TAX AS A FISCAL POLICY AND MANUFACTURING COMPANY’S PERFORMANCE AS AN ENGINE FOR ECONOMIC GROWTH IN NIGERIA

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ABSTRACT

This study seeks to assess whether tax as a fiscal policy tool affect the performance of the selected manufacturing companies in Nigeria. To achieve the aims of the study, descriptive method was adopted and data were collected through the use of six years financial accounts of the selected companies. The hypothesis formulated for the study was tested with the ANOVA, using the Statistical Package for Social Sciences (SPSS) version 20.0 software package. The study found that Taxation as a fiscal policy instrument has a significant effect on the performance of Nigerian manufacturing companies. The implication of the finding is that the amount of tax to be paid depends on the companies’ performances. Based on the findings, it was recommended among others that the government is required to be sensitive to the variables in the tax environment and other macro-environmental factors so as to enable the manufacturing sector cope with the ever changing dynamics of the manufacturing environment.

Keywords: taxation, fiscal policy, manufacturing company’s performances.