NOLEGEIN Journal of
Entrepreneurship Planning, Development and Management

ISSN: 2581-3900
Volume 6, Issue 2, 2023
DOI (Journal): 10.37591/NJEPDM

http://mbajournals.in/index.php/JoEPDM/index

Review NJEPDM

External Bankrolling of Fiscal Deficit: Pragmatic Analysis of its Bearing on Macroeconomic Environment in Nigeria

Kelvin Chijioke Amadi[1,*]

Abstract

External financing of fiscal deficit implies a situation where funds will be solicited out of the country to finance the deficit budget in Nigeria. The study, therefore, examined the impact of external financing of fiscal deficit on some selected macroeconomic variables, Interest rate, Real Gross Domestic Product, exchange rate, and unemployment rate in Nigeria. The National Bureau of Statistics Bulletin and the Central Bank of Nigeria Statistical Bulletin provided the secondary data for the study. From 1987 until 2020, the statistics were available. The data were analysed using; trend analysis, descriptive statistics, correlation matrix, unit root test co-integration test, long-run coefficient, auto-regressive distributed lag error correction model post estimation, and stability test. According to the study, foreign debt has a negative effect on Nigeria's unemployment rate, while the exchange rate has a positive and substantial link with the long coefficient. However, the Real Gross Domestic Product and the interest rate were not influenced by external debt. The short-run result indicated that current year external debt and lag three have a positive impact on the underlined macroeconomic variables, while, the current year Real Gross Domestic, current year exchange rate, current year interest rate, and current year unemployment rate indicate a negative significant relationship by external debt in Nigeria. The paper recommended among others that the Nigerian government should regulate interest rates, more investment in the production sector by government and private investors, and consequently, increase Gross Domestic Product in Nigeria.

Keywords: External debt, deficit financing, macroeconomic variables, gross domestic product, interest rate

INTRODUCTION

Financing of fiscal deficit originated from a deficit in the budget. Because a budget is a financial estimate of the government, private individuals, corporate organizations, etc. Since the early independent Nigerian budget has witnessed a budget deficit. A budget deficit simply indicates that the government expenditure is more than its revenue. Thus, financing deficit makes it possible for any given government to achieve its sets of objectives of providing infrastructure, price stability, poverty, and unemployment reduction amongst others. It is sad to note that the budget deficit is as a result of the inability of the Nigerian government to manage or utilize the limited financial and natural resources to their full capacity. The level of corruption in Nigeria has caused a situation whereby the management of human and material resources becomes difficult. Consequently,

***Author for Correspondence**
Kelvin Chijioke Amadi
E-mail: kamadi620@gmail.com

[1]Faculty of Foundation Studies, Captain Elechi Amadi Polytechnic, Port Harcourt. Nigeria

Received Date: July 02, 2023
Accepted Date: October 12, 2023
Published Date: October 22, 2023

Citation: Kelvin Chijioke Amadi. External Bankrolling of Fiscal Deficit: Pragmatic Analysis of its Bearing on Macroeconomic Environment in Nigeria. NOLEGEIN Journal of Entrepreneurship Planning, Development and Management. 2023; 6(2): 1–12p.

© MBA Journals 2023. All Rights Reserved

this has led to fiscal deficit and the resultant effect has been an unemployment situation, high level of poverty, low productivity (Gross Domestic Product) low per capita income amongst other problems originating from mismanagement of resources.

Nigeria's budget deficit dated back to 1961, that is during the immediate past independence. Since then, there has been a high level of budget deficit (Johnson, 2018). However, the deficit over the years has been financed through external and internal borrowing and the resultant effect has been a reduction of Nigerian foreign reserves. Though fiscal deficit financing could be done through different means such as printing of money, using the foreign reserve, borrowing from external sources as well as domestic borrowing (Fischer, 2019) in Nigeria domestic borrowing includes bank borrowing from state banks and non-bank borrowing [6,7]. However, a government that depends solely on borrowing to finance fiscal deficit may course increase in interest rate which can bring about inflation and consequently reduction of investment and aggregate supply [12]. The central bank in most cases try as much as possible to reduce the extent of borrowing so that the government of Nigeria will be prudent in spending as well as control the inflationary situation and high-interest rate that may be caused by the financial borrowing [9].

It is worth noting that too much borrowing will bring a high exchange rate causing the price level to increase in the economy. Though the sensitive government will prefer non-banking borrowing which is national savings and schemes (NSS) which is believed may not attract an inflationary situation exchange rate. Above all, the problem of fiscal deficit has been of great concern to scholars, policymakers, and the government. This is because of the inherent consequences of financing fiscal deficit.

Statement of the Problem

The Nigerian government has been troubled by fiscal deficit. This situation has caused a high-interest rate. Finding the courses and the solution to this predicament of a deficit budget has brought about so much borrowing from external and internal sources which is not healthy for any given economy. Studies have shown that the fiscal deficit is a result of the mismanagement of human and capital resources in Nigeria. Hence this paper tends to x-ray the possible consequences of external borrowing to solve the problem of fiscal deficit in Nigeria. The level of impact of external borrowing on some selected macroeconomic factors; exchange rate, Gross domestic product, interest rate, inflation rate, and unemployment in Nigeria can not be overemphasized. Most works of literature reviewed did not include Real Gross Domestic Product and unemployment in their studies, hence this study included this variable for a comprehensive and better understanding of the subject matter. Granted the fact that scholars such as Peterson (2017), the study revealed that financing fiscal deficit does not influence their selected macro-economic variable; inflation rate, exchange, and interest rate while scholar such Mary (2020) and Alvin(2018), [3] who carried out a study on this subject matter revealed that there is a significant impact on their selected macro-economic variable; [11] broad money supply inflation, and production price index. Based on this difference in the literature reviewed there is a need for further studies, especially where a gap is created in the area of including variables like unemployment and Gross domestic product [1, 10].

Objectives of the Study

The broad objective is to examine the impact of external financing of fiscal deficit on macroeconomic forces in Nigeria. But specific objectives are to; investigate the effects of external financing of fiscal deficit on

i. Investigate The effect of external financing of fiscal deficit on the Gross domestic product in Nigeria.
ii. Examine the effects of external financing of fiscal deficit on the exchange rate in Nigeria.
iii. Evaluate the effect of external financing on the unemployment rate in Nigeria.
iv. Examine the effect of external financing of fiscal deficit on the interest rate.

© MBA Journals 2023. All Rights Reserved

Hypotheses

The study is guided by the following hypotheses.

Ho_1: External financing of fiscal deficit does not lead to a change in Gross Domestic Product in Nigeria

$H1_1$: External financing led to a positive significant effect on the Gross domestic product in Nigeria.

Ho_2: External financing of fiscal deficit has not lead to a change in the exchange rate in Nigeria

$H1_2$: External financing led to a negative significant effect on the exchange rate in Nigeria.

Ho_3: External financing of fiscal deficit did not lead to a change in the unemployment rate in Nigeria.

$H1_3$: Eternal financing led to a positive significant effect on the unemployment rate in Nigeria.

Ho_4: External financing of fiscal deficit did not lead to a change in interest rate in Nigeria.

$H1_4$: External financing of fiscal deficit led to a negative significant effect on interest rate in Nigeria.

LITERATURE REVIEW

This section of the study deals with the three components of the literature.

Conceptual clarifications theoretical framework and empirical review.

Conceptual Clarifications

External Debt

Based on the subject matter of external fiscal deficit financial, the inability of a government not to pay back funds borrowed formed the bases for the external debt. Hence, external debt implies money borrowed that was not paid back. This situation has a multiplier effect on the economy, especially in the macro-economic environment which is the engine room of the economy. external debt in Nigeria has been persisting since its independence in 1960. The reason is because of the single fact that Nigeria could not manage its resource as a result of the high level of corruption in the country. The impact of external borrowing on selected macroeconomic variables will be subjected to econometric analysis [10].

Gross Domestic Product

This is produced within the country. The production of goods and services that made up GDP is influenced by different factors, infrastructural development, proper management of resources as well as stability of macroeconomic variables among other.

Thus, the financing of a deficit budget promotes infrastructural development and other socio-economic activities that aid economic growth and development. Proper implementation of the budget will bring about a balanced budget otherwise will lead to a budget deficit which if not financed will affect the gross domestic product. However, the degree of effect of external debt will be defined by econometric analysis.

Exchange Rate

This implies the rate at which domestic currency is exchanged for foreign currency. The purchasing power of domestic currency influences the rate of exchange for foreign currency. The exchange rate is influenced by the level of GDP of a country. A high level of GDP of a country. A high level of Gross Domestic Product will promote export and discourage import. Hence this situation will increase the balance of payment of a country; therefore, a responsible government will ensure the financing of fiscal

© MBA Journals 2023. All Rights Reserved

deficit to promote a high level of infrastructural development and consequently increase productivity that will bring increase productivity that will bring an increase in export with stronger purchasing power of the domestic currency, that is capable of attenuating low exchange rate with foreign currency. Though the extent of the impact of fiscal deficit financing on the exchange rate will be defined by the analysis that will be conducted.

Unemployment

The productivity of a country depends on human capita development. This implies that human beings should be developed to withstand the production of goods and services. The unemployment situation means that human beings that are willing and able to work do not find work. In some situations, labour is under-employed. This situation of unemployment reduces the level of gross domestic product and also increases the poverty level of a country. Proper implementation and management of resources will increase investment in different areas of the economy. Thus, fiscal deficit financing will lead to the full implementation of the budget which will attract socio-economic development and consequently, create room for entrepreneurship development and thereby lead to employment opportunities and poverty reduction in the country. The relationship between external financing and unemployment will be determined based on the analysis that will be conducted.

Interest Rate

This is one of the macroeconomic variables that determine the level of investment in the country. This implies that a high-interest rate discourages investors from borrowing and consequently reduces the level of investment because of fear of low returns on investment. Thus, external financing may attract high-interest rates on the money borrowed. This situation has a multiplier effect on the domestic currency because money paid as external debt will influence the level of interest rate in the domestic monetary transaction between financial institutions and private individuals. The level of relationship will be determined through econometric analysis.

Theoretical Framework on External Financing of Fiscal Deficit

This theory is on external debt which is a result of the inability of the government not to pay back the money borrowed. The theory will be based on the classical economist theory. The theory advocates for borrowing which they said is a normal situation for any government to finance their socio-economic infrastructural development. However, they also emphasize that monies borrowed should be used for the purpose for which they are borrowers otherwise the reason for a such idea will be harmful to the government in particular and the public in general. This means that money that would have been used for the development of the economy will be used for the settlement of debt and thereby creating economic problems in society. This is the problem most less developed nations are facing at the moment. Above all, the theory support borrowing with all amounts of proper utilization to achieve its purpose.

Empirical Review

This part of the study is all about reviewing different scholars that contributed or carried out studies on the external financing of fiscal deficit in Nigeria.

Abiolu, (2021) examined the impact of external debt on some selected macroeconomic variables in Nigeria; inflation rate, exchange rate, and interest rate [2]. The time series 1980-2000 was used for the analysis. Unit root test and auto-regressive distribution lag were employed for the analysis based on the order of integration of the unit root test result. Long and short-run ARDL Error correction model was carried out. The result of the study revealed that there is a positive significant impact of external borrowing on the selected macroeconomic variables. The study recommended that the Nigerian government should try as much as possible to reduce the level of borrowing which is not good enough for the economy.

© MBA Journals 2023. All Rights Reserved

Johnson, (2021) investigated the link between external financing and some selected macroeconomic forces in Nigeria;[8] exchange rate, interest rate, and production price index. The secondary data of 1987-2000 were used which were sourced from the Central Bank of Nigeria statistical bulletin. The study revealed that there is a negative significant effect on the underlined variables. However, a unit root test was conducted to test the stationarity of the variables, and based on the order of integration, the Johanson method of analysis was adopted for the study. The paper recommended that the Nigerian government should borrow funds where necessary but should be properly utilized to achieve the purpose for which it is borrowed.

Peterson, (2017) evaluated the relationship between external debt and its impact on the selected macroeconomic forces in Nigeria, balance of payment, exchange rate, and inflation rate. The time series of 1990-2000 were used for the analysis. Ordinary least square was used for the study. The result revealed that there is a long-run relationship between external debt and selected macroeconomic variables.

METHODOLOGY

This part of the study deals with different methods used in carrying out the empirical study on external fiscal deficit financing and its impact on some selected macroeconomic variables in Nigeria. The study was analysed with time series.

Model Specifications

External debt is the dependent variable and the selected macroeconomic forces are Real gross domestic product, exchange rate, unemployment rate, and interest rate. These are variables in the model.

Thus,

Exd = F (RGDP, EXCR, UNEM, INTER)

Given the functional relationship, the econometric model is specified below:

$$Exd = a0 + a_{1R}GDP + a_2EXCR + a_3Unem + a_{4INTER} + \ldots \varepsilon i - \quad (1)$$

Where;

Exd = External Debt
Rgdp = Real Gross Domestic Product
Excr = Exchange Rate

Unem = Unemployment Rate
Inter = Interest Rate
a_o = Constant

a_1, a_2, a_3, a_4, are coefficient of the variables.
Ei = Error term in the model

Data Collection and Sources

Secondary data was sourced from the Central Bank statistical bulletin and other relevant publications as it affects the subject matter.

Method of Data Analysis

The time series sourced will be analysed with the following statistical tools; descriptive statistics, trend analysis, correlation matrix, unit root test, co-integration test, auto-regressive distributed lag, long-run coefficient, ARDL short rune error correction model, post estimation test, and stability test.

RESULTS AND DISCUSSION

This part of the study will focus on the discussion of the analysis conducted.

© MBA Journals 2023. All Rights Reserved

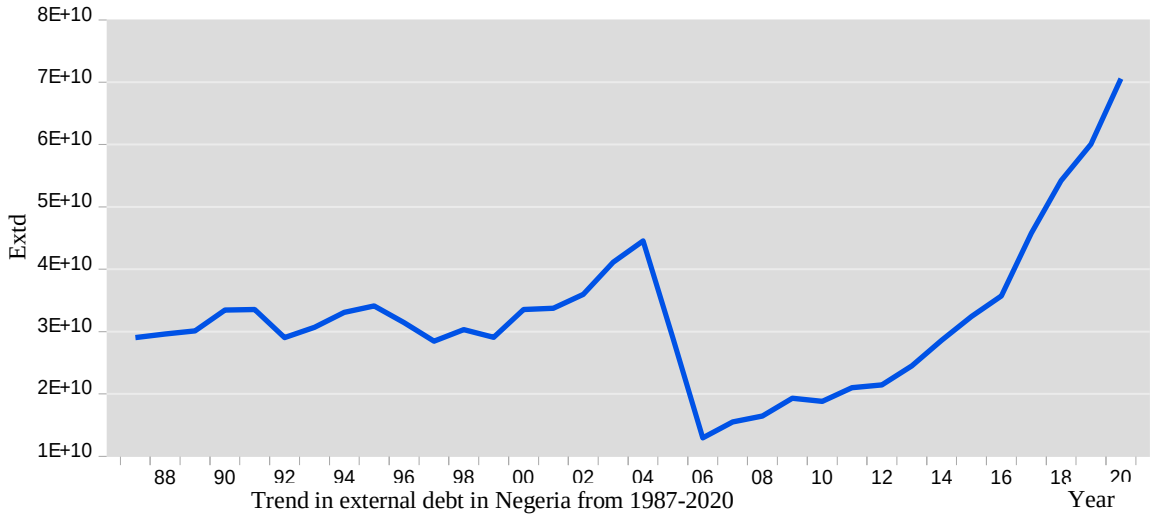


Figure 1. Trend analysis of external debt.

The result in the trend from Figure 1 revealed that there are fluctuations in the external debt situation in Nigeria. There was a rising increase in debt from 2002 to 2005. But felt to reduction level in 2006 and rose drastically till 2020. These situations have direct consequences on the economic development of Nigeria. This situation calls for further probe on increase in external debt.

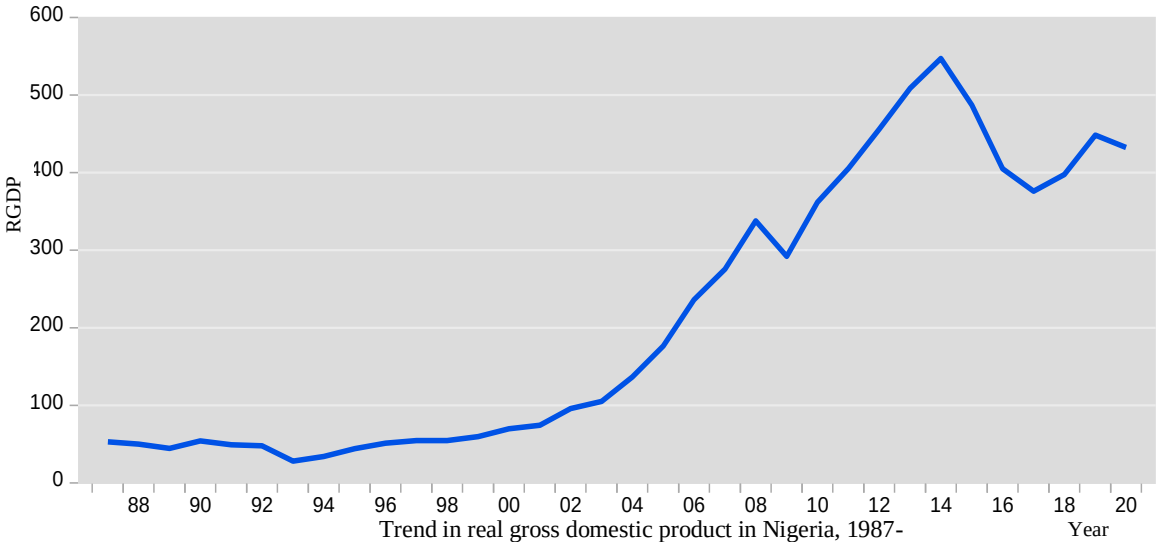


Figure 2. Trend analysis of real gross domestic product.

The trend in Real Gross Domestic Product from Figure 2 revealed that it is characterized by different levels of fluctuations within the period of study. There was a rise in Real Gross Domestic Product from 1992 to 2009, with some level fluctuations till 2020. This situation could be a result of low performance in productivity in different sectors of the economy in Nigeria.

Figure 3 shows the trend analysis of the exchange rate in Nigeria, indicating that there was a stable exchange rate from 1987 to 1999. Since then, there have been fluctuations in the exchange rate situation in Nigeria. This could be a result of being over-dependent on foreign goods and services as Nigeria remains a consumption nation instead of a production economy. The consequence is that there will be a reduction in the purchasing power of the domestic currency. The resultant effect is the discouragement of foreign direct investment in Nigeria within the period of study.

© MBA Journals 2023. All Rights Reserved

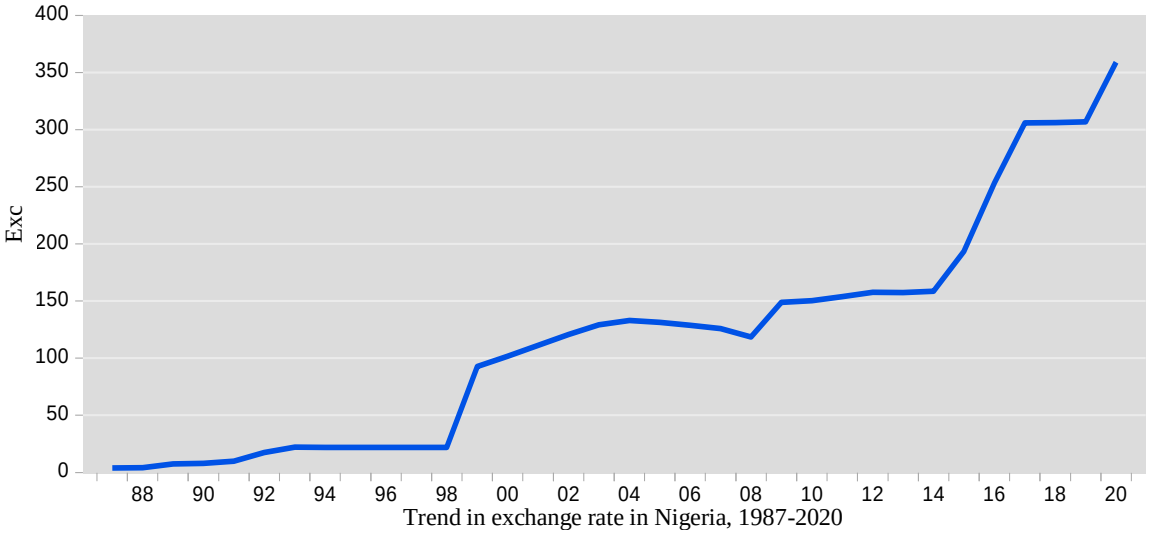


Figure 3. Trend Analysis of Exchange Rate

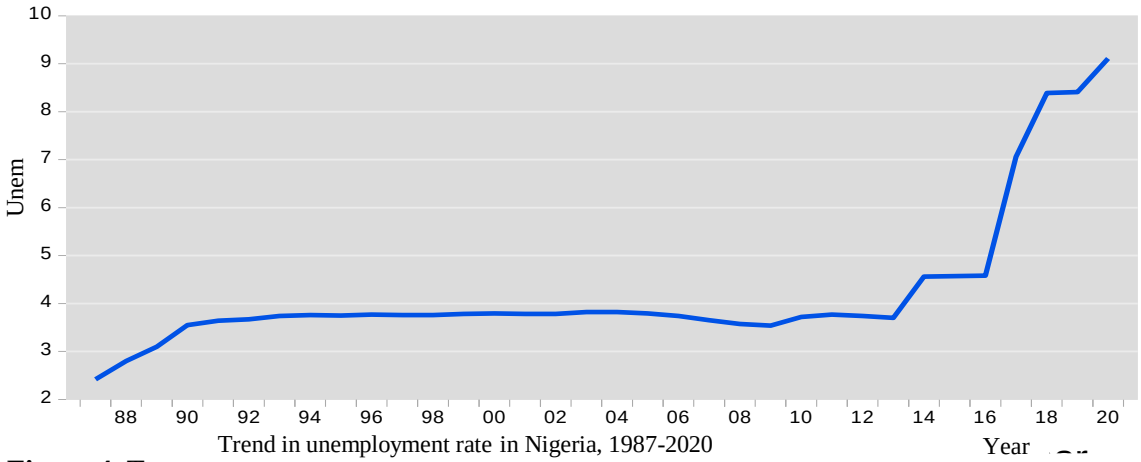


Figure 4. Trend analysis of unemployment rate.

Figure 4 revealed that there was a stable unemployment situation from 1990- 2010. There was an increase in unemployment in 2015. The rate of unemployment increased to a higher level in 2020. The implication of this trend is that Nigeria is experiencing an increase in employment rate within the period of study. This is not a good remark to any responsive government. Hence, there is a need for further analysis [4].

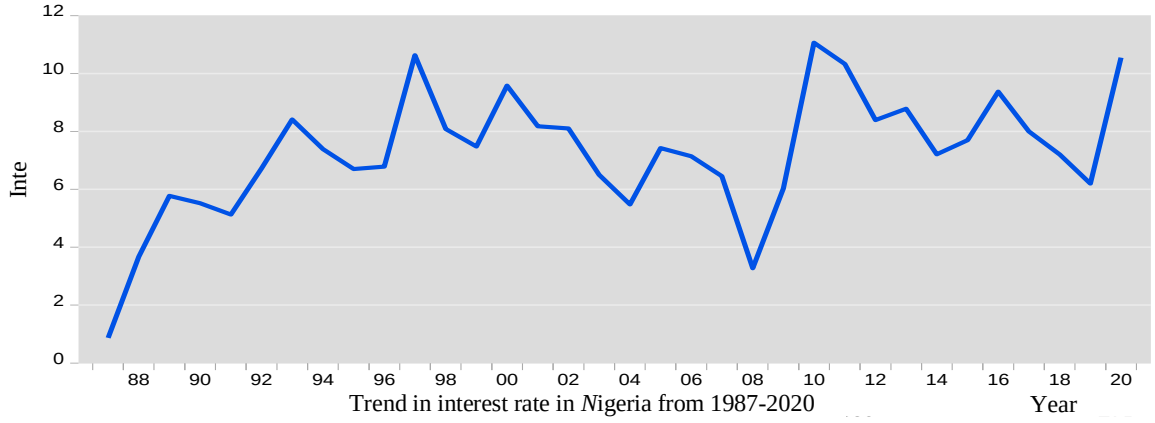


Figure 5. Trend analysis of interest rate.

© MBA Journals 2023. All Rights Reserved

The trend analysis of interest rates in Nigeria shown in Figure 5 revealed that there has been an increase in interest rates in Nigeria from 1987 with fluctuations until 2020. This is a result of an increase in the exchange rate and an inflationary situation. The situations of exchange rate and inflation brought about the low purchasing power of domestic currency which leads to high demand for local currency from the financial institution for investment into different sectors of the economy. Though, this situation of increase in interest calls for more probes on the means of reduction as the case may be.

Table 1. Descriptive statistics on external financing of fiscal deficit model.

	EXTD	EXC	RGDP	UNEM	INTER
Mean	3.23E+10	118.4033	213.0100	13.38235	7.237824
Median	3.05E+10	123.2000	120.6500	12.65000	7.300000
Maximum	7.06E+10	358.8110	546.7000	28.90000	11.06000
Minimum	1.30E+10	4.000000	27.75000	1.800000	0.870000
Std. Dev.	1.21E+10	99.32561	178.0461	9.266900	2.139975
Skewness	1.210597	0.739169	0.457513	0.344002	-0.629775
Kurtosis	5.013643	2.841496	1.578587	1.711164	4.049746
Jarque-Bera	14.04900	3.131691	4.048389	3.023801	3.808617
Probability	0.000890	0.208911	0.132100	0.220491	0.148926
Sum	1.10E+12	4025.711	7242.340	455.0000	246.0860
Sum Sq. Dev.	4.81E+21	325564.0	1046114.	2833.889	151.1233
Observations	34	34	34	34	34

The result of descriptive statistics in Table 1 shows that between 1987-2020 Extd, Exc, Rgdp, Unem, and Inter averaged 3.23E+10, 118.4033, 213.0100, 13.38235, and 7.237824. The range of variables within the period of study is; 1.30E+10 to 3.05E+10 for EXTD, 4.000000 to 358.8110 EXC, 27.75000 to 546.7000 for RGDP, 1.800000 to 28.90000 for UNEM, 0.870000 to 11.06000 for INTER. This result revealed that there is instability in the dependent and independent variables. Hence, there is room for further investigations of the features of the time series [5].

Table 2. Correlation matrix.

	EXTD	EXC	UNEM	RGDP	INTER
EXTD	1	0.5290756580845871	0.1418919100022561	0.1030984117272882	0.1044140342736436
EXC	0.5290756580845871	1	0.8114380025883165	0.800921430226602	0.370342549916732
UNEM	0.1418919100022561	0.8114380025883165	1	0.8704065195455752	0.3759826634062331
RGDP	0.1030984117272882	0.800921430226602	0.8704065195455752	1	0.3012428494276522
INTER	0.1044140342736436	0.370342549916732	0.3759826634062331	0.3012428494276522	1

The correlation matrix of the external financing of fiscal deficit model in Table 2, revealed that some macroeconomic forces have a weak relationship with the external financing of fiscal deficit which is a proxy for external debt in the model. Though exchange rate and interest rate have a relationship with the dependent variable (external debt) This shows that all the explanatory variables will be included in the model for further analysis.

Table 3. Unit root test.

Variable	Variable at level	Variable at first difference	Order of interaction
EXTD	-0.565733	-3.075894	I (1)
RGDP	-3.399248	-	I (0)
EXC	1.648149	-3.915821	I (1)
Inter	-3888639	-	I (0)
Unem	-3.427362	-	I (0)

© MBA Journals 2023. All Rights Reserved

The unit root test was conducted using the augmented dickey fuller test (ADF) which is the statistical tool used in measuring the stationarity of the variables. Table 3 result indicates that the interest rate real gross domestic product unemployment rate attained stationarity at 5% level 1(0) while external debt and exchange rate attained stationarity at 5% at first difference 1(1). Based on the result of the unit root test where the order of interaction is at levels and first difference, leads to the use of Auto-regressive distributed, lag (ARDL) model for the analysis.

Table 4. Cointegration test (Bound).

F-Bounds Test		**Null Hypothesis: No levels of relationship**		
Test Statistic	***Value***	***Signif.***	***I(0)***	***I(1)***
			Asymptotic: n=1000	
F-statistic	4.419431	10%	2.2	3.09
K	4	5%	2.56	3.49
		2.5%	2.88	3.87
		1%	3.29	4.37
Actual Sample Size	30		Finite Sample: n=30	
		10%	2.525	3.56
		5%	3.058	4.223
		1%	4.28	5.84

Table 4 which shows the bound test result for the extended debt model reveals that there is a long-run relationship between the dependent variable and the explanatory variables giving the F-statistics and the critical value. This is a confirmation of the estimation of an error correction model for external debt.

Table 5. Long-run coefficient test.

Case 2: Restricted Constant and No Trend				
Variable	***Coefficient***	***Std. Error***	***t-Statistic***	***Prob.***
RGDP	-5127716.	9217645.	-0.556294	0.5857
EXC	1.46E+08	20411165	7.131125	0.0000
INTER	1.46E+09	9.31E+08	1.571348	0.1357
UNEM	-1.27E+09	2.28E+08	-5.600235	0.0000
C	2.32E+10	6.65E+09	3.487232	0.0030

The result in Table 5 indicates that the exchange rate has a positive significant relationship with external financing of fiscal deficit. External financing of fiscal deficit has a negative effect on the Unemployment rate. However real gross domestic product and interest have non-effect on external financing of fiscal deficit in Nigerians within the period of study.

The implication of the exchange rate's positive relationship with external financing of fiscal deficit is that a high exchange rate will influence domestic currency negatively and consequently reduce the purchasing power of a domestic currency. Unemployment having a negative relationship with the external financing of fiscal deficit implies that unemployment is increased as a result of the reduction of industries that would have been developed with the money used for debt servicing.

Table 6. ARDL Short-run error correction model.

ECM Regression				
Case 2: Restricted Constant and No Trend				
Variable	*Coefficient*	*Std. Error*	*t-Statistic*	*Prob.*
D(EXTD(-1))	1.131682	0.168040	6.734588	0.0000

© MBA Journals 2023. All Rights Reserved

D(EXTD(-2))	0.280630	0.193391	1.451103	0.1661
D(EXTD(-3))	0.742850	0.173173	4.289651	0.0006
D(RGDP)	-1.11E+08	23424147	0.000000	0.0000
D(EXC)	-78556736	39847315	0.000000	0.0000
D(INTER)	-2.59E+08	3.70E+08	0.000000	0.0000
D(INTER(-1))	-1.74E+09	4.88E+08	0.000000	0.0000
D(UNEM)	-5.56E+08	1.66E+08	0.000000	0.0000
CointEq(-1)*	-1.144404	0.193986	-5.899408	0.0000
R-squared	0.758372	Mean dependent var		1.24E+09
Adjusted R-squared	0.666323	S.D. dependent var		5.74E+09
S.E. of regression	3.32E+09	Akaike info criterion		46.92552
Sum squared resid	2.31E+20	Schwarz criterion		47.34588
Log likelihood	-694.8828	Hannan-Quinn criter.		47.06000
Durbin-Watson stat	2.301440			

Table 6 which shows the result of the ARDL short-run error correction model revealed that current year external debt, and lag three have a positive significant effect while, current year real gross domestic product, current year exchange rate current year interest rate, and lag one interest rate and current year unemployment indicate negative significant relationship on external financing of fiscal deficit in Nigerian. In the study, R^2 of 0.76 indicates the level of impact of external financing on the micro-economic variable in Nigeria.

Table 7. Post-estimation test.

Diagnostics Test	**F- Statistic**	**Probability**
Jarque-Bera Test for Normality	1.10	0.549
Breusch-Godfrey Serial Correlation LM Test	16.82	0.152
ARCH: Heteroskedasticity test	1.39	0.272
Ramsey RESET test for Specification Error	0.10	0.808

Table 7 result shows the probability value of 0.549. This implies that the result reveals no evidence of auto-correlation. Lem test probability value of 0.152 and Ramsey reset test which indicate that there is no variable missing in the model given the probability of 0.808 therefore the model is good for prediction and forecast.

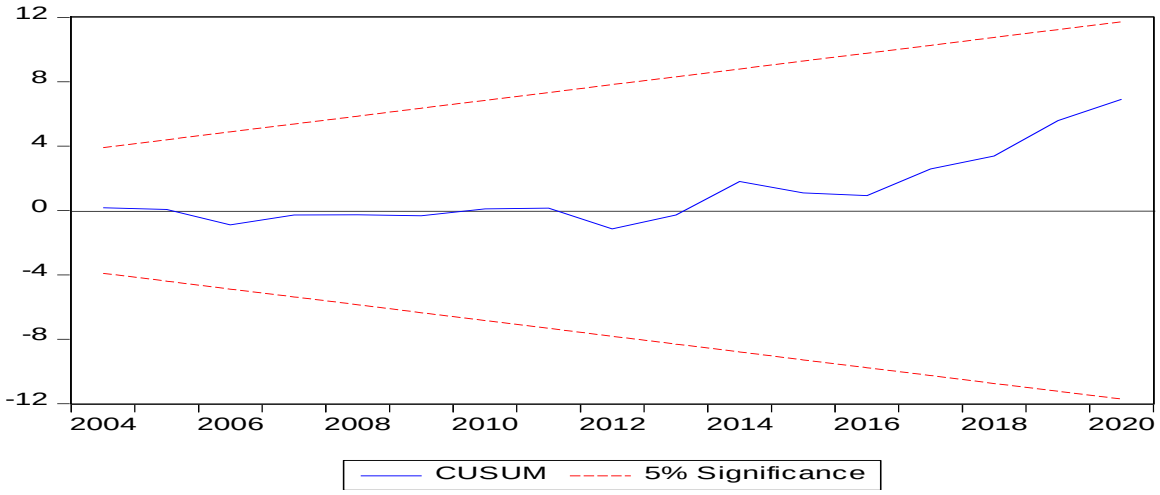


Figure 6. Stability test.

© MBA Journals 2023. All Rights Reserved

Given the stability test result, it incorporates the short and long-run dynamics in the parameter of the model. It is a necessary condition for the reclusive Kusum value to stay within the 5% critical value band. Hence, the study concludes that there is the existence of short and long-run dynamics of the external financing of fiscal deficit which is a proxy for external debt.

CONCLUSION AND RECOMMENDATIONS

Based on the findings the paper concludes as follows:

1. There is a long-run relationship between external debt and some selected macroeconomic variables.
2. Over an extended period, there exists a noteworthy positive correlation between the exchange rate and foreign debt, however there is a negative influence of external debt on Nigeria's unemployment rate. In this vein, real gross domestic product and interest rate were not influenced by external debt.
3. In the short-run current year external debt and lag three external debt have a positive impact on the underlined macroeconomic variables. While, current year Real Gross Domestic Product, current year exchange rate, current year interest rate, and current year unemployment show a negative significant relationship with external debt in Nigeria.

The paper recommends the following:

1. The Nigerian government should regulate interest rates. This is because it affects all the sectors of the economy as a result of interest paid on borrowed money
2. Government should embark on more production of goods and services based on the budget requirement so as to increase Gross Domestic Product and consequently reduce the inflationary situation in Nigeria.
3. Government should provide socio-economic infrastructure to bring even development across the country.

REFERENCES

1. Peterson CH, Peterson NA, Powell KG. Cognitive interviewing for item development: Validity evidence based on content and response processes. Measurement and Evaluation in Counseling and Development. 2017 Oct 2;50(4):217–23.
2. Abiolu, N., K. (2021). The effects of foreign bank entry on the financial performance of domestic-owned banks in Ghana. *The International Journal of Business and Finance Research, 7(*3). 93– 1 04.
3. *Alvin*, G., (2018). Okafor HO. Do domestic macroeconomic variables matter for foreign direct investment inflow in Nigeria. Research journal of finance and accounting. 2012;3(9):55–67.. *http://dx.do i.org10.2139 I ssm.1289842.*
4. Alagidede P, Panagiotidis T. Can common stocks provide a hedge against inflation? Evidence from African countries. Review of financial economics. 2010 Aug 1;19(3):91–100.
5. Nwafor, Pius Kanayo. "External Financing and Standard of Living of Average Nigerian Citizen: Disaggregated Analysis." (2022).*RGhttp://dx.doi.org/10.353/jda.0.0032.*
6. Fischer, A. B. (2019). Polat A. Macroeconomic determinants of non-performing loans: Case of Turkey and Saudi Arabia. İşletme Araştırmaları Dergisi. 2018;10(3):693–709.*An Abstract of a Dissertation, University Manhattan, Kansas State. 20,(1).45–56. 21/3/2023*
7. Kuwornu JK, Owusu-Nantwi V. Macroeconomic variables and stock market returns: Full information maximum likelihood estimation. Research journal of finance and accounting. 2011;2(4):49–63.
8. Johnson, P., C., (2021). Kirui E, Wawire NH, Onono PA. Macroeconomic variables, volatility and stock market returns: a case of Nairobi securities exchange, Kenya.. *ORG.http://dx. doi.org/ 10. I 5 04/ij fsm.20//.04 I g20.*
9. morrison, I., L. (2018). The relationship between macroeconomic volatility and the stock market volatility: Empirical evidence from Pakistan. Pakistan Journal of Commerce and Social Sciences (PJCSS). 2013;7(2):309–20. *Journal of Commerce and Social Sciences,7 (*2), 309–320.

© *MBA Journals 2023. All Rights Reserved*

10. Mary, H, H. (2020). Relationship between macro-economic variables and budget deficit. International Journal of Management Sciences. 2013;1(10):416–26..
11. michael, K. T. (2018). economic change and society in England 1780–1870.
12. White H, Lubanga T, Rathinam F, Taremwa RB, Kachero B, Otike C, Apunyo R, Siddiqui Z, Joshi A, Saran A, Obuku E. Development evaluations in Uganda 2000–2018.
13. 2018, A. (2018). Distribution of the estimators for autoregressive time series with a unit root. Journal of the American statistical association*Journal of the American Statistical Association, 74,* 427 – 431.

© *MBA Journals 2023. All Rights Reserved*