EFFECT OF TAXATION ON HOUSEHOLD CONSUMPTION IN NIGERIA

BY

[STUDENT'S FULL NAME]

[MATRIC NUMBER]

BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF ECONOMICS, FACULTY OF SOCIAL SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc.) DEGREE IN ECONOMICS

[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Effect of Taxation on Household Consumption in Nigeria" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

______________________________ ______________________

PROJECT SUPERVISOR Date

______________________________ ______________________

HEAD OF DEPARTMENT Date

______________________________ ______________________

EXTERNAL EXAMINER Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

ACKNOWLEDGEMENT

My profound gratitude goes to Almighty God for His grace, protection, and guidance throughout the duration of my study and the successful completion of this research project. I am deeply grateful to my supervisor, [SUPERVISOR'S NAME], for the patience, guidance, constructive criticism, and invaluable direction provided throughout the course of this research. I also wish to appreciate the Head of Department, the lecturers of the Department of Economics, and my course mates for their support and friendship. My appreciation also goes to my parents and siblings for their unwavering support, both financial and emotional, throughout my academic journey.

ABSTRACT

This study examined effect of taxation on household consumption in nigeria, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of effect; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with effect and taxation. The study adopted a descriptive survey research design, anchored on the Rational Choice Theory and the Institutional Theory. A sample size of 416 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 393 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 2.98). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.504$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 8.45, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.11$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on effect.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of effect of taxation on household consumption in nigeria is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

In recent years, effect has emerged as a central theme in scholarly discourse on economics. Public institutions at the federal, state, and local levels have developed programmes that seek to mainstream effect into routine governance. Studies conducted within the West African subregion by Okonkwo and Bamgbose (2018) reached conclusions broadly consistent with the Nigerian evidence. Accordingly, there is a growing consensus that deliberate policy action is required. Studies conducted within the West African subregion by Alade and Bamgbose (2018) reached conclusions broadly consistent with the Nigerian evidence. Accordingly, there is a growing consensus that deliberate policy action is required. The reviewed studies, while valuable, are frequently dated, small in scale, or confined to a single locality.

A growing corpus of literature draws attention to the pivotal role of effect in shaping developmental trajectories. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which effect unfolds. Longitudinal research by Umeh and Salami (2016) revealed that sustained attention to effect yields appreciable dividends over time. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. Field evidence gathered by Adekunle and Adekunle (2016) suggested that stakeholder engagement materially improves the results achieved in matters of effect. Accordingly, there is a growing consensus that deliberate policy action is required. Nevertheless, the existing literature is not without its limitations, and several questions remain unresolved.

Scholars have long recognised effect as a critical determinant of outcomes in economics. Federal and state governments have initiated several reforms, yet implementation gaps continue to constrain progress in matters of effect. Research by Adekunle and Adekunle (2021) using mixed methods provided particularly rich insight into the mechanisms connecting effect and taxation. Such findings reinforce the argument that effect deserves a place of priority on the development agenda. The work of Kalu and Obiora (2023) extended earlier analyses by demonstrating that taxation reinforces the effects of effect. Accordingly, there is a growing consensus that deliberate policy action is required. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

Debates on national transformation repeatedly return to the role of effect and its attendant dynamics. Nigeria's federal structure and its diverse cultural geography ensure that the experience of effect varies considerably from one region to another. An examination by Eze and Obiora (2019) attributed much of the observed variation in outcomes to institutional capacity and policy continuity. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. Comparative work by Oyelaran and