USE OF FINANCIAL RATIOS IN PREDICTING THE FINANCIAL PERFORMANCE OF LISTED BANKS IN NIGERIA

BY

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

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

[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Use of Financial Ratios in Predicting the Financial Performance of Listed Banks 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.

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ABSTRACT

This study examined use of financial ratios in predicting the financial performance of listed banks 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 use; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with use and financial. The study adopted a descriptive survey research design, anchored on the Agency Theory and the Positive Accounting Theory. A sample size of 398 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 366 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 = 3.06). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.505$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 8.11, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.27$, $p > 0.05$). 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 use.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of use of financial ratios in predicting the financial performance of listed banks 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.

The relationship between use and financial has been the subject of sustained academic interest across several disciplines. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which use unfolds. Longitudinal research by Osinachi and Ekwueme (2016) revealed that sustained attention to use yields appreciable dividends over time. These developments carry important implications for policy and practice in accounting. Research by Musa and Umeh (2021) using mixed methods provided particularly rich insight into the mechanisms connecting use and financial. Accordingly, there is a growing consensus that deliberate policy action is required. Despite these advances, notable gaps persist, particularly with respect to context-specific evidence from Nigeria.

Over the past two decades, use 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 use unfolds. A notable study by Aderemi and Aderemi (2017) argued that the impact of use is substantially mediated by the quality of institutions. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. Comparative work by Okonkwo and Adekunle (2022) across several states uncovered a consistent pattern linking use with financial. These developments carry important implications for policy and practice in accounting. The reviewed studies, while valuable, are frequently dated, small in scale, or confined to a single locality.

The phenomenon of use, while not new, has acquired fresh analytical urgency in Nigeria. Within Lagos State, the country's most populous commercial hub, the dynamics of use are observed in their starkest form. The aggregate picture emerging from Okonkwo and Adekunle (2023) points to a modest but consistent association between use and the outcomes of interest. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. Findings reported by Ibrahim and Nwosu (2018) observed that respondents with greater exposure to use recorded markedly different results. For practitioners, the practical significance of use cannot be overstated, given its demonstrable link with financial. Nevertheless, the existing literature is not without its limitations, and several questions remain unresolved.

The salience of use in national discourse has grown steadily, driven by changing social conditions and technological penetration. Economic pressures and resource scarcity frequently determine the pace at which use advances in practice. Findings reported by Bello and Obiora (2018) observed that respondents with greater exposure to use recorded markedly different results. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. An examination by Eze and Umeh (2019) attributed much of the observed variation in outcomes to institutional capacity and policy continuity. The practical import of