

POST-IFRS INTANGIBLE ASSET RECOGNITION AND CORPORATE VALUE OF LISTED FOOD AND BEVERAGES FIRMS IN NIGERIA

Mary-Fidelis Chidoziem Abiahu¹ Patrick Amaechi Egbunike²

^{1&2}Department of Accountancy, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria

Emails: f.abiahu@unizik.edu.ng¹; pa.egbunike@unizik.edu.ng²

All correspondence to: f.abiahu@unizik.edu.ng

ABSTRACT

The study ascertained how post-IFRS intangible asset recognition affects the corporate value of listed food and beverages firms in Nigeria. Specifically, the study determined the extent to which post-IFRS intangible asset recognition affects the Tobin's Q of listed food and beverages firms in Nigeria. The study employed an ex-post facto research design. Its population consisted of 16 publicly listed food and beverage companies in Nigeria. Using purposive sampling, 12 companies that had maintained continuous listing between 2012 and 2024 were selected. Data were sourced from the annual reports of these firms covering the thirteen-year period from 2012 to 2024. Descriptive statistics were applied to summarize the data, while panel estimated generalized least squares (EGLS) was used to test the hypotheses. The study revealed that Post-IFRS intangible asset recognition has a positive and significant effect on Tobin's Q ($\beta=0.2284$, $p=0.0000$). In conclusion, the market places value on the recognition of intangible assets in accordance with IFRS, implying that investors interpret such recognition as a credible reflection of underlying economic benefits expected to flow to the firm. The study recommends that management of listed food and beverage firms in Nigeria should strengthen their internal processes for identifying, valuing, and reporting intangible assets in strict compliance with IFRS. This involves ensuring that accounting teams are adequately trained on IFRS provisions related to intangible assets and that robust documentation supports recognition decisions.

Key words: Firm Value, Post-IFRS Intangible Asset Recognition, Tobin's Q .

CITE AS: Abiahu, M.C. & Egbunike, P.A. (2025). Post-IFRS Intangible Asset Recognition and Corporate Value of Listed Food and Beverages Firms in Nigeria, *International Review of Financial Studies*, 2(4), 143 - 162. Available: <https://journals.unizik.edu.ng/irofs>

INTRODUCTION

Over the past few decades, the structure of corporate assets has undergone a remarkable transformation. In earlier times, the value of a business was largely tied to its physical assets such as machinery, buildings, and inventory (Daum, 2003). However, in today's global economy, intangible assets, including intellectual property, brand reputation, research and development outputs, and proprietary knowledge, increasingly determine a company's competitive edge and long-term sustainability (Kolawole et al., 2025). This shift is particularly evident in industries where innovation, product differentiation, and brand loyalty are critical for success, such as the food and beverage sector. Companies in this sector are no longer judged solely by the size of their factories or the volume of their stock but by the strength of their brands, the uniqueness of their recipes, their capacity to develop new

products, and their ability to connect with consumers (Duke & Ogunleye, 2025). In Nigeria, the food and beverage industry plays a significant role in the economy, contributing substantially to employment, investment, and GDP (Okeke & Nworie, 2025). The country's large and youthful population offers vast opportunities for product innovation and market expansion. However, to thrive in such a competitive space, firms must invest heavily in intangible resources. Recognizing, valuing, and reporting these intangible assets has therefore become a critical matter for stakeholders, including investors, regulators, and company executives (Okeke et al., 2025). Changes have further influenced this trend in international accounting standards, which aim to provide more transparency and comparability in financial reporting, ensuring that a company's true economic value is better reflected in its financial statements (Ebe et al., 2023).

The adoption of International Financial Reporting Standards (IFRS) in Nigeria in 2012 marked a significant turning point in corporate financial reporting (Okeke et al., 2022; Kolawole et al., 2025; Okoye et al., 2018). IFRS introduced stricter and more standardized guidelines for recognizing intangible assets, requiring that only those meeting specific criteria, such as identifiability, control, and future economic benefits, be capitalized on the balance sheet (Hussinki et al., 2025). This was a departure from previous local accounting practices that often allowed greater flexibility and, in some cases, inconsistencies in how intangible assets were recorded. For investors and analysts, these changes were expected to improve transparency, enhance comparability across firms, and strengthen investor confidence in reported figures. Corporate value, which reflects the market's assessment of a firm's worth, depends not only on its financial performance but also on the quality and credibility of the information disclosed to stakeholders (Shaba & Yaaba, 2024).

In the present business environment, where intangible assets can account for a substantial share of a company's market capitalization, their recognition and accurate valuation have become critical. For food and beverage firms in Nigeria, where consumer trust, brand strength, and continuous product development drive profitability (Okoro, 2025), the way intangible assets are recognized under IFRS could have direct implications for how the market perceives their value. This relevance is even more pronounced in an era of global capital flows, where both local and foreign investors rely on high-quality financial information to make informed decisions about resource allocation and investment strategies (Nworie et al., 2024). Post-IFRS intangible asset recognition has the potential to influence corporate value in multiple ways. On one hand, the stricter recognition criteria under IFRS can lead to a more

conservative reporting approach, where only intangible assets that meet the standard's requirements are capitalized (Ebe et al., 2023). This could result in lower reported asset values compared to pre-IFRS periods, potentially reducing measures such as book value and certain market valuation ratios. On the other hand, for investors who value transparency and reliability in financial reporting, the enhanced credibility of the reported figures could improve investor confidence, thereby positively affecting market valuation. However, under IFRS, expenditures on intangible asset such as software are expensed immediately, while development costs can only be capitalized if they meet strict conditions (Firmansyah et al., 2024).

This accounting treatment can dampen the apparent profitability and asset base of firms with significant ongoing innovation efforts, which in turn might influence their perceived corporate value. Furthermore, the shift to IFRS may also affect the volatility of reported earnings, as the capitalization and amortization of certain intangibles introduce new patterns in expense recognition. In the long term, these changes could shape investment behavior, alter stock market performance, and impact strategic decisions within firms. However, while these standards on the recognition of intangible asset were intended to improve investor confidence and provide a more accurate reflection of a company's economic value, their real impact on the market valuation of firms remains unclear. Post-IFRS recognition rules often require firms to adopt a more conservative approach, recognizing only those intangible assets that meet stringent criteria and expensing many others immediately (Owolabi & Anaekenwa, 2016). In the food and beverage industry, this means that substantial investments in research, brand development, and proprietary processes may not be fully reflected on the balance sheet, potentially leading to an understated asset base and altered profitability indicators. This raises concerns about whether the adoption of IFRS has had a positive, negative, or neutral effect on the corporate value of such firms.

The absence of empirical consensus on this relationship creates a critical gap in accounting and financial literature, and addressing it is essential for investors, managers, and policymakers seeking to understand how accounting reforms influence business valuation in Nigeria's dynamic food and beverage sector. Although several studies such as Intara and Suwansin (2024), Emeneka and Okerekeoti (2022), Ebe et al. (2023), and Oryina and Suleiman (2020) have shown that intangible assets can significantly enhance firm value, much of the existing literature has focused on aggregate intangible asset measures without explicitly considering post-IFRS recognition effects in the food and beverages sector. Research by

Kolawole et al. (2025), Pukon (2024), and Efeeloo et al. (2020) reported either insignificant or negative effects of intangible assets on value and performance, suggesting that industry-specific characteristics and accounting practices may influence results. While Dancaková et al. (2022) and Qureshi and Siddiqui (2020) extended the discourse to international and multi-industry contexts, their findings highlight that the effect of intangible assets varies across sectors and geographies. Awa et al. (2020) and Ebe et al. (2023) provided evidence from banking and manufacturing sectors, yet there remains a lack of empirical work examining how the implementation of IFRS, in particular, the recognition and disclosure of intangible assets, affects market-based valuation metrics like Tobin's Q within Nigeria's food and beverages industry. This sector is uniquely positioned due to its reliance on brand equity, product innovation, and consumer loyalty, factors that are directly tied to intangible assets. Therefore, a gap exists in determining whether post-IFRS intangible asset recognition translates into measurable changes in corporate value in this industry, thereby necessitating focused investigation.

Objectives

The main objective of the study is to ascertain the effect of post-IFRS intangible asset recognition on the corporate value of listed food and beverages firms in Nigeria. The specific objective is to:

1. determine the extent to which post-IFRS intangible asset recognition affects the Tobin's Q of listed food and beverages firms in Nigeria.

LITERATURE REVIEW

Post-IFRS Intangible Asset Recognition

Post-IFRS intangible asset recognition refers to the process of identifying and recording intangible assets in the financial statements of an organisation in accordance with the standards introduced after the adoption of the International Financial Reporting Standards (Georgiou, 2025). This practice reflects the shift from older, locally defined accounting rules to a globally harmonised system that emphasises transparency, comparability, and faithful representation of economic events (Hussink et al., 2025). Under IFRS, intangible assets are only recognised if they are identifiable, the entity has control over them, and it is probable that they will generate future economic benefits (Ebe et al., 2023). Post-IFRS recognition is therefore more precise and more restrictive than many previous national accounting frameworks, which sometimes allowed broader interpretations of what could be recorded. The term captures both the regulatory environment and the accounting methodology applied after

the formal adoption of IFRS. It does not merely refer to recording intangible assets as entries in a ledger but also encompasses the recognition criteria and measurement bases that dictate whether an asset qualifies for inclusion in the financial position of the entity (Panjaitan et al., 2024). Post-IFRS recognition involves applying uniform rules that help to ensure that the recorded values of such assets are credible and relevant to users of financial statements (Hussinki et al., 2025).

In practical terms, post-IFRS intangible asset recognition reflects the way firms present their intellectual property, brand value, research and development outputs, and other non-physical resources in their published accounts after moving to IFRS standards (Ebe et al., 2023). The significance of the definition lies in the fact that it is closely tied to how stakeholders interpret a company's true worth. By adhering to IFRS, companies operate within a standardised framework that aligns them with global expectations, making their financial reports more consistent and more useful for investors, regulators, and analysts across international markets.

*H₀₁: Post-IFRS intangible asset recognition does not significantly affect
the Tobin's Q of listed food and beverages firms in Nigeria.*

Corporate Value

Corporate value refers to the overall worth of a company as perceived by stakeholders, particularly investors, based on both its tangible and intangible resources and its ability to generate future earnings (Umoru et al., 2024; Abiahu et al., 2022). It represents the combined economic value of all the firm's assets, operations, and strategic positioning in the marketplace (Shaba & Yaaba, 2024). This worth is not limited to the total assets listed in the statement of financial position; it also reflects the firm's capacity to create shareholder wealth over time through sustainable profitability, growth potential, and competitive advantage.

The meaning of corporate value extends beyond a simple numerical figure. While it can be measured through market-based indicators such as stock prices (Amahalu et al., 2018) and enterprise value, or through accounting-based measures such as book value, it is essentially the financial embodiment of how well a company is positioned to perform in the future (Kolawole et al., 2025). Corporate value is shaped by both measurable financial performance and qualitative aspects such as brand strength, customer loyalty, innovation capability, and managerial expertise. It is the market's judgement of how these factors combine to influence future cash flows and returns on investment.

In a practical sense, corporate value serves as a signal to investors and analysts about the potential rewards and risks associated with holding shares in a particular firm (Shaba & Yaaba, 2024). A higher corporate value often suggests that the company is perceived as strong, competitive, and capable of maintaining or improving its financial performance. Conversely, a lower corporate value may indicate weaker prospects or underlying challenges in operations, strategy, or market conditions (Umoru et al., 2024). Thus, the definition encapsulates both the economic and reputational dimensions of a business's worth, integrating tangible performance with intangible expectations that collectively determine how the market prices the company in financial and strategic terms.

Tobin's Q

Tobin's Q is an economic and financial ratio that compares the market value of a company to the replacement cost of its assets (Fu et al., 2016). It expresses the relationship between the market's valuation of a company and the cost required to rebuild or replace its existing assets at current prices. A Tobin's Q greater than one implies that the market values the firm more highly than the cost of replacing its assets, often indicating positive expectations about the company's future profitability (Ali et al., 2016). A value below one suggests that the market assigns a lower worth to the company than the replacement cost of its assets, which could reflect concerns about its ability to generate adequate returns (Bartlett & Partnoy, 2020).

Tobin's Q captures the market's forward-looking perspective on how effectively a firm's assets are expected to produce profits relative to their replacement cost. This measure incorporates both tangible and intangible elements because the market value includes the perceived worth of assets such as patents, brand recognition, or proprietary technology, which might not be fully captured in accounting records. In financial analysis, Tobin's Q offers a succinct way to gauge market sentiment about a firm's operational efficiency and strategic prospects (Bhargave & Tandon, 2023). Since it relates market perception to the tangible investment base, it can serve as a benchmark for investment decisions and for evaluating whether resources are being used in a way that maximises shareholder value.

Theoretical Review

The study was underpinned by the Resource-Based View Theory of the firm emerged as a formal theoretical perspective in the field of strategic management during the mid-1980s, with its foundations traceable to earlier works on firm-specific resources by Edith Penrose in 1959 (Frances & Nworie, 2025). It was further articulated and popularized by scholars such as

Birger Wernerfelt in 1984 and later refined by Jay Barney in 1991 (Connell, 2001). This perspective shifted the focus of competitive advantage from external market positioning to the unique resources and capabilities held by individual firms. The RBV theory posits that a firm's sustainable competitive advantage arises from resources that are valuable, rare, inimitable, and non-substitutable (Massukado-Nakatani & Teixeira, 2009). These resources can be tangible, such as physical assets, or intangible, such as brand reputation, proprietary knowledge, innovative capacity, and organisational culture. The theory maintains that when these resources are effectively deployed and protected, they allow the firm to create value in ways that competitors cannot easily replicate. By this reasoning, superior performance and above-average returns depend less on industry-wide factors and more on the distinctive strengths a company can leverage and maintain over the long term (Bowman & Toms, 2010).

In the context of post-IFRS intangible asset recognition, the RBV is relevant because it frames intangible assets as strategic resources that contribute directly to a firm's value. For Nigerian food and beverage companies, intangible assets such as strong brand names, innovative recipes, proprietary processes, and research outcomes can be sources of sustained competitive advantage. The recognition of these assets under IFRS makes them more visible to investors and other stakeholders, potentially influencing how the market assesses a company's worth. By applying the RBV, the study can better explain the link between how intangible assets are recorded in financial statements and how those assets translate into perceived and actual corporate value.

Empirical Review

Kolawole et al. (2025) examined how accounting decisions under IFRS 6 relate to the value relevance of Nigerian oil and gas firms, using measures such as Tobin's Q, enterprise value, earnings per share, and the price-to-book ratio. The researchers applied an ex-post facto research design combined with inferential statistical analysis, focusing on data from listed oil and gas companies between 2012 and 2022. Their findings showed that intangible assets had a negative, though statistically insignificant, effect on market valuation and equity returns.

In a related study, Intara and Suwansin (2024) analysed how intangible assets and their individual components influence firm value and performance among companies listed in Thailand. Drawing on 3,701 firm-year observations from 2012 to 2021, they assessed the aggregate value of intangible assets as well as three key components: identifiable intangible assets (IIA), goodwill (GW), and research and development (R&D). The dependent variables

included firm value, represented by Tobin's Q, and performance indicators such as return on assets (ROA) and return on equity (ROE). Using ordinary least squares regression, they found that total intangible assets positively affected firm value. When broken down, IIA had a positive relationship with firm value, while GW and R&D positively influenced both firm value and performance. The study further revealed that these effects were more pronounced in firms with higher intangible asset intensity.

Pukon (2024) investigated the effect of intangible assets on the financial performance of Nigeria's banking sector. The study, based on an ex-post facto design and panel least squares regression, analysed data from the annual reports of United Bank for Africa (UBA) and First Bank between 2018 and 2022. It focused on intangible asset amortisation, total intangible asset investment, and earnings per share. Results indicated that both amortisation and total investment in intangible assets had a positive but statistically insignificant impact on earnings per share. The study concluded that intangible assets play only a minimal role in driving bank performance and recommended improved management, regular valuation to mitigate depreciation, and increased investment to boost shareholder value.

Ebe et al. (2023) explored the role of IAS 38 in shaping the impact of intangible assets on performance within Nigeria's consumer goods manufacturing industry. Out of twenty companies, fifteen were purposively selected, and secondary data from 2011 to 2021 were examined using descriptive and inferential analysis. The results revealed that intangible assets had a significant positive influence on earnings per share and return on shareholders' funds, suggesting that intangible assets contribute meaningfully to the performance of firms in this sector.

Similarly, Dancaková et al. (2022) studied the connection between intangible assets, other firm characteristics, and market valuation, using data from 250 publicly traded companies across four industry sectors in France, Germany, and Switzerland from 2009 to 2018. Panel regression results provided evidence of a potential relationship between intangible asset disclosure and market value. Their cross-country analysis highlighted differences in the impact of intangible assets and innovation depending on the industry and national context. While intangible assets generally had a positive effect on market value, the researchers noted that investors tended to prioritise profitability over the intangible asset information disclosed in financial statements.

Emeneka and Okerekeoti (2022) investigated how intangible assets relate to firm value among publicly quoted consumer goods manufacturing companies in Nigeria between 2012 and 2020. The researchers adopted an ex-post facto research design and analysed annual report data from 20 firms using regression techniques implemented in E-Views. The results demonstrated a statistically significant positive relationship between intangible assets and firm value at the 5% level. Their study highlighted the importance of the intangible asset elements considered in explaining firm value within the sampled companies and recommended promoting innovation as a means of enhancing customer trust, loyalty, and sales growth.

Qureshi and Siddiqui (2020) explored the impact of intangible assets on financial performance, corporate policies, and market valuation in the global technology sector. Their sample consisted of 80 technology firms selected based on market capitalisation, covering the years 2015 to 2018. The analysis employed structural equation modelling to assess the relationships between intangible assets and metrics such as return on assets, return on equity, return on invested capital, asset turnover, net profit margin, debt-to-equity ratio, dividend payout ratio, price-earnings ratio, price-to-sales ratio, and price-to-book value. Multi-group analysis revealed significant variations across countries, including marked differences in the effect of intangible assets on return on invested capital between Russia and China, and between the United States and other regions.

Oryina and Suleiman (2020) studied the influence of intangible assets on the value relevance of listed manufacturing firms in Nigeria. Adopting a correlational design, they used secondary data from annual reports of firms disclosing intangible asset details between 2013 and 2019. A random effects regression model was applied, revealing that intellectual property had a significant positive relationship with market value, whereas goodwill exhibited a significant negative effect. The study suggested that manufacturing firms should focus on developing innovative technologies, strengthening brand equity, and protecting patents and other intellectual properties to improve market valuation.

Efeeloo et al. (2020) examined the connection between investment in intangible non-current assets and profitability, using Guaranty Trust Bank Plc as a case study. Employing an ex-post facto design, they analysed financial statement data from 2009 to 2019 using multiple regression under the least squares method. The focus was on the effects of goodwill and computer software costs on return on equity. The findings indicated no significant impact of

either variable, leading to the conclusion that intangible assets did not meaningfully enhance the bank's financial performance during the study period.

Awa et al. (2020) assessed the effect of intangible assets on the corporate performance of Nigerian commercial banks, concentrating on goodwill and computer software. Using an ex-post facto design and panel data methodology, the study analysed audited accounts from nine commercial banks for the period 2012 to 2018. The findings showed that both goodwill and computer software significantly influenced return on assets, suggesting their importance in evaluating bank performance. The authors recommended that commercial banks improve the utilisation and management of goodwill and software investments to enhance overall productivity and profitability.

MATERIALS AND METHOD

The study adopted an ex-post facto research design to investigate how post-IFRS intangible asset recognition influences the corporate value of listed food and beverage companies in Nigeria. This design is appropriate because the research relies on existing historical data obtained from publicly available sources, making it unnecessary to manipulate any variables. The data are drawn from audited financial statements and annual reports, ensuring reliability and consistency. The population for the study consists of all food and beverage companies listed on the Nigerian Exchange Group (NGX) as of December 31, 2024. These include:

Table 1: Population

Firms
1. Bua Foods Plc
2. Cadbury Nigeria Plc
3. Champion Breweries Plc
4. Dangote Sugar Refinery Plc
5. Golden Guinea Breweries Plc
6. Guinness Nigeria Plc
7. Honeywell Flour Mills Plc
8. International Breweries Plc
9. McNichols Plc
10. Multi-Trex Integrated Foods Plc
11. Northern Nigeria Flour Mills Plc
12. Nascon Allied Industries Plc

13. Nestlé Nigeria Plc
14. Nigerian Breweries Plc
15. Unilever Nigeria Plc
16. Union Dicon Salt Plc

Source: Nigerian Exchange Group (2024)

From this population, a purposive sampling method was employed to select firms that met two conditions: continuous listing from 2012 to 2024 and complete availability of annual reports for the same period. Based on these criteria, 12 companies were selected: Cadbury Nigeria Plc, Champion Breweries Plc, Dangote Sugar Refinery Plc, Guinness Nigeria Plc, Honeywell Flour Mills Plc, International Breweries Plc, Northern Nigeria Flour Mills Plc, Nascon Allied Industries Plc, Nestlé Nigeria Plc, Nigerian Breweries Plc, Unilever Nigeria Plc, and Union Dicon Salt Plc.

Secondary data were collected from the audited annual reports of the sampled companies covering the 13-year period from 2012 to 2024. The dependent variable, corporate value, is measured using Tobin's Q, calculated as the ratio of the market value of equity plus the book value of debt to the book value of total assets. The independent variable, post-IFRS intangible asset recognition, represents the total value of intangible assets recognised in line with IFRS standards. Firm size, included as a control variable, is measured as the natural logarithm of total assets. The analysis begins with descriptive statistics, summarising the mean, standard deviation, and range of each variable to establish an overview of the dataset. The main statistical technique employed is panel estimated generalized least squares analysis, which is suitable for data involving multiple firms observed over several years. This method controls for both firm-specific differences and changes over time, enhancing the robustness of the results. A 5% significance level is adopted, meaning any p-value below 0.05 is considered statistically significant.

The regression equation for the study is specified as:

$$TQ_{it} = \alpha_0 + \beta_1 IAR_{it} + \beta_2 FSIZE_{it} + \mu_{it} \dots \dots \dots \text{Eqn 1.}$$

Where:

TQ = Tobin's Q

IAR = Post-IFRS Intangible Asset recognition (amount of intangible asset recognised under IFRS)

FSIZE = Firm Size

α_0 = Constant term

$\beta_1 - \beta_2$ = Coefficients of explanatory variables

μ_{it} = Error term for firm i in year t

RESU.T AND DISCUSSIONS

Descriptive Analysis

Table 2 Descriptive Statistics of Study Variables

	TQ	INTANGIBLE ASSETS (₦'000)	FSIZE
Mean	5.956510	7732594.	7.619456
Median	1.726916	12015.00	7.870683
Maximum	83.61750	100612728	9.051642
Minimum	0.611071	0.000000	4.758056
Std. Dev.	13.68685	25198531	0.984500
Skewness	3.696610	3.141318	-1.356936
Kurtosis	16.33872	11.05225	4.589728
Jarque-Bera	1511.777	678.0167	64.30017
Probability	0.000000	0.000000	0.000000
Observations	156	156	156

Source: E-Views 10.0 Descriptive Output, 2024

The results presented in Table 2 show that the Tobin's Q (TQ) of the sampled listed food and beverage firms in Nigeria has an average value of 5.9565, which indicates that, on average, the market value of these firms is almost six times their book value of assets during the study period. This suggests that investors place a relatively high premium on the companies' equity compared to their recorded asset base. The maximum TQ of 83.6175 reflects an extreme case where the market valuation was vastly higher than the book value, possibly due to strong growth expectations or other firm-specific factors, while the minimum value of 0.6111 implies that at least one firm's market value was below its asset replacement cost. The standard deviation of 13.6869 points to wide variation in market valuation levels among the sampled firms over time. The positive skewness value of 3.6966 suggests that the distribution of TQ is skewed to the right, with more observations concentrated at lower TQ values and a few extremely high values pulling the mean upward. The kurtosis value of 16.3387, which is much higher than the normal distribution benchmark of 3, indicates a leptokurtic distribution with heavy tails, meaning that extreme deviations from the mean occur more frequently than in a normal distribution. The probability value of the Jarque-Bera statistic is 0.0000, which is below the 5% significance level, implying that the distribution of TQ is not normal.

For intangible assets, Table 2 shows an average value of ₦7,732,594 thousand for the sampled firms over the study period. This mean indicates a considerable investment in intangible resources such as brands, trademarks, and proprietary technologies. The highest recorded

value of ₦100,612,728 thousand suggests that one firm had a substantial intangible asset base, while the minimum value of zero indicates that there were firms and periods with no recognised intangible assets, possibly due to accounting treatment or the absence of qualifying items. The standard deviation of ₦25,198,531 thousand reveals a high degree of dispersion in intangible asset levels across the sampled firms, reflecting substantial differences in investment strategies and asset recognition. The positive skewness of 3.1413 means the distribution is skewed to the right, with most firms having relatively lower intangible asset values and a few firms recording exceptionally high amounts. The kurtosis value of 11.0523 indicates a leptokurtic distribution, pointing to the presence of extreme observations. The Jarque-Bera probability of 0.0000 confirms the non-normality of the intangible assets distribution.

Regarding firm size (FSIZE), Table 2 shows an average natural logarithm of total assets of 7.6195, suggesting that the typical firm in the sample holds a substantial asset base. The largest firm in terms of asset size has a log value of 9.0516, while the smallest recorded value is 4.7581, indicating that there are significant differences in the scale of operations among the sampled companies. The standard deviation of 0.9845 suggests moderate variability in firm size relative to the mean. The skewness value of -1.3569 shows a left-skewed distribution, implying that most firms are clustered at the higher end of the size range with fewer smaller firms pulling the distribution leftward. The kurtosis of 4.5897 is greater than 3, indicating a leptokurtic shape, which points to heavier tails than the normal distribution and a higher occurrence of extreme firm size values. The Jarque-Bera probability of 0.0000 means that the distribution of firm size significantly deviates from normality.

Test of Hypothesis

H₀₁: Post-IFRS intangible asset recognition has no significant effect on the Tobin's Q of listed food and beverages firms in Nigeria.

Table 3: Test of Hypothesis

Dependent Variable: TQ

Method: Panel EGLS (Cross-section SUR)

Date: 08/12/25 Time: 04:48

Sample: 2012 2024

Periods included: 13

Cross-sections included: 12

Total panel (balanced) observations: 156

Linear estimation after one-step weighting matrix

Cross-section SUR (PCSE) standard errors & covariance (d.f. corrected)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
IAR	0.228361	0.006871	33.23589	0.0000
FSIZE	-10.39424	0.105754	-98.28681	0.0000
C	84.38486	0.822211	102.6316	0.0000
Weighted Statistics				
R-squared	0.992792	Mean dependent var		5.443472
Adjusted R-squared	0.992698	S.D. dependent var		17.13343
S.E. of regression	1.003640	Sum squared resid		154.1157
F-statistic	10536.39	Durbin-Watson stat		1.877018
Prob(F-statistic)	0.000000			

Source: E-Views 10.0 Regression Output, 2024

The results in Table 3 first indicate the overall validity and strength of the estimated model. The adjusted R-squared value of 0.9927 shows that approximately 99.27% of the variations in Tobin's Q for the sampled listed food and beverage firms are explained by post-IFRS intangible asset recognition (IAR) and firm size (FSIZE). This suggests that the model has a very strong explanatory power, with minimal variation left unexplained by the included variables. The Prob(F-statistic) of 0.0000 is less than the 5% significance level, confirming that the model as a whole is statistically significant. This means that, taken together, post-IFRS intangible asset recognition and firm size jointly explain variations in Tobin's Q in a way that is unlikely to be due to chance. The Durbin-Watson statistic of 1.8770 is close to the ideal value of 2, indicating that the model does not suffer from serious autocorrelation problems, which adds credibility to the statistical inferences.

The constant term (C) in Table 3 has a coefficient of 84.3849 with a p-value of 0.0000, which is statistically significant at the 5% level. This value represents the predicted Tobin's Q when

both post-IFRS intangible asset recognition and firm size are zero. While in practical terms a firm having zero intangible assets and zero size is unrealistic, the constant still plays an important role in adjusting the model to fit the observed data accurately. The statistical significance of the constant means that even when the explanatory variables are excluded, there remains a baseline level of Tobin's Q that is not zero, reflecting unmeasured factors affecting corporate value.

Firm size (FSIZE) has a coefficient of -10.3942 with a p-value of 0.0000, showing a statistically significant negative effect on Tobin's Q at the 5% level. This means that for every one-unit increase in the natural log of total assets, Tobin's Q decreases by about 10.3942 units, assuming intangible asset recognition remains constant. The negative marginal effect suggests that larger firms in this sample tend to have lower market-to-book ratios, which may reflect market perceptions that smaller or mid-sized firms have stronger growth prospects relative to their asset base. Since the p-value is below 0.05, the effect is statistically significant, and the relationship is unlikely to have occurred by chance.

Regarding the main explanatory variable, post-IFRS intangible asset recognition (IAR) has a coefficient of 0.2284 with a p-value of 0.0000, which is significant at the 5% level. This means that for every one-thousand-naira increase in intangible assets recognised under IFRS, Tobin's Q increases by approximately 0.2284 units, holding other variables constant. This positive marginal effect indicates that higher recognition of intangible assets under IFRS is associated with higher corporate value, as measured by Tobin's Q. Since the p-value is far below 0.05, this effect is statistically meaningful, and the null hypothesis that post-IFRS intangible asset recognition has no significant effect on Tobin's Q is rejected. Thus, Post-IFRS intangible asset recognition has a positive and significant effect on Tobin's Q ($\beta=0.2284$, $p=0.0000$).

The positive and significant effect of post-IFRS intangible asset recognition on Tobin's Q ($\beta = 0.2284$, $p = 0.0000$) shown in Table 3 suggests that the market valuation of listed food and beverages firms in Nigeria improves when intangible assets are more effectively recognised in line with IFRS requirements. This result indicates that investors perceive recognised intangible assets—such as brands, patents, and proprietary processes—as valuable indicators of a firm's potential to generate future earnings, thereby rewarding such disclosures with higher market valuations. The finding aligns with Emeneka and Okerekeoti (2022), who found a significant positive relationship between intangible assets and firm value among Nigerian consumer goods firms, highlighting their role in explaining market valuation. It is

also consistent with Intara and Suwansin (2024), whose study of Thai listed firms revealed that total intangible assets and specific components such as identifiable intangible assets, goodwill, and R&D positively affected firm value, with effects being stronger for intangible-intensive companies. Similar support is provided by Ebe et al. (2023), who found a significant positive effect of intangible assets on performance metrics in Nigeria's consumer goods sector, suggesting that the market recognises the income-generating potential of these assets. Oryina and Suleiman (2020) also reported a significant positive relationship between intellectual property and market value in Nigerian manufacturing firms, reinforcing the idea that certain intangible asset categories can enhance valuation. On the other hand, this result contrasts with Kolawole et al. (2025), who found an insignificant negative effect of intangible assets on market valuation in Nigerian oil and gas firms, and with Pukon (2024), whose study in the banking sector indicated only minimal performance influence. The divergence may be attributed to sector-specific differences, as the food and beverages industry benefits from strong brand loyalty, consumer recognition, and product differentiation—factors that are more directly reflected in intangible asset value and, consequently, in Tobin's Q.

CONCLUSION AND RECOMMENDATION

The finding that post-IFRS intangible asset recognition has a positive and statistically significant effect on Tobin's Q carries important implications for understanding how capital markets in Nigeria's food and beverage sector respond to changes in financial reporting practices. A positive association suggests that the market places value on the recognition of intangible assets in accordance with IFRS, implying that investors interpret such recognition as a credible reflection of underlying economic benefits expected to flow to the firm. This signals that compliance with IFRS not only enhances transparency but also improves the perceived quality of reported financial information, thereby influencing valuation multiples. The result indicates that intangible assets, when recognised in a consistent and standardised manner, contribute to bridging the gap between a firm's book value and its market valuation, which is exactly what Tobin's Q measures. This also demonstrates the role of accounting regulation in shaping investor perceptions, where the recognition of assets such as brands, patents, and other non-physical resources is viewed as an indicator of a firm's capacity to generate future earnings. The significance of the effect reinforces the idea that in sectors characterised by strong brand identity, consumer loyalty, and product differentiation, intangible assets are integral to competitive advantage and growth prospects. It further underscores that capital markets may be sensitive to the quality of intangible asset disclosures,

with improved recognition translating into enhanced investor confidence and potentially higher market valuations.

By aligning asset recognition with international standards, firms reduce uncertainty around the valuation of non-physical resources, which can influence both domestic and foreign investor sentiment. The implication, therefore, is that the recognition of intangible assets under IFRS serves not merely as an accounting exercise but as a strategic factor in shaping how the market assesses the long-term value creation potential of listed companies.

Since the study revealed that post-IFRS intangible asset recognition has a positive and significant effect on Tobin's Q, it is recommended that management of listed food and beverages firms in Nigeria should strengthen their internal processes for identifying, valuing, and reporting intangible assets in strict compliance with IFRS. This involves ensuring that accounting teams are adequately trained on IFRS provisions related to intangible assets and that robust documentation supports recognition decisions. By doing so, firms can maintain the quality and credibility of their financial reports, which the market has shown to reward with higher valuations. This practice would also position the companies to attract both domestic and foreign investors who are increasingly attentive to transparent reporting of value-creating resources beyond physical assets.

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