

## **ABSTRACT**

**Research Title** : **THE STUDY OF FINANCIAL MANAGEMENT TO STIMULATE THE NIGERIAN ECONOMY.**

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This research paper focuses on how to stimulate the Nigerian economy which entered into recession by the last quarter of the year 2016. The paper tries to explore the likely factors which led to the recession and also tries to recommend some potential rescue packages for the ailing economy. Nigeria which is in West African boarding Cameroon, Niger, Chad, Benin Republic is said to be Africa's largest economy, the biggest market in the whole continent of Africa. But it has been hit hard by economic recession causing increasing job layoffs and rising unemployment, economic hardship and suffering on the majority its population. This recession has also caused the Nigerian local currency {naira} exchange rates against major global currencies especially the United States Dollars to depreciate so badly that within a space of 8 months exchanged rate to the USD has depreciated from N200/1USD to N450/1USD. It even hit N516/1USD at some point in January of 2017. Nigeria is the biggest market in Africa and it's the most populous nation in Africa but has an endemic corruption problem which many believe is the major cause of the current recession among other factors. Also, unabating corruption is fingered as the prime reason behind the country's under-development or sluggish development. It is generally believed that previous

governments at all levels were heavily corrupt, and looted over USD400 billion since independence from Britain in 1960. The present government of President Muhammadu Buhari was elected in 2015 general election on the ground that he would fight corruption to a standstill as he vowed during his election campaign days. Many believe that the best and most effective rescue to the present Nigeria economic issue will be an effective and genuine fight against this economic virus called corruption. But this fight alone will not bring back the quick recovery urgently needed economically, so other aggressive policies by the government especially the central bank on the monetary policy should be started while the genuine total war against corruption should be ongoing or being waged.

This study therefore focuses on finding out what went wrong that the economy of the largest oil producing nation in Africa got into recession, that the nation got financially broke suddenly, where went all the huge revenues generated from oil sales when oil was trading at all-time highs of over USD100 in the international market; and what can be done to pull the economy out of recession. Also, could it be that the financial managers of the nation's wealth have made wrong management decisions, or are there deliberate mismanagement of the nation's finances or are the national financial and economic managers and policy-makers incapable of managing the financial affairs of the nation...that such a rich nation suddenly fell into recession? If so, what are the possible ways out, or how can the economy be stimulated and put on the path of growth again? This is why the title of this research paper was captioned "The Study of Financial Management to Stimulate the Nigeria Economy".

The researcher did a research study on the above issue by using a research methodology of quantitative research method by survey using questionnaires. The research questions were put to members of staff of all the departments of the Nigeria ministry of finance. First section of the questionnaire contains general questions while second and last section of the questionnaire contains questions about the likely causes, and recommendations of possible solutions respectively to the Nigerian's bad economic state. The respondents to the questionnaire pointed out among other things that the economy is in trouble, that corruption is the major cause of the economic recession, and that management experts in the fields of finance and economy should be brought on-board to take over the running of the nation's economic and financial affairs; and or that the current financial managers and decision makers of the nation's wealth and related resources should be given proper and serious financial management trainings which they will practically applied to the effective and efficient management of the Nigerian economy.

The results of the questionnaire showed that there is a positive and significant relationship between the study/application of financial management knowledge and the role it plays in stimulating a failing economy like that of Nigeria. The

questionnaire was analyzed using statistical mean method to determine the positivity and negativity of the sampled research population. Conclusions and recommendations were also drawn to how the study of financial management and the application of the knowledge can help stimulate the Nigerian economy and thus pull it out of recession, and even position it on the path for long term growth.