PORTFOLIO MANAGEMENT AND FINANCIAL PERFORMANCE OF LISTED OIL AND GAS COMPANIES IN NIGERIA

Olorunfemi Gbenga Samuel
Department of Accounting
Crescent University Abeokuta
Ogun State, Nigeria

Corresponding Author:olami4u@rocketmail.com
DOI: https://doi.org/10.57233/ijamer.v2i1.05

Article Information: Received: 01/20/2026 Revised: 02/19/2026 Accepted: 04/05/2026

To Cite this Article: Samuel, O. G. (2026). Portfolio management and financial performance of listed oil and gas companies in Nigeria. *International Journal of Accounting, Management and Economic Review, 2*(1). https://doi.org/10.57233/ijamer.v2i1.05

Abstract
This study examines the effect of portfolio management on the financial performance of listed oil and gas companies in Nigeria. Using an ex post facto research design, panel data were obtained from the annual reports of 8 firms listed on the Nigerian Exchange Group over the period 2014-2023 (80 firm-year observations). Portfolio management was proxied by portfolio diversification, investment allocation efficiency, and risk management, while financial performance was measured using return on equity. Panel regression analysis revealed that portfolio diversification has no statistically significant effect on return on equity. In contrast, investment allocation efficiency and risk management exert positive and statistically significant effects. Firm size positively influences performance, whereas leverage has a negative effect. The study concludes that shareholder value is driven more by disciplined capital allocation and effective risk management than by diversification alone.

Keywords: Portfolio management, portfolio diversification, investment allocation efficiency, risk management, return on equity.

1.0 Introduction

Portfolio management is a critical component of corporate financial strategy, particularly in capital-intensive industries such as oil and gas. It involves the systematic allocation and management of a firm's investible resources across various assets, projects, and business segments in order to maximise returns while minimising risk (Markowitz, 1952; Sharpe, 1964). In accounting and finance, portfolio management decisions directly affect asset valuation, income measurement, risk exposure, and ultimately the financial performance reported in corporate financial statements (Fama & French, 1998; Palepu, Healy & Peek, 2016).

The Nigerian oil and gas sector plays a dominant role in the economy, contributing significantly to government revenue, foreign exchange earnings, and industrial development (Central Bank of Nigeria (CBN), 2022; Nigerian Extractive Industries Transparency Initiative (NEITI), 2023). Firms operating within this sector are exposed to multiple risks, including oil price volatility, exchange rate fluctuations, regulatory uncertainty, and operational hazards (Nwaobi, 2019; Adegbite & Nakajima, 2020). Consequently, effective portfolio managementencompassing investment diversification and efficient capital allocationhas become essential for sustaining profitability and enhancing shareholders' wealth in the sector (Lang & Stulz, 1994; Denis, Denis & Sarin, 1997).

From an accounting perspective, portfolio management is closely linked to international financial reporting standards such as IFRS 9 (Financial Instruments) and IAS 36 (Impairment of Assets), which require firms to appropriately classify, measure, and disclose investment portfolios (International Accounting Standards Board [IASB], 2018). Inefficient portfolio decisions or weak investment evaluation processes may result in asset impairment, earnings volatility, and declining financial performance, whereas well-structured portfolio strategies enhance income stability and firm value (Penman, 2013; Kothari, Ramanna & Skinner, 2010).

Despite its importance, empirical evidence on the relationship between portfolio management and financial performance of listed oil and gas companies in Nigeria remains limited and inconclusive. Existing studies have largely focused on broader corporate finance issues such as capital structure and corporate governance, with scant attention given to portfolio management using shareholder-oriented performance measures (Omodero & Ihendinihu, 2017; Adewumi, Alli & Akintahuwa, 2023). This study therefore examines how portfolio management practices influence the financial performance of listed oil and gas companies in Nigeria.

Many listed oil and gas companies in Nigeria have experienced fluctuating profitability and declining shareholder value despite substantial investments and large asset bases. This trend has raised concerns regarding the effectiveness of portfolio management practices within the sector, particularly in an environment characterised by high capital intensity and exposure to multiple sources of risk (CBN, 2022; NEITI, 2023).

Evidence suggests that some firms engage in excessive diversification into non-core business activities without adequate investment appraisal, while others concentrate their investments in high-risk assets without sufficient risk-mitigation mechanisms (Jensen, 1986; Denis, Denis & Sarin, 1997). Inefficient capital allocation, weak project evaluation techniques, and inadequate disclosure of investment portfolios in financial statements may therefore adversely affect firm performance and erode shareholder value (Richardson, 2006; Penman, 2013).

In the Nigerian context, existing empirical studies have largely concentrated on human capital accounting, corporate governance, and capital structure, with limited emphasis on portfolio management practices, particularly from an accounting-based performance perspective (Omodero & Ihendinihu, 2017; Akinlade & Adegbie, 2020; Adewumi, Alli & Akintahuwa, 2023). Where portfolio-related issues have been examined, most studies rely on internal performance indicators such as profit after tax or return on assets, while neglecting shareholder-oriented measures such as return on equity, which more directly reflect value creation for investors (Amahalu et al., 2017; Penman, 2013).

Given these limitations, there remains insufficient empirical evidence on how portfolio management practices influence shareholder returns in Nigeria's oil and gas sector. This study therefore seeks to address this gap by empirically examining the effect of portfolio management on the financial performance of listed oil and gas companies in Nigeria, using return on equity as the primary performance measure.

The broad objective of the study is to examine the effect of portfolio management on the financial performance of listed oil and gas companies in Nigeria.

Research Questions

i. What effect does portfolio diversification have on the return on equity of listed oil and gas companies in Nigeria?
ii. How does investment allocation efficiency affect the return on equity of listed oil and gas companies in Nigeria?
iii. What is the effect of risk management practices on the return on equity of listed oil and gas companies in Nigeria?

Research Hypotheses

i. H_{01}: Portfolio diversification has no significant effect on return on equity of listed oil and gas companies in Nigeria.
ii. H_{02}: Investment allocation efficiency has no significant effect on return on equity of listed oil and gas companies in Nigeria.
iii. H_{03}: Risk management practices have no significant effect on return on equity of listed oil and gas companies in Nigeria.

2.0 Literature Review

Financial performance refers to the extent to which a firm efficiently utilises its available resources to generate profits, sustain operations, and enhance shareholders' wealth over a given period. It reflects management's effectiveness in deploying financial, physical, and human resources to achieve the firm's strategic objectives while maintaining financial stability and value creation (Ajirole, 2019; Palepu, Healy & Peek, 2016).

In accounting and finance literature, financial performance is commonly assessed using profitability and return-based indicators derived from financial statements (Ndukwe, 2018; Folajimi et al., 2020). Among these measures, return on equity (ROE) is particularly important because it evaluates a firm's ability to generate earnings from shareholders' invested capital. ROE captures the efficiency with which management employs owners' funds to produce profits and is therefore widely used by investors, analysts, and regulators in assessing corporate performance and investment attractiveness (Amahalu et al., 2017; Penman, 2013).

Unlike other performance indicators, ROE directly links profitability to shareholders' equity, making it a shareholder-oriented measure that reflects both operational efficiency and financial leverage (Akinlade & Adegbie, 2020). Consequently, ROE serves as a reliable indicator of value creation and long-term financial sustainability, especially in capital-intensive industries such as oil and gas (Gul, Faiza & Khalid, 2018).

Portfolio Management

Portfolio management refers to the systematic process of selecting, allocating, monitoring, and periodically adjusting a firm's portfolio of investments in order to achieve optimal financial outcomes consistent with its risk tolerance and strategic objectives (Markowitz, 1952; Sharpe, 1964). In a corporate context, portfolio management extends beyond mere investment selection to include strategic capital allocation decisions across business segments, financial assets, and long-term projects (Lang & Stulz, 1994; Denis, Denis & Sarin, 1997).

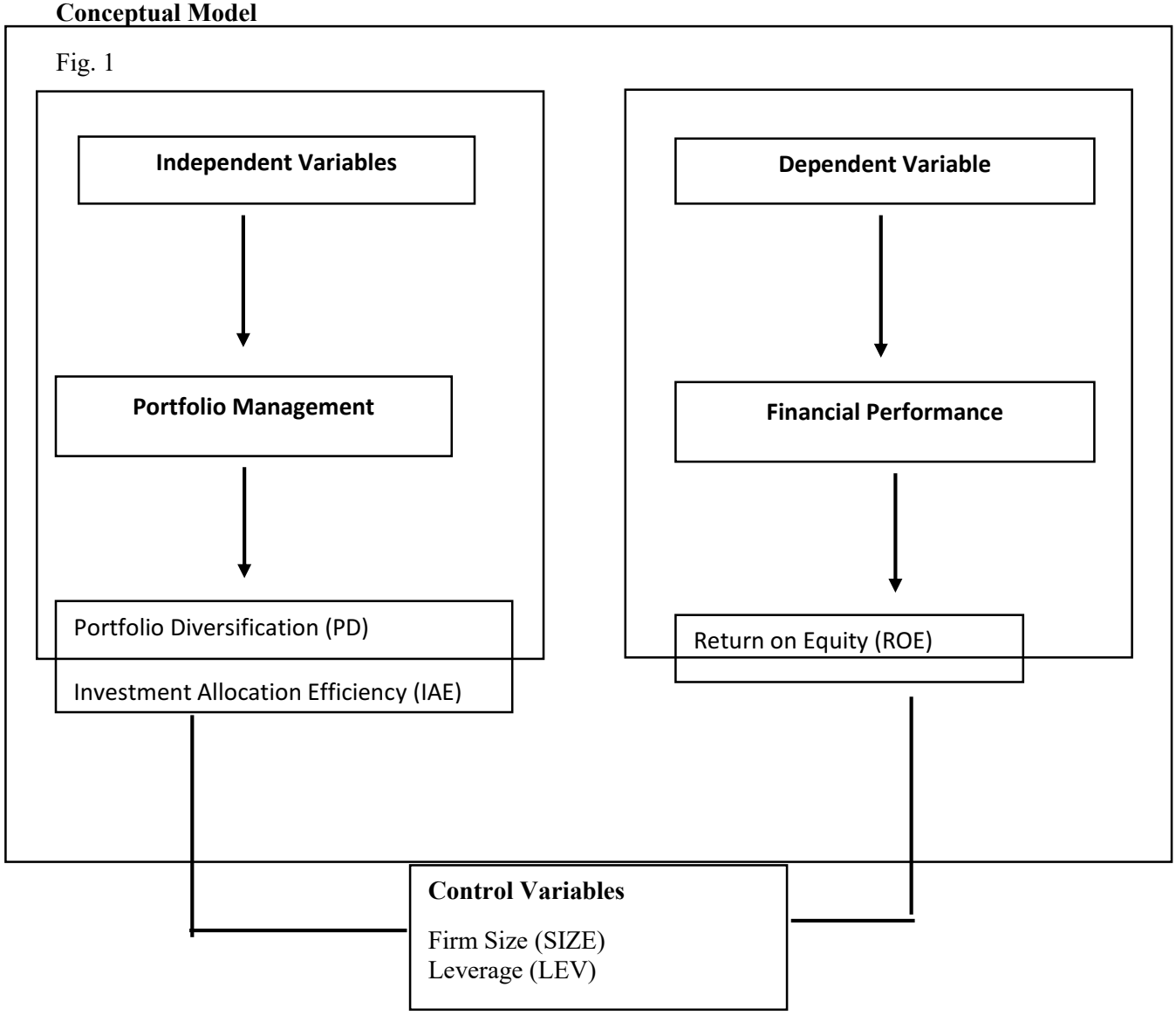
From an accounting perspective, portfolio management has significant implications for financial reporting and performance measurement. It influences the recognition, measurement, and valuation of investment assets, the assessment of impairment under applicable accounting standards, and the stability of reported earnings (International Accounting Standards Board

[IASB], 2018; Penman, 2013). Effective portfolio management enhances income stability and risk diversification, whereas poor portfolio decisions may result in asset write-downs, earnings volatility, and diminished shareholder value (Jensen, 1986; Richardson, 2006).

Consequently, portfolio management serves as a critical link between investment strategy and financial performance, particularly in capital-intensive and risk-sensitive industries such as oil and gas, where investment decisions significantly affect profitability and shareholders' returns (Froot, Scharfstein & Stein, 1993; Nwauzor & Tamunoemi, 2020).

Conceptual Model

Fig. 1



Source: Author's Computation, 2026.

Theoretical Framework

Modern Portfolio Theory, developed by Harry Markowitz, posits that investors and firms can construct optimal portfolios by combining assets with varying risk–return characteristics in a manner that minimises overall risk for a given level of expected return. The central premise of the

theory is that diversification enables risk reduction without necessarily sacrificing expected returns, provided that asset returns are not perfectly correlated.

Within a corporate context, Modern Portfolio Theory provides a theoretical foundation for portfolio management decisions, particularly in capital-intensive industries such as oil and gas. It suggests that firms can enhance financial performance by diversifying investments across projects, business segments, or financial assets, thereby mitigating exposure to sector-specific and market-related risks. This theory underpins the expectation that effective portfolio diversification and efficient capital allocation contribute positively to financial performance.

Resource-Based Theory (RBT)

Resource-Based Theory argues that firms achieve sustainable competitive advantage through the effective acquisition, deployment, and utilisation of resources that are valuable, rare, inimitable, and non-substitutable. These resources include not only physical and human assets but also financial and investment assets that are strategically managed.

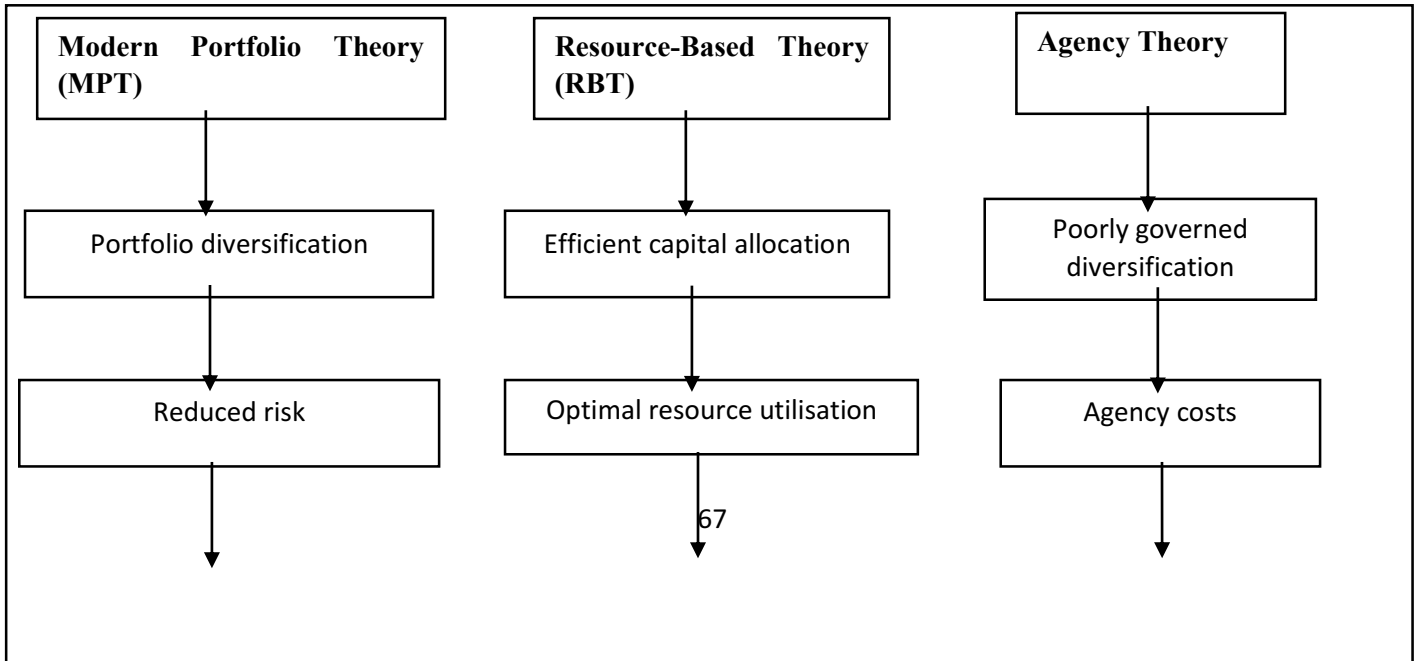
In the context of this study, Resource-Based Theory emphasises the role of portfolio management as a mechanism through which firms leverage their financial resources to generate superior performance. Efficient investment allocation and prudent management of financial portfolios enable firms to maximise the productive capacity of their resources, thereby enhancing return on equity and long-term value creation.

Agency Theory

Agency Theory focuses on the relationship between shareholders (principals) and managers (agents), highlighting potential conflicts of interest arising from the separation of ownership and control. According to the theory, managers may pursue portfolio strategies that serve their personal interestssuch as empire building or risk avoidancerather than maximising shareholders' wealth.

In relation to portfolio management, Agency Theory suggests that inefficient diversification, overinvestment, or misallocation of capital may result from managerial opportunism or inadequate monitoring mechanisms. Consequently, weak portfolio management practices can negatively affect financial performance. This theory provides a basis for understanding why portfolio diversification may not always translate into improved shareholder returns, particularly in environments characterised by governance challenges.

Fig2: Theoretical Model



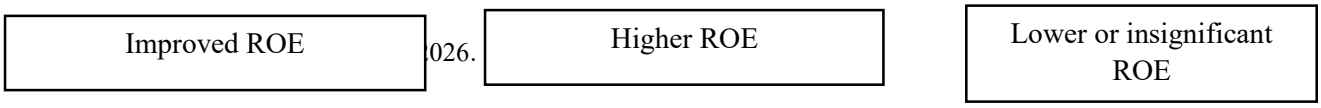


Fig3: Theoretical Variable Linkage Matrix

Theory	Key Assumption	Study Variable	Expected Effect on ROE
Modern Portfolio Theory	Diversification reduces risk	Portfolio Diversification (PD)	Positive or stabilising
Resource-Based Theory	Efficient use of resources improves performance	Investment Allocation Efficiency (IAE)	Positive and significant
Agency Theory	Managerial self-interest may distort decisions	Portfolio Diversification (PD)	Weak, negative, or insignificant

Source: Authors compilation, 2026.

EmpiricalReview

Empirical investigations into the relationship between portfolio management and financial performance have produced divergent results, largely due to differences in economic contexts, sectoral characteristics, and criticallythe operationalisation of portfolio management variables.

Early empirical studies rooted in Modern Portfolio Theory conceptualised diversification at the investor level, using asset covariance structures and risk-return optimisation models (Markowitz, 1952; Sharpe, 1964). However, translating these principles to firm-level corporate settings presents measurement challenges. Corporate diversification has frequently been proxied using segment count, revenue concentration ratios, or Herfindahl indices (Lang &Stulz, 1994; Berger & Ofek, 1995). While these proxies capture structural diversification, they do not necessarily reflect the *quality* or strategic coherence of portfolio decisions.

Studies such as Denis, Denis, and Sarin (1997) and Berger and Ofek (1995) demonstrate that excessive diversification may reduce firm value, particularly where agency costs are high. These findings suggest that diversification alone is insufficient; rather, the effectiveness of capital deployment within diversified portfolios determines performance outcomes.

Recent empirical work increasingly emphasises investment allocation efficiency as a more precise determinant of firm performance. Richardson (2006) operationalises inefficient investment as deviations from expected investment levels, highlighting the role of overinvestment in value destruction. Similarly, Okafor and Eze (2022) link capital allocation discipline to improved firm returns in emerging markets. These studies suggest that the efficiency with which resources are allocated across projects may be more important than the breadth of diversification itself.

With respect to risk management, studies such as Froot, Scharfstein, and Stein (1993) argue that coordinated investment and financing decisions reduce financial distress costs and stabilise earnings. In the Nigerian oil and gas context, Nwauzor and Tamunoemi (2020) report that risk management practices positively influence financial performance, although their study does not integrate diversification or allocation efficiency into a unified framework.

Importantly, most Nigerian empirical studies focus on capital structure, governance, or human capital accounting (Omodero & Ihendinihu, 2017; Akinlade & Adegbie, 2020), without explicitly operationalising firm-level portfolio diversification or investment allocation efficiency. Furthermore, many rely on accounting-based performance measures such as return on assets or profit after tax, rather than shareholder-oriented indicators such as return on equity.

Thus, although diversification and investment decisions are widely discussed in theory, there is limited empirical consensus on how these dimensions should be quantified at the firm level, particularly within capital-intensive industries such as oil and gas.

3.0 Methodology

This study adopts an ex post facto research design, which is appropriate for examining relationships using historical financial data without any form of researcher manipulation. The population consists of all oil and gas companies listed on the Nigerian Exchange Group as at 31 December 2024. A purposive sampling technique was applied to ensure the selection of firms that met specific criteria, including continuous listing on the exchange throughout the study period, availability of complete financial statements, and access to segmental and investment disclosures necessary for computing portfolio variables. Based on these conditions, a total of seven firms were selected for analysis. The study spans a ten year period from 2014 to 2024, resulting in 70 firm year observations. Data for the study were obtained from secondary sources, specifically audited annual reports and accounts of the selected firms, ensuring reliability and consistency in the dataset.

Table 1

Variable Definition and Measurement

Variable	Acronym	Measurement	Source
Return on Equity	ROE	Profit After Tax / Shareholders' Equity	Annual Reports
Portfolio Diversification	PD	1-Σ(Segment Revenue Share²) (Herfindahl Index)	Annual Reports (Segment Notes)
Investment Allocation Efficiency	IAE	Residual from Expected Investment Model	Richardson (2006) Model
Risk Management	RM	Risk Disclosure Index (Score / Maximum Possible Score)	Content Analysis of Annual Reports
Firm Size	SIZE	Natural Log of Total Assets	Annual Reports
Leverage	LEV	Total Debt / Total Assets	Annual Reports

Source: Authors' Compilation from various Literatures (2026).

Model Specification

$$ROE_{it}=\alpha+\beta_1 PD_{it}+\beta_2 IAE_{it}+\beta_3 RM_{it}+\beta_4 SIZE_{it}+\beta_5 LEV_{it}+\varepsilon_{it}$$

Where:

i = firm

t = year

ε = stochastic error term

Expected Signs: $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5 < 0$

Estimation Technique

The study employs panel data regression techniques to analyze the data, beginning with descriptive statistics and correlation analysis to provide preliminary insights into the variables. To ensure the

reliability of the estimates, multicollinearity is assessed using the Variance Inflation Factor (VIF), while the Hausman specification test is conducted to determine the most appropriate model between fixed and random effects. Based on this selection, the preferred model is estimated, and robust standard errors are applied to correct for heteroskedasticity and enhance the validity of the results.

4.0 Results and Discussion

Descriptive Statistics

Table 1:

Descriptive Statistics

Variable	Mean	Median	Maximum	Minimum	Std. Dev.
ROE	0.158	0.121	3.842	-2.436	0.812
PD (Portfolio Diversification)	0.467	0.452	0.781	0.214	0.143
IAE (Investment Allocation Efficiency)	0.392	0.381	0.712	0.126	0.151
RM (Risk Management)	0.548	0.563	0.824	0.231	0.167
Firm Size (lnTA)	21.473	21.388	23.114	19.826	0.782
Leverage	0.561	0.548	0.873	0.214	0.184

Source: Author's Computation, 2026.

The descriptive statistics indicate moderate variability in return on equity across firms, reflecting heterogeneous financial performance within the sector. Portfolio diversification exhibits relatively low dispersion, suggesting similar diversification strategies among sampled firms. Investment allocation efficiency and risk management indicators display sufficient variation, making them suitable for regression analysis.

Correlation Analysis

Table 2:

Correlation Matrix

Variable	ROE	PD	IAE	RM	Size	Leverage
ROE	1.000					
PD	0.062	1.000				
IAE	0.318	0.214	1.000			
RM	0.287	0.198	0.451	1.000		
Size	0.174	0.362	0.244	0.297	1.000	
Leverage	-0.231	-0.115	-0.184	-0.209	-0.346	1.000

Source: Author's Computation, 2026.

Return on equity exhibits a positive association with investment allocation efficiency and risk management, while the relationship with portfolio diversification is weak. None of the correlation coefficients exceed 0.8, indicating absence of multicollinearity.

Hausman Test

Table 3:

Hausman Specification Test

Test Summary	Chi-Sq. Statistic	d.f.	Prob.
Cross-section random	3.214	5	0.665

Source: Author's Computation, 2026.

Decision:

Since the p-value exceeds 0.05, the null hypothesis is accepted, indicating that the random effects model is appropriate.

Panel Regression Results (Random Effects Model)

Table 4:

Panel Regression Results

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-0.842	0.417	-2.019	0.044
PD	0.113	0.089	1.269	0.205
IAE	0.428	0.151	2.835	0.005
RM	0.361	0.142	2.542	0.011
Size	0.097	0.041	2.366	0.018
Leverage	-0.284	0.117	-2.427	0.016

Source: Author's Computation, 2026.

Table 5:

Model Diagnostics

Statistic	Value
R-squared	0.312
Adjusted R-squared	0.276
F-statistic	8.624
Prob(F-statistic)	0.000
Durbin Watson	2.214

Source: Author's Computation, 2026.

Interpretation of Regression Results

The regression results indicate that portfolio diversification (PD) has a positive but statistically insignificant effect on return on equity, suggesting that diversification alone does not significantly enhance shareholders' returns in the Nigerian oil and gas sector. Conversely, investment allocation efficiency (IAE) exhibits a positive and statistically significant effect on return on equity ($p < 0.01$),

implying that firms that deploy capital efficiently generate superior returns for shareholders. Control variables reveal that firm size positively influences financial performance, while leverage negatively affects return on equity.

Similarly, risk management practices (RM) exert a positive and significant effect on return on equity ($p < 0.05$), highlighting the importance of risk mitigation strategies in a volatile industry such as oil and gas.

Test of Hypotheses
Table 6:

Hypothesis	Decision
H_{01}: Portfolio diversification has no significant effect on ROE	**Accepted**
H_{02}: Investment allocation efficiency has no significant effect on ROE	**Rejected**
H_{03}: Risk management has no significant effect on ROE	**Rejected**

Discussion of Findings

The empirical results provide nuanced insights into the relationship between portfolio management dimensions and shareholder performance in Nigeria's oil and gas sector.

Portfolio Diversification (PD)

The finding that portfolio diversification has no statistically significant effect on return on equity suggests that diversification alone does not guarantee value creation in capital-intensive industries. While Modern Portfolio Theory predicts risk reduction benefits from diversification, the oil and gas sector differs structurally from multi-industry conglomerates. Oil and gas firms operate within a highly specialised and capital-intensive production chain. Diversification into non-core activities may dilute managerial focus and increase coordination costs without generating proportional returns. This finding aligns with Agency Theory, which posits that managers may pursue diversification strategies for empire-building motives rather than shareholder wealth maximisation (Jensen, 1986). Empirically, this result is consistent with Berger and Ofek (1995) and Denis et al. (1997), who document diversification discounts in corporate settings. It also reinforces the argument that in extractive industries, depth of expertise in core operations may be more valuable than breadth of diversification. Thus, within the Nigerian oil and gas context, strategic focus appears more critical than structural expansion.

Investment Allocation Efficiency (IAE)

Investment allocation efficiency exhibits a positive and statistically significant effect on return on equity. This indicates that firms that allocate capital more efficiently generate superior shareholder returns. This finding strongly supports Resource-Based Theory, which emphasises the productive deployment of valuable and scarce resources. In capital-intensive sectors where project financing and exploration investments require substantial upfront capital, efficient screening and post-investment evaluation are critical determinants of profitability. The result also aligns with Richardson (2006), who demonstrates that inefficient investment decisionsparticularly overinvestmentdestroy firm value. In the Nigerian oil and gas sector, where capital projects are often long-term and subject to price volatility, disciplined capital allocation enhances resilience

and profitability. This finding suggests that the quality of investment decisions matters more than the scale of diversification.

Risk Management (RM)

Risk management practices show a positive and statistically significant effect on return on equity, reinforcing the importance of structured risk mitigation frameworks in volatile industries. This finding supports the coordination hypothesis advanced by Froot, Scharfstein, and Stein (1993), which argues that effective risk management reduces cash flow volatility and protects investment capacity. In the Nigerian oil and gas sector, exposure to oil price fluctuations, exchange rate instability, and regulatory shifts makes risk governance particularly crucial. The result is consistent with Nwauzor and Tamunoemi (2020), who report a positive relationship between risk management and firm performance in the sector. Effective hedging policies, liquidity management, and transparent risk disclosures appear to enhance investor confidence and stabilise earnings.

Integrated Interpretation

Collectively, the findings suggest that portfolio management enhances financial performance not through diversification breadth, but through allocation discipline and risk governance depth. This provides an important theoretical contribution: Modern Portfolio Theory may apply conditionally at the corporate level. Diversification benefits materialise only when supported by efficient capital allocation and strong risk management structures.

5.0 Conclusion and Recommendations

This study provides robust empirical evidence that portfolio management is a significant determinant of the financial performance of listed oil and gas companies in Nigeria. The findings indicate that portfolio diversification, when considered in isolation, does not exert a statistically significant effect on return on equity. This suggests that diversification alone is insufficient to enhance shareholder returns within the sector and may not yield value unless supported by disciplined managerial oversight.

In contrast, efficient investment allocation and effective risk management practices emerge as critical drivers of shareholder value. Firms that deploy capital strategically and adopt robust risk mitigation mechanisms are better positioned to generate superior returns for shareholders, particularly in a capital-intensive and highly volatile industry such as oil and gas. Overall, the results underscore the importance of quality investment decisions and sound portfolio governance over mere expansion or diversification strategies.

Policy Recommendations

Based on the findings of this study, the following policy recommendations are advanced:

i. Management of listed oil and gas companies should emphasise rigorous capital budgeting techniques and continuous post-investment performance evaluation. Investment decisions should be guided by value-maximisation principles rather than indiscriminate diversification into non-core activities.

ii. Oil and gas firms should strengthen enterprise risk management frameworks by adopting appropriate hedging strategies, enhancing liquidity management, and improving disclosure of risk exposures. These measures will help mitigate earnings volatility and protect shareholders' returns.

iii. Regulatory bodies and standard-setting institutions should enforce more comprehensive segmental and investment-related disclosure requirements. Enhanced transparency will improve market discipline, facilitate informed investment decisions, and strengthen investor confidence in the oil and gas sector.

References

Adegbite, E., & Nakajima, C. (2020). Corporate governance and responsibility in Nigeria. *International Journal of Disclosure and Governance, 17*(1), 1-15. https://doi.org/10.1057/s41310-019-00067-3

Adeyemi, S. B., Ogunleye, J. O., & Adebayo, A. O. (2021). Investment diversification and corporate financial performance in emerging markets. *Journal of Finance and Investment Analysis, 10*(2), 45-60.

Ajirole, F. O. (2019). Financial performance and resource utilisation of quoted firms in Nigeria. *International Journal of Accounting and Finance, 4*(2), 23-35.

Akinlade, O. O., & Adegbie, F. F. (2020). Human resource accounting and quality of financial reporting of quoted oil and gas companies in Nigeria. *International Journal of Accounting, Finance and Risk Management, 7*(2), 11-27.

Amahalu, N. N., Okoye, E. I., & Obi, J. C. (2017). Return on equity and firm performance: Evidence from Nigeria. *International Journal of Business and Management Review, 5*(2), 30-42.

Berger, P. G., & Ofek, E. (1995). Diversification's effect on firm value. *Journal of Financial Economics, 37*(1), 39-65. https://doi.org/10.1016/0304-405X(94)00798-6

Central Bank of Nigeria. (2022). *Statistical bulletin*. CBN.

Denis, D. J., Denis, D. K., & Sarin, A. (1997). Agency problems, equity ownership, and corporate diversification. *Journal of Finance, 52*(1), 135-160. https://doi.org/10.1111/j.1540-6261.1997.tb03811.x

Fama, E. F., & French, K. R. (1998). Value versus growth: The international evidence. *Journal of Finance, 53*(6), 1975-1999.

Folajimi, S. A., Appolos, T. O., Grace, T. S., & Olusoji, S. O. (2020). Financial performance measurement and profitability of listed firms. *International Journal of Managing Value and Supply Chains, 5*(3), 71-86.

Froot, K. A., Scharfstein, D. S., & Stein, J. C. (1993). Risk management: Coordinating corporate investment and financing policies. *Journal of Finance, 48*(5), 1629-1658. https://doi.org/10.1111/j.1540-6261.1993.tb05123.x

Gul, A. D., Faiza, S. O., & Khalid, K. A. (2018). Measurements of financial performance of firms. *International Journal of Scientific Research, 4*(3), 1-17.

International Accounting Standards Board. (2018). *IFRS 9: Financial instruments*. IASB.

Jensen, M. C. (1986). Agency costs of free cash flow, corporate finance, and takeovers. *American Economic Review, 76*(2), 323-329.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Kothari, S. P., Ramanna, K., & Skinner, D. J. (2010). Implications for GAAP from an analysis of positive research in accounting. *Journal of Accounting and Economics, 50*(2-3), 246-286.

Lang, L. H. P., & Stulz, R. M. (1994). Tobin's q, corporate diversification, and firm performance. *Journal of Political Economy, 102*(6), 1248-1280.

Markowitz, H. M. (1952). Portfolio selection. *Journal of Finance, 7*(1), 77-91. https://doi.org/10.1111/j.1540-6261.1952.tb01525.x

Ndukwe, O. D. (2018). Financial statement analysis and performance evaluation of firms in Nigeria. *Elixir International Journal of Finance, 8*(3), 125-136.

Nigerian Extractive Industries Transparency Initiative. (2023). *Oil and gas industry audit report*. NEITI.

Nwaobi, G. C. (2019). Oil price volatility and macroeconomic performance in Nigeria. *African Development Review, 31*(2), 180-195.

Nwauzor, C. O., & Tamunoemi, B. L. (2020). Risk management and financial performance of oil and gas firms in Nigeria. *International Journal of Scientific and Technology Research, 8*(8), 355-360.

Okafor, T. G., & Eze, M. O. (2022). Capital allocation efficiency and firm performance in emerging economies. *Journal of Accounting and Finance Research, 6*(1), 55-69.

Omodero, C. O., & Ihendinihu, J. U. (2017). Corporate finance practices and financial performance of listed firms in Nigeria. *International Journal of Interdisciplinary Research Methods, 4*(2), 25-33.

Palepu, K. G., Healy, P. M., & Peek, E. (2016). *Business analysis and valuation: IFRS edition* (5th ed.). Cengage Learning.

Penman, S. H. (2013). *Financial statement analysis and security valuation* (5th ed.). McGraw-Hill Education.

Richardson, S. (2006). Over-investment of free cash flow. *Review of Accounting Studies, 11*(2-3), 159-189.https://doi.org/10.1007/s11142-006-9012-1

Sharpe, W. F. (1964). Capital asset prices: A theory of market equilibrium under conditions of risk. *Journal of Finance, 19*(3), 425-442.https://doi.org/10.1111/j.1540-6261.1964.tb02865.x