Evaluation of the Relationship between Corporate Growth and Shareholders' Value of Manufacturing Firms in Nigeria (2008-2017)

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Abstract: The study evaluated the relationship between corporate growth and shareholders' value of manufacturing firms in Nigeria from 2008 to 2017. The specific objectives of the study which were to evaluate the relationship between sales growth, profit growth and shareholders' value of manufacturing firms in Nigeria, The study adopted ex post facto research design. Secondary data were extracted from annual reports and accounts of the firms. The population of the study was 42 while judgemental sampling technique was employed to select four firms used for the study. Spearman's Covariance Analysis technique was used to test the collected data. The results revealed, among others, that sales growth has a positive and strong association with shareholders' value of manufacturing firms in Nigeria. The implication of the findings is that as sales growth and profit growth increase, net asset per share will also increase. Therefore, these variables provide a sound benchmark for measuring net asset per share of manufacturing firms in Nigeria. The study concludedthat efficient utilization of corporate resources is a sine qua none for maximization of shareholders' value in Nigeria. Hence, it is recommended that managers of manufacturing companies should vigorously strive to increase the amount of sales they make because an increase in sales results to an increase in shareholders' value, among others.

Key words: Corporate growth, manufacturing firms, shareholders' value

1.0 INTRODUCTION

Throughout the world, firms seek growth in order to meet its interests in sources of information, benefits and profits. Business organizations see corporate growth from different perspectives. This could be seen from the multiplicity of various growth estimation models. Some look at it from sales figures, number of workers, physical extension in terms of business branches, etc in order to pass judgment on hierarchical growth. A more commonly applied corporate growth model is the one that attempts to

demonstrate the advancement an organization has made towards the achievement of its objectives and goals in line with shareholders' expectation.

McGrath (2001) believes that growth is fundamental to the achievement and life span of any business. Asimakopoulos, Samitas and Papadogonas (2009) argue that growth is an exceptionally basic factor for the accomplishment of a business, and is additionally the wellspring of advancement and development of a nation's economy. They went further to express that organization's growth and national monetary development are reliant. This is so in the light of the fact that organizations require empowering financial condition and great macroeconomic variables like inflation rate, interest rate, foreign exchange rate and accessibility of vitality at moderate costs, among others for the organization to flourish. Organization's growth in its on commitment makes business and animates national monetary development.

Vijayakumar and Devi (2011) think about growth as a continuous, efficient and composed procedure and that profitability affects it. Increment in growth requires exertion of both business and representatives at the work environment, which sets aside a long effort to accomplish. Representatives are propelled to accomplish the growth of the organization for their future advantages. Serrasqueiro (2009) believes that devotion of representatives of organizations helps to bring about high growth and profitability.

The growth of an organization is the significant factor that decides the achievement or disappointment of that organization. Uddenberg (2015) opines that notwithstanding the way various researches had been directed on firm growth and elements related with it, there is no intelligent assemblage of information on the topic. He states that firms develop by understanding what their clients need and having the option to fulfill their needs. Andersson, Andersson, Gran and Mossberg (2007) argue that firms that endeavor to manufacture or build up their capabilities are bound to develop and vice versa.

Kouser, Bano, Azeem and Hassan (2012) are of the opinion that sales income, firms' profitability, firm resources and the number of workers are conceivable growth factors. Uddenberg (2015) recognizes four diverse growth markers as growth in work, sales growth, growth in worth included and profitability growth. He believes that any realistic assessment of the growth of any organization should be based on any or combination of these factors. In line with this view, the study will concentrate on a combination of sales growth, resources growth, and benefit growth. This is to evaluate how these growth factors relate with shareholders' benefit of manufacturing firms in Nigeria.

1.2 Statement of the Problem

Various people assert, whether rightly or wrongly, that the real reason for building up a firm is to create incentives for the shareholders. Each and every other objective of a firm is auxiliary to this fundamental reason for the firm. For a firm to make an incentive for its shareholders, such a firm should encounter growth in sales, growth in resources and growth in benefit.

Ordinarily, people expect business organizations to make profits in order to justify the shareholders' expectation. Unfortunately, this is not always the case. Plethora of factors in the business world may make this ambition unrealizable when profits are not made. Even when profits are made, extrinsic and intrinsic policies may not allow the shareholders have 'real' feel of the success story of the organization in a particular period. It is against this background that investors wonder whether organizational growth always result in increase in shareholders welfare.

In some instances, corporate organizations that have growth in sales failed to have corresponding increase in net assets per share. The disconnect between increase in sales and net assets per share has continued to be a source of worry to many shareholders. This is because knowledgeable investors believe that increase in net assets per share has a more lasting shareholders' benefit than majority of other evaluative criteria.

Furthermore, it has been discovered that growth in profit of corporate organizations may not translate to increase in net assets per share. Some may attribute this to applicable retention policy of the organization while others seek explanation beyond that. The inability of growth of some corporate indices to result in shareholders' welfare has been agitating the minds of some investors; hence the need to embark on this study.

1.3 Objectives of the study

The primary objective of this study is to evaluate the relationship between corporate growth and shareholders' value of manufacturing firms in Nigeria. However, the specific objectives are:

1. To determine the relationship between sales growth and net asset per share of manufacturing firms in Nigeria.
2. To ascertain the relationship between profit growth and net asset per share of manufacturing firms in Nigeria.

1.4 Research Questions

The following research questions were posed for the study:

1. To what degree does sales growth relate with net asset per share of manufacturing firms in Nigeria?
2. To what extent does profit growth relate with net asset per share of manufacturing firms in Nigeria?

1.5 Statement of the Hypotheses

The under-stated hypotheses guided the study:

Ho$_1$: Sales growth does not have strong relationship with net asset per share of manufacturing firms in Nigeria.
Ho$_2$: Profit growth does not have strong relationship with net asset per share of manufacturing firms in Nigeria.

1.6 Scope of the Study

The study covered a period of ten years (2008 to 2017) and concentrated only on firms in Nigeria manufacturing sector which are listed on the Nigeria Stock Exchange as at 1st January, 2008 and 31st December, 2017 that still have their shares participating actively in trading activities on the floor of the Nigeria Stock Exchange. These firms include: First Aluminum Nigeria Plc, Larfage Africa Plc, Beta Glass Nigeria Plc and Berger Paint Nigeria Plc.

2.0 REVIEW OF RELATED LITERATURE
2.1 Conceptual Review
2.1.1 Corporate Growth

Pass, Lowes and Davies (2005) characterize firm growth as the extension of size of firm

after some time. For them, firm growth includes growth of advantages, or capital utilized, turnover, benefit and number of representatives. So also, Kouser, Bano, Azeem and Hassan (2012) see firm growth as an expansion in sales of the organization, increment in resources size, increment in volume of generation, increment in the quantity of representatives, growth of the benefits, extension of business through procurement or merger, item development and business extension and enhancement.

2.1.2 Assets Growth

Fredman, Wicks and Parmar (2004) contend that assets growth are increases in ventures (stock, securities), debt claims, stock which in the common course of business can be, or will be, changed over into cash without experiencing a lessening in regard and without upsetting the operations of the firm. Bonnke (2017) characterizes resources as the last proportion of gross venture, cash and cash relative, receivables and different resources as they are shown in a declaration of budgetary position. They are separated into two; current resources, which imply resources that an association can (or will) offer within one year, and non-current resources, which are the benefits an association cannot (or does not plan to) offer within a year. The growth of these advantages connotes that the organization is encountering growth.

2.1.3 Sales Growth

Kennon (2017) depicts sales as the measure of income of an organization during the timeframe secured by the pay explanation which does not speak to the benefit of the business. The sales income figure is significant on the grounds that a business must make sales to generate benefit. In the event that an organization has more income, taking everything into account, it will make more benefit. For new businesses that may not be able to make a benefit, income can at times fill in as a check of potential profitability later on. Hand (2005) argues that sales income is a significant issue in each firm and in each monetary segment, since it is the fundamental business channel through which a firm's advantage and growth openings are changed over into money.

Delmar, Davidson and Gartner (2003) contend that sales are exceptionally appropriate growth variable crosswise over various conceptualizations of the firm. Sanghamitra (1995) attests that more prominent firm growth, as estimated by growth in common logarithm of sales, relates to increment in firm age.

2.1.4 Profit Growth

The main impetus behind an industrialist's drive for business is the quest for benefits. Feldman and Dekaser (1992) opine that benefits give a basic wellspring of financing for capital development which results in future benefit growth, and make the premise whereupon markets dole out qualities to organizations and ventures. Benefit is the measure of cash an organization makes subsequent to deducting costs. From year to year, month to month, benefits will change. Organizations typically need their benefits to develop. To ascertain benefit growth, some authors utilize a rate change formula. This demonstrates the rate the benefit developed starting with one period then onto the next which could be weekly, monthly, quarterly, semi-annually, annually.

2.2 Theoretical Framework

This investigation was moored on two significant growth hypotheses. The hypotheses are: Growth of the Fitter Theory by Alchian (1950) and Financing Constraint Growth Theory by Goldratt (1990).

2.2.1 Growth of the Fitter Theory

Alchian (1950) contends that fitter firms develop and endure while less lively firms lose their piece of the pie and exit through the developmental determination instrument. Therefore, if benefit rates mirror the level of wellness, it is conceivable to foresee that beneficial firms will develop (Jang & Park, 2011). Delmar (2003) states that progressively gainful firms may develop, since they demonstrate a more prominent fit which may enable them to subsidize future aggressive activities with their very own income.

2.2.2 Financing Constraint Growth Theory

Goldratt (1990) contends that firms which do not make benefit do not have a cradle to contribute and will not almost certainly account for their growth or if nothing else their maintainability, and will at last vanish. Here, the cushion is the held income, which will be little if the organization does not make benefit or chooses to allot the majority of its benefit to the shareholders. Put differently, the hypothesis expresses that organizations which generate benefit and after that hold it, benefit from good growth openings while those with no or low benefits do not profit from wise venture openings; so they do not develop quickly (Jang & Park, 2011). Before an organization can make an incentive for its shareholders, it must make or experience benefit growth. For benefit to develop, there must be a growth in resources and sales.

2.3 Empirical Review

Velnampy and Nimalathasan (2010) considered the relationship between firm size and profitability of the considerable number of parts of Bank of Ceylon and Commercial Bank in Sri Lanka for a period of 10 years, beginning from 1997 to 2006. The investigation saw after the connection analysis, that there was a positive relationship between firm size (spoke to with all out resources) and profitability in Sri Lanka Commercial Bank. However, there was no relationship between firm size and profitability in Bank of Ceylon.

Saswata (2010) investigated the significance of the non-current and current resources in the fruitful running of any association in United Kingdom from 2006 to 2008. A sample of 30 UK firms recorded in London Stock exchange were chosen for the study. Brisk ratios, current ratios, normal long periods of installment, stock turnover, and normal gathering period were utilized as proportions of working capital while net working profitability was utilized as proportion of firm execution. It was found that non-current and current resources' posture had direct effects on the profitability and liquidity. It was likewise seen that to improve liquidity, the firms should build their working capital and to improve profitability, working capital should be expanded.

Iqbal and Mati (2012) assessed the relationship between non-current resources and firms' profitability in Pakistan from 2002 to 2011. A sample of 100 non-money related firms recorded in Karachi Stock Exchange (KSE) was chosen and secondary data acquired from them for the study. Multiple regression analysis was utilized. Findings showed solid relationship between non-current resources and firms' profitability.

Fattah and Makarani (2005) assessed the relationship between proportions of firm size and basic stocks return of firms recorded in the Tehran Stock Exchange. A sample of 115 firms for eight years (2003 to 2010) was chosen. Creation growth, sales growth and the organization's net resources growth represented firm size while firm market price per offer was the proportion of stock return. Utilizing F-Limer and Hausman tests, it was found that a positive and critical relationship existed between net resource growth and sales growth with stock returns. It was also shown that there was no critical relationship

between creation growth and stock returns.

Banchuenvijit (2012) acquired a sample of a few firms recorded in Vietnam Stock Exchange to determine the variables influencing exhibitions of firms' working in Vietnam. Basic regression analysis was conducted on the secondary data gathered for the investigation. Findings uncovered a positive connection between all out sales and profitability of the firms. However, results demonstrated a negative relationship between total sales and profitability of the firms on the one hand; and total resources and profitability on the other hand.

Becker, Kaen, Eteban and Bauman (2010) examined the effect of firm size on firm profitability utilizing segment recorded in USA from 1987 to 2002. The examination utilized total resources, total sales and total number of workers as proportions of firm size and autonomous variables while net revenue was utilized as a proportion of profitability and reliant variable. Secondary data of 1987 to 2002 were gathered. Straight forward regression model was used to analyze gathered data. Findings revealed a negative and factually critical relationship between the total resources, total sales, number of representatives of the firms and their profitability.

Niresh and Velnampy (2014) investigated the effects of firm size on profitability of recorded firms in Sri Lanka. Secondary data were gotten from a sample of 15 firms which were dynamic in Colombo Stock Exchange (CSE) from 2008 to 2012. Return on Assets and Net Profits were utilized as proxies for profitability while Total Assets and Total Sales were utilized as markers of firm size. Relationship and regression models were utilized in the experimental analysis. Finding demonstrated no characteristic relationship between firm size and profitability of the recorded firms. Moreover, it was shown that firm size had no significant effect on profitability of the recorded firms in Sri Lanka.

Athar and Madhu (2012) set out to know the relationship between non-current resources and firms profitability in Pakistan from 1991 to 2000. Nine (9) firms recorded in Karachi Stock Exchange (KSE) were chosen for the examination. The nine firms were chosen from various area of the economy including Textile, Chemical, Engineering, Sugar and Allied, Paper and Board, Cement, Fuel and Energy, Transport/Communication and Jute Sector. Secondary data were acquired from the distributed monetary records of the chose organizations. Multiple regression analysis was applied. Findings showed a relationship between non-current resources and firm's profitability.

Shamsudin, Mahmood and Ismail (2013) assessed the relationship between verifiable monetary presentation measures and stock prices of Islamic banks recorded in Negara Stock Exchange, Malaysia. Money related ratio apparatuses were utilized to create data of reliant and free variables. Quarterly data were gathered from the chosen banks from 2007 to 2012 for the investigation. Pooled Ordinary Least Square Models (POLS), Random Effect Model (REM), Fixed Effect Model (FEM), Breusch and Pagan Langarian Multiplier Test and Hausman Fixed Test were altogether used to examine the data gathered for the examination. Result showed a critical relationship between profitability, effectiveness and liquidity and banks stock execution.

Ditaa and Murtaqi (2014) assessed the effect of some profitability estimates, namely, net revenue, price to book worth and debt to equity ratio on stock return of buyer products part recorded in Indonesia. A sample of twenty (20) recorded shopper products division was chosen for the examination. Secondary data were gathered from the fiscal summary from 2009 to 2013. Multiple linear regression analysis was applied. Both

Normality and multicollinearity tests were additionally done. Finding showed that the net revenue, price to book worth, and debt equity ratio significantly influenced stocks return. In particular, net revenue and debt equity ratio had noteworthy effect on the stocks return, while price to book esteem significantly and contrarily influenced the stocks return for the period.

Nurhakim, Yunitab and Iradiantyc (2016) investigated the effect of profitability and inflation on stock returns of pharmaceutical ventures on BEI Stock Exchange, Indonesia from 2011-2014. Return on resources, return on equity, net revenue and gross net revenue were used as free variables and proportions of profitability/inflation while full scale stock price was utilized as proportions of stock return. Data were analyzed with regression model. Results demonstrated that somewhat return on resources and net overall revenue had critical effect on the stock prices, while return on equity, net revenue and inflation had no noteworthy effect on the stock prices. All the profitability estimates set up together significantly influence on the stock prices.

3.0 MATERIALS AND METHODOLOGY

The study adopted an *ex post facto* research design. The research was conducted in the Nigerian manufacturing sector of the economy using companies presently quoted on the Nigerian Stock Exchange Market. Time series data (2008 – 2017) were extracted from the annual reports and accounts of the selected listed manufacturing firms in Nigeria. The population of the study was forty-two manufacturing firms listed on the Nigerian Stock Exchange as at December 2017. However, due to unavailability of data from some of the firms up to 2017, judgmental sampling technique was used to select 4 firms from the Nigerian manufacturing sector. Graphical representation of the dependent and independent variables was done while covariance analysis was conducted. The models for the study are specified as follows:

$$r = [1/(n-1)] \times \sum [((\text{SGROWTH} - \overline{\text{SGROWTH}})/S_{\text{SGROWTH}}) \times ((\text{NAPS} - \overline{\text{NAPS}}) /S_{\text{NAPS}})] \ldots\ldots(2)$$

$$r = [1/(n-1)] \times \sum [((\text{PGROWTH} - \overline{\text{PGROWTH}})/S_{\text{PGROWTH}}) \times ((\overline{\text{NAPS}} - \text{NAPS}) /S_{\text{NAPS}})] \ldots\ldots\ldots(3$$

Where :

n   = number of observations in the sample

$\overline{\sum}$ = summation

S_{NAVPS} = the sample standard deviation of the net asset value per share

AGROWTH   = the value of asset growth

AGRO$\overline{\text{W}}$TH   = the sample mean of the asset growth

S_{AGROWTH} = the sample standard deviation of asset growth

SGROWTH   = the value of sales growth

SGRO$\overline{\text{W}}$TH   = the sample mean of sales growth

$S_{SGROWTH}$= the sample standard deviation of sales growth

PGROWTH   = the value of profit growth

$\overline{PGROWTH}$ = the sample mean of profit growth

S_{NAVPS} = the sample standard of profit growth

4.0 DATA PRESENTATION AND ANALYSIS

4.1   TABLE 2: PANEL DATA FOR ANALYSIS

COMPANY	YEAR	SGROWTH ₦'M	AGROWTH ₦'M	PGROWTH ₦'M
FRIST ALUMINUM	2008	28,248	373,105	-497,046
	2009	-643,555	334,478	194,932
	2010	209,923	488,780	344,968
	2011	-1,529,509	-198,277	-382,902
	2012	2,106,976	-564,268	-57,603
	2013	-228,272	-1,085,878	-612,204
	2014	-248,538	-295,474	1,103,563
	2015	510,975	-94,738	-67,428
	2016	1,576,615	-238,967	80,812
	2017	-1,323,647	1,091,075	51,061
LAFERGE PLC	2008	-852,792	1,843,000	1,703,197
	2009	4,609,014	11,173,000	873,378
	2010	2,315,989	25,394,067	-6,196,632
	2011	-1,748,473	31,317,846	-171,036
	2012	18,660,995	6,826,087	3,755,025
	2013	25,462,904	26,641,633	6,072,289
	2014	118,107,467	146,177,460	46,241,569
	2015	54,737,772	117,820,409	-27,132,873
	2016	6,423,776	37,065,895	-6,657,403
	2017	-47,520,127	49,478,508	-10,264,188
BETA GLAS NIG	2008	1,896,395	2,691,054	485,164
	2009	2,043,706	1,715,305	326,438
	2010	1,485,307	-607,221	192,086
	2011	606,848	3,236,162	87,668
	2012	1,558,131	1,555,124	302,216
	2013	206,322	4,434,877	-446,080
	2014	1,163,574	4,710,014	231,584
	2015	2,536,756	-238,094	830,059
	2016	-679,655	242,682	-399,096
	2017	3,137,968	6,013,061	1,808,266
BERGER PAINTS	2008	-25,259	17,647	4,054
	2009	259,365	24,655	36,121
	2010	-154,874	240,591	44,536
	2011	376,761	324,167	249,187
	2012	-182,249	69,589	-192,272
	2013	-1,060,695	231,566	-58,182
	2014	1,197,322	720,997	65,571
	2015	371,944	12,547	-108,772
	2016	-60,666	255,725	181,508
	2017	-419,440	206,395	-106,309

Source: Companies Annual Reports and Accounts, 2008-2017

4.2 DATA ANALYSIS
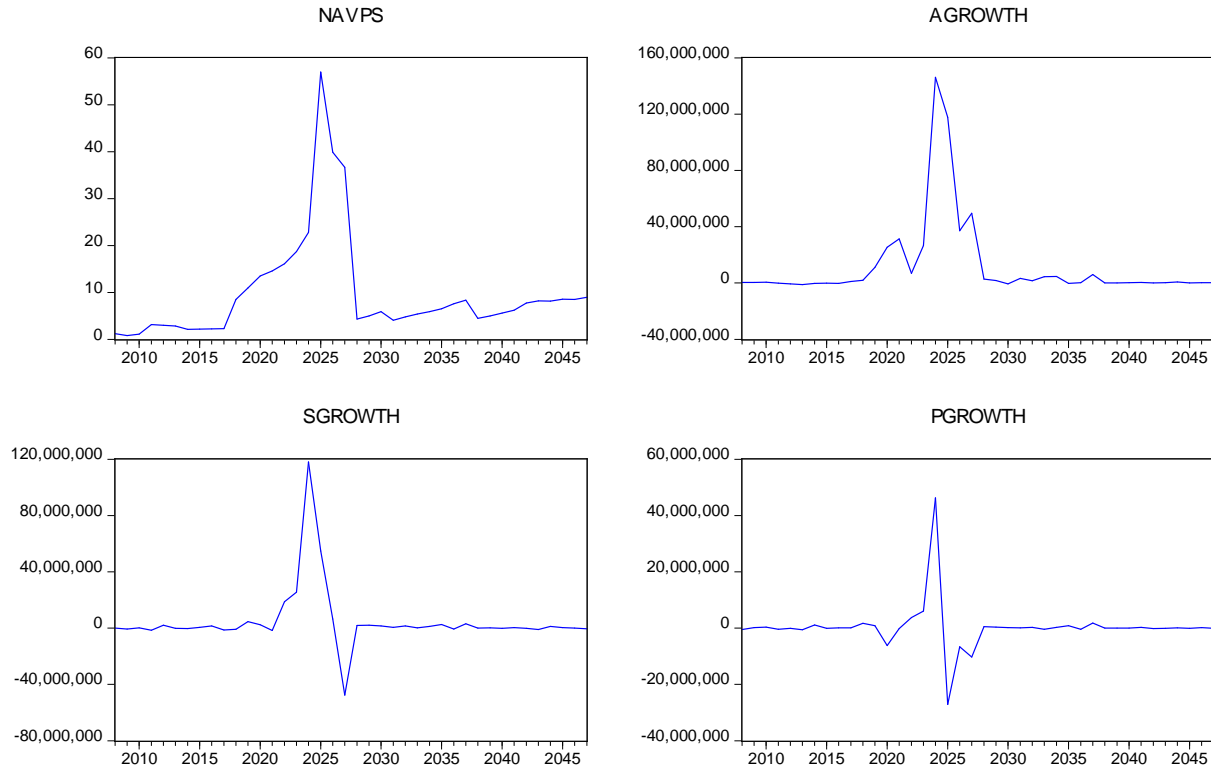
Figure 1: Line Graph for Industry Level Panel Data

Source: Authors' Computation using Eviews 10.0, 2019.

Sales growth and profit growth have a similar pattern of movement during the period under study. This implies that as sales growth increases, profit growth will also increase. When the skewness coefficient is approximately or above one, the time series data are not normally distributed. In the same line, the kurtosis coefficient of a normal distribution is approximately three or less. The Jarque-Bera probability of a normally distributed data is insignificant.

Table 3: Descriptive Statistics for the Industry Level Data

	LOG(AGROWTH)	LOG(SGROWTH)	LOG(PGROWTH)
Mean	11985115	4872833.	297880.7
Median	430942.5	374352.5	58316.00
Maximum	1.46E+08	1.18E+08	46241569
Minimum	-1085878.	-47520127	-27132873
Std. Dev.	30357631	22284948	8945476.
Skewness	3.376810	3.378594	2.713036
Kurtosis	14.02220	19.01852	20.69718
Jarque-Bera	278.5003	503.7542	571.0541
Probability	0.000000	0.000000	0.000000

Sum	4.79E+08	1.95E+08	11915226
Sum Sq. Dev.	3.59E+16	1.94E+16	3.12E+15
Observations	40	40	40

Source: Authors' Computation using Eviews 10.0, 2019

Table 3 reveals that the skewness coefficients of all the variables under study are above one (2.644106, 3.376810, 3.378594 and 2.713036). This implies that all the variables under study are not normally distributed. The kurtosis coefficient of all the variables are above three(10.06029, 14.02220, 19.01852, and 20.69718) while the probability of the Jarque-Bera statistic is significant (0.000000), which also suggest that the time series data are not normally distributed during the years under study.

Table 4: Covariance Analysis Result of Industry Panel Data

Covariance Analysis: Spearman rank-order
Date: 02/14/19   Time: 03:45
Sample: 2008 2017
Included observations: 40

Covariance Correlation t-Statistic Probability Observations	NAVPS	AGROWTH	SGROWTH	PGROWTH
NAVPS	133.2375 1.000000 ----- ----- 40			
AGROWTH	81.22500 0.609597 4.740450 0.0000 40	133.2500 1.000000 ----- ----- 40		
SGROWTH	39.46250 0.516168 2.001456 0.0435 40	44.35000 0.332833 2.175770 0.0359 40	133.2500 1.000000 ----- ----- 40	
PGROWTH	7.300000 0.154787	12.85000 0.096435	49.55000 0.371857	133.2500 1.000000

0.338237	0.597251	2.469361	-----
0.7370	0.5539	0.0181	-----
40	40	40	40

Source: Author's Computation Using Eviews 10.0 Statistical Software

Table 4 suggests thatsales growth has a strong relationship with net asset per share in the tune of (0.516168).Profit growth (0.154787) has weak and positive relationship with net asset per share of industrial goods firms in Nigeria.

4.3 Test of Hypotheses
4.3.1: Hypothesis One
H_{01}: Sales growth does not have a strong relationship with net asset per share of manufacturing firms in Nigeria..
The correlation coefficient of 0.516168 is greater than the 0.5, the t-Statistics of 2.001456 > 2, and the probability of 0.0435< 0.05. Thus, we reject the null hypothesis and conclude that sales growth have a strong relationship with net asset per share of manufacturing firms in Nigeria.
4.3.2: Hypothesis Two
H_{02}: Profit growth does not have a strong relationship with net asset per share of manufacturing firms in Nigeria.
The correlation coefficient of 0.154787 is less than the 0.5, the t-Statistics of 0.338237 < 2, and the probability of 0.7370> 0.05. Thus, we accept the null hypothesis and conclude that profit growth have a weak relationship with net asset per share of manufacturing firms in Nigeria.

4.4: Discussion of Results
From the covariance analysis in table 4, it was revealed that sales growth has a strong relationship with net asset per share of manufacturing firms in Nigeria. This is in tandem with the findings of Banchuenvijit (2012); and Fattah and Makarani (2005) in which they concluded that size (sales and assets growth) has a positive influence on the economic performance and stock returns. On the other hand, this finding contrasts with that of Niresh and Velnampy (2014) ; and Becker, Kaen, Eteban and Bauman (2010) in which they found negative relationship between asset growth and profitability.

Furthermore, it was revealed in table 4 that profit growth has a strong relationship with net asset per share of manufacturing firms in Nigeria. This findings is in agreement with the views of Shamsudin, Mahmood and Ismail (2013), Ditaa and Murtaqi (2014), and Nurhakim, Yunitab and Iradiantyc (2016) that profitability measures have strong association with performance and stock returns respectively.

5.0 CONCLUSION AND RECOMMENDATIONS
The study concluded that efficient utilization of corporate resources is a sine qua none for maximization of shareholders' value in Nigeria. This implies that growth in sales could be used to pursue improvement in the welfare of shareholders.

Consequent on the findings, the following recommendations were made:

1. Managers of firms should vigorously strive to increase the amount of sales they make because increase in sales results in increase in shareholders' value. They should employ different sales promotional techniques so as to ensure that shareholders' value is always on the increase.
2. Since profit guarantees the continuation of a business, managers of firms should always try as much as possible to minimize cost of production and marketing so that profit will be maximized.

6.0 Suggested Areas for Further Studies
Further studies can be carried out in these related areas:
1. Corporate growth and stock returns.
2. Corporate growth and cash holdings.

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