

Trade Credit, Credit Policy and the Performance of Building Industry in Nigeria

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Certification

This is to certify that Azeezat Atinuke OLADIMEJI with matriculation number LCU/PG/001975 carried-out this study titled “Trade Credit, Credit Policy and The Performance of Building Industry in Nigeria” in the Department of Management & Accounting, Faculty of Management & Social Sciences, Lead City University, Ibadan, Oyo State, for the award of master degree (MSc) in Accounting and that this work has not been previously submitted elsewhere.

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Head of Department

Date

Dedication

This project is dedicated to the Almighty God.

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Abstract

Building industries play an important role in the economy and the activities of the industry are also vital to the achievement of national socio-economic development goals of providing shelter, infrastructure and employment. The industry could be enhanced with opportunity to trade credit and proper credit policy. When this is not the case, it is expected that the industries would not performance optimally. It is in this regard that this study deems it fit to investigate the effect of Trade Credit and Credit Policy on Performance of Building Industry in Nigeria. Ex-post facto research design was adopted. Population consists of 32 building industries in Nigeria. Data was collected from annual reports of the 32 industries. Data collected was analyzed using descriptive and inferential statistics. Findings revealed that trade credit had significant influence on performance of building industry in Nigeria (Adj. $R^2 = 0.138$; $p = 0.000$), credit policy was found to be significantly effective on performance of building industry in Nigeria (Adj. $R^2 = 0.100$; $p = 0.000$). Jointly, trade credit and credit policy were found to statistically significantly affect performance of building industry in Nigeria (Adj. = 0.106, $p = 0.000$). The study concluded that only trade credit and credit policy both have significant and positive effect on performance of building industry in Nigeria. The study recommended that managements of the building industries in Nigeria should improve their credit policy and also their performance so as to have access to more trade credit.

Keywords: Trade Credit, Credit Policy, Performance of Building Industry.

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List of Acronyms

Abbreviation	Meaning
BOT	Build, Operate, & Transfer
CBN	Central Bank of Nigeria
CM	Construction Management
COD	Cash/Check on Delivery
CPI	Consumer Price Index
DB or C	Design and Build or Construct
ESG	Environmental, Social, and Governance
FEPA	Federal Environmental Protection Agency
FMW&H	Federal Government's Construction Work
GDP	Gross Domestic Product
GMM	Gaussian Mixture Models
LTDR	Loan-to-Deposit Ratio
MDAs	Ministries, Departments and Agencies
MLSUP	Ministry of Lands, Survey, and Urban Planning
MMIs	Money Market Instruments
MOE	Ministry of the Environment
MPR	Monetary Policy Rate
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Co-operation and Development
POE	Post-Occupancy Evaluation
PWD	Public Works Department
ROA	Return on Assets

ROE	Return on Equity
SBS	Sick Building Syndrome
SMEs	Small and Medium-sized Enterprises
TCO	Total Cost of Ownership
WBDG	Whole Building Design Guide

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