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DETERMINANTS OF CAPITAL STRUCTURE IN NIGERIAN OIL AND GAS SECTOR

Subject matter: The Oil and Gas sector no doubt is Nigeria's topmost foreign exchange earner and determines the country's gross domestic products (GDP) as well as the yardstick for Nigeria's national annual budget metrics. The prime of place of this sector's performance makes its funding (capital structure) very vital to the respective companies and overall performance of the economy. **Goal:** This study therefore examines the determinants of capital structure decisions in the Oil and Gas sector. **Tasks:** Ultimately, the outcome of this study would benefit the Oil and Gas companies in making their capital structure decisions on preferred source of capital (loans or equity or a combination), the sector as a whole in terms of capacity and the regulatory authority in their assets performance monitoring. **Method:** The investigation has been performed using panel data procedure for a sample of seven Oil and Gas companies listed on the Nigerian Stock Exchange during 2008–2019. The study uses leverage as the dependent variable and five explanatory variables namely, liquidity, size, tangibility, non-debt tax shield and profitability. The study employed infoview (9.0) statistical software which assisted greatly in the understanding of the behaviour of variables used and the final results. **Results:** The results show that Liquidity has a negative relationship with leverage unlike other variables that have positive and relationship with the dependent variable. The relationship established between liquidity and leverage confirms that most of the companies under review look inwards in their financing activities (and may consider external financing for critical expansion and tax savings), our findings further reveal that the relationships between the variables is in tandem with the pecking order theory. **Conclusions:** The research concludes that there exists a relationship between leverage (capital structure) and the various determinants above. The research recommends that policy makers should consider the restructuring of the equities market to pave ways for more participatory financing especially now that the investors' confidence is gradually building up, develop the bonds market and also seek flexible conditions for accessing loans especially to the larger firms in the oil and gas industry.

Keywords: capital structure decision; liquidity; size; tangibility; Non-Debt Tax Shield (NDTS) and profitability.

Introduction

Capital Structure succinctly put refers to the framework through which a corporation finances its assets, using the combination of debt, equity, and hybrid securities. Capital structure is very important to a firm because it guarantees its fluidity either in financing its existing operations or in expanding its frontiers. A firm may not be able to achieve its objectives without the right financing mix. However, one important consideration in the selection of the best-fit capital structure for any firm is its level of efficiency, that is not just pooling funds together to finance a company's assets or capital, but it has to be at optimal level. This is the capital structure that minimizes a firm's cost of capital, maximizes market value, and increases shareholder's wealth (Pouraghajan & Malekian 2012).

Broadly speaking, capital structure is viewed differently from one firm to another. It is the assignment of debt and equity into a firm's financing profile. While debts are funds generated by borrowing, equities represent funds generated from sale of stocks. It could also be described as various combinations of debt and equity or hybrid securities for maximum value derivation at minimal overall cost.

To decide the capital structure therefore certain variables are to be taken into consideration. In the light of this, many theories (for example pecking order, trade-off, and free cash flow theories, among others) are in place to help financial managers achieve the ultimate goals of the firm.

The risks associated with equity appear higher to investors than the risks lenders take for creating debts. Overall, in term of measures of risks and costs, equity is higher than debt.

While some firms promote either of debt or equity, others opt for optimal mix of debt and equity. Firm specific factors (internal factors/ factors native to each firm) and macroeconomic factors could influence the combination of debt, equity and hybrid securities of firms. The justifications for choosing any of the options depend on perceived inherent benefits. A good consideration for debt is tax shelter enjoyed because interests on loans are tax deductible, others may choose equity due to 'double-barrel' benefits of capital appreciation and bonuses, among other benefits. One thing common to capital structure strategies is that firms crave for efficiency, hence the essence of optimal capital structure, that is, capital structure decision that delivers maximum value or returns at minimal cost.

A major objective of a firm is the maximization of the wealth of its owners through positive returns on their invested funds. In their quest to achieving this feat, firms perform their financing and investment decisions in the most effective and efficient ways. This in effect suggests that the ability of a firm to attain an optimal mix of debt and equity could positively affect the performance of the firm and supports the maximization of shareholders' wealth.

One challenge that firms face is the need to make correct financing decisions in respect of the right mix of debt and equity.

While optimal capital structure is important in harnessing the frontiers of a firm, the same goes for existing firms wishing to expand their frontiers in order to remain competitive. Applying the right decision is critical not just for the maximization of returns to the various organizational stakeholders, but also because of the impact such a decision will have on the organization's capability in dealing with its competitive environment

(Ogebe, Ogebe & Alewi, 2013).

The financial manager would therefore have to determine the best combination of equity and debt that would enhance the wealth of the shareholders and minimize the cost of capital. Ramadan and Ramadan (2015) revealed that most profitable firms rely less on borrowing to finance their cash needs and this invariably supports the pecking order theory which confirms an inverse relationship between borrowing and profitability of the firms. Lemma and Negash (2014) on their part found out that a more profitable firm tends to adjust its capital structure more regularly than the less profitable ones. The right combination chosen by the financial manager is crucial to guaranteeing the going concern status of a firm, because employing a wrong mix could seriously hinder the performance and survival of the business (Onaolapo & Kajola, 2010).

Whenever a firm has to contend with financial deficit that impacts on its financial condition, the manager is expected to make a managerial decision that would help to maintain the viability of the firm. Sources of capital include retained earnings, debt, and equity; retained earnings are the cheapest funding source as it does not have explicit costs in the same way as funds obtained externally. When the firm uses debt to finance investment, it increases costs and the firm is exposed to a financial risk. Therefore, right decisions should be taken on the firm's debt structure, maturity, decision on mixed debt to certain parties or to the investor, and other types of debt contracts (Morellec, 2001).

If a firm uses equity as part of its capital structure, either ordinary share or preferred share, then the shareholders of those stocks are the owner of the firm. Unlike stocks, debt has a due date. Repayment of stocks is not necessarily required since stocks are liquidated if the firm goes bankrupt or in extreme cases if firms wind down by the compulsion of law. Issuing new stocks may reduce the authority of the old owners in the firm, this is however expected to be properly managed such that existing owner do not feel threatened. The cost of the issuance of stocks is the dividend which will be distributed to shareholders. Furthermore, interests paid on debt can be treated as tax-deductible expenses, but dividend payment on common stock and preferred stocks are not tax-deductible.

The concept of capital structure takes its root from the curtain-raising work of Modigliani and Miller (1958) on capital structure irrelevancy hypothesis which is based on an unrealistic Arrow-Debreu environment (complete market, absence of transaction and bankruptcy costs and no taxes) which have opened the door to plethora of researches that present the real world scenarios; this paper is therefore intended to contribute to this topic which is fundamental to finance. On the whole, there is yet to be a universally acceptable model on this crucial subject. Most of the researches conducted on capital structure concluded that there is an optimal capital structure that is affected by a variety of internal and external factors.

This study therefore is an attempt to contribute to the subject of capital structure by researching into the determinants of capital structure and by extension its

importance in arriving at optimal capital structure especially in the Oil & Gas sector.

Issues of capital structure have been widely revised in Nigeria. However, literature on capital structure on Oil & Gas reported mixed / inconclusive findings. The conflict in findings is believed to be as a result of different methodologies used, the period of research and paucity or incomplete data, among other reasons. The methodology used in this study and the approach is therefore designed to reduce the gap identified as stated above in earlier studies.

Theoretical bases

This section addresses issues relating to capital structure theories and their impacts on returns/performance. The prime of place of capital structure is such that firms need to constantly dissect their portfolios of debt, equity, and hybrid securities to finance assets, operations, and future growth. In reality however, *capital structure* may be highly complex with numerous sources. Two schools of thought are captured in the extant literature namely; relevance or traditional theory and the irrelevancy theory. There are several definitions allotted to the concept of capital structure, for example, Jensen and Meckling (1979) define capital structure as the sources of financing, particularly the proportions of debt (leverage/gearing) and equity that a business uses to fund its assets, operations and future growth. In a similar vein, Ross (1997) defines capital structure as the combination of debt and equity in long term financing of a company's operation. Capital structure according to Pandey (2004) is the proportionate relationship between long-term debt and equity. Equity is also defined to include share-capital, share premium, reserves and surplus (retained earnings). Equity is a good source of capital to business, specifically, funds from the stock market has been a source of capital for the corporate sector. Horne (2002) defines capital structure as the proportion of debt instruments, preferred and common stock on a company's balance sheet. Broadly speaking capital structure can be classified into two categories namely; Pure Equity Capital Structure which is when a firm's assets are financed by equity only (no borrowing), the capital structure is termed as pure equity capital structure and the firm is called an unlevered firm. Secondly, Mixed Capital Structure, here firm employs both equity and debt capital to finance its assets, the capital structure is termed as mixed/hybrid capital structure and the firm is called a levered firm.

The specific mix of debt and equity which maximizes the value of a firm is called the optimal capital structure. The current trend is that most companies have mixed capital structure because of two main advantages of debt financing: (i) lower cost and (ii) interest payments being tax-exempted. However, excessive leverage may prove to be counterproductive because of high probability of bankruptcy.

In the foundational theory (genesis) of capital structure, David Durand (1959) in one of his earliest works identified two extreme approaches (views) namely net income (NI) approach and net Operating Income

(NOI) Approach. These theories were based on the following assumptions: perfect capital markets (no information, transaction and bankruptcy costs), no corporate taxes (relaxed later on), no growth in operating income (constant EBIT), 100% dividend pay-out ratio, firm's capital structure changeable by selling debt to repurchase stock or by selling stock to retire debt, homogeneous expectations of investors and cost of debt (Kd) remaining constant irrespective of the debt level in the capital structure.

As earlier said, the theory of capital structure which has its origin in the irrelevance theory of capital structure by Modigliani and Miller (1958) with its attendant unrealistic assumptions has caused researchers to test the MM claims and juxtapose same with real world situation bearing in mind the relationship between capital structure and firm specifics in different countries and different sectors due to the prime of place of capital structure to the firms. This has invariably culminated in various other

theories such as the pecking order theory, the static trade of theory, the agency costs theory and bankruptcy theory, dynamic trade-off theory, substitution theory, neutral mutation, cash-flow, signaling and market timing of capital structure.

Quite a number of existing literatures on capital structure hinge on the determinants of capital structure. Booth, Aivazian, Demirguc-Kunt and Maksimovic (2001) in their investigation of the determinants of capital structure across ten developing countries, opine that the firm's capital structure decisions in developing economies are affected by the same factors that affect that of developed economies. Pandey & Singh (2015) in his study analyzed the firm-specific and country-specific determinants of capital structure for firms in four developing countries and asserts that firm specifics affect the individual capital structures of the different firms as well as the country specifics.

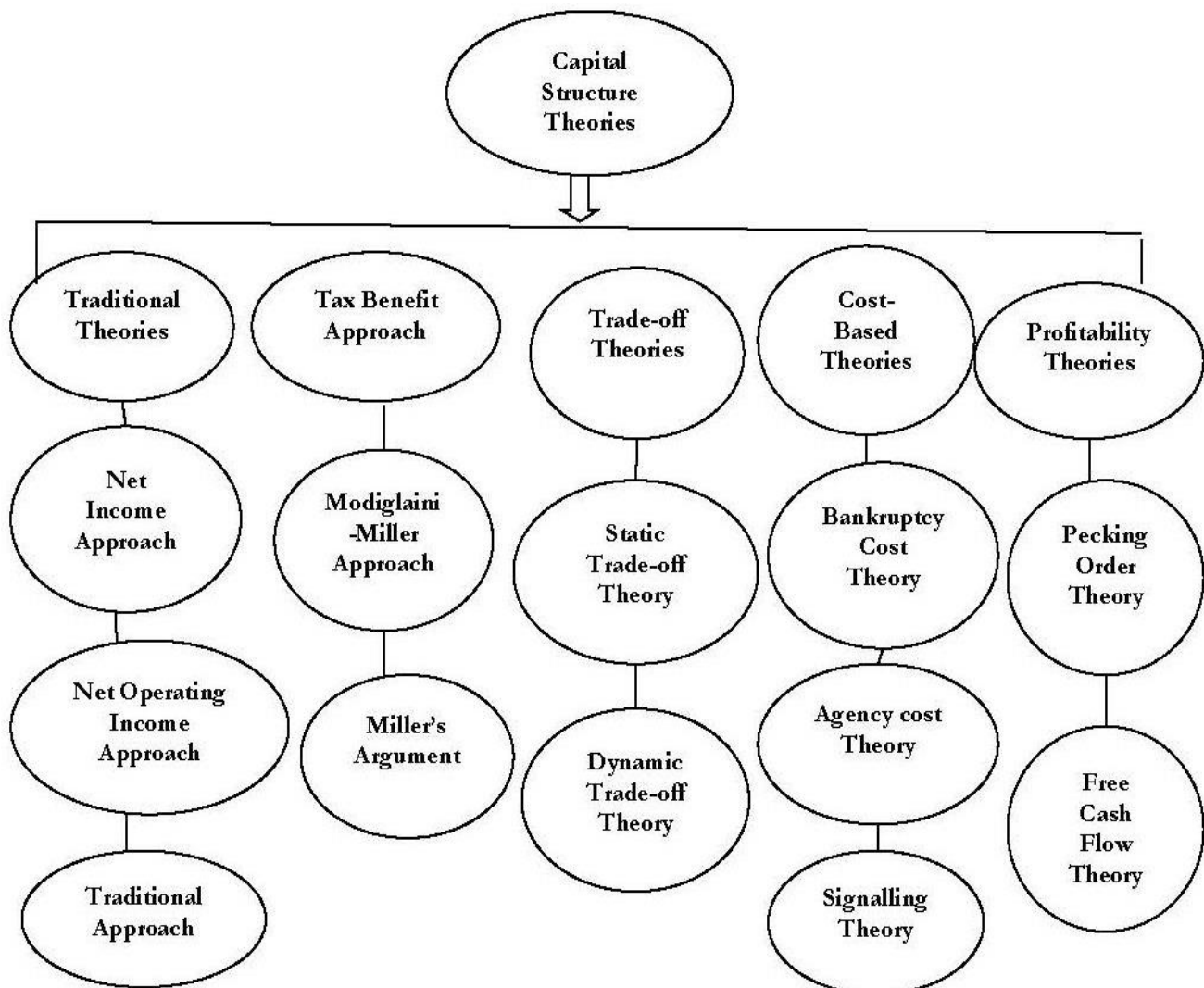


Fig. 1. Schematic Presentation of Capital Structure Theories
Authors' Modification (Tewara, 2016)

There are quite a number of factors that determine capital structure which could be narrowed down to market forces, industry type, and size of the firm, government and

internal policies of the firm. Floatation and other direct costs, ownership structure, profitability, corporate tax and bankruptcy costs (Tewara, 2016).

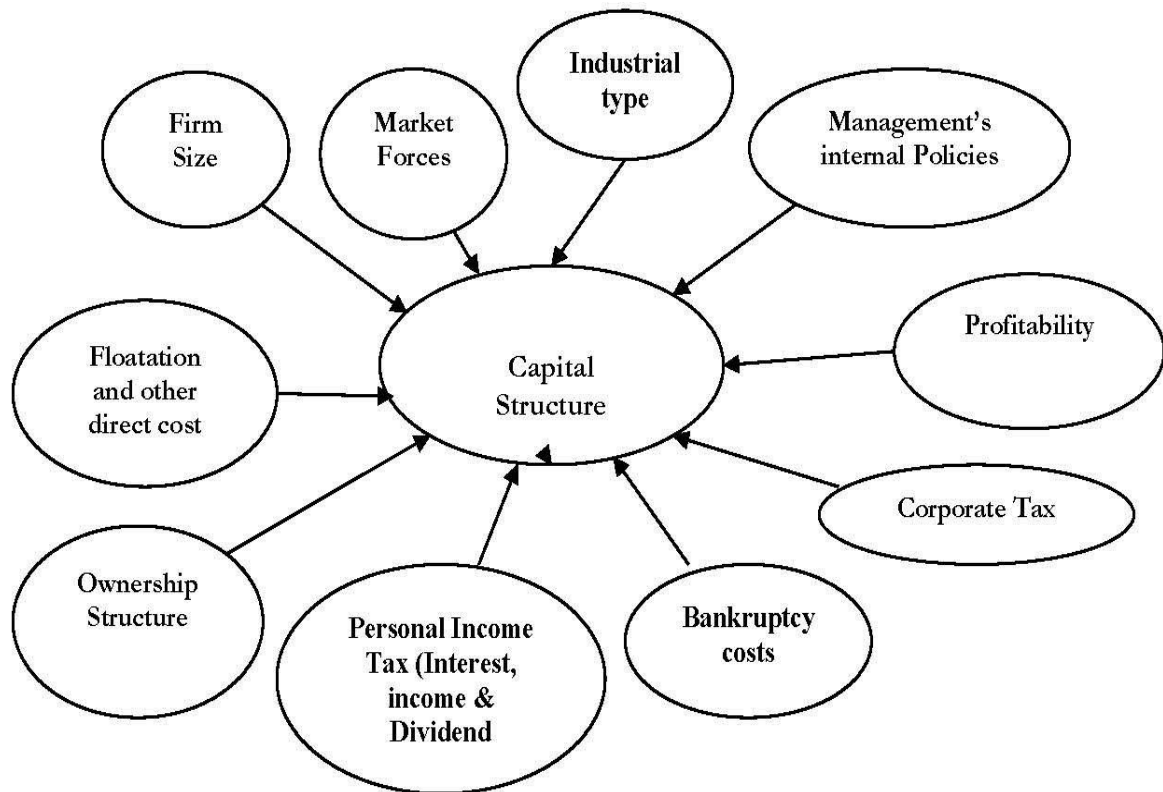


Fig. 2. Factors determining Capital Structure / Conceptual Framework
Source: Author's adaptation (Tewara (2016).

The data used in this empirical analysis were sourced from the Nigerian Stock Exchange (a very trusted source of data in Nigeria), while firm specific reports were extracted from the annual report/ audited financials of the firm used in the study. It is comprised of seven (7) leading Oil & Gas firms in Nigeria and the data was collated over the period of eleven (11) years, that is, 2008-2019. The period covered pre and post-global financial meltdown which invariably gives a true reflection of the mean performances of the firm under review.

Methodology /Model Specification

As earlier stated, the objective of this study is to identify the effects of liquidity, size, tangibility non-debt tax shield and profitability on capital structure decisions of the listed companies in Nigerian oil and gas industry. The dependent variable used is the leverage of the selected firms, while the explanatory variables were liquidity

(measured by current ratio), size, tangibility, non-debt tax shield and profitability. Panel data analysis is used to generalize the results (Eriotis, Vasiliou, Ventoura-Neokosmidi, 2007). This will enable us consider the effects of such data to estimate the results. Pooled least square is used to estimate the association between the studied variables. Thus, the following model emerged in the following functional form:

$$LV = F(LQ, SZ, TN, NDTS, PR). \quad (1)$$

The econometric form of equation 1 is represented as:

$$LV = \alpha_0 + \alpha_1 LQ_{it} + \alpha_2 SZ_{it} + \alpha_3 TN_{it} + \alpha_4 NDTS_{it} + \alpha_5 PR_{it} + \mu_{it}. \quad (2)$$

A priori expectations: $\alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5 > 0$ (non-negativity assumption).

Table 1. Explanation & bases of variables

Variable	Factor used	Signalling property
1	2	3
Leverage Ratio (LV)	Leverage ratio is the firm's ratio of total debt (short term and long term) to total assets	Leverage ratio assists with the evaluation of a firm's debt situation/ level. Its importance stems from the fact that firms depend on the mixture of debt and equity to finance their existing or proposed operations. Therefore, a good knowledge of the amount of debt or debt instruments held by the firm is useful in evaluating whether it has the capacity to meet up with its debt obligations when they fall due and to hint ahead of when to raise the red flag

The end **Table 1**

1	2	3
Liquidity (LQ_{it})	Current ratio, that is, liquidity of firm i in year t	Liquidity is a measure of a firm's financial strength. The going concern status of any organization is guaranteed by it. It is an important explanatory variable for leverage. A firm with sufficient liquidity is likely to make the best capital structure decision
Size (SZ_{it})	Size of firm i in year t ; total assets of the firm per year.	It is also a good explanatory variable for leverage ratio. Large firms are able to hold more debt rather than small firms, because large firms have higher debt capacity. According to Rajan and Zingales (1995), larger firms are likely to be more diversified and fail less often. Thus, size may be an inverse proxy for the probability of bankruptcy
Tangibility (TN_{it})	Tangibility of firm i in year t (measured as the ratio of total net fixed assets to total assets Fixed asset Total Assets)	The agency cost theory models suggest that the conflict between lenders and shareholders create an incentive for shareholders to invest in a sub-optimal way. A measure of tangibility employed in Huang and Song (2002) is fixed assets divided by total assets
Non-debt tax shield ($NTDS_{it}$)	Non-debt tax shield of a firm i in year t (measured as ratio of annual depreciation to total assets) Annual depreciation Total Assets	Non-debt tax shields are other items apart from interest expenses, which contribute to a decrease in tax payments, such as the tax deduction for depreciation. According to Modigliani and Miller (1958), interest tax shields create strong incentives for firms to increase leverage. Therefore, where there are non-debt tax shields, they would serve as substitutes for the tax benefit of debt financing (DeAngelo and Masulis, 1980).
Profitability (PR_{it})	Profitability of firm i in year t (measured by the ratio of Total Earnings Before Interest and Tax to total assets, that is, Earnings Before interest and Tax (EBIT) Total Assets)	There are conflicting effects of profitability on leverage for example, Myers and Majluf (1984), using the pecking order, predicts a negative relationship between profitability and leverage. The reason is that the pecking order theory suggests firms will use retained earnings first as investment funds and then move to bonds and new equity only if necessary. Therefore, it is believed that profitable firms tend to have less debt. Jensen (1986) predicts a positive relationship if the market for corporate control is effective. However, if the market is ineffective. Jensen (1986) predicts a negative relationship between profitability and leverage. A measure of profitability equals earnings before interest and tax divided by total assets

Source: Author's compilation (2019)

Results

In order to realize the objective of the study, two general methods are used in the empirical analysis of data. The preliminary analysis (which comprises of the descriptive and correlation analysis) of the data is first

conducted to provide background analysis on the data and to generate the initial characterization of the data used in the study. Thereafter, the panel multiple regressions were conducted using the ordinary least square (OLS) method. The data were analyzed using E-view 8.0 econometric software. The results are presented below:

Table 2. Descriptive Statistics of All Variables

Variables	LV	LQ	TN	PR	SZ	NDTS
1	2	3	4	5	6	7
Mean	0.577	0.943	0.354	0.122	16.833	0.148
Median	0.669	0.900	0.300	0.091	17.640	0.036
Maximum	1.010	1.980	0.911	0.673	20.890	0.759
Minimum	0.030	0.041	0.001	-0.277	11.760	0.001

The end Table 2.

1	2	3	4	5	6	7
Std. Dev.	0.277	0.354	0.175	0.153	2.239	0.221
Skewness	-0.538	0.377	1.070	1.177	-0.632	1.786
Kurtosis	2.054	4.987	4.585	5.730	2.587	4.715
Jarque-Bera	5.382	11.854	18.636	34.119	4.637	41.202
Probability	0.067	0.003	0.000	0.000	0.098	0.000
Sum	36.354	59.414	22.290	7.685	1060.520	9.316
Sum Sq. Dev.	4.753	7.782	1.905	1.458	310.852	3.032
Observations	63	63	63	63	63	63

Source: Computation by the Author, 2018.

Correlation Analysis.

The initial patterns of relationship among the variables can be observed based on the correlation among the variables.

Table 3. Pearson Correlation Statistics

	LV	LQ	TN	PR	SZ	NDTS
LV	1.000000					
LQ	0.030534	1.000000				
TN	0.139117	-0.026132	1.000000			
PR	0.202960	0.260333	0.477206	1.000000		
SZ	0.260248	-0.275628	0.088462	-0.209232	1.000000	
NDTS	0.117204	-0.146347	-0.027904	-0.209716	0.052574	1.000000

Source: Computation by the Authors, 2018.

Table 4. Pooled Regression Result

Dependent Variable: LEV

Variables	Coefficient	Std-Error	T-ratio	Prob.
C	0.5192	0.4439	1.1695	0.2472
LQ	-0.0650	0.1112	-0.5835	0.5619
TN	0.1846	0.2506	0.7365	0.4645
PR	0.2958	0.2530	1.1690	0.2474
SZ	0.0005	0.0235	0.0218	0.9827
NDTS	0.2369	0.2104	1.1262	0.2649
AR(-1)	0.4035	0.1186	3.4038	0.0012
R-squared	0.2111			
Ṙ	0.1265			
F-statistic	2.4971			

Source: Computation by the Authors, 2018.

Discussion of results

There are limitations in terms of methodological weaknesses in timing or period, mode of analysis and the method of estimation. Attempts are made in this study to use stronger methodology that captures the relationships between the dependent and independent variables used, for example, model pooled regression analysis applied in

this study is good and has the capacity to resolve the issues of omitted variables. Also, the study relies on secondary data from the Nigerian Stock Exchange, therefore likely errors from this background are possible. However, the integrity of the Nigerian stock exchange where data were obtained minimizes such.

A corollary of above point is data constraints or incomplete data availability in capital structure studies in

emerging capital markets like Nigeria, but it has been greatly managed in this study as data were collated for the period they were complete. This also goes for the problems of omission of variables. Lastly, to resolve the limitation of simultaneity, the models employed presents greater depth.

The table 2 above presents the results for the descriptive statistics for all the variables. The dependent variable LV has a mean value of 0.57 with a maximum and minimum value of 1.00 and 0.02 respectively. The standard deviation 0.27 is low and suggests that LV over the years exhibits low deviation from the mean. Our findings from above results show that the discrepancies from the mean for independent variables are very large. It suggests that the variables over the years exhibit high deviation from the means. None of the kurtosis is equal to 3, an indication that the distribution is not normal. All the variables except (LV and SZ) Jarque-Bera are statistically significant at 5%. This also shows both normality and non-normality of the variables distribution.

From table 3, the co-efficient of correlation of all the variables are examined. However, of particular interest to the study is the correlation between the dependent variable (LV) and the explanatory variables. As observed, positive relationships/association exist between LV & LQ ($r=0.0305$), LV & TN ($r=0.1391$), LV & PR ($r=0.2029$), LV & SZ ($r=0.2602$) and LV & NDTs ($r=0.1172$), the coefficient of all the independent variables are low indicating that an increase in each of the variables may also be associated with an increase in LV.

On the association among the independent variables, we can observe that a positive correlation exist between the following variables: LQ and PR; TN and PR; TN and SZ; SZ and NDTs. However, a negative correlation was found between: LQ and TN; LQ and SZ; LQ and NDTs; TN and NDTs; PR and SZ; PR and NDTs. All the coefficients are quite low. It is important to note that correlation analysis does not necessarily imply the existence of functional relationship but a mere association. This suggests that there might be multicollinearity in the model.

Lastly, the results from pooled regression analyses as presented in table 4 above show adjusted R-square of approximately 13%, indicating that about 13% change in dependent variable (LV) is explained by changes in the explanatory variables (LQ, TN, PR, SZ and NDTs). The f-statistic value of 2.50 is significant at the 5% level, which implies that the independent variables put together were able to explain the dependent variable (LV). The Durbin Watson statistic of 2.2092 (≈ 2) shows that there is no serial correlation in the estimated model, thus making it amenable for policy perspectives. On the basis of the individual statistical significance of the model, as shown by the probability value, the result reveals that TN, PR, SZ, NDTs and LQ are not significant determinants of leverage. In terms of the a priori sign, tangibility (TN), profitability (PR), size (SZ) and non-debt tax shield (NDTs) were correctly signed (positive), therefore the positive sign exhibited by the coefficients indicate that increase in the variables will enhance the choice of oil and

gas companies' capital structure. However, liquidity (LQ) was wrongly signed (negative) contrary to our a priori expectation, this means that there exists a negative relationship between liquidity and leverage in developing countries due to high level of corruption, political risk, severe information asymmetry, agency cost and the fact that the market is less developed. Furthermore, we discovered that tangibility was positively and insignificantly related to leverage. The implication is that tangibility is not a strong factor that influences leverage of listed oil and gas companies in Nigeria. Profitability was found to be positively related to leverage, although not significantly, the implication of this is that stable profitability is a strong weapon against insolvency and bankruptcy. Also, it was found that the size of the chosen firms was positively related to leverage. Growth trajectories in terms of size, profitability follow the same direction and invariably with high level of profit stability in a firm, the likelihood of bankruptcy is slim. Non-debt tax shields was discovered to be positively and insignificantly related to leverage. However, we do not support excessive leverage because of its implications in the likely event of bankruptcy.

Arising from our findings, the significance of the studies cannot be overemphasized; it offers guidance platform to oil and gas sector in the selection of their debt-equity mix, that is, capital architecture. Also, it could be a ready working tool in the hands of the regulatory bodies regulating the Oil and Gas sector in Nigeria. We are also of the opinion that the applications of our findings have the capacity to reduce the information asymmetry between various stakeholders in the sector.

On future direction of research, we suggest expansion of the scope in terms of increasing the sample size, period covered and the number of performance indicators. This could as a matter of fact include unquoted oil and gas firms. Also, we strongly recommend the application of dynamic programming to explore optimal capital structure (because capital structure cannot be static in terms of its determinants and direction of optimality). This is because it has the capacity to break down complex problems as found in capital structure into sub-problems. It also could prove a vital tool in determining optimal capital structure at every stage of firms' growth.

Conclusion and recommendation

The result of our study reveals that all our explanatory variables are not significant determinants of leverage. However, the positive relationships of TN, PR, SZ, NDTs and LQ to leverage emphasize the importance of the variables. This also conforms with the pecking (hierarchy) order theory that good returns on investment (ROI) or equity (ROE) makes firms consider looking inwards more for their financing because of easier access to funds, equity is also used to spread risks among shareholders and firms might require some debt financing for expansion or diversification purposes, especially for their perceived higher capacity to contain debt and minimal threat to their going concern status due to well

diversified huge assets. It appears to be the reason why mergers and acquisitions in the oil and gas industry in Nigeria have so far been successful to great extents. The values of the selected companies are quite huge at the stock exchange, hence the positive relationship with leverage, this supports the trade-off theory that argue that larger firms have higher borrowing (debt absorbing) capacity. Nigeria is a developing country with attendant information asymmetry and existence of moral hazard couples with adverse selection.

Policy makers should increase the level of information distribution, develop the capital market more to reduce imperfection and set a reasonable liquidity threshold appropriate for firms and guide them on best approaches to liquidity management. They may also

consider the restructuring of the equities market to pave ways for more participatory financing especially now that the investors' confidence is gradually building up. Secondly, better development of bond market will be a good one for oil and gas companies because it fits well into their production cycle. Also, we suggest more flexible conditions for accessing loans to the larger firms because of their high absorptive capacities in debt repayment; this is to counter the present high interest paid and not so friendly tenor of facilities given. However, we do not support excessive leverage because it could be sine qua non to bankruptcy. Therefore, there should be a proper balancing of financing options or optimal capital structure for oil and gas industry with guaranteed maximized returns at minimized cost.

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ФАКТОРИ, ЩО ВИЗНАЧАЮТЬ СТРУКТУРУ КАПІТАЛУ В НАФТОГАЗОВОМУ СЕКТОРІ НІГЕРІЇ

Предмет: Нафтогазовий сектор, безсумнівно, є найбільшим джерелом надходжень іноземної валюти в Нігерії і визначає валовий внутрішній продукт (ВВП) країни, а також є критерієм для показників національного річного бюджету Нігерії. Найважливіше місце в діяльності цього сектора займає його фінансування (структура капіталу), що є дуже важливим для показників відповідних компаній і загальних показників економіки. **Завдання:** В кінцевому підсумку результати цього дослідження принесуть користь нафтогазовим компаніям при прийнятті рішень про структуру капіталу щодо переважного джерела капіталу (позики, власний капітал або їх комбінація), сектора в цілому з точки зору потужності і регулюючого органу під час моніторингу ефективності своїх активів. **Метод:** Дослідження проводилося з використанням процедури панельних даних для вибірки з семи нафтогазових компаній, що котируються на нігерійській фондовій біржі протягом 2008-2019 рр. у дослідженні використовується кредитне плече в якості залежної змінної і п'ять пояснюючих змінних, а саме ліквідність, розмір, відчутність, бездовговий податковий захист і прибутковість. У дослідженні використовувалося статистичне програмне забезпечення infoview (9.0), яке дуже допомогло в розумінні поведінки використовуваних змінних і остаточних результатів. **Результати:** Результати показують, що ліквідність має негативний зв'язок з кредитним плечем, на відміну від інших змінних, які мають позитивний зв'язок із залежною змінною. Зв'язок, встановлений між ліквідністю та леввериджем, підтверджує, що більшість розглянутих компаній у своїй фінансовій діяльності дивляться всередину себе (і можуть розглядати зовнішнє фінансування для критичного розширення та економії податків), наші результати також показують, що взаємозв'язок між змінними знаходиться в тандемі з теорією ієрархії. **Висновки:** Дослідження призводить до висновку, що існує взаємозв'язок між леввериджем (структурою капіталу) і різними детермінантами, зазначеними вище. У дослідженні рекомендується, щоб директивні органи розглянули реструктуризацію ринку акцій, щоб прокласти шляхи для більшого пайового фінансування, особливо зараз, коли довіра інвесторів поступово зростає, розвивати ринок облігацій, а також шукати гнучкі умови для доступу до кредитів, особливо для більших компаній. у нафтогазовій галузі.

Ключові слова: рішення про структуру капіталу; ліквідність; розмір; реальність; податковий щит без боргу (NDTS) і прибутковість.

ФАКТОРЫ, ОПРЕДЕЛЯЮЩИЕ СТРУКТУРУ КАПИТАЛА В НЕФТЕГАЗОВОМ СЕКТОРЕ НИГЕРИИ

Предмет: Нефтегазовый сектор, несомненно, является крупнейшим источником поступлений иностранной валюты в Нигерии и определяет валовой внутренний продукт (ВВП) страны, а также является критерием для показателей национального годового бюджета Нигерии. Важнейшее место в деятельности этого сектора занимает его финансирование (структура капитала), являющееся очень важным для показателей соответствующих компаний и общих показателей экономики. **Задачи:** В конечном итоге результаты этого исследования принесут пользу нефтегазовым компаниям при принятии решений о структуре капитала в отношении предпочтительного источника капитала (ссуды, собственный капитал или их комбинация), сектора в целом с точки зрения мощности и регулирующего органа при мониторинге эффективности своих активов. **Метод:** Исследование проводилось с использованием процедуры панельных данных для выборки из семи нефтегазовых компаний, котирующихся на Нигерийской фондовой бирже в течение 2008-2019 гг. В исследовании используется кредитное плечо в качестве зависимой переменной и пять объясняющих переменных, а именно ликвидность, размер, осознанность, недолговая налоговая защита и прибыльность. В исследовании использовалось статистическое программное обеспечение infoview (9.0), которое очень помогло в понимании поведения используемых переменных и окончательных результатов. **Результаты:** Результаты показывают, что ликвидность имеет отрицательную связь с кредитным плечом, в отличие от других переменных, которые имеют положительную связь с зависимой переменной. Связь, установленная между ликвидностью и леввериджем, подтверждает, что большинство рассматриваемых компаний в своей финансовой деятельности смотрят внутрь себя (и могут рассматривать внешнее финансирование для критического расширения и экономии налогов), наши результаты также показывают, что взаимосвязь между переменными находится в тандеме с теорией иерархии. **Выводы:** Исследование приводит к выводу, что существует взаимосвязь между леввериджем (структурой капитала) и различными детерминантами, указанными выше. В исследовании рекомендуется директивным органам рассмотреть реструктуризацию рынка акций, чтобы проложить пути для большего долевого финансирования, особенно сейчас, когда доверие инвесторов постепенно растет, развивать рынок облигаций, а также искать гибкие условия для доступа к кредитам, особенно для более крупных компаний в нефтегазовой отрасли.

Ключевые слова: решение о структуре капитала; ликвидность; размер; реальность; налоговый щит без долга (NDTS) и прибыльность.

Бібліографічні описи / Bibliographic descriptions

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