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DETERMINANTS OF CORPORATE ACCOUNTING CHOICE

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ABSTRACT **RESEARCH ARTICLE**

This study examined the determinants of corporate accounting choice in non-financial firms in Nigeria. The specific objectives were to investigate whether internal financing, ownership concentration, leverage and firm size has significant effect on cashflow reporting of listed non-financial firms in Nigeria. The secondary source of data collection was adopted in the study where the purposive sampling technique was used to select a sample size of four (4) listed non-financial firms for the study. Least Square regression analysis was used in this study and the findings revealed that internal financing, firm leverage and firm size has no significant effect on cashflow reporting while ownership concentration has significant effect on cashflow reporting of listed non-financial firms in Nigeria. The study concluded that companies that consistently generate positive cash flows from operations are typically seen as having a stable financial footing, thereby making them more attractive to investors and creditors. The study recommended among others that firms should be encouraged to build a reasonable internal financial control strategy that will bring efficiency to the firm, thereby enhancing the firm financial performance and that firms should put efforts to ensure a fair balancing ownership structure so as to avoid complexities and properly drive home the slated goals and objectives without disrupting the financial capability of the firm.

KEYWORDS: Cash flow reporting, firm size, leverage, internal financing, ownership concentration.

INTRODUCTION

Corporate accounting is a sector of accounting that concentrates on a corporation's financial transactions. It encompasses the recording, summarization, and reporting of financial data communicated to business stakeholders over time. Corporate accounting is a specialized form of accounting designed for enterprises to document and oversees financial transactions. It involves the analysis, classification, collection, and presentation of a company's financial data. Understanding corporate accounting and its contribution to business growth is essential, as it is integral to the effective management of financial operations (Wahba, 2023).

Corporate accounting denotes the procedure of documenting a company's financial transactions. It is a procedure for recording expenditures, revenues, sales, and acquisitions over a designated timeframe. Organizations and enterprises frequently oversee capital derived from transactions such as sales. A corporate bank account enables a business to save, invest, or allocate funds for growth and enhancement. For business leaders and accounting professionals, acquiring knowledge about corporate accounts can enhance decision-making and elevate performance in their roles. Corporate accounting is essential for promoting transparency and accountability within an organization. By upholding meticulously organized financial records, enterprises can cultivate trust with investors, regulatory authorities, and other stakeholders (Patil & Bagodi, 2021).

Corporate accounting choice pertains to the selection and application of accounting methods and principles by companies in their financial reporting. The selection of corporate accounting methods can affect a company's reported profits, assets, and liabilities, as varying accounting approaches yield disparate outcomes (Brailsford, 2020). Cash flow reporting functions as a dependent variable in the study and has become a crucial element of financial reporting, offering stakeholders a clear perspective on the company's liquidity and financial well-being. In Nigeria's dynamic and challenging business environment, where firms are pivotal to economic growth and development, comprehending the influence of cash flow reporting on investment decisions has gained considerable importance (Mrema, 2024). Investment decisions are pivotal for companies as they dictate the distribution of resources among diverse projects, acquisitions, or expansions, ultimately influencing the company's future profitability, growth, and sustainability (Chibuike & Celestine, 2022).

The cash flow statement, a fundamental financial document, provides insights that are not easily discernible from the income statement or balance sheet. It offers critical insights into the company's capacity to generate cash from operations, manage financing activities, and invest in growth opportunities (Ebimobowei *et al.*, 2021). Through the examination of cash flow patterns, investors can gain insights into a company's liquidity status, its ability to fulfill financial commitments, and its prospects for future expansion. This information is essential for companies that frequently necessitate significant capital investments in machinery, equipment, and infrastructure (Driffield *et al.*, 2024).

The manufacturing sector in Nigeria has encountered various obstacles, such as inadequate infrastructure, power shortages, and an adverse business climate (Ogoun & Ekpulu, 2020). These challenges have amplified the significance of proficient cash flow management and transparent reporting practices. Investors require dependable and transparent financial data to evaluate the feasibility of their investments and make informed choices (Ajayi-Owoeye, 2022). Precise and thorough cash flow reporting equips investors with essential information to assess a company's capacity to generate cash, manage debt, and finance growth initiatives. Companies are assumed to operate on a going concern basis, thereby possessing perpetual existence. In actuality, this may not hold true, as enterprises frequently collapse due to unpredictable circumstances. Notwithstanding favorable ratings and assertive strategies, companies continue to face financial distress issues.

Although certain studies have investigated the influence of cash flow reporting on investment decisions within Nigerian companies (Ajayi-Owoeye, 2022), they have predominantly concentrated on firms across diverse industries or have not specifically tackled the distinct challenges encountered by the manufacturing sector. The capital-intensive characteristics of the non-financial sector, susceptibility to demand fluctuations and supply chain disruptions, and investment in growth opportunities (Bhandari & Adams, 2020). Through the examination of cash flow patterns, investors can gain insights into a company's liquidity status, its ability to fulfill financial commitments, and its prospects for future expansion. This information is especially vital for non-financial enterprises, which frequently necessitate significant capital investments in machinery, equipment, and infrastructure (Mrema, 2024). This study aims to investigate the determinants of corporate accounting choices using evidence from non-financial firms in Nigeria to address the identified issues.

2. Literature Review and Hypotheses Development

2.1 Corporate Accounting Choice (Proxied by Cashflow Reporting)

Corporate accounting choice pertains to the decisions companies undertake concerning the presentation of financial information in accordance with accounting regulations and standards, such as GAAP or IFRS. These decisions can affect the presentation of financial outcomes to stakeholders. These decisions can affect reported earnings, tax obligations, and financial ratios, and are frequently shaped by strategic goals such as tax minimization, earnings stabilization, or compliance with debt covenants. Corporate accounting decisions are made within the parameters permitted by accounting standards, yet they may be strategically influenced. Primary factors encompass earnings management, whereby companies aim to stabilize earnings over time to project stability to investors and mitigate stock volatility; selecting methods that diminish taxable income (e.g., accelerated depreciation) can facilitate reduced tax liabilities (Olagunju *et al*., 2022).

Corporate accounting choice pertains to the latitude companies possess in selecting from permissible accounting methods, as varying methods can produce disparate outcomes for identical transactions. Companies may opt for either the first-in-first-out (FIFO) or last-in-first-out (LIFO) methods for inventory valuation, influencing the reported inventory value and, consequently, the company's reported profits. Corporate accounting decisions may entail subjective judgments and estimates, including the assessment of an asset's useful life or the estimation of accounts receivable collectability.

2.2 Internal Financing and Cashflow Reporting

Internal financing involves utilizing a company's or organization's profits or assets as a capital source to finance a new project or investment. Internal sources of finance differ from external sources of finance. The primary distinction between the two is that internal financing pertains to the generation of funds from existing activities and assets within the company, while external financing necessitates the participation of a third party. Internal financing is typically regarded as more cost-effective for the firm than external financing, as it avoids transaction costs and the tax liabilities associated with dividend payments. Numerous economists contend that the accessibility of internal financing is a significant factor influencing firm investment (Bokpin & Arko, 2023).

The particular source of internal financing utilized by a financial manager is contingent upon the industry in which the firm operates, the firm's objectives, and the constraints (financial or physical) imposed on the firm. The aforementioned sources of internal finance may be utilized either collectively or independently. The selection of methods by the financial manager is contingent upon various factors, including the firm's objectives, constraints, and industry context. A retail company focused on consumer goods typically possesses fewer assets than an automobile manufacturer (Mrema, 2024).

Akuboere and Emmanuel (2025) examined the influence of cash flow management on the financial performance of Nigeria's industrial goods sector. Ex post facto research is an investigation that examines potential cause-and-effect relationships by analyzing data from pre-existing events, without any manipulation of variables. Panel least squares regression techniques were utilized to analyses the implicit relationship among the variables. The research identified a substantial inverse correlation between cash flow from investing activities and financial performance. Moreover, cash flow from financing activities does not exhibit a statistically significant correlation with financial performance in this sector.

Abdulaziz (2025) examined the influence of financial constraints on corporate investment decisions in Nigeria from 2015 to 2024. The study employs a quantitative research design characterized by descriptive and explanatory methodologies, utilizing secondary data obtained from the Nigerian Stock Exchange, Central Bank of Nigeria, and National Bureau of Statistics. Descriptive statistics, correlation, and multiple regression analyses were conducted utilizing SPSS and E-Views to guarantee robust outcomes. The findings indicated that both internal cash flow and external financing positively influence investment decisions, with internal funds exerting a greater impact.

Ike and Ibekwe (2024) examined the impact of cash flow reporting on the investment decisions of manufacturing firms in Nigeria. The study's data were obtained from the annual reports of companies covering the period from 2020 to 2023 via content analysis. The variables were analyzed utilizing the Panel Error Correction-Generated Least Squares (EGLS) method, with E-Views version 10 used for data analysis. The results indicated substantial impacts of Operating Activities and Investing Activities on investment decisions, whereas Financing Activities showed no significant effect. The findings underscored the significance of rigorous cash flow reporting practices and strategic investment planning for manufacturing companies in Nigeria.

Ebimobowei *et al*. (2021) examined the impact of cash flow accounting on the financial performance of publicly traded consumer goods firms in Nigeria from 2019 to 2022. The study employed an ex-post facto and correlational research design. The study utilized a population of twenty-six and a sample size of twenty-three firms, employing descriptive, correlational, and panel ordinary least squares methods for data analysis. The study demonstrated a positive and significant correlation between operating cash flow, financing cash flow, and firm size with profit after tax for listed consumer goods manufacturing companies, whereas investing activities and financial leverage exhibited a negative and significant correlation.

H1: ***From the above, we hypothesize that internal financing has no significant effect on cashflow reporting of listed non-financial firms in Nigeria.***

2.3 Ownership Concentration and Cashflow reporting

The ownership structure serves as a mechanism that aligns the interests of shareholders and managers. The agency theory posits that a separation of ownership and management within a firm leads to potential agency costs due to conflicts of interest between the contracting parties. Agency problems are anticipated to be more pronounced in firms with a diverse ownership structure due to the varying interests among contracting parties and the information asymmetry experienced by managers. The dissociation of ownership from management in contemporary enterprises, especially public corporations, restricts shareholder participation in managerial decision-making, including the process of voluntary disclosure (Ismail & Ali, 2020).

Consequently, managers are inclined to utilize available information to advance their own interests, often to the detriment of the owners. This has resulted in an expansion of the information disparity between stakeholder expectations and actual disclosures. The division of ownership and management requires the implementation of controls over organizational resources to protect the interests of shareholders and other stakeholders. The separation between ownership and management influences the degree of oversight and, consequently, the level of voluntary disclosure; additionally, through voluntary disclosure, managers convey more information to indicate their alignment with shareholders' interests.

Byuan *et al*. (2024) examined the influence of ownership structure on the capital structure of selected insurance companies in Nigeria. The study employs secondary data obtained from fourteen (14) sampled insurance firms listed on the Nigerian Group Exchange (NGX) for the period 1992-2022. The study employed Multiple Regression analysis, and the fixed effect result was deemed acceptable based on the Hausman specification test outcome. The results indicated that firm ownership concentration positively and significantly influences the capital structure of insurance firms in Nigeria.

Chadha and Seth (2024) examined the influence of ownership structure on the capital structure of Indian manufacturing firms. A sample comprising 1,150 manufacturing firms listed on the Bombay Stock Exchange (BSE) in India, covering a period of ten years from 2007 to 2021 was utilized for the study. The fixed effects model for panel data was used and the result revealed a significant relationship between ownership structure and capital structure of Indian manufacturing firms. Similarly, control variables such as tangibility, age, growth, profitability, and size exhibit a significant correlation with the firm's financial leverage.

Bokpin and Arko (2023) investigated the influence of ownership structure and corporate governance on the capital structure decisions of firms listed on the Ghana Stock Exchange (GSE). This study utilizes unbalanced panel data from 2002 to 2007 to examine the influence of ownership structure and corporate governance on firms' financing decisions, employing the seemingly unrelated regression method to address multicollinearity among the regressors. The regression findings indicate that managerial ownership substantially and positively affects the preference for long-term debt rather than equity.

Brailsford (2020) investigated the relationship between ownership structure and capital structure. Utilizing an agency framework, it is posited that the allocation of equity ownership between corporate managers and external blockholders may significantly correlate with leverage. The empirical findings indicate a negative correlation between external blockholders and leverage, as well as a non-linear relationship between managerial share ownership and leverage. The findings indicate that the relationship between external block ownership and leverage differs according to the extent of managerial share ownership.

H2: From the above, we hypothesize that ownership concentration has no significant effect on cashflow reporting of listed non-financial firms in Nigeria.

2.4 Firm Leverage and Cashflow reporting

The leverage ratio represents the fraction of a company's assets that are financed through fixed-charge instruments, including debt or leases. Consequently, leverage serves as a mechanism that, when judiciously utilized, enhances the earnings potential of residual owners. The leverage ratio quantifies potential capital gain rather than actual capital gain (. Consequently, the leverage ratio indicates the impact of potential price fluctuations, identifying which groups may be susceptible to or advantageous from various types of price changes. The leverage ratio reflects the company's risk exposure in fulfilling debt service obligations (Saira, 2019).

Firm leverage refers to the extent to which a company utilizes fixed-income instruments, including debt and preferred equity. Leverage refers to the extent of debt utilized to fund additional capital investments that can enhance a firm's financial performance. Leverage also denotes the ratio of debt to equity within a firm's capital structure. It quantifies the proportion of total assets financed by debt. Leverage ratios assess the business and financial risks associated with a firm. The theme may pertain to financial or operational leverage. Financial leverage refers to the utilization of borrowed capital to enhance production capacity, sales, and profitability of a company for improved performance. The measurement is expressed as the ratio of a firm's total debt to its equity (Biswajit & Kailash, 2020).

Gina (2025) examined the effect of free cash flow efficiency, inventory turnover, and financial leverage on the performance of listed manufacturing firms in Nigeria using panel data of 49 companies covering the period 2012 to 2023. Firm performance was proxied by Tobin Q, while regression analysis was conducted using the robust random-effects model. This study adopts an ex post facto research design. The findings revealed that financial leverage had a positive and statistically significant effect on firm performance proxied by Tobin Q, while free cash flow efficiency and inventory turnover have an insignificant effect on Tobin Q.

Al-Najjar and Taylor (2024) examined the relatively under-explored correlation between ownership structure and capital structure in an emerging market. This study is among the initial investigations to implement both single and reduced-form equation methodologies utilizing a panel data approach. The study employs econometric modeling utilizing both single equation and reduced equation models for panel data. The findings indicate that Jordanian companies adhere to the same capital structure determinants as those in developed markets, specifically: leverage, firm size, growth rate, market-to-book ratio, asset structure, and liquidity. Furthermore, the structure of institutional ownership is influenced by asset composition, business risk (BR), growth prospects, and firm size. The results indicate that asset tangibility, firm size, growth opportunities, and BR are collectively determinants of ownership and capital structure.

Chibuike and Celestine (2022) investigated the impact of cash flow management on financial performance within the pharmaceutical sector in Nigeria. The study employed an ex post facto research design, focusing on a population of ten (10) pharmaceutical companies listed by the Nigerian Exchange Group in 2021. Data were obtained from the annual reports of the chosen publicly traded pharmaceutical companies for the period from 2011 to 2020. Multiple regression analysis and Pairwise Granger Causality tests were employed to analyze the data collected using EViews10 statistical software. The study demonstrated a positive yet negligible impact of operating activities on leverage. Furthermore, it disclosed a positive yet negligible impact of investment activities on liquidity.

Okeke *et al*. (2021) investigated the impact of leverage on the cash ratio of Nigerian conglomerate firms. The study employed an Ex-Post facto research design, extracting data from the annual reports and accounts of the selected firms, which were analyzed using Pearson correlation and Ordinary Least Squares (OLS) regression analysis facilitated by E-Views 9.0 statistical software. The study revealed that leverage exerts a substantial negative impact on the cash ratio of conglomerate firms in Nigeria.

H3: From the above, we hypothesize that firm leverage has no significant effect on cashflow reporting of listed non-financial firms in Nigeria.

2.5 Firm Size and Cashflow reporting

The size of a firm is a crucial factor affecting multiple dimensions of its performance, including profitability, market power, and bargaining leverage. Ezejiofor and Fatimehin (2022) asserted that a firm's size significantly influences its internal and external relationships, with larger firms generally exerting more power over stakeholders. The prevalence of conglomerates and multinational corporations in global and local economies highlights the crucial influence of firm size in corporate settings. Patil and Bagodi (2021) assert that firm size is a significant determinant of financial performance, as larger firms frequently benefit from economies of scale and scope, enhancing profitability and competitive strength.

The discussion regarding the influence of firm size on corporate performance has generated significant theoretical and empirical research in the fields of economics, management, and sociology. Conventional economic theory suggests that larger firms gain incremental advantages by increasing entry barriers and utilizing economies of scale for enhanced profitability; however, empirical evidence has produced inconclusive results (Patil & Bagodi, 2021). Despite extensive research aimed at clarifying the correlation between firm size and performance, conclusive findings remain unattainable, particularly due to discrepancies in measurement techniques and geographical contexts. Methods for assessing firm size differ significantly, encompassing total assets, employee count, or specialized indices that reflect the various resources accessible to the firm. Irrespective of the metric utilized, the primary objective is to assess the scale of a firm's operations and resources.

Yisau *et al*. (2024) examined the factors influencing capital structure in Nigeria's publicly listed consumer goods companies. The research employed a panel data methodology and concentrated on 15 publicly traded consumer goods companies chosen through purposive sampling. Financial data from 2011 to 2020 were obtained from annual reports, and regression analysis was employed for data interpretation. The results demonstrated that internal factors, including profitability, firm size, and asset tangibility, significantly affected capital structure decisions, subsequently influencing investment behaviours.

Abdulrazak and Lucky (2025) analyzed the characteristics of firms and their sustainability disclosures among listed non-financial companies in Nigeria. The ex post facto research design was employed, focusing on the population of all listed manufacturing companies in Nigeria. Seventy (70) companies were sampled for the financial years 2012-2023. Secondary data from the annual reports of publicly traded non-financial companies was gathered, and panel regression estimation was employed for analysis utilizing the E-Views 13 statistical software. The study indicated that liquidity and asset tangibility have an insignificant impact on the sustainability disclosure of listed non-financial companies in Nigeria, whereas firm size has a positive and significant effect on such disclosures.

Idris *et al*. (2024) investigated the moderating effect of board commitment on board characteristics and sustainability reporting in publicly listed Nigerian companies from 2013 to 2022. The study employs a correlational research design and a stratified sampling technique to analyses data obtained from the annual audited financial statements of listed companies on the Nigerian Exchange Group (NGX) website. Multiple regression analysis conducted with STATA 13 indicates that board size, board independence, and board commitment have a significant and positive impact on sustainability reporting, whereas board gender exhibits a negative and statistically insignificant effect. The study found that board size and independence significantly negatively impact sustainability reporting when considering the moderating variable.

Butt and Hasan (2023) examined the correlation between corporate governance and the capital structure of publicly traded companies in the emerging equity market of Pakistan. The study examines firm-level data from 58 randomly selected non-financial listed companies on the Karachi Stock Exchange for the period 2002 to 2005, utilizing multivariate regression analysis with a fixed effects model approach. The findings indicate a significant positive correlation between board size and managerial shareholding with the debt-to-equity ratio. Nonetheless, corporate financing behavior is not significantly affected by CEO/Chair duality or the presence of non-executive directors on the board. Nonetheless, the control variables of firm size and return on assets significantly influence capital structure. No temporal effects are detected.

H4: From the above, we hypothesize that firm size has no significant effect on cashflow reporting of listed non-financial firms in Nigeria.

3.0 Methodology

The *ex-post facto* research design was used in this study due to the fact that the variables cannot be manipulated by the researcher. This method was adopted since social scientific research problems do not lend themselves to experimental and controlled inquiry of the ex-post factor kind. The population comprises of one hundred and fifty one (151) firms listed on Nigerian Exchange Group as at 31st December, 2024. Since the entire listed firms cannot be used for the study, the study is limited to ten (10) years annual report of four (4) listed non-financial firms in Nigeria. In selecting the sample, purposive sample technique was used to derive the sample size which used to ensure that the sample represents a diversity of perspectives. The secondary source of data collection was used for this study where data was gathered from audited annual reports of selected listed non-financial firms in Nigeria. The study employed multiple regression technique of analysis using Least Squares regression estimation. This method was adopted because it enhances easy presentation and interpretation of data. The empirical model of the study is mathematically expressed as follows:

$$CAS_{it} = \alpha + \beta_1 INT_{it} + \beta_2 OWN_{it} + \beta_3 LEV_{it} + \beta_4 FZ_{it} + \mathcal{E}_{it}$$

Where;

CAS_{it}	=	Cashflow Reporting
INT_{it}	=	Internal Financing
OWN_{it}	=	Ownership Concentration
LEV_{it}	=	Firm Leverage
FZ_{it}	=	Firm Size
$\mathcal{E}_{it}$	=	Error term
α	=	intercept
$\beta_1 - \beta_3$	=	Coefficients of parameters estimated

3.9 Measurement of Variables

The variables used in this study were measured as follows:

S/N	Variables	Measurement
1.	Cashflow Reporting	This forms the cash generated from a company's core business operations.
2.	Internal Financing	This forms the amount of cash generated internally by a company, as opposed to cash raised through external sources.
3.	Ownership Concentration	This forms the sum of the squares of the ownership shares of the largest shareholders in a company.
4.	Firm Leverage	This forms the degree to which a company uses debt financing to fund its operations.
5.	Firm Size	This forms an indication of a company's scale and potential to generate income.

Source: Researcher's Compilation, 2025

4. Result and Discussion

Table 1: Summary of Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
CAS	40	.00	1.00	.3750	.49029	-1.805	.733
INT	40	627704.00	25193379.00	4685416.9500	4961246.0994	7.655	.733
OWN	40	10.00	94.00	55.5000	23.46520	-.421	.733
LEV	40	13.70	123.35	63.0045	33.47932	-1.407	.733
FZ	40	5.33	7.32	6.3352	.52494	-.557	.733
Valid N	40						

Source: Output of data analysis by author using SPSS (2025)

From the above table, the dependent variable, cashflow reporting (CAS) has a mean value of 0.3750, standard deviation of 0.49029, minimum value of 0.00and maximum of 1.00. The independent variables; internal financing (INT) has a mean value of 4685416.9500 and a standard deviation of 4961246.099, a minimum and maximum value of 627704.00 and 25193379.00respectively. Ownership concentration (OWN) has a mean value of 55.5000, standard deviation of 23.46520, minimum value of 10.00 and maximum value of 94.00. Financial leverage (LEV) has a mean value of 63.0045, standard deviation of 33.47932, minimum value of 13.70 and maximum of 123.35. Firm size (FZ) has a mean value, standard deviation, minimum and maximum values of 6.3352, 0.52494, 5.33 and 7.32 respectively.

Table 2: Summary of Coefficient of Correlation

Correlations

		CAS	INT	OWN	LEV	FZ
CAS	Pearson Correlation	1	-.423	-.505	-.246	-.177
	Sig. (2-tailed)		.007	.001	.126	.274
	N	40	40	40	40	40
INT	Pearson Correlation	-.423	1	.261	.528	.359
	Sig. (2-tailed)	.007		.104	.000	.023
	N	40	40	40	40	40
OWN	Pearson Correlation	-.505	.261	1	-.126	.277
	Sig. (2-tailed)	.001	.104		.437	.083
	N	40	40	40	40	40
LEV	Pearson Correlation	-.246	.528	-.126	1	-.212
	Sig. (2-tailed)	.126	.000	.437		.189
	N	40	40	40	40	40
FZ	Pearson Correlation	-.177	.359	.277	-.212	1
	Sig. (2-tailed)	.274	.023	.083	.189	
	N	40	40	40	40	40

Source: Output of data analysis by author using SPSS (2025)

Table 2 above shows the 2-tailed correlation analysis of the variables at 5% (0.05) level of significance. This shows that cashflow reporting (CAS) is negatively correlated with internal financing (INT), ownership concentration (OWN), financial leverage (LEV) and firm size (FZ). Internal financing is negatively correlated with cashfow reporting (CAS) while positively correlated with ownership concentration (OWN), financial leverage (LEV) and firm size (FZ). Ownership concentration on the other hand is negatively correlated with cashflow reporting (CAS) and financial leverage (LEV) but positively correlated with internal financing (INT) and firm size (FZ).

Table 3: Summary of Regression Result

Model Summary

Multiple R	.612
R Square	.374
Adjusted R Square	.303
Std. Error of the Estimate	.409

Coefficients

	Unstandardized Coefficients				
	B	Std. Error	Beta	t	Sig.
(Constant)	1.408	1.037		1.358	.183
INT	-1.646E-8	.000	-.167	-.830	.412
OWN	-.010	.003	-.481	-3.285	.002
LEV	-.003	.003	-.226	-1.194	.240
FZ	-.030	.155	-.032	-.193	.848

Source: Output of data analysis by author using SPSS (2025)

The B column discusses the coefficient of the model. This indicates that a 140.8% increase in cashflow reporting is as a result of an exponential decrease in internal financing, 1% decrease in ownership concentration, 0.3% decrease in financial leverage and 3% decrease in firm size. The cumulative adjusted R^2 (0.303) which is the multiple coefficient of determination gives the proportion or percentage of the total variation in the dependent variable as explained by the independent variables jointly. Hence, it signifies that 30.3% of the total variation in cashflow reporting of the sample firms is caused by the proxies of determinants of corporate accounting choice. This is quite high so predictions from the regression equation are fairly reliable. It also means that 69.7% of the variation is still unexplained so adding other independent variables could improve the fit of the model. This indicated that the model is fit and the explanatory variable are properly selected, combined and used. The findings have theoretical, practical and regulatory significance. This significance represents the contributions of the study which are expected to benefit the existing body of knowledge within the accounting and finance research, regulators and providers of accounting services.

Considering the significant effect of internal financing on cashflow reporting of listed non-financial firms in Nigeria, the regression result in table 4 indicate that internal financing has a negative and insignificance influence on cashflow reporting of listed non-financial firms in Nigeria. This was proved by the beta coefficient value of 0.167 and a t-value of -0.830 and a significance value 0.412 which is insignificance at 5% significance level. This leads to the acceptance of the null hypothesis and rejection of alternative hypothesis. Hence, it is concluded that internal financing has no significant effect on cashflow reporting of listed non-financial firms in Nigeria.

Considering the significant effect of ownership concentration on cashflow reporting of listed non-financial firms in Nigeria, the regression result in table 4 indicate that ownership concentration has a negative and significance influence on cashflow reporting of listed non-financial firms in Nigeria. This was proved by the beta coefficient value of -0.481 and a t-value of -3.285 and a significance value 0.002 which is significance at 5% significance level. This leads to the acceptance of the alternative hypothesis and rejection of null hypothesis. Hence, it is concluded that ownership concentration has significant effect on cashflow reporting of listed non-financial firms in Nigeria.

Considering the significant effect of firm leverage on cashflow reporting of listed non-financial firms in Nigeria, the regression result in table 4 indicate that firm leverage has a negative and insignificance influence on cashflow reporting of listed non-financial firms in Nigeria. This was proved by the beta coefficient value of 0.226 and a t-value of -1.194 and a significance value 0.240 which is insignificance at 5% significance level. This leads to the acceptance of the null hypothesis and rejection of alternative hypothesis. Hence, it is concluded that firm leverage has no significant effect on cashflow reporting of listed non-financial firms in Nigeria.

Considering the significant effect of firm size on cashflow reporting of listed non-financial firms in Nigeria, the regression result in table 4 indicate that firm size has a negative and insignificance influence on cashflow reporting of listed non-financial firms in Nigeria. This was proved by the beta coefficient value of 0.032 and a t-value of -0.193 and a significance value 0.848 which is insignificance at 5% significance level. This leads to the acceptance of the null hypothesis and rejection of alternative hypothesis. Hence, it is concluded that firm size has no significant effect on cashflow reporting of listed non-financial firms in Nigeria.

4.1 Discussion of Findings

The results indicate that almost all the variables are significantly normally distributed at 5% level of significance. The correlation matrix indicates the variables have mixed relationships. The results also indicate the absence of multi-colinearity.

Internal financing and cashflow reporting

The findings from the first hypothesis revealed that internal financing has no significant effect on cashflow reporting of listed non-financial firms in Nigeria. This study agrees with the study of Akuboere and Emmanuel (2025) whose result revealed that cash flow from financing activities does not exhibit a statistically significant correlation with financial performance in this sector. This findings is in disagreement with the findings of Abdulaziz (2025) whose findings indicated that both internal cash flow and external financing positively influence investment decisions, with internal funds exerting a greater impact. The study also corroborate with the study of Ebimobowei *et al*. (2021) whose findings demonstrated a positive and significant correlation between operating cash flow, financing cash flow, and firm size with profit after tax for listed consumer goods manufacturing companies, whereas investing activities and financial leverage exhibited a negative and significant correlation.

Ownership concentration and cashflow reporting

The findings from the second hypothesis revealed that ownership concentration has significant effect on cashflow reporting of listed non-financial firms in Nigeria. This result agrees with the findings of Byuan *et al*. (2024) whose results indicated that firm ownership concentration positively and significantly influences the capital structure of insurance firms in Nigeria. This is further strengthened by the findings of Chadha and Seth (2024) whose results revealed a significant relationship between ownership structure and capital structure of Indian manufacturing firms. This study however, negates the study of Brailsford (2020) whose findings indicate that the relationship between external block ownership and leverage differs according to the extent of managerial share ownership.

Firm leverage and cashflow reporting

The findings from the third hypothesis revealed that firm leverage has no significant effect on cashflow reporting of listed non-financial firms in Nigeria. This findings agrees with the study of Okeke *et al*. (2021) whose study revealed that leverage exerts a substantial negative impact on the cash ratio of conglomerate firms in Nigeria. It however, disagrees with the findings of Gina (2025) whose findings revealed that financial leverage had a positive and statistically significant effect on firm performance. It is supported by the study of Al-Najjar and Taylor (2024) whose findings indicated that Jordanian companies adhere to the same capital structure determinants as those in developed markets, specifically: leverage, firm size, growth rate, market-to-book ratio, asset structure, and liquidity.

Firm size and cashflow reporting

The findings from the forth hypothesis revealed that firm size has no significant effect on cashflow reporting of listed non-financial firms in Nigeria. This is further strengthened by the position of Butt and Hasan (2023) whose findings revealed that firm size and return on assets significantly influence capital structure. This findings negates the study of Yisau *et al*. (2024) whose results demonstrated that internal factors, including profitability, firm size, and asset tangibility, significantly affected capital structure decisions, subsequently influencing investment behaviours. It further disagrees with the study of Abdulrazak and Lucky (2025) whose findings indicated that liquidity and asset tangibility have an insignificant impact on the sustainability disclosure of listed non-financial companies in Nigeria, whereas firm size has a positive and significant effect on such disclosures.

5.0 Conclusion and Policy Recommendation

5.1 Conclusion

Cash flow reporting is critical for assessing a company's liquidity and financial health, offering a detailed view of the cash generated and utilized during a specific period. It enables stakeholders, including investors, managers, and creditors, to evaluate the company's ability to generate cash from its operating activities, which is a key indicator of its sustainability and operational efficiency. Companies that consistently generate positive cash flows from operations are typically seen as having a stable financial footing, thereby making them more attractive to investors and creditors. Thus, internal financing, leverage, size and ownership concentration assessment is crucial, especially in volatile economic conditions, as it helps stakeholders understand whether a company can meet its short-term obligations without resorting to additional financing. This study hereby concludes that internal financing, firm leverage and firm size has no significant effect on cashflow reporting while ownership concentration has significant effect on cashflow reporting of listed non-financial firms in Nigeria.

5.2 Policy Recommendations

The following recommendations are hereby made:

i. Firms should be encouraged to build a reasonable internal financial control strategy that will bring efficiency to the firm, thereby enhancing the firm financial performance.

ii. Firms should put efforts to ensure a fair balancing ownership structure so as to avoid complexities and properly drive home the slated goals and objectives without disrupting the financial capability of the firm.

iii. Firms should prefer to fund themselves with resources generated internally before resorting to the market so as to maintain a healthy financial leverage.

iv. Firms should re-evaluate their firm size in order to enable them to generate enough cash sufficient to meet their investing activities.

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