurtosis and Jarque-Bera Statistics. The table showed that the logs of non-current assets, current assets and intangible assets were negatively skewed while the log of profit for the year is positively skewed. It was also shown that the logs of non-current assets, current assets and profit for the year are leptokurtic as their kurtosis values are greater than three (3) while the log of intangible asset is less than three (3) and therefore, it is platykurtic. The table also showed that the logs of non – current assets, intangible assets and profit for the year are not normally distributed as their probability values are greater than 0.05 while the log of non – current assets is normally distributed as its probability value is less than 0.05.

**Regression Analysis**

**Table 4: Regression Analysis Table**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNCA	0.229817	0.054814	4.192664	0.0004
LCA	0.429247	0.058467	7.341671	0.0000
LIA	0.507671	0.064116	7.918028	0.0000
R-squared	0.837159	Mean dependent var		4.370171
Adjusted R-squared	0.795467	S.D. dependent var		0.171467
S.E. of regression	0.133319	Akaike info criterion		-1.097511
Sum squared resid	0.479894	Schwarz criterion		-0.957392
Log likelihood	19.46267	Hannan-Quinn criter.		-1.052686
Durbin-Watson stat	0.025001			

**Source: Researcher’s Computation from E-views 10.0**

Table 4 above shows that the R<sup>2</sup> is 0.837159 which is about 84%. The R<sup>2</sup> is used to explain the goodness of fit. Therefore, since it is about 84%, it implies that about 84% change in the dependent variable being log of profit for the year is explained by the independent variables and the higher the R<sup>2</sup> the better fit the independent variables. Since the F – statistics is 19.46267 which is greater than 2.0 and the probability value is 0.025001 is <0.05. This shows that the model is significant and has a high goodness of fit.

**Test of Hypotheses**

The test of hypothesis was carried out as follows:

Step 1: Re-statement of the hypothesis in the null and alternate forms

Step 2: Statement of decision criteria

Step 3: Presentation of test result

Step 4: Decision

**Test of Hypothesis one**

**Step 1: Restatement of the hypothesis.**

Current asset does not have significant effect on the profit for the year of Agricultural firms in Nigeria.

**Step 2: Statement of Decision Criteria**

Reject  $H_0$  if the t-statistics is  $>2.0$  and the probability of the t-statistics is  $<0.05$ .

**Step 3:** Presentation of test result.

**Table 5: Test of Hypothesis One**

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
Long Run Equation				
LCA	0.429247	0.058467	7.341671	0.0000
Short Run Equation				
COINTEQ01	-0.365962	0.191237	-1.913659	0.0701
D(LCA)	-0.106343	0.033419	-3.182107	0.0047
C	-1.110652	0.627279	-1.770586	0.0919
Mean dependent var	0.043961	S.D. dependent var		0.056854
S.E. of regression	0.055144	Akaike info criterion		-2.370956
Sum squared resid	0.060817	Schwarz criterion		-1.903890
Log likelihood	45.56434	Hannan-Quinn criter.		-2.221538

\*Note: p-values and any subsequent tests do not account for model

selection.

**Source: Author's Computation from E-View 10.0**

**Step 4: Decision**

Given the decision criteria to reject  $H_0$  if the t-statistics is  $>2.0$  and the probability of the t-statistics is  $< 0.05$ . Table 5 shows the t-statistics of log of current assets as  $7.341671 > 2.0$  with a probability of the t-statistics of  $0.0000 < 0.05$ . We reject the null hypothesis ( $H_0$ ) and conclude that current asset has positive and significant effect on the profit for the year of Agricultural firms in Nigeria.

**Test of Hypothesis Two**

**Step 1: Restatement of the hypothesis.**

Non-current asset does not have significant impact on the profit for the year of Agricultural firms in Nigeria.

**Step 2: Statement of Decision Criteria**

Reject  $H_0$  if the t-statistics is  $>2.0$  and the probability of the t-statistics is  $<0.05$ .

Step 3: Presentation of test result

**Table 6: Test of Hypothesis Two**

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
Long Run Equation				
LNCA	0.229817	0.054814	4.192664	0.0004
Short Run Equation				
COINTEQ01	-0.268520	0.139401	-1.926237	0.0684
D(LNCA)	-0.182034	0.082639	-2.202753	0.0395
C	0.059599	0.021601	2.759041	0.0121
Mean dependent var	0.043961	S.D. dependent var	0.056854	
S.E. of regression	0.058053	Akaike info criterion	-2.198243	
Sum squared resid	0.067404	Schwarz criterion	-1.731177	
Log likelihood	42.97364	Hannan-Quinn criter.	-2.048824	

\*Note: p-values and any subsequent tests do not account for model selection.

**Source: Author’s Computation from E-View 10.0**

**Step 4: Decision**

Given the decision criteria to reject  $H_0$  if the t-statistics is  $>2.0$  and the probability of the t-statistics is  $< 0.05$ . Table 6 shows the t-statistics of log of non – current assets as  $4.192664 > 2.0$  with a probability of the t-statistics of  $0.0004 < 0.05$ . We reject the null hypothesis ( $H_0$ ) and conclude that non-current asset has positive and significant impact on the profit for the year of Agricultural firms in Nigeria.

**Test of Hypothesis Three**

**Step 1: Restatement of the hypothesis.**

Intangible asset does not have significant impact on the profit for the year of Agricultural firms in Nigeria **Step 2:**

**Statement of Decision Criteria**

Reject  $H_0$  if the t-statistics is  $>2.0$  and the probability of the t-statistics is  $<0.05$ .

**Step 3: Presentation of test result.**

**Table 7: Test of Hypothesis three**

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
Long Run Equation				
LIA	0.507671	0.064116	7.918028	0.0000
Short Run Equation				
COINTEQ01	-0.416997	0.261612	-1.593952	0.1266
D(LIA)	-0.193136	0.043141	-4.476888	0.0002
C	-2.011007	1.318115	-1.525668	0.1428
Mean dependent var	0.043961	S.D. dependent var	0.056854	
S.E. of regression	0.054252	Akaike info criterion	-2.333762	
Sum squared resid	0.058866	Schwarz criterion	-1.866696	
Log likelihood	45.00642	Hannan-Quinn criter.	-2.184343	

\*Note: p-values and any subsequent tests do not account for model selection.

**Source: Author’s Computation from E-View 9.0**

**Step 4: Decision**



Given the decision criteria to reject  $H_0$  if the t-statistics is  $>2.0$  and the probability of the t-statistics is  $< 0.05$ . Table 7 shows the t-statistics of LTA as  $7.918028 > 2.0$  with a probability of the t-statistics of  $0.0000 < 0.05$ . We reject the null hypothesis ( $H_0$ ) and conclude that intangible asset does not significantly affect profit for the year of Agricultural firms in Nigeria.

### DISCUSSION OF FINDINGS

The following results were generated from the analysis of study;

#### Discussion of Hypothesis One

Current assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria due to the fact that the t-statistics of log of current assets being  $7.341671$  was greater than  $2.0$  while the probability value being  $0.0000$  was less than  $0.05$ . This discovery is in agreement with the finding of [28] who studied the impact of asset quality on performance of six largest banks quoted in Nigeria stock exchange. The author found out that a statistical relationship exists between asset quality and bank performance. This implies that short term investments by the Oil and Gas firms in Nigeria promote their market value.

#### Discussion of Hypothesis Two

The study discovered that non-current assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria based on the premise that the t-statistics of log of non – current assets which was  $4.192664$  was greater than  $2.0$  while the probability value being  $0.0004$  was less than  $0.05$ . This assertion is in agreement with the findings of [29]. They studied evaluation of the effect of non-current fixed assets on profitability and asset management efficiency and found out that the differences in the measurement of accounting figures under IFRS and EAS may directly affect the numerator of ratio calculations, their denominator, or both. In cases where the difference in measurement affects only the numerator or only the denominator, the effect of the changes is straightforward, easy to identify and to interpret. Identification and interpretation are less obvious in cases of numerous diverging effects on ratios. It also agreed with the finding of [30] who studied the relationship between Non-Current Assets and Firms Profitability. The author found out that there is an association between Non-Current Asset and Firms Profitability indicating hypothesis is accepted.

#### Discussion of Hypothesis Three

The study discovered that intangible assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria due to the fact that the t-statistics of intangible assets which was  $7.918028$  was greater than  $2.0$  while the probability value being  $0.0000$  was less than  $0.05$ . This discovery is in agreement with the findings of [31] who studied Asset Structure and Financial Performance: A Case of Firms Quoted under Commercial and Services Sector at the Nairobi Securities Exchange, Kenya. The authors found out that asset structure had a significant statistical effect on the financial performance. This assertion was also in agreement with the statement of [32] tested empirically the relationship between intangible assets, financial policies, and financial performance on the firm value at going-public company in Indonesia. The author found out that intangible assets have no significant influence to financial policies, but has positive and significant influence to financial performance (ROA) and firm value.

### CONCLUSION AND RECOMMENDATIONS

#### Summary of Findings

The summary of findings for this study includes the following:

1. The study found out that current assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria.
2. Non-current assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria.
3. Intangible assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria.

#### CONCLUSION

The study showed that the logs of non – current assets, current assets and intangible assets are integrated of order zero while the log of profit for the year is integrated of order one. The study also concluded that current assets, non – current assets and intangible assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria.

#### RECOMMENDATIONS

1. It is recommended that Agricultural firms in Nigeria should effectively utilize current assets in funding day-to-day operations and paying ongoing expenses as the study found out that current assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria.
2. Agricultural firms in Nigeria should use non-current assets for long term investments as the study found out that non-current assets have positive and significant effect on profit for the year of Agricultural firms in Nigeria.
3. Agricultural firms in Nigeria should invest more in intangible assets to further improve on their market value as the study found out that intangible asset has significant effect on the net profit for the year of Agricultural firms in Nigeria.

### Contributions to Knowledge

The aim of every research is its contribution to existing knowledge; hence, this study contributes to the existing knowledge by evaluating the effect of corporate assets on the financial performance of Agricultural firms in Nigeria. It added to existing knowledge by establishing that Non-current assets have a significant effect on profit for the year of Agricultural firms in Nigeria under study, current assets have a significant effect on profit for the year of Agricultural firms in Nigeria under study and Intangible assets has a significant effect on profit for the year of Agricultural firms in Nigeria under study

### Suggested Area for further Studies

Other researchers can examine further on effect of corporate assets on the financial performance of oil and Gas sector in Nigeria because this study was carried out on Nigeria Agricultural firms

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