

PAYE COMPLIANCE IN THE INFORMAL TRANSPORT SECTOR

BY

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DEGREE IN ACCOUNTING

[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "PAYE Compliance in the Informal Transport Sector" 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.

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ABSTRACT

This study examined paye compliance in the informal transport sector, 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 paye; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with paye and compliance. The study adopted a descriptive survey research design, anchored on the Agency Theory and the Positive Accounting Theory. A sample size of 420 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 397 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 = 3.15). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.458$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 7.47, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.32$, $p > 0.05$). 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 paye.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of paye compliance in the informal transport sector 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.

Debates on national transformation repeatedly return to the role of paye and its attendant dynamics. National policies and programmes have sought, with varying degrees of success, to respond to the realities of paye and compliance. Adekunle and Okonkwo (2020), in a survey of relevant stakeholders, concluded that the benefits of paye are unevenly distributed across groups. Accordingly, there is a growing consensus that deliberate policy action is required. Findings reported by Kalu and Chukwu (2018) observed that respondents with greater exposure to paye recorded markedly different results. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. Despite these advances, notable gaps persist, particularly with respect to context-specific evidence from Nigeria.

The salience of paye in national discourse has grown steadily, driven by changing social conditions and technological penetration. Public institutions at the federal, state, and local levels have developed programmes that seek to mainstream paye into routine governance. Comparative work by Ibrahim and Adeniyi (2022) across several states uncovered a consistent pattern linking paye with compliance. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. Empirical evidence from Bello and Bamgbose (2021) suggests that positive developments in compliance are associated with improvements in paye. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

Over the past two decades, paye has become increasingly significant within the Nigerian landscape and beyond. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which paye unfolds. A notable study by Bello and Bamgbose (2017) argued that the impact of paye is substantially mediated by the quality of institutions. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. Research by Nwosu and Adeniyi (2021) using mixed methods provided particularly rich insight into the mechanisms connecting paye and compliance. The practical import of these findings extends well beyond the academic sphere into everyday institutional practice. A recurring weakness in the literature concerns the difficulty of isolating the precise influence of {k0} from confounding factors.

The salience of paye in national discourse has grown steadily, driven by changing social conditions and technological penetration. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which paye unfolds. Evidence assembled by Nwosu and Ogbeide (2015) across twelve states underscored the heterogeneity of outcomes linked to paye.