



**THE STUDY OF FINANCIAL MANAGEMENT TO
STIMULATE THE NIGERIAN ECONOMY.**

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**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT
FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

{INTERNATIONAL PROGRAM}

SIAM UNIVERSITY, BANGKOK, THAILAND.

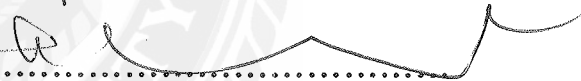
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ABSTRACT

Research Title : **THE STUDY OF FINANCIAL MANAGEMENT TO STIMULATE THE NIGERIAN ECONOMY.**

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This research paper focuses on how to stimulate the Nigerian economy which entered into recession by the last quarter of the year 2016. The paper tries to explore the likely factors which led to the recession and also tries to recommend some potential rescue packages for the ailing economy. Nigeria which is in West African boarding Cameroon, Niger, Chad, Benin Republic is said to be Africa's largest economy, the biggest market in the whole continent of Africa. But it has been hit hard by economic recession causing increasing job layoffs and rising unemployment, economic hardship and suffering on the majority its population. This recession has also caused the Nigerian local currency {naira} exchange rates against major global currencies especially the United States Dollars to depreciate so badly that within a space of 8 months exchanged rate to the USD has depreciated from N200/1USD to N450/1USD. It even hit N516/1USD at some point in January of 2017. Nigeria is the biggest market in Africa and it's the most populous nation in Africa but has an endemic corruption problem which many believe is the major cause of the current recession among other factors. Also, unabating corruption is fingered as the prime reason behind the country's under-development or sluggish development. It is generally believed that previous

governments at all levels were heavily corrupt, and looted over USD400 billion since independence from Britain in 1960. The present government of President Muhammadu Buhari was elected in 2015 general election on the ground that he would fight corruption to a standstill as he vowed during his election campaign days. Many believe that the best and most effective rescue to the present Nigeria economic issue will be an effective and genuine fight against this economic virus called corruption. But this fight alone will not bring back the quick recovery urgently needed economically, so other aggressive policies by the government especially the central bank on the monetary policy should be started while the genuine total war against corruption should be ongoing or being waged.

This study therefore focuses on finding out what went wrong that the economy of the largest oil producing nation in Africa got into recession, that the nation got financially broke suddenly, where went all the huge revenues generated from oil sales when oil was trading at all-time highs of over USD100 in the international market; and what can be done to pull the economy out of recession. Also, could it be that the financial managers of the nation's wealth have made wrong management decisions, or are there deliberate mismanagement of the nation's finances or are the national financial and economic managers and policy-makers incapable of managing the financial affairs of the nation...that such a rich nation suddenly fell into recession? If so, what are the possible ways out, or how can the economy be stimulated and put on the path of growth again? This is why the title of this research paper was captioned "The Study of Financial Management to Stimulate the Nigeria Economy".

The researcher did a research study on the above issue by using a research methodology of quantitative research method by survey using questionnaires. The research questions were put to members of staff of all the departments of the Nigeria ministry of finance. First section of the questionnaire contains general questions while second and last section of the questionnaire contains questions about the likely causes, and recommendations of possible solutions respectively to the Nigerian's bad economic state. The respondents to the questionnaire pointed out among other things that the economy is in trouble, that corruption is the major cause of the economic recession, and that management experts in the fields of finance and economy should be brought on-board to take over the running of the nation's economic and financial affairs; and or that the current financial managers and decision makers of the nation's wealth and related resources should be given proper and serious financial management trainings which they will practically applied to the effective and efficient management of the Nigerian economy.

The results of the questionnaire showed that there is a positive and significant relationship between the study/application of financial management knowledge and the role it plays in stimulating a failing economy like that of Nigeria. The

questionnaire was analyzed using statistical mean method to determine the positivity and negativity of the sampled research population. Conclusions and recommendations were also drawn to how the study of financial management and the application of the knowledge can help stimulate the Nigerian economy and thus pull it out of recession, and even position it on the path for long term growth.



ACKNOWLEDGEMENT

In this section, I would like to express my profound gratitude to Dr. Teerachote Phongtaveewut, my advisor and also to Dr. Jomphong Monkghonvanit, the Dean of Graduate School of Business, Siam University, Bangkok, Thailand for their thoughtful and caring supervision by means of his educational excellence. I am most grateful to them especially for their deep understanding of the Independence Study and his good communication skills.

Godwin O. Ikwundu.

2018/03/15

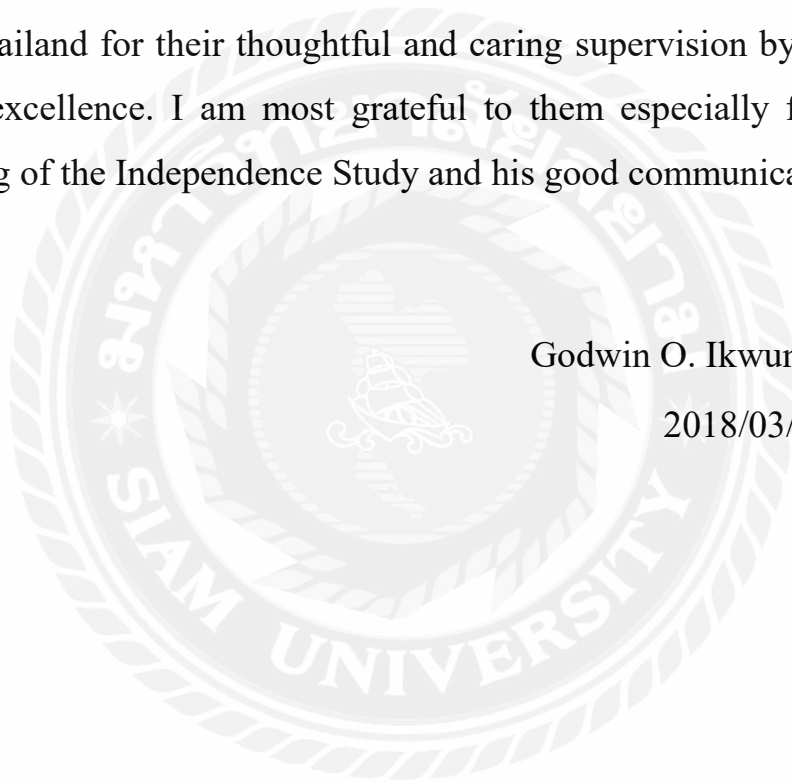


TABLE OF CONTENTS

Cover Page	i
Certification	ii
Abstract	iii
Dedication	vii
Acknowledgments	ix
List of Figures	x
List of Table	xi
Table of Contents	xii
Overview of Nigeria	xvi
CHAPTER ONE	
1.0 Introduction	1
1.1 Background of the Study	2
1.2 Objective of the Study	6
1.3 Statement of Problem	7
1.4 Significance of the Study	8

1.5	Research Question	9
1.6	Scope of the Study	10
1.7	Statement of Hypothesis	10
1.8	Definition of Terms	10

CHAPTER TWO

2.0	Literature Review	12
2.1	Industry Review	13
2.1.1	Structure of Nigerian Financial System	13
2.1.2	The concept of Financial Management Strategy	14
2.2	Some Theories of Financial Structure	18
2.3	Related Research	21

CHAPTER THREE

3.0	Research Design and Procedures	25
3.1	Research Design	25
3.1.1	Area of Study	26
3.2	Population of the Study	26

3.2.1	Sample and Sampling Techniques	26
3.2.2	Instrument for Data Collection	28
3.2.3	Validity of Instrument and reliability of the Instrument	28
3.2.4	Administration of Instrument	29
3.3	Method of Data Analysis	29
3.4	Conceptual Frame Work	30
3.5	Statement of Hypothesis	45
CHAPER FOUR		
4.0	Data Presentation and Analysis	35
4.1	Presentation of Data	35
4.2	Analysis of Data	35
4.3	Test of Hypothesis	42
4.4	Summary of Data	52
CHAPTER FIVE		
5.0	Conclusion and Recommendation	53
5.1	Conclusion	53

5.2	Recommendation	55
	Reference	56
	Appendix I & II	59



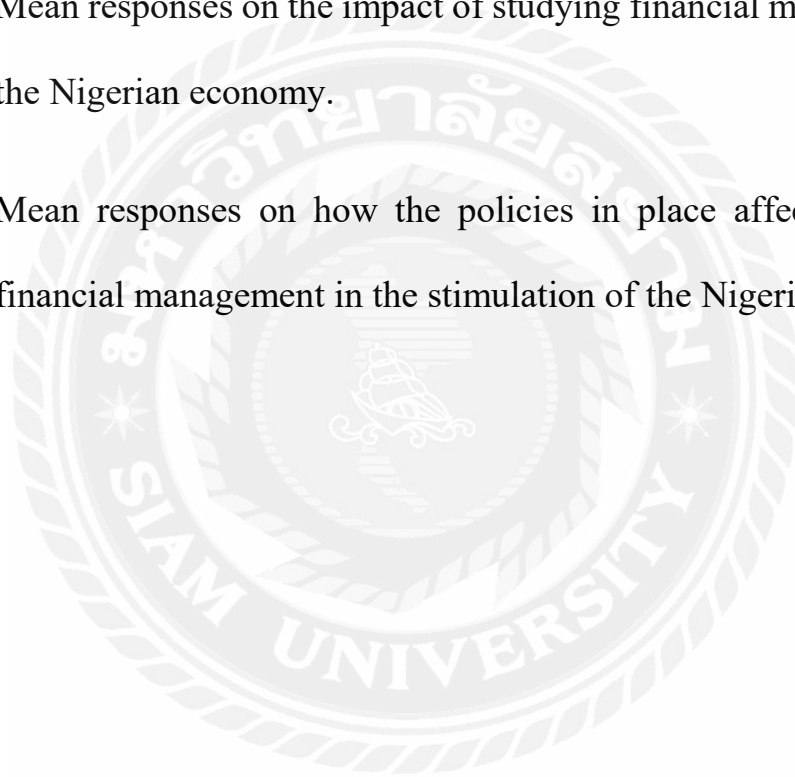
LIST OF FIGURES

- Fig. 1.1 Nigerian Map Showing Neighbouring Countries
- Fig. 1.2 Map of Africa Showing Nigeria's Location.
- Fig 2.1; The structure of Nigeria Financial System adopted from the CBN
Financial Stability Report.
- Fig 1.3 Conceptual Framework.



LIST OF TABLES

- Table 3.1** Breakdown of total number of staff in Ministry of Finance Abuja, Nigeria.
- Table 4.1** Mean responses on the roles of financial management in the stimulation of Nigeria Economy.
- Table 4.2** Mean responses on the impact of studying financial management on the Nigerian economy.
- Table 4.3** Mean responses on how the policies in place affect the role of financial management in the stimulation of the Nigeria economy.



CHAPTER ONE

1.0 INTRODUCTION

The connection between the financial arm of the country and the economic processes has been on the debate in over a hand-full of financial research and economic analysis. Early days researchers (economic expert) such as Gurley and Shaw (1955), suggest that there may be better category in respect to the role of financial intermediaries in enhancing a better economic process within the nearest future. Levine and Zervos (1996) also argue that a nation's financial system does not gear-up the economic process but rather answers to the real sector development in an economy of a country.

According to the present day economist, a well-tailored systematic financial sector will help facilitate a better economic process. (Chukwuma V.A, 2018). The followings are parts of the Nigerian economy; the cash market, the capital market, and also the establishment of channels that facilitates the intervention between the financial transactions within the nation's economy. These establishments interchange money instruments like domestic currency, foreign currency, stocks, bonds and derivatives (CBN, 2009). The major function of a good financial sector in an economy is interventionary. It mobilizes the savings (funds) from sector of surplus to another sector of deficits.

With the world money crisis, most countries seem to enjoy and have recognized the role of monetary sector development in sustaining the economic process. Most affected economies had a fall in stocks and commodities costs with a resulting decline in the total market capitalization. As an example, in keeping with CBN (2008), the Nigerian capital market index that grew from a price of twelve,137 in 2002 to fifty-seven,990 in 2007 fell to twenty,827 in 2009, whereas total market capitalization of N13.29 trillion in 2007 fell to N7.03 trillion in 2009.

In the recent global economic meltdown has made many nations to run towards the bailout fund by the government of the nations affected by the global economic meltdown which Nigeria is one among. It is believed that after the economic bounces back to its feet again it will translate into restoring the economy and stimulating growth in the entire nation's economy. This assumption may only be achievable if there is a positive relationship between the financial sector and the economic process. This and plus the actual fact that the Nigerian economy is presently in recession aggravated the requirement to research the study of monetary management to stimulate the Nigerian Economy.

1.1 BACKGROUND OF THE STUDY (NIGERIAN ECONOMY)

Nigeria as her map may be seen below is a West African nation having borders with the countries Republic of Chad, the Niger Republic, Republic of Benin republic, and

Cameroon. Nigeria is on the gulf of guinea water body. Nigeria is that the biggest market in African with an officer population of 186,000,000 people, International Bank for Reconstruction and Development. (World Bank 2016).



Nigeria's geographical location in the map of Africa can be seen as in the below map of Africa:



Nigeria is located on the map in the west African region which borders other African nations like Republic of Chad, the Niger Republic, Republic of Benin republic, and Cameroon. Nigeria is on the Gulf of Guinea water body. Nigeria is that the biggest market in African with an official population of 186,000,000 people.

Although African has several countries, Nigeria is taken into account out of the enormous of Africa countries.

Nigeria is seen as a middle-income economic system and rising market, with increasing producing, financial service, communications, technology and diversion sectors. It's hierarchal rates the 21st-largest economy within the world in terms of nominal GDP, and therefore the 20th-largest in terms of buying power parity. It's the most important economy in Africa; its re-emergent producing sector became the most important on the continent in 2013, and it produces an oversized proportion of products and services for the West African landmass. Additionally, the debt-to-GDP quantitative relation is eleven %, that is eight % below the 2012 quantitative relation. Correspondingly, the GDP per capita doubled from \$1400 per person in 2000 to calculable \$2,800 per person in 2012 (again, with the inclusion of the informal sector, it's calculable that GDP per capita hovers around \$3,900 per person).

The mostly subsistence agricultural sector has not maintained with speedy growth, and Nigeria, once an oversized internet bourgeois of food within the early 90's, currently imports a number of its food merchandise, though mechanization has added light to a revitalization in producing and commercialism of food merchandise, and therefore the move towards food sufficiency. In 2006, Nigeria with success

convinced the Paris Club to let it purchase the majority of its debts owed to them for a money payment of roughly US\$12 billion.

According to a Citigroup report revealed in February 2011, Nigeria can get the best average GDP growth within the world between 2010 and 2050. Nigeria is one amongst 2 countries from Africa among eleven international Growth Generators countries

1.2 OBJECTIVE OF THE STUDY

1. The purpose of this Independent Study (IS) is to find out what caused the Nigerian economic recession and recommend some possible solutions. And to provide an orderly framework for financial appraisal in stimulating economic growth.
2. To investigate and analyze how the present government (Nigerian Economy) has displayed commitment to the progress of financial management in the country.
3. Highlight the causes of hysterical cash and management of financial resources, the methods of appraisal of financial policies, and process used in the economy.

1.3 STATEMENT OF PROBLEMS

Financial management could be a feature that governs the full method of structure management or a nation's economy. The aim of this study is to spot the vital role financial/monetary management practices play in serving to stimulate and in managing an economy (during this case) not simply out of recession however to a bigger economic height.

Every nation, be it federal or parliamentary system of presidency wants finance and effective management practices to achieve higher positions economically and otherwise. Hence, the issues of finance and management facing all nations include:

- Inadequate Financial policy which has lead to; high exchange rate, poor or no interest rate on domestic product due to high cost of raw materials and high inflation rate.
- Inadequate or poor economic policies;
- Weak or poor monetary planning: Most African nation leaders are invariably busy guiding extra operations and satisfying their body functions, and therefore having no time to stay adequate knowledge to properly set up and work to facilitate smart monetary projections for the betterment of the state.

- Corruption: there's associate ugly level of corruption at nearly each position in African nation and this has been sort of cancer epidemic on the Nigerian economy.

1.4 SIGNIFICANCE OF THE STUDY

It is important to grasp that in monetary management, it needs the information of bound functions that include: - monetary and Management Accounting, Law, Economics, Quantitative ways (like arithmetic and Statistics and Taxation). they're not a part of monetary Management however support it therein, they supply helpful information or offer associate understanding of the constraints inside that the activity of the monetary management takes place.

So, to confirm that there's smart monetary management, we have a tendency to develop smart objectives, helpful ideas, techniques for analyzing things and principles for the steering of action. The analysis can assist the government and supply a transparent outlined target output for every department.

This Independence Study (IS) can broaden the analysis information of the subject and can function a platform for more development in this space of study.

To this end, the analysis is important to stimulate the Nigerian economy for the subsequent purpose:

1. Formulating higher economic policies which might move the country forward.
2. Coming up with effective and strategic economic activities of the state each for brief and future coming up with.
3. Dominant the economic and monetary activities of the state.
4. Guaranteeing a sound deciding the least bit vital levels of national decision-making. And guaranteeing a strict implementation of all adopted well thought-out selections.

1.4 RESEARCH QUESTIONS

- RQ1: Is there any relationship between a good economy or a well-managed economy and the study/knowledge of financial management?
- RQ2: Is there any relationship between the application of a good financial management knowledge and the stimulation or revival of a failing economy?
- RQ3: Are there convincing evidences that the economy may have been deliberately pushed into recession by means of national financial and economic mismanagement?

1.5 SCOPE OF THE STUDY

The scope of the study is restricted to Nigeria's economy, and also the means of moving it out of recession and sluggishness to the trail of stability and growth. It focuses on the study of economic management to stimulate the Nigerian economy.

1.6 STATEMENT OF HYPOTHESIS

The review of empirical literature reveals that financial management practices influence economic growth. On the basis of such evidence following hypotheses have been developed.

- H1: Financial appraisal techniques have significantly stimulated the Nigerian Economy
- H2: Capital Structure decision has positively impacted on Nigerian economy
- H3: Enhance Financial Policy has significantly impact on Nigerian economy

1.7 DEFINITION OF TERMS

Business Firm: An organization engaged in the production of goods or services.

Budget: An elaborate and systematic statement of plans and expected results expressed in financial form and also in quantitative terms.

Capital: money used to start a business or to produce more wealth.

Credit: The ability or right to buy in return for a later payment

Control: Correcting diverts to meet with actual plan.

Debt Capital: Borrowing or loan, capital invested in the business that must be repaid.

Depreciation: Allocation of cost of an asset which will be used over the asset service life.

Fixed Capital: Long term capital invested in the business

Forecast: An estimate of the form's future sales or the probability of occurrence of future business.

Financial Institutions – Are business organizations that lend money.

Financial Management Practices: This is the planning, organizing, controlling and monitoring financial resources in order to achieve organizational objectives.

Accountability: The ability to explain and demonstrate to all stakeholders how you have used your resources and what you have achieved.

CHAPTER TWO

2.0 LITERATURE REVIEW

In the years passed several researchers have embarked on series of work to study the financial sector of a nation's economy and how it can be improve to foster economic growth. It is pertinent to mention that most of these researchers have focused their concentration towards any of the follows; Capital market and economic growth, banking credit and economic growth, foreign direct investment and economic growth. The use of a single component in the evaluation of then financial sector is very myopic and as such the result will definitely by limited to the module of the research. This is because the essence of the financial sector which is that of mediation cannot be exclusively performed in actual fact by single module of the financial system. For an effective turn around to be achieved in the financial sector, there is need for a collective participation and contribution of all the financial subsector in the financial system which includes financial institution and non financial institution. In a bid to critically analyze the problem (the present state of the Nigerian Economy) that necessitated this research, the researcher will put into consideration other literatures for better understanding.

2.1 INDUSTRY OVERVIEW

2.1.1 STRUCTURE OF NIGERIAN FINANCIAL SYSTEM

According to the report released by CBN in 2009 that the Nigerian financial sector is segmented into two parts; financial (banks) and non financial institutions (the securities, insurance and the pension sectors) (CBN, 2009). However, the Nigerian commercial banks dominates the financial sector which gave rise to 93% of the Central Bank non asset. (World Bank, 2000). The Nigerian financial system is dual in nature which justifies why the economy is influence by high cultural and social forces instead of economic forces. In 1982 the first financial system was established but in 1913 the then colonial masters established another financial system which was known as The West African Currency Board (WACB). Numerous indigenous banks came into existence between 1929-1952 which was also established by the colonial masters. The previously established institution, which is now dominating the financial system are made up of the regulatory authorities, the financial market, the development finance institutions.

2.1.2 THE CONCEPT OF FINANCIAL MANAGEMENT STRATEGIES

Financial Management is said to be the proper handling/management actions which is concerned with the setting up and calculating of organization's financial resources.

Financial management is of great value as a subject because in the Nigeria, it is still metamorphosing with certain areas where controversies exist for which no unanimous solution has been reached. Catter (1990)

The approval of Funds circulation of funds from one point to the other is a sole responsibility of the financial manager and as such for its effective circulation, both the approval and circulation needs to be properly managed and supervised. It is of great importance for financial managers to take advantage of the subject matter which will form its critical part of decision of any kind that is related in one way or the other as far as finance is concerned.

There is an assistance of challenges not just to Nigeria but also to other growing economy of the world when it comes to the strategies and field of financial management (Ojiuko 2002). For a financial manager to be successful he has to contribute to the directing of all forms of the operation within the sector. According to Sheard (1978), every financial officer must in the time of economic shift (unstable interest rate, shortages and excess, inflation and deflation) be stable and maintain

financial viability at all times. For a nation to boost of economic growth must have a strong capacity the areas of financial decision making and the financial policies must be stable and not thwarted by political god fathers. Almost all major decision made by a nation's financial decision makers has important financial implications on the economic growth of the that nation and as such, questions like;

- Will the investment be profitable?
- How will the investment be financed?
- Is the nation capable of carrying out the investment and what are the necessary arrangements for borrowing cash from banks?
- What kind of credit it should be granted to the country?
- How much inventory should be held?
- How should profit be used or distributed?

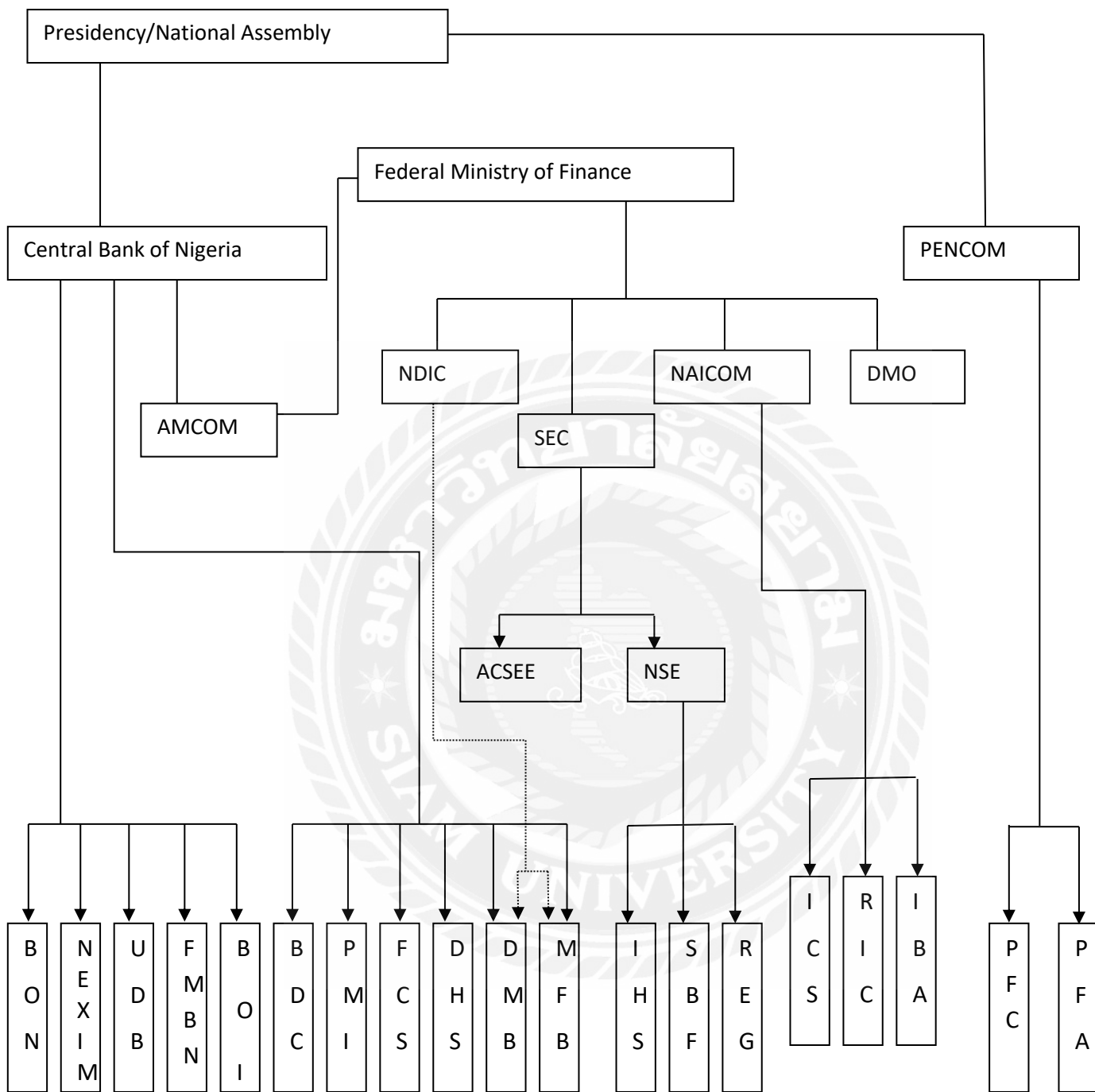


FIG 2.1; The structure of Nigeria Financial System adopted from the CBN Financial Stability Report.

NDIC	-	Nigeria Deposit Insurance Commission
SEC	-	Security and Exchange Commission
NAICOM	-	National Insurance Commission
PENCOM	-	Pension Commission
NSE	-	Nigeria Stock Exchange
ACSE	-	Abuja Commodity and Security Exchange
PFC	-	Pension Fund Custodian
PFA	-	Pension Fund Administrator
IBA	-	Insurance Broker & Adjusters
RIC	-	Reinsurance Companies
ICS	-	Insurance Companies
REG	-	Registrars
SBF	-	Securities and Brokerage Firms
DMB	-	Deposit Money Banks
DHS	-	Discount Houses
MFB	-	Microfinance Banks
PMI	-	Primary Mortgage Institutions
BDC	-	Bureaux De Change
BOI	-	Bank of Industry
FMBN	-	Federal Mortgage Bank of Nigeria
UDB	-	Urban Development Bank
NEXIM	-	Nigeria Import-Export Bank
BOA	-	Bank of Agriculture
DMO	-	Debt Management Office
AMCON	-	Asset Management Corporation of Nigeria
IHs	-	Issuing Houses

According to the report released by CBN in 2009 brought to light that the Nigerian financial sector is segmented into two parts; financial (banks) and non financial institutions (the securities, insurance and the pension sectors) (CBN, 2009). However, the Nigerian commercial banks dominates the financial sector which gave rise to 93% of the Central Bank non asset. (World Bank, 2000). The Nigerian financial system is dual in nature which justifies why the economy is influence by high cultural and social forces instead of economic forces. In 1982 the first financial system was established but in 1913 the then colonial masters established another financial system which was known as The West African Currency Board (WACB). Numerous indigenious banks came into existence between 1929-1952 which was also established by the colonial masters. The previously established institution, which is now dominating the financial system are made up of the regulatory authorities, the financial market, the development finance institutions.

2.2 SOME THEORIES OF FINANCIAL STRUCTURE

Theory of Intermediary (Market) Based Financial System

The market-based theory highlights the importance of well-functioning markets, and accentuates the issues of bank-based monetary systems. Generally, big, liquid and well playacting markets encourages growth and profit incentives, it additionally add

worth to company governance and facilitate risk management (Levine 2002, and gesture & Levine, 2002). In line with the speculation of conciliator-based economic system, At the first stage of economic process industrial banks square measure a lot of growth enhancing than market. Authors United Nations agency agrees with the bank based mostly theory are of the opinion that monetary mediators are vital contributors in market. They place within the quota of contribution within the areas of providing liquidity that required for the effective functioning of the market in transactional and in important time market crisis. There has been critics in relevancy this read by oral communication that it declares very important info in public that successively reducing the inducement investors to hunt and acquire info Boyd and Prescott (1986). Thus, distortion that emanate from uneven info may be eased by banks through forming long relationships-with companies and thru observance. As a results of this, bank based mostly arrangement will manufacture higher improvement in resource allocation and company governance than market-based establishments Stiglitz (1995), Blide (1993).

Theory of Bank Based Financial System

This theory comments on the positive impact the banks play within the development of growth of a nation's economy. It additionally disclose the unskillfulness of the market-base economic system. the speculation counsel that banks carryout developments within the economy a lot of effectively that the markets in developing

economies, and, within the case of state-owned banks, market failures may be overcome and allocation of savings may be undertaken strategically (Gerschenkron, 1962). In a way, those banks that aren't obstructed by regulative restrictions, will exploit economies of scale and scope in operation and process (Levine 2002, gesture & Levine, 2002 give a lot of details on these aspects of bank-based systems). Bank-based monetary systems square measure seen to be during a far better position than market-based systems to proffer solutions monetary issues within the country (Stiglitz, 1985; Singh, 1997). it's worthy to notice that banks will build investments while not revealing their selections straight off publically markets and this creates incentives for them to analysis companies, managers, and market conditions with positive ramifications on resource allocation and growth. Authors United Nations agency agrees with the bank based mostly theory are of the opinion that monetary mediators are vital contributors in market. They place within the quota of contribution within the areas of providing liquidity that required for the effective functioning of the market in transactional and in important time market crisis. There has been critics in relevancy this read by oral communication that it declares very important info in public that successively reducing the inducement investors to hunt and acquire info Boyd and Prescott (1986). Thus, distortion that emanate from uneven info may be eased by banks through forming long relationships-with companies and thru observance. As a results of this, bank based mostly arrangement

will manufacture higher improvement in resource allocation and company governance than market-based establishments (Stiglitz, 1985; Bhide, 1993).

2.3 RELATED RESEARCH

The affiliation between the monetary arm of the country and also the economic processes has been on the talk in over a hand-full of monetary analysis and economic analysis. Time period researchers (economic expert) comparable to Gurley and Shaw (1955), recommend that there is also higher class in relevance the role of monetary intermediaries in enhancing a higher process at intervals the closest future. Unalmis (2002) dole out a search on the direction of fundamentals differentiation of monetary development and economic process in Turkey mistreatment husbandman non-causality within the context of VEC model. He created use of information from 1970 to 2001. The study discovered that aside from one in all the alternatives used, contributive basic runs from monetary development to economic process within the short, so supporting the supply-leading hypothesis.

Caporale (2005) examined the expansion models stating that monetary development caused higher growth through its influence on the extent of investment and its productivity.

Wadud (2005) examined the long relationship between financial development and process for 3 South Asian countries specifically Asian country, Asian nation and

Bangladesh. He divided national economy into “bank-based” and “capital market based”. The findings suggested that the results of error correction model indicate relation between financial development and process.

Mohammed and Sidiropoulos (2006) investigated the results of financial development on economic performance in Sudan from 1970 to 2004. The study estimable the short-run and long relationship between financial development and process. Their empirical results indicated a weak relationship between financial development and process in Sudan.

Amaral and Quintin (2007) declared that financial market development raises output by increasing the capital utilized in production and by guaranteeing that capital is place into best uses.

Chang, Jia and Wang (2010) examine bank fund reallocation and regional process supported 1991–2005 provincial-level data of four state-owned business banks of China. They found no correlation at the regional level between fund reallocation and bank loans on the one hand and process on the alternative.

Yazdani (2011) investigates into the responsibility and performance of non-public bank’s on the process of Asian nation; process, profit, cash, and investment. He used Spearman correlation take a glance at, Pierson correlation take a glance at, David

Watson take a glance at, freelance t take a glance at, variance analysis F and regression toward the mean chart to investigate the data. The result shows that every one variables at intervals the analysis impact on the process of Asian country.

Zhang, Wang and Wang (2012) examine the link between financial intercession and process in China, victimization data from 286 Chinese cities over the amount 2001–2006. Their results counsel that traditionally used indicators of financial development area unit generally fully involving process once dominant for many factors involving growth.

Emmanuel and Adegboyega (2014) examine the link between banks and process in African nation. The study adopts regression toward the mean operate and specifies that the number of real Gross Domestic Product, that might be a leave of economic activity of the contribution of banks. These institutions interchange cash instruments like domestic currency, foreign currency, stocks, bonds and derivatives (CBN, 2009). the main perform of an honest monetary sector in associate economy is interventionary. It mobilizes the savings (funds) from sector of surplus to a different sector of deficits.

With the globe cash crisis, most countries appear to fancy and have recognized the role of financial sector development in sustaining the process. Most affected

economies had a fall in stocks and commodities prices with a ensuing decline within the total capitalization.



CHAPTER THREE

3.0 RESEARCH DESIGN AND PROCEDURE

This chapter will give a clear explanation on the method of data analysis that the researcher used in analyzing the different data collected in the cause of this research. The following will be discussed in the chapter; Research Design, Area of the Study, Population of the Study, Sample and Sampling Techniques, Instrument for Data Collection, Validity of the Instrument, Reliability of the Instrument, Administration of the Instrument, and Method of Data Analysis.

3.1 RESEARCH DESIGN

The researcher made use of the survey method to This study employed a survey design to inspect the study of financial management and how the study will stimulate the Nigerian economy. Cohen M., & Morrison (2000) brings to note that research entails the collection of data to actually give answers to questions that relates to the research topic, it is also used to explain the characteristics of the present conditions of the problem under study, propend principles that can be compared against the present problem under study and compared, and/or investigate the relationship that may exist between events.

3.1.2 AREA OF THE STUDY

The area of the study is the Nigerian Economy. Nigeria is located in the continent of Africa and she is also known as the giant of Africa. According to the Map of Africa Nigeria is boarded with the countries Republic of Chad, the Niger Republic, Republic of Benin republic, and Cameroon. Nigeria is on the gulf of guinea water body. She is also the biggest market in African with an official population of 186,000,000 people, (World Bank 2016).

3.2 POPULATION OF THE STUDY

The population of the study consists of staff of all the nine (9) departments in the Federal Ministry of Finance Abuja Nigeria.

3.2.1 SAMPLE AND SAMPLING TECHNIQUE

The researcher randomly chooses 302 staff out of the total staff of 633 working in the Federal Ministry of Finance Abuja, Nigeria. This sample represent a total of 47.7 of the total population. The sample was selected using random sampling method to select staff from the 9 department of the ministry. The distribution is stated below:

S / N	S A M P L E D S T A F F	NO. SAMPLED		
1	Dept. of Economic Research and Policy Management	5	9	...
2	Dept. of Finance & Account	2	1	9
3	Dept. of General Services	4		4
4	Dept. of Graduate Internship Scheme (SURE-P)	4		2
5	Dept. of Home Finance	1	3	9
6	Dept. of Human Resource Management	5		5
7	Dept. of International Economic Relations	4		8
8	Dept. of Reform Coordination and Service Improvement	4		0
9	Dept. of Technical Services	2		7
	T O T A L	6	3	3

3.2.2 INSTRUMENT FOR DATA COLLECTION

A well structured questionnaire was designed for this research and this questionnaire served as the instrument for data collection. The questionnaire with caption “The Study of Financial Management to Stimulate the Nigerian Economy Questionnaire” was used as the main instrument for data collection for this IS research work. The questionnaire was of two segment which consist of respondent person information (Section A) and respondent’s opinion of the item statements (Section B). The research question is divided into five segments with which information is extracted from the respondents. The total question for the research tabulated and has a total of fifteen (15) items. The respondents were advised to tick (✓) appropriately as they wish, using the four (4) point modified Likert rating scale of Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD). They are rated as 4 points, 3 points, 2 points and 1 point respectively.

3.2.3 VAIDITY OF THE INSTRUMENT RELIABILITY OF THE INSTRUMENT

The expertise of two experts in the field of financial management was employed to check the suitability, clarity of language choice and content coverage

of the items. Unclear contents in the questionnaire were removed, the supervisor made some recommendations and modifications were made on the instrument.

In a bid to check the reliability of the content, the questionnaire were shared among 20 staff of the study area who were not in the study sample. For the reliability test, the researcher made use of the split-half reliability coefficient of internal consistency. The items on the questionnaire were divided into two some to odd (1-15) and others even (1-15). The two scores were correlated using the Pearson's Product Moment Correlation techniques. A reliability coefficient of 0.93 was established using Spearman's-brown correlation formula. This was considered adequately for the instrument.

3.2.4 ADMINISTRATION OF THE INSTRUMENT

The researcher administered 633 copies of the questionnaire to the selected sample for the study, and was collected on the spot to ensure maximum return. This collected copies of questionnaire were used for the analysis.

3.3 METHOD OF DATA ANALYSIS

The researcher analyzed the data using the mean score statistic. Means above 2.5 were seen to be significant while below 2.5 were seen as insignificant. For the

purpose of clarity and effectiveness of the result, the researcher analyse the data by using simple percentage mean method $(X) \Sigma fx / \Sigma f$

Where Σ = Summation sign

F = Total Frequency

X = Mean Variables

3.4 CONCEPTUAL FRAMEWORK

For any nation to grow, it must have a strong foundation in the area of its financial sector also its ability to continue to provide good process that will help financial experts to effectively control and manage public finance with all form of lucidity. Owing to these reasons, this Independent Study (IS) will make use of dual constants which will be dependent and independent constants.

For clarity sake, a structured model will be used to enhance the effect of the constant and how it stimulates the financial management system of Nigeria in the present administration of President Muhammadu Buhari. Stimulating an economy simply means raising the economy from its shattered state to a more better form which we call economic growth.

The conceptual framework for this Independent study (IS) is focused on Economic Growth/Stimulation (Dependent Variable) which is tested against factors

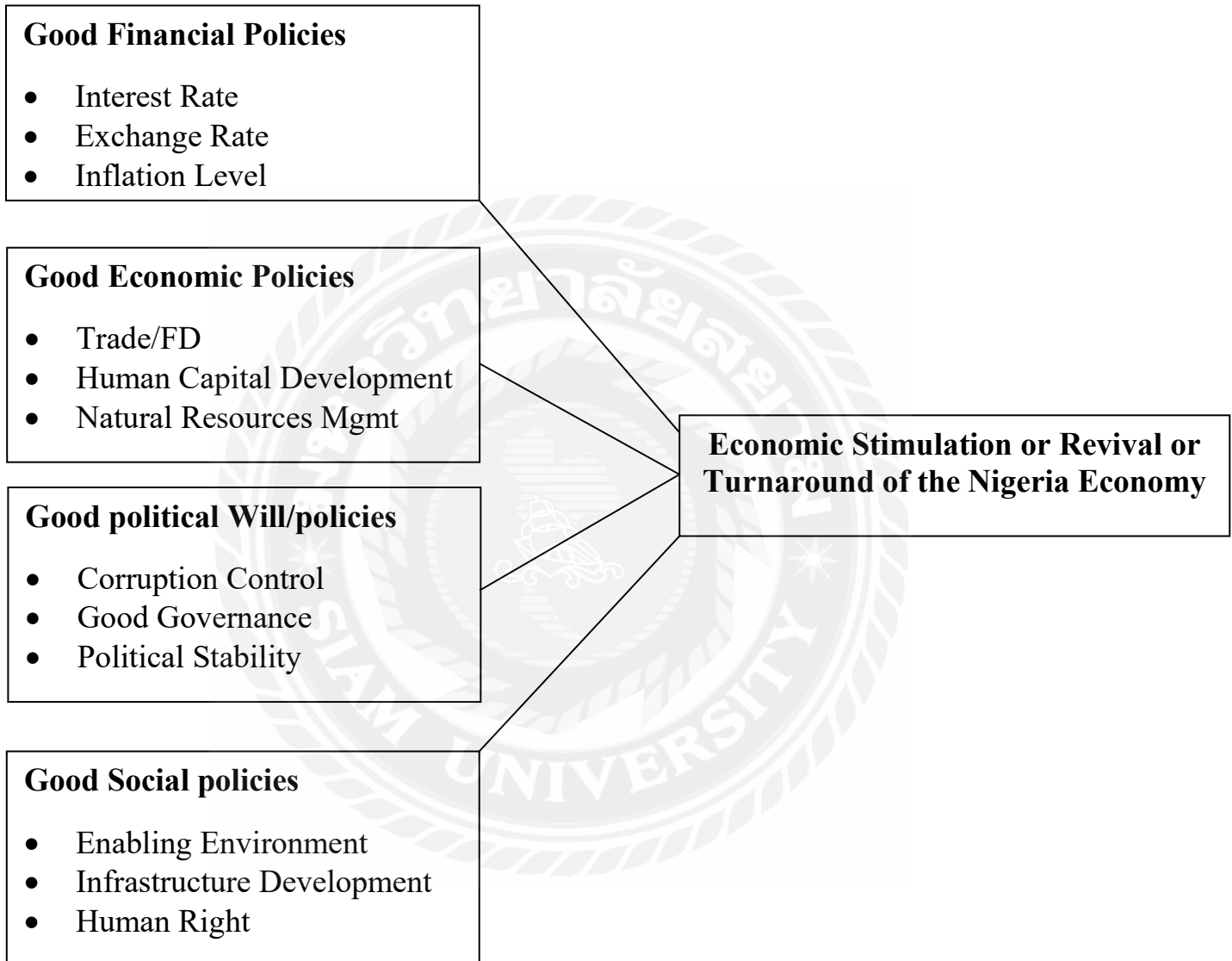
(Independent variable) that could propel it. These factors is displayed in a tabular form;

Independent Variable	Good Policy	Interest Rate
		Exchange Rate
		Inflation Level
	Good Economic Polices	Trade/FDI,
		Human Capital Development
		Natural Resources Mgt
	Good Political policies	Corruption control
		Good Governance
		Political Stability
	Good Social Policies	Enabling Environment
		Infrastructural Development
		Human Right

CONCEPTUAL FRAMEWORK

Independent Variable (IV)

Dependent Variable (DV)



GOOD FINANCIAL POLICIES

Harnessing financial policies simply means giving a long lasting solution that can stand the test of time and will also improve the economic state of the nation and down to the day-to-day livelihood of the citizens. These harnessed policies are to be kept safe for the use of the present administration and any other administration that will be appointed/elected in the nearest future.

Harnessed financial processes provide the government of the day with solutions to financial potholes in the economy. It also assists the government to prefer solutions for the day-to-day running of the economy and effective decision which all citizens will be considered in the allocation of power.

GOOD ECONOMIC POLICIES

Every Nation's Tax, Budget, Money supply, interest rate, exchange rate, labour and government ownership will only be favourable if the economic policies enacted are favourable to the nation's economic system. Because the policies in place determine the way interest rate and exchange rate will fluctuate and also how the labour market will move (either upwards trend or downward trend). Policies are of two types in the economic sphere; fiscal policy and monetary policy. Fiscal policies deal with how the government reacts regarding to tax and spending. While Monetary Policy deals with central bank actions in respect to the money supply and interest rates.

But a country like Nigeria, these division in policies (Fiscal and Monetary) have not contributed in any way to the growth of the economy. This is because even the present administration do not adhere to these policies. For example where a president can withdraw from the country's reserve without consulting the appropriate way of funds approval in the country. But when this economic policies are tailored well it goes a long way to stimulate the dying economy of the nation (Nigeria).



CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

This chapter presented the analysis of data collected by the researcher for the study. The presentation is according to the three research questions formulated earlier.

4.1 PRESENTATION OF DATA

The section deals with presentation and analysis of data collected. The findings and discussion converts the socio-demographic and social cultural factors. This also covers the characteristics of the respondents and information in the Ministry of Finance Abuja Nigeria. The total number of 633 copies of questionnaires was distributed among the staffs of Ministry of Finance and all were returned. In the course of this research 633 questionnaires were collected and analyzed.

4.2 ANALYSIS OF DATA

For the purpose of data analysis, simple percentage form of data analysis was used and they are presented in a tabular form.

Question One

What are the roles of financial management education in the stimulation of Nigeria Economy?

Table 4.1 Mean responses on the roles of financial management in the stimulation of Nigeria Economy.

S/N	ITEM STATEMENT	SA	A	D	SD	ΣFX	N	X
1	It helps the country in training good financial managers	540	93	-	-	2439	633	3.9
2	To ensure regular and adequate supply of funds to the concern.	251	180	51	151	1797	633	2.8
3	It helps recipients to contribute his/her quota to the economy.	450	150	33	-	2316	633	3.7
4	It helps in formulating the policies of a country.	500	133	-	-	2266	633	3.6
5	It helps in Planning the activities of the country in long term, medium and short – term planning	426	200	7	-	2318	633	3.7
	CLUSTER MEAN							3.5

The responses to the item question in table 4.1 above were all positive. This revealed that the respondents responded favourably to the item questions 1, 2, 3, 4, and 5 with mean scores of 3.9, 2.8, 3.7, 3.6, and 3.7 respectively. The cluster mean score of 3.5 is a general indication of positive responses to all the item statements.

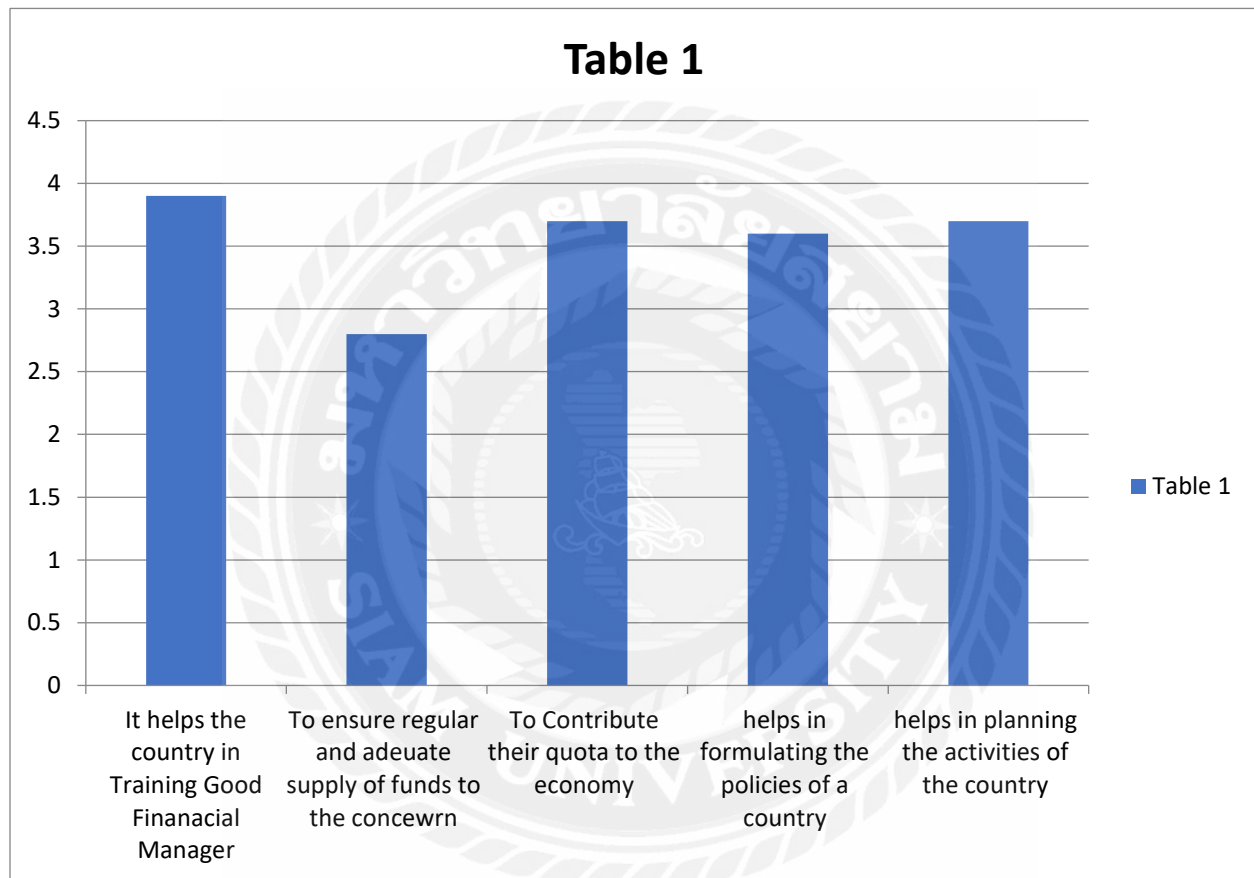


Chart showing Mean responses on the roles of financial management in the stimulation of Nigeria Economy.

RESEARCH QUESTION TWO

How as the study of financial management significant impact on the Nigerian economy?

Table 4.2 Mean responses on the impact of studying financial management on the Nigerian economy.

S/N	ITEM STATEMENT	SA	A	D	SD	Σ FX	N	X
1	Positively	111	138	84	300	1326	633	2.1
2	Averagely	312	180	51	90	1980	633	3.1
3	Less Average	158	150	33	292	1440	633	2.3
4	Negatively	100	233	100	200	1499	633	2.4
5	Insignificant	-	100	400	133	1233	633	2.0
	CLUSTER MEAN							2.4

From the above table, it can be seen that the respondents had a negative response to the research questions as all the mean scores to the item statements were below the expected mean of 2.5 except for item 2 which is 3.1. The means are 2.1, 3.1, 2.3, 2.4 and 2.0 respectively. The clusters of 2.4 indicated a negative response that the study of financial management does not have any impact on the Nigerian Economy.

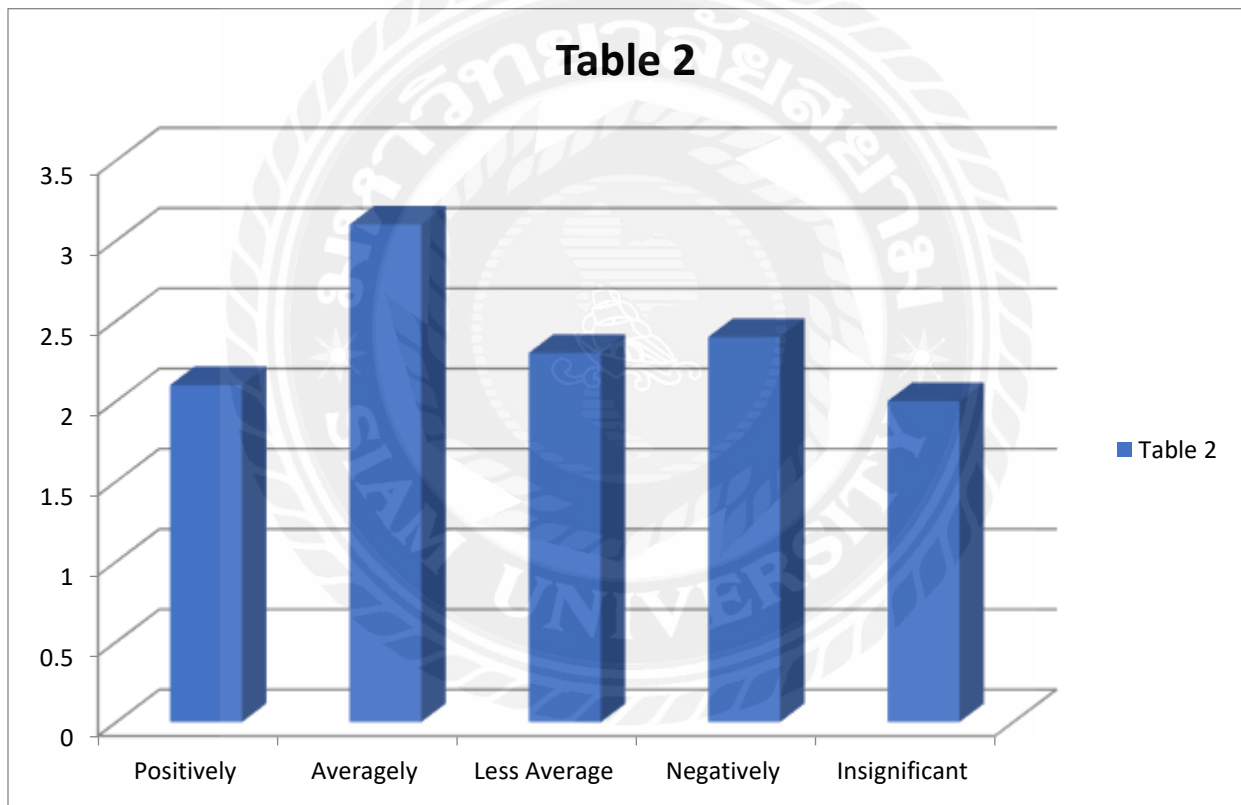


Chart showing the mean response on how as the study of financial management significant impact on the Nigerian economy

RESEARCH QUESTION THREE

How have the Policy in place affected the role of financial management in the simulation of the Nigerian economy?

Table 4.3 Mean responses on how the policies in place affect the role of financial management in the stimulation of the Nigeria economy.

S/N	ITEM STATEMENT	SA	A	D	SD	Σ FX	N	X
1	Very Good	250	100	90	193	1673	633	2.6
2	Good	400	120	113	-	2186	633	3.5
3	Fairly	500	130	3	-	2396	633	3.8
4	Poorly	150	150	200	133	1583	633	2.5
5	Very Poor	180	120	200	133	1613	633	2.6
	CLUSTER MEAN							3.0

The responses to the item questions in table 4.3 were all positive as the policies in place affect the role of financial management in the stimulation of the Nigeria economy.. This revealed that the respondents responded favourably to the item in

the questions with mean scores of 2.6, 3.5, 3.8, 2.5 and 2.6 respectively. The cluster mean score of 3.0 is a general indication of positive response to all the item statements.

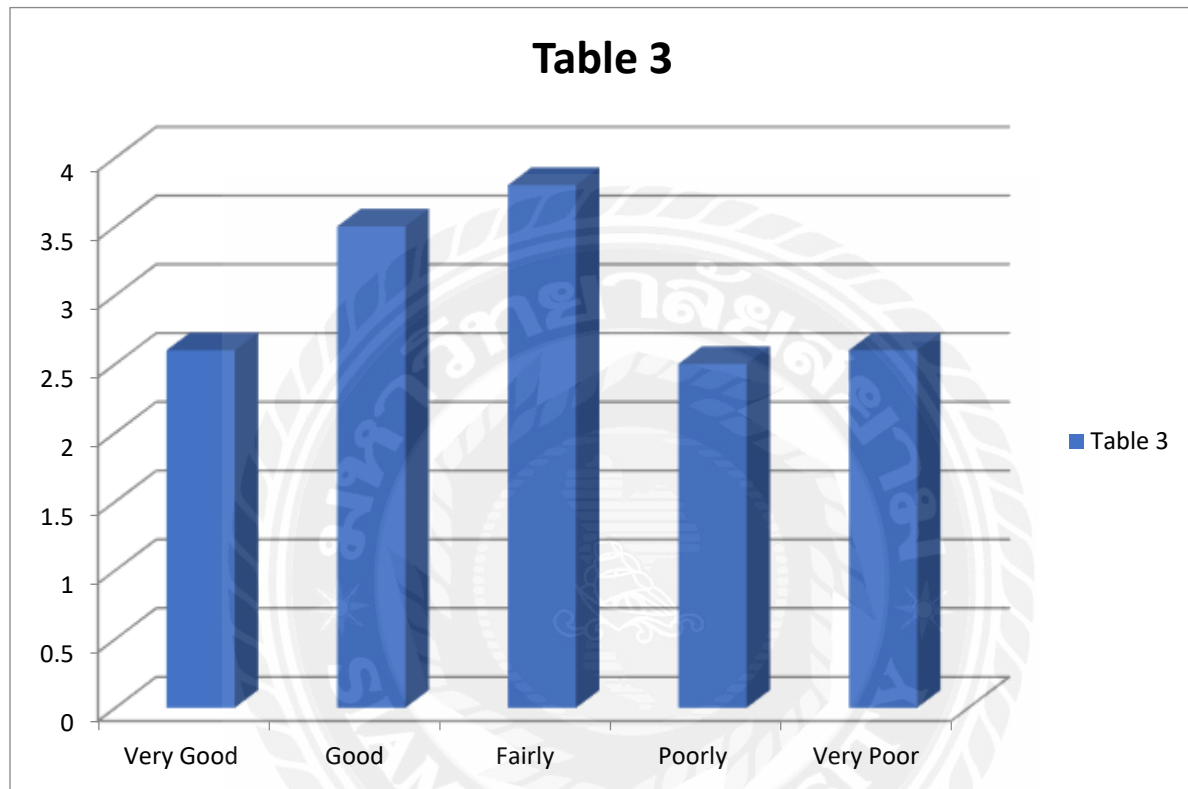


Chart showing Mean responses on how the policies in place affect the role of financial management in the stimulation of the Nigeria economy.

4.2 SUMMARY OF FINDINGS

From the analysis above the following finding were made;

- That the study of Financial management can aid a country in following ways;
 - a. It helps the country in training good financial managers
 - b. To ensure regular and adequate supply of funds to the concern.
 - c. It helps recipients to contribute his/her quota to the economy.
 - d. It helps in formulating the policies of a country.
 - e. It helps in Planning the activities of the country in long term, medium and short –term planning
- That the study of financial management has impacted significantly on the Nigerian economic.
- That the policies in place have also affected the role of financial management in the simulation of the Nigerian economy.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

It is crystal clear that when a nation has a good and well-tailored economic/financial pattern, economic growth and nation building will be achieved within the shortest period of time. If growth is to be achieved in the economic and financial system of Nigeria, there must be a stable system where economic and financial principles will not be determined by one man but according to the policies laid down. In this research, it has been observed that if the financial system/process (sector) is adequately improved, the real sector will also grow which will also grow the economic level of the country (Nigeria) and pull it out of the present condition (Recession). The dream of becoming a better economy in the world is also not coming to reality, because at this point the economic process is backpedaling and the nation is experiencing a stunted growth in economic and nation-building. The expected role of the financial system which is to be an intermediary in the investment of finance is no longer meeting up to this responsibilities because the economy now focuses on short-term instead of long-term basis. These make the country's economy to be weak which affect the production level of the economy.

It is verifiable that Nigerian banks under the umbrella of the CBN have agreed that 10% of the year-to-year income before tax is set aside for the nation's SMEs which is geared towards the stimulation of Economic Growth and enhance the rate employment for the country's growing population. It is worthy of note that the present Nigeria banks are finding it difficult to keep to the agreement and the funds are lying waste in the various account of this banks in CBN treasury books as the banks are hesitant to release the fund due to the inability of the indigenous produces (entrepreneur) to provide standard collateral and good feasibility study. Looking down to this present barriers, the country's growth suffered stuntedness and it lead the country into recession and the economic drive goes downwards every day.

If economic processes are significantly improved, it will influence the development of the finance sector. If Nigeria must grow from its present state, the economic/financial sector must birth a better process and good economic policies that will foster healthy competition in turns enhance investments to achieve desired economic expansion in the country and maintain its position as one of the emerging economies.

5.2 RECOMMENDATION

In order to ensure stimulated economic growth the following recommendations are suggested;

- There is a growing need for a financial actor to be consistent, transparent in dealing with public finance and as such the present administration should also develop proper financial policies which will also cater for the poor.
- The Issue to deploying qualify personnel to their areas of specialization should also be put into consideration. This will avail the employee or personnel to actively contribute is expertise.
- It is necessary for the government of the day to deal with ghost workers in the financial sector. This will help curtailing the excess fund that is been lost to ghost and are there will be no more pending files which were meant for the supposed ghost workers.

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APPENDIX 1

LETTER OF INTRODUCTION AND REQUEST

Dear Respondent,

This is a public survey questionnaire which is aimed at identifying and collecting data about The Study of Financial Management to Stimulate the Nigeria Economic. Your kind and objective response will significantly contribute towards reducing if not totally removing the problems militating against this all-important sub-sector of our economy.

In order to ensure confidentiality do not put down your name on the questionnaire but please answer the questions as honestly and objectively as possible.

Thanks

Researcher

APPENDIX II

QUESTIONNAIRE

INSTRUCTION

Please tick or mark (x) in the blank space provided to indicate your choice of answer.

PART A: PERSONAL DATA

1. What is your Gender?

a. Male

b. Female

2. What is your age Bracket?

a. 18 – 25

b. 26 – 35

c. 36 – 45

d. 45 and above

3. Which Department do you work with in the Ministry?

a. Economic Research and Policy Management

- b. Finance & Account
- c. General Services
- d. Graduate Internship Scheme (SURE-P)
- e. Home Finance
- f. Human Resource Management
- g. International Economic Relations
- h. Reform Coordination and Service Improvement
- i. Technical Services

PART B:

1. What are the roles of financial management education in the stimulation of Nigeria Economy?

S/N	ITEM STATEMENT	SA	A	D	SD
-----	----------------	----	---	---	----

1	It helps the country in training good financial managers				
2	To ensure regular and adequate supply of funds to the concern.				
3	It helps recipients to contribute his/her quota to the economy.				
4	It helps in formulating the policies of a country.				
5	It helps in Planning the activities of the country in long term, medium and short –term planning				

2. How as the study of financial management significant impact on the Nigerian economy?

S/N	ITEM STATEMENT	SA	A	D	SD
1	Positively				
2	Averagely				
3	Less Average				
4	Negatively				
5	Insignificant				

3. How have the Policy in place affected the role of financial management in the simulation of the Nigerian economy?

S/N	ITEM STATEMENT	SA	A	D	SD
1	Very Good				

2	Good				
3	Fairly				
4	Poorly				
5	Very Poor				

