

**TIME SERIES BEHAVIOUR AND THE PREDICTIVE
ABILITY OF ACCOUNTING NUMBERS: EVIDENCE FROM
LISTED FIRMS IN NIGERIA**

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Abstract

This paper presents the results in relation to the predictive ability of accounting numbers in a time series analysis. By means of accounting numbers from the Nigerian Stock Exchange Factbook and Annual Reports and Accounts, total assets, equity and share prices were obtained for 133 quoted firms during 2006-2015. The statistical technique adopted for data analysis was the Ordinary Least Square. The analysis showed that accounting numbers have significant relationship with share prices but negative predictive ability. Amongst all, total equity has more predictive ability. In addition, the financial sector was found to have the highest predictive ability, followed by the oil and gas sector. We strongly believe that the findings of this study may be of considerable value to management of business firms, policy makers, government and researchers in accounting and finance who employ accounting numbers in a time series forecast.

Keywords: Predictive Ability; Accounting Numbers; Time Series Behaviour; Nigeria

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