© IIJP 2026 | Volume 2, Issue 3, pp. 2102-2112 | ISSN: 2636-4484

# FAIR VALUE MEASUREMENT TECHNIQUES AS PREDICTORS OF INVESTORS' CONFIDENCE AMONG MANUFACTURING FIRMS IN LAGOS STATE

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**ARTICLE INFO**
**Article No.:** 0572
**Accepted Date:** 17/08/2026
**Published Date:** 13/09/2026
**Type**: Research

**ABSTRACT**

This study examined the effect of fair value measurement techniques on investor confidence among selected manufacturing firms in Lagos State, Nigeria. Specifically, it investigated the individual and joint effects of the Market, Income, and Cost Approaches on investor confidence. A descriptive survey research design was adopted. The study population comprised 1,207 investors and managers, from which 360 respondents were selected using purposive and simple random sampling techniques. Data were collected through a structured questionnaire and analysed using regression analysis at the 0.05 level of significance. The findings revealed that the Market Approach had a significant positive effect on investor confidence ($\beta = 0.458$, $t = 5.15$, $p < 0.001$), explaining 49.1% of the variation in investor confidence. The Income Approach also had a significant positive effect ($\beta = 0.421$, $t = 5.13$, $p < 0.001$), explaining 44.1% of the variation, while the Cost Approach significantly influenced investor confidence ($\beta = 0.389$, $t = 4.14$, $p < 0.001$), explaining 35.2% of the variation. These percentages were obtained from three separate simple regression models, whereas the combined result was derived from a multiple regression model. The combined regression analysis showed that the three approaches jointly had a significant effect on investor confidence ($R^2 = 0.612$, $F = 39.18$, $p < 0.001$). The Market Approach ($\beta = 0.338$) was the strongest predictor, followed by the Income Approach ($\beta = 0.291$) and the Cost Approach ($\beta = 0.214$). The study concluded that fair value measurement techniques significantly determine investor confidence, with market-based valuation providing the highest level of credibility because of its reliance on observable market data. It recommended that manufacturing firms strengthen transparent fair value measurement practices, disclose valuation assumptions, and improve compliance with IFRS 13 to promote investor confidence and attract sustainable investment.

**Keywords:** Fair value measurement, Market Approach, Income Approach, Cost Approach, Investor confidence

## Introduction

Investor confidence is essential to the stability and growth of capital markets. It reflects investors' trust in the integrity, transparency, and usefulness of corporate financial information, which influences their investment decisions (Okoye et al., 2025). High investor confidence can reduce the cost of capital, encourage long-term investment, and improve market liquidity, whereas unreliable financial reporting may result in market uncertainty, capital flight, and economic contraction (Cupák, 2022). The need to strengthen investor confidence is particularly important in Nigeria, where the manufacturing sector is expected to support economic diversification, employment generation, and value creation (Edo, 2022). However, the sector's ability to attract domestic and foreign investment depends largely on the availability of credible, transparent, and decision-useful financial information.

Fair value accounting is an important aspect of financial reporting because it provides current information about the value of a firm's assets and liabilities. Nigeria's mandatory adoption of International Financial Reporting Standards (IFRS) in 2012 was intended to align the country's financial reporting practices with global standards and improve the quality of financial information (Irvine & Lucas, 2021). IFRS 13 defines fair value as a market-based measurement of the price that would be received to sell an asset or paid to transfer a liability under current market conditions (IFRS Foundation, 2022). IFRS 13 identifies three valuation approaches: the Market Approach, Income Approach, and Cost Approach. The Market Approach relies on observable prices for identical or comparable assets and is generally considered the most objective. The Income Approach estimates value by converting expected future cash flows into present value and therefore depends significantly on management assumptions. The Cost Approach determines value based on the current cost of replacing an asset's service capacity and is often applied to specialised assets (Pratt & Niculita, 2022).

Meanwhile, the reliability of these approaches may differ considerably in emerging markets such as Nigeria, where active markets for specialised manufacturing assets and intangible assets are limited. This situation may increase reliance on subjective estimates under the Income and Cost Approaches and raise concerns about valuation uncertainty, managerial bias, and the credibility of reported financial information (Elfaki, 2021; Jana, 2025). More broadly, institutional quality and effective regulation are important to investment decisions in African economies (Asiedu & Ofori, 2022).

The Nigerian manufacturing sector provides an important context for examining this issue because firms possess diverse assets, including machinery, specialised facilities, brands, and other intangible assets. These assets may require different fair value measurement approaches (Oyerinde, 2021). The valuation methods selected and the extent of related disclosures may influence how investors assess the transparency and reliability of financial statements. Firms that use observable market information where available and provide adequate explanations for subjective estimates may be viewed more favourably by investors (Riedl & Serafeim, 2021). This is particularly important in Nigeria, where concerns about market risk may affect investors' willingness to provide capital (Asiedu & Ofori, 2022).

However, this study is guided by Signalling Theory, which explains how firms use financial reporting practices and disclosures to communicate their quality, transparency, and future prospects to investors. The use of reliable valuation inputs and comprehensive disclosures may serve as positive signals, while subjective and poorly explained valuations may weaken investor confidence. Although existing studies have examined IFRS implementation and fair value accounting, limited attention has been given to the separate effects of the Market, Income, and Cost Approaches on investor confidence in Nigeria's manufacturing sector. This study

therefore addresses this gap by examining the individual and joint effects of the three fair value measurement approaches on investor confidence among selected manufacturing firms in Lagos State, Nigeria.

**Statement of the Problem**

Although IFRS adoption in Nigeria was intended to improve financial reporting and investor confidence, fair value measurement remains challenging. The market, income, and cost approaches differ in their reliance on observable market information and management estimates. In Nigeria, limited active markets for specialised manufacturing assets often require the use of subjective assumptions, particularly under the income and cost approaches. This subjectivity may create uncertainty about the reliability of reported fair values and increase the risk of managerial bias. Consequently, investors may find it difficult to distinguish between objective market-based valuations and estimates influenced by management judgment. Existing Nigerian studies have generally examined fair value accounting as a single concept, with limited attention to the separate effects of the market, income, and cost approaches. Therefore, it remains unclear how these valuation approaches influence investor confidence in the manufacturing sector. This study addresses this gap by examining the relationship between the three fair value measurement approaches and investor confidence in Nigeria.

**Objectives of the Study**

The main objective of this study was to determine the impact of fair value measurement techniques on investors' confidence among manufacturing firms in Lagos State, Nigeria. The specific objectives were to:

1. To determine the influence of the fair value measurement technique (market approach) on investor confidence in manufacturing firms in Lagos.
2. To assess the influence of fair value measurement technique (income approach) on investor confidence in manufacturing firms in Lagos.
3. To examine the influence of the fair value measurement technique (cost approach) on investor confidence in manufacturing firms in Lagos.
4. To evaluate the composite influence of the fair value measurement techniques (Market, Income, and Cost) on investor confidence in manufacturing firms in Lagos.

**Research Hypotheses**

**$H_{01}$:** There is no significant influence of fair value measurement technique (market approach) on investor confidence in manufacturing firms in Lagos.

**$H_{02}$:** There is no significant influence of fair value measurement technique (income approach) on investor confidence in manufacturing firms in Lagos.

**$H_{03}$:** There is no significant influence of fair value measurement technique (cost approach) on investor confidence in manufacturing firms in Lagos.

**$H_{04}$:** There is no significant composite influence of the Market, Income, and Cost Approach on investor confidence in manufacturing firms in Lagos.

**Literature Review**

***Concepts of Fair Value***

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS Foundation, 2023). It provides current, market-oriented information that may help investors assess the economic value and risk of a reporting entity. IFRS 13 identifies three approaches to fair-value measurement. The Market Approach uses prices and other information from market transactions involving identical or comparable assets. The Income Approach converts expected future cash flows into a present value using an appropriate discount rate, while the Cost Approach

estimates the current cost of replacing an asset's service capacity, after considering depreciation and obsolescence (IFRS Foundation, 2023). The reliability of fair-value information may vary according to the evidence supporting the valuation. Market-based estimates are generally more verifiable, whereas income- and cost-based estimates may involve greater managerial judgement, particularly where active markets are unavailable. The International Accounting Standards Board (IASB, 2018) emphasises that useful financial information should be relevant and faithfully represented. Accordingly, the usefulness of fair-value information depends not only on the valuation approach but also on the reliability of the inputs and the adequacy of related disclosures.

***Concept of Investor Confidence***

Investor confidence refers to investors' trust in the credibility, transparency, and decision-usefulness of a firm's financial information. Fair-value measurements may strengthen investor confidence when they provide relevant and understandable information about assets and liabilities (Asiedu & Ofori, 2022).. However, reliance on unsupported assumptions or insufficient disclosure may increase uncertainty and weaken investors' trust. Investor confidence in fair-value reporting refers to the extent to which investors believe that fair-value measurements and related disclosures are transparent, reliable, understandable, and useful for making investment decisions.

***Theoretical Framework: Signalling Theory***

This study is anchored on Signalling Theory, introduced by Spence (1973). The theory explains how better-informed parties communicate information to less-informed parties in situations involving information asymmetry. In corporate reporting, management has more information about the firm's assets, risks, and future prospects than external investors. Financial reporting and disclosure therefore serve as signals to investors. Applied to this study, the choice and application of a fair-value measurement approach may signal the quality and transparency of management's reporting practices. The Market Approach may provide a stronger signal when observable market prices are available. The Income Approach may be informative when cash-flow projections and discount rates are reasonable and clearly disclosed. Similarly, the Cost Approach may enhance confidence when replacement costs and adjustments for depreciation or obsolescence are properly supported. Signalling Theory therefore explains why the three valuation approaches may influence investor confidence. Investors are likely to respond not only to the reported fair-value amount but also to the credibility of the valuation method, the observability of the inputs, the level of managerial judgement, and the quality of the accompanying disclosures. Reliable and transparent valuations may strengthen investor confidence, whereas subjective and poorly explained estimates may weaken it. The following empirical review examines previous studies on fair-value measurement and investor confidence, with particular attention to whether the Market, Income, and Cost Approaches have been separately investigated in Nigeria's manufacturing sector.

**Empirical Review**

Kolev et al. (2021) investigated the value relevance of fair value measurements among commercial banks in the United States. Using a quantitative research design and regression analysis, the study found that fair values derived from observable market prices were more strongly associated with stock prices than those based on unobservable estimates. The authors concluded that investors place greater confidence in market-based valuations because they are more transparent and verifiable. Riedl and Serafeim (2021) examined the effect of fair value disclosure quality on the cost of equity among European listed companies. The study revealed that firms providing detailed and transparent valuation disclosures experienced lower financing

costs and stronger investor confidence. It concluded that comprehensive disclosure enhances the credibility of financial reporting and reduces information asymmetry.

Goh et al. (2021) analysed investor reactions to fair value reporting during the COVID-19 pandemic. Through an event-study approach, the researchers discovered that investors became more skeptical of subjective valuation estimates during periods of economic uncertainty. The study concluded that external crises significantly reduce confidence in fair values based on managerial judgment. Also, Elfaki (2021) evaluated the relevance of fair value accounting in firms operating within Gulf Cooperation Council countries. The findings showed that although fair value information influenced investment decisions, investors applied substantial discounts to valuations based on unobservable inputs due to weak governance and limited institutional trust. The study emphasized the importance of strong regulatory environments in improving investor confidence.

Khoufi (2020) investigated the relationship between corporate governance and fair value accounting in Tunisia. Using data from publicly listed companies, the study found that fair value information became more valuable to investors when firms possessed independent boards, quality external auditors, and effective governance structures. The researcher concluded that governance quality determines the credibility of fair value measurements. In line with this, Ibidunni and Okere (2021) examined the impact of IFRS adoption on financial reporting quality across selected West African countries. Employing panel data analysis, the study reported improvements in reporting timeliness but found that earnings management remained prevalent because managers continued to exploit the flexibility permitted under fair value accounting. The authors concluded that IFRS alone cannot eliminate opportunistic reporting without effective regulatory enforcement.

Pratt and Niculita (2022) assessed valuation practices across different industries to determine how various fair value approaches influence reported asset values. The study established that the market approach generally produced the most conservative valuations, while the income approach often generated higher estimates because of optimistic assumptions regarding future cash flows. It concluded that the choice of valuation technique significantly affects investor perception.

Damodaran (2022) investigated the application of the income approach in valuing technology companies. The study demonstrated that slight changes in discount rates and projected revenue growth produced substantial differences in estimated firm values. The researcher concluded that income-based valuations are highly sensitive to assumptions, making investors more cautious when interpreting such estimates. Hence, Oyerinde (2021) examined compliance with IFRS 13 fair value disclosure requirements among Nigerian manufacturing firms. Using content analysis of corporate annual reports, the study found that many firms provided inadequate explanations of their valuation methods and assumptions. The researcher concluded that poor disclosure practices weaken the transparency and reliability of fair value information available to investors.

Edo (2022) investigated the challenges affecting investment in the Nigerian manufacturing sector with particular attention to financial reporting transparency. The findings indicated that credible financial reporting could improve investors' willingness to provide capital, although many firms still exhibited weak disclosure practices. The study recommended strengthening fair value reporting standards to enhance investor confidence and attract sustainable investment. The reviewed studies established that fair value accounting, disclosure quality, corporate governance, and IFRS implementation influence investor behaviour and financial reporting credibility. However, most previous studies concentrated on disclosure practices, earnings management, or the overall value relevance of fair value accounting rather than

comparing the individual effects of the market, income, and cost approaches. Therefore, there remains limited empirical evidence on how these three fair value measurement techniques independently influence investors' confidence among manufacturing firms in Lagos State, Nigeria.

**Methodology**

This study adopted a descriptive survey research design to examine the influence of fair-value measurement techniques on investors' confidence among selected food and beverage manufacturing firms in Lagos State. The design was suitable because it facilitated the systematic collection of quantitative data on respondents' perceptions and investment-related experiences, while also incorporating information from audited financial reports. The target population comprised 1,207 investors and managers. The sample size of 360 respondents was determined using proportionate random sampling technique, this represents 30% of the population. The selected firms and eligible respondents were identified purposively based on their relevance and knowledge of financial reporting and investment activities, after which simple random sampling was used to select the final respondents. Data were collected using a structured questionnaire consisting of a Demographic Data Form and four measurement scales: the Market Approach Questionnaire, Income Approach Questionnaire, Cost Approach Questionnaire, and Investor Confidence Questionnaire. All items were rated on a five-point Likert scale. The instruments were subjected to face, content, and construct validation by accounting and finance experts, while pilot testing established their reliability. The Cronbach's alpha coefficients were 0.72 for the Market Approach Questionnaire, 0.79 for the Income Approach Questionnaire, 0.82 for the Cost Approach Questionnaire, and 0.81 for the Investor Confidence Questionnaire, indicating satisfactory internal consistency. Data collection was conducted over four weeks after obtaining institutional approval and permission from the participating firms. Respondents were briefed on the purpose of the study, while trained assistants facilitated questionnaire administration and retrieval. The completed questionnaires were coded and analyzed using multiple regression analysis at the 0.05 level of significance to determine the predictive influence of market, income, and cost valuation approaches on investors' confidence, with decisions based on the statistical significance of the p-values.

*Model Specification*

This study examines the impact of fair value measurement techniques on investors' confidence among selected manufacturing firms in Lagos State. To achieve this objective, a regression model was specified to explain the relationship between fair value measurement techniques and investors' confidence. The fair value measurement techniques considered in this study include the market approach, income approach, and cost approach. Firm specific control variables such as firm size, leverage, and profitability were also included in the model to improve the explanatory power of the analysis. The functional relationship of the model is expressed as:

Investors' Confidence = f (Market Approach, Income Approach, Cost Approach)

The econometric form of the model is stated as:

$IC = \beta_0 + \beta_1 MA + \beta_2 IA + \beta_3 CA + \varepsilon$

Where:

| | | | |
|---|---|---|---|
| IC | = | Investors' | Confidence |
| MA | = | Market | Approach |
| IA | = | Income | Approach |
| CA | = | Cost | Approach |
| $\beta_0$ | = | Constant | term |

$\beta_1$ – $\beta_3$= Regression coefficients
ε = Error term
This model enables the study to determine the extent to which fair value measurement techniques influence investors' confidence among manufacturing firms in Lagos State.

**Results And Discussion**

**Test of Hypotheses**

**Hypothesis One:**

**$H_{01}$: There is no significant influence of the Fair Value Measurement Technique (Market Approach) on investor confidence.**

***Table 4.1 Regression Result for Market Approach and Investor Confidence***

| Variable | Coefficient (β) | Std. Error | t-value | p-value |
|---|---|---|---|---|
| Constant | 1.284 | 0.312 | 4.11 | 0.000 |
| Market Approach | 0.458 | 0.089 | 5.15 | 0.000 |

***Table: 4.2 Regression Model Summary for Market Approach and Investor Confidence***

| R | $R^2$ | Adjusted $R^2$ | F-value | Sig |
|---|---|---|---|---|
| 0.701 | 0.491 | 0.486 | 26.54 | 0.000 |

The regression result in Table 4.6 shows that the Market Approach has a positive and statistically significant effect on investor confidence ($\beta = 0.458$, $p < 0.05$). This implies that a one-unit increase in the application of the Market Approach leads to a corresponding increase in investor confidence. The $R^2$ value of 0.491 indicates that approximately 49.1% of the variation in investor confidence is explained by the Market Approach alone. The F-statistic (26.54, $p < 0.05$) confirms that the model is statistically significant. Since p-value (0.000) < 0.05, reject $H_{01}$.This means that the Market Approach significantly influences investor confidence among manufacturing firms.

**Hypothesis Two:**

**$H_02$: There is no significant influence of the Fair Value Measurement Technique (Income Approach) on investor confidence.**

***Table 4.3 Regression Result for Income Approach and Investor Confidence***

| Variable | Coefficient (β) | Std. Error | t-value | p-value |
|---|---|---|---|---|
| Constant | 1.196 | 0.298 | 4.01 | 0.000 |
| Income Approach | 0.421 | 0.082 | 5.13 | 0.000 |

***Table 4.4: Model Summary for Income Approach and Investor Confidence***

| R | $R^2$ | Adjusted $R^2$ | F-value | Sig |
|---|---|---|---|---|
| 0.664 | 0.441 | 0.436 | 25.32 | 0.000 |

Table 4.8 reveals that the Income Approach has a positive and statistically significant effect on investor confidence ($\beta = 0.421$, $p < 0.05$). This indicates that improved use of income-based valuation techniques such as discounted cash flow and earnings projections enhances investor confidence. The $R^2$ value of 0.441 shows that the Income Approach explains 44.1% of the variation in investor confidence. The F-value confirms that the regression model is statistically significant. Therefore, since p-value (0.000) < 0.05, reject $H_{02}$. Therefore, the Income Approach significantly influence investor confidence.

**Hypothesis Three**

**$H_{03}$:** There is no significant effect of the Fair Value Measurement Technique (Cost Approach) on investor confidence.

**Table 4.5 Regression Result for Cost Approach and Investor Confidence**

| Variable | Coefficient (β) | Std. Error | t-value | p-value |
|---|---|---|---|---|
| Constant | 1.365 | 0.327 | 4.17 | 0.000 |
| Cost Approach | 0.389 | 0.094 | 4.14 | 0.000 |

***Table 4.6: Model Summary* for Cost Approach and Investor Confidence**

| R | $R^2$ | Adjusted $R^2$ | F-value | Sig |
|---|---|---|---|---|
| 0.593 | 0.352 | 0.347 | 17.16 | 0.000 |

Table 4.10 indicates that the Cost Approach has a positive and statistically significant effect on investor confidence ($\beta = 0.389$, $p < 0.05$). This suggests that cost-based valuation techniques such as replacement and reproduction cost improve investor confidence, although the effect is slightly weaker compared to the Market and Income approaches. The $R^2$ value of 0.352 shows that the Cost Approach explains 35.2% of the variation in investor confidence. Since p-value (0.000) < 0.05, reject $H_{03}$. The Cost Approach significantly influences investor confidence.

**Hypothesis Four:**

**$H_{04}$:** There is no significant composite influence of Market, Income, and Cost Approaches on investor confidence.

**Table 4.7: Multiple Regression Result (Composite Effect)**

| Variable | Coefficient (β) | Std. Error | t-value | p-value |
|---|---|---|---|---|
| Constant | 0.821 | 0.348 | 2.36 | 0.020 |
| Market Approach | 0.338 | 0.075 | 4.52 | 0.000 |
| Income Approach | 0.291 | 0.075 | 3.87 | 0.000 |
| Cost Approach | 0.214 | 0.072 | 2.98 | 0.004 |

Table 4.8: Model Summary for Composite Effect of Market, Income, and Cost Approaches on investor confidence.

| R | $R^2$ | Adjusted $R^2$ | F-value | Sig |
|---|---|---|---|---|
| 0.782 | 0.612 | 0.596 | 39.18 | 0.000 |

Table 4.12 shows that the combined effect of the Market, Income, and Cost Approaches on investor confidence is positive and statistically significant ($F = 39.18$, $p < 0.05$). The $R^2$ value of 0.612 indicates that 61.2% of the variation in investor confidence is jointly explained by the three fair value measurement techniques. Among the three predictors, the Market Approach has the strongest effect, followed by the Income Approach and the Cost Approach. Since p-value (0.000) < 0.05, reject $H_{04}$. Fair value measurement techniques jointly have a significant effect on investor confidence.

**Discussion of Findings**

The findings indicate that fair value measurement techniques significantly influence investor confidence in manufacturing firms in Lagos State. This is important because these firms operate in an environment characterized by inflation, exchange-rate fluctuations, high

replacement costs, and limited active markets for some specialized manufacturing assets. Consequently, the valuation method used can affect how investors assess the reliability of reported assets and the financial position of the firms.

The Market Approach had a positive and significant effect on investor confidence. This suggests that investors have greater confidence in asset values supported by observable market evidence because such values reduce reliance on management estimates. For manufacturing firms in Lagos State, market-based evidence can help investors assess whether the reported value of land, buildings, vehicles, and other assets reflects current economic conditions. This is particularly relevant where historical costs may no longer represent current values due to inflation and exchange-rate changes. However, firms need to disclose the source and comparability of the market information used, especially where active markets are limited. This finding agrees with Kolev, Kiosse and Maffett (2021) and Riedl and Serafeim (2021), who linked observable and transparent fair value information with improved investor confidence.

The Income Approach also had a positive and significant effect on investor confidence. This indicates that investors consider projected cash flows and future earnings useful in assessing the value of income-generating assets. This approach is relevant to manufacturing firms whose specialized plants and equipment may not have readily available market prices. However, its reliability depends on the reasonableness of assumptions relating to growth, operating costs, exchange rates, and discount rates. In the Lagos manufacturing environment, unrealistic projections may reduce rather than improve investor confidence. Firms should therefore disclose the major assumptions supporting income-based valuations. This result is consistent with Damodaran (2022) and Riedl and Serafeim (2021).

The Cost Approach also showed a positive and significant effect, although its influence was lower than that of the Market and Income Approaches. This suggests that replacement and reproduction costs provide useful information for valuing specialized machinery and production facilities, particularly where market prices are unavailable. Nevertheless, replacement cost alone may not show whether an asset is generating sufficient income or remains economically productive. Investors may therefore consider cost-based values together with market evidence and expected future cash flows. This finding supports Pratt and Niculita (2022), Elfaki (2021), and Khoufi (2020).

The joint significance of the three approaches shows that investors benefit from a combination of valuation evidence. The Market Approach provides observable evidence, the Income Approach indicates future earning capacity, while the Cost Approach provides a replacement-value benchmark. Their combined use gives investors a more complete basis for evaluating manufacturing firms, particularly in an uncertain economic environment. However, the effectiveness of the approaches depends on the quality of disclosures, governance, and professional judgment applied in the valuation process. Generally, the findings suggest that fair value measurement enhances investor confidence when valuations are supported by reliable evidence, realistic assumptions, and adequate disclosure. Manufacturing firms in Lagos State should therefore explain the valuation methods used and disclose the key assumptions underlying their fair value estimates. This would reduce information asymmetry, improve the credibility of financial statements, and enable investors to make better-informed decisions.

**Conclusion**

This study demonstrates that the way manufacturing firms determine and report the value of their assets has important implications for how investors assess those firms. Investors appear to place the greatest weight on valuations supported by observable market information, while projections of future earnings are also useful when the assumptions behind them are clearly

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explained. Replacement-cost information remains relevant, particularly for specialized machinery and other assets without active markets, although it may not be sufficient on its own. The main contribution of the study is that investor confidence is strengthened when different sources of valuation evidence are considered together rather than in isolation. For manufacturing firms in Lagos State, this means that fair value reporting should go beyond presenting figures in the financial statements. Firms should provide clear explanations of the valuation methods, assumptions, and evidence used. Stronger oversight by management, auditors, and regulatory bodies would further improve the reliability of such information and support more informed investment decisions in the Nigerian manufacturing sector.

**Recommendations**

Based on the findings, the following recommendations are proposed:

i. Manufacturing firms in Lagos State should give priority to the Market Approach, which was the most significant fair value measurement technique influencing investor confidence. Firms should use reliable market evidence whenever available and clearly explain the basis for the valuations reported.
ii. Where active market prices are unavailable, firms should support income- and cost-based valuations with well-documented assumptions, particularly regarding expected cash flows, inflation, exchange rates, and replacement costs.
iii. Firms should provide detailed disclosures on valuation methods and assumptions, especially for Level 3 assets, to reduce information asymmetry and strengthen investor confidence.
iv. Accounting personnel should receive regular training on IFRS 13, while regulators should strengthen monitoring of fair value measurement and disclosure practices in the manufacturing sector.

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