

Value Added Tax implementation and Consumer Behavioural Needs in Southwest, Nigeria

Sekeenah Adepeju ADEDIRAN

LCU/PG/005450

Being MSc Thesis submitted to the Department of Management & Accounting, Faculty of
Management & Social Sciences, Lead City University, Ibadan, Oyo State, Nigeria

In Partial Fulfilment of the Requirements for the Award of Master Degree (MSc) in
Accounting

2025

Certification

This is to certify that Sekeenah Adepeju ADEDIRAN with Matriculation Number LCU/PG/005450, carried out this research work titled “Value Added Tax implementation and Consumer Behavioural Needs in Southwest, Nigeria” in the Department of Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State for the award of Master Degree in Accounting and that this has not been previously submitted.

Dr. J. O. Olaleye
Supervisor

Date

Dr. T. O. Akinbo
Head of Department

Date

Dedication

This thesis is dedicated to the Merciful God, who had helped me from the beginning to the end of this programme

Lead City University Ibadan DO NOT COPY

Acknowledgement

All praise and adoration are due to Almighty God for His unfailing guidance throughout my academic journey at this prestigious institution, Lead City University, Ibadan. I am deeply grateful to the university for granting me the invaluable opportunity to pursue this degree.

My heartfelt appreciation goes to my supervisor, Dr. Olaleye John Olatunde, whose invaluable contributions have been instrumental to the successful completion of this research. Your constructive feedback, timely evaluations, unwavering support, and commitment to excellence have greatly enriched my academic and intellectual development.

I also extend my sincere thanks to Dr. T.M. Akinbo, Head of the Department of Management and Accounting, as well as to Dr. Taiwo, Prof. Oyedokun, Prof. Adejuwon, and all other esteemed lecturers in the department. Your collective dedication and encouragement created a conducive environment for learning and research, which greatly facilitated the completion of this thesis.

I am immensely grateful to my beloved parents, Barr. S.O.Q. and Mrs. B.I. Giwa, for their tireless support and encouragement throughout my academic pursuit. My sincere appreciation also goes to my dear siblings for their unwavering belief in my potential and their continuous support.

A special note of thanks goes to my loving husband, Mr. Opeyemi Adediran, for his steadfast support and encouragement throughout the years. To our wonderful children, Hafsoh and Haneef Adediran, thank you for bringing boundless love and joy into our lives.

While I acknowledge the immense contributions of the individuals and institutions mentioned above, I take full responsibility for any errors or shortcomings that may be found in this work.

Abstract

Consumer behavior refers to the different aspects of the consumer's consumption choices. Consumers do make some decisions on the choices for instance to consume or not to consume a given product. This study investigated Value Added Tax implementation and its impact on Consumer Behaviour in Southwest, Nigeria. Ex-post facto research design with the use of secondary data such as the company reports, journal and letters were employed for data collection. The population of the study comprised 7 companies that offer consumer goods and services and are listed on Nigeria Stock Exchange. They are; ABC Transport, BUA Foods, BUA Cement, Cadbury Nigeria, Berger Paints, Dangote Sugar and Refinery and Flour Mills of Nigeria. Also, an inferential methods of data analysis were employed to determine the extent to which Value Added Tax implementation impact Consumer Behaviour in Southwest, Nigeria. The result yielded a coefficient of multiple regression $Adj R^2 = 0.138$, $F(5,157) = 6.174$, $p = 0.000$. The ANOVA result from the regression analysis shows that there was a significant impact of the independent variable (Value Added Tax) on the dependent variable (Consumer Behaviour). It was recommended that management of consumer goods companies in Southwest, Nigeria need to improve on regulations of their VAT for effective refecton on the consumer goods' prices

Key Word: Consumer Behaviour, Value Added Tax

Word Count: 208

Table of Contents

Certification	i
Dedication	iii
Acknowledgement	iv
Abstract	iv
Table of Contents	vii
List of Tables	ix
List of Figures	x
Chapter One	1
Introduction	1
1.1 Background to the study	1
1.2 Statement of the Problem	8
1.3 Aim and Objectives of the study	10
1.4 Research Questions	10
1.5 Research Hypotheses	11
1.6 Scope of the Study	11
1.7 Significance of the Study	12
1.8 Limitations of the Study	13
1.9 Operational Definition of Terms	13
Endnotes	15
Chapter Two	16
Review of Related Literature	16
2.1 Conceptual Review	16
2.1.1 Concept of Consumer Behaviour	16
2.1.2 Concept of Value Added Tax	29
2.2 Theoretical Review and Framework	56
2.2.1 Maslow Hierarchy of Needs Theory	56
2.2.2 Ability – to – pay Theory	59
2.2.3 Expediency Theory	61
2.2.4 Benefit Received Theory	61
2.3 Empirical Review	63
2.3.1 Value Added Tax and Consumers Behavioural Needs.....	63
2.4 Conceptual Framework	109
2.5 Summary of Reviewed Literature	110
Endnotes	111
Chapter Three	127
Methodology	127

3.1	Research Design	127
3.2	Population of the Study	127
3.3	Sample and Sampling Techniques	127
3.4	Description of Research Instruments	127
3.5	Estimation Technique	128
3.5.1.	Autoregressive Distributed Lag (ARDL) Method	128
3.5.2.	Toda-Yammamoto Causality Test	128
3.6	Method of Data Analysis	129
3.6.1	Model Specification	129
3.7	Method of Data Collection	131
	Endnotes	132
	Chapter Four	133
	Results and Discussion of Findings	133
4.1	Preliminary Test	133
4.1.1	Descriptive Statistics	133
4.1.2	Correlation Matirx	135
4.2	Presentation of Test of Hypotheses	137
4.3	Discussion of Findings	146
	Endnotes	155
	Chapter Five	158
	Summary, Conclusion and Recommendation	158
5.1	Summary of Findings	158
5.2	Conclusion	158
5.3	Recommendations	159
5.4	Contribution to Knowledge	159
5.5	Area of Future Research	160
	Bibliography	162
	Appendix I	179
	Appendix II	183

List of Tables

Tables	Title	Page
Table 4.1	Descriptive Statistics	134
Table 4.2	Correlation matrix for model I	135
Table 4.3	Bounds Test Result for Model II(PTP)	136
Table 4.4	Model Summary of the impact of value added tax on consumer behaviour in Southwest, Nigeria	138
Table 4.5	Summary of Multiple Regression Analysis for the impact of equitable taxation on consumer behaviour in Southwest, Nigeria	141
Table 4.6	Summary of Multiple Regression Analysis for the impact of individual financial capability on Consumer Behaviour in Southwest, Nigeria	143

List of Figures

Figures	Title	Page
Figure 2.1	Conceptual Model	109

Lead City University Ibadan DO NOT COPY