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Student Number: 19204876

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Impact of Exchange Rate Fluctuation on International Trade: A Study of Selected Companies in Nigeria

BY

OLUWAYEMISI TEMITOPE MABADEJE
X19204876

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DEDICATION

I am dedicating this research to God almighty for making it possible for me to be able to write this project, and my lovely family for their constant prayers, love and guidance. Also, I am dedicating this to my friends for their supports and advices.

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To my supervisor GEMMA DAVIS, I would like to express my gratitude for her wise direction and essential contributions to the success of this project. To my family and friends, I say a big thank you for your care and support

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

This study examined the impact of exchange rate fluctuation on international trade, a study of selected companies in Nigeria. International trade is recognized as the study of the causes and repercussions of global trade in goods and services and the international mobility of factors of production. Due to exchange fluctuation, exchange appreciation or depreciation might occur. Constant fluctuations in exchange rate can also have a detrimental influence on the market, making both internal and international trade volatile and harmful. The study evaluated the impact of exchange rate fluctuations on balance of trade, import volume and export volume in selected companies in Nigeria. The study was carried out to provide answers to the following research questions: What is the impact of exchange rate fluctuations on the balance of trade of selected companies in Nigeria? What is the impact of the exchange rate fluctuations on import volume of selected companies in Nigeria? What is the impact of exchange rate fluctuations on export volume of selected companies in Nigeria? To provide answers to the research questions, the study collected primary data through the distribution of questionnaires to the employees of Unilever Nigeria Plc, John Holt Plc and PZ Cussons Nigeria Plc, which were the selected companies used in the study. The study adopted the positivism research philosophy, quantitative research method and data collected were presented in tables and chart, while the hypotheses were analyzed with the aid of Statistical Package for Social Science (SPSS). The findings of the study based on the research questions are as follows: exchange rate fluctuations have an impact on balance of trade of quoted conglomerate companies in Nigeria with a p-value of 0.000 which is less than 0.05; exchange rate fluctuations have a significant impact on export volume of quoted conglomerate companies in Nigeria, since it has a p-value of 0,003 which is less than 0.05; and exchange rate fluctuations have no significant impact on import volume of quoted conglomerate companies in Nigeria, since the p-value of 0.065 is greater than 0.05.Based on the findings of the study, the study concludes that exchange rate fluctuations have an impact on the international trade of selected companies in Nigeria.

CHAPTER ONE

INTRODUCTION

A major macroeconomic indicator for the determination of global competitiveness is the exchange rate. It is considered a measure of the competitiveness of a currency in every economy and exchange rate has the opposite connection with Nigerian economy. Due to exchange fluctuation, there has been exchange appreciation or depreciation in several occasions. As a result, some public observers who think that the Structural Adjustment Program (SAP), which necessitated the opening of the foreign exchange market and resulted in the depreciation of the Nigerian naira, was to be blamed for exchange fluctuation. Small industrialisation, non-mechanized agricultural and poor infrastructural development has also had a considerable influence on Nigeria's international trade export goods. Insufficient foreign capital influxes; an import-dependent production structure; excess demand for foreign currency compared to supply; a fragile basis for exports and weak exports aside from oil; weak production base and expansive monetary and fiscal policies are some of the factors that contribute to the exchange rate fluctuation (Obadan 2007). Overdependence on an unstable foreign exchange market, a large debt burden, a weak balance of payments, and capital flight are also of great concern.

1.1 Background to the Study

Globally, the significance of international trade for the economic growth of a country and long-term development has long been recognized. International trade is the study of the causes and effects of global trade in goods and services, as well as the international mobility of production factors. The relationship of foreign trade with economic growth remains a source of controversy whereas Alfred Marshall perceived the benefits of international trade (Nosakhare & Milton, 2014). International trade thus refers to operations involving the exchange of goods and services between nations (Adeleye, Adeteye & Adewuyi, 2015). Adeleye, Adeteye & Adewuyi (2015) argued that there should be a minimum number of nations involved in transnational trade activity. The volume of domestic goods and services production, consumption and foreign activities of an economy are all utilized to assess the economic level in terms of its growth level and individual income levels (Oke, Adeniji, & Odugbemi, 2018).

In the evolution of economic and social aspects of nations, especially developing nations like Nigeria, international trade plays a key role.

Foreign exchange is used for the purchase and supply of supplementary goods and services, for the procurement of financial assets, for avoiding losses or profit arising from changes in foreign exchange rates and for achieving and maintaining the international competitiveness of the market and, consequently, for a viable balance of payment position, for sending or receiving gifts or investment earnings payments. It works as a domestic price anchor and helps to preserve the balance between prices. It supports price stability. It also helps foreigners pay for export products and services, as well as unilateral transfers to their homeland, investments and investment income (Kalu and Anyanwaokoro, 2020). In other words, foreign exchange allows international trade, boosts travel and tourism overseas and fosters foreign investment. It also supports currency speculation as well as the purchase and sale of other nations' goods and services. The reality is, in the globalized world of today, no nation can exist on its own since all economies are interlinked by the services, assets or services market, either directly or indirectly (Akpan, 2008).

In addition to influencing local prices, the exchange rate is a crucial factor in determining the level of international commerce. International trade and a healthy balance of payments depend on exchange rate stability (Emekekwue, 2016). Since the Bretton Woods fixed exchange rate regime expired in the 1970s, most countries throughout the world saw volatility in the exchange rate. The continuous growth in exchange volatility in recent years has been a concern to policy makers and researcher (IMF, 2019). The economy of most developing countries particularly monocultural economies such as Nigeria, are being affected by these happenings. The manufacturing industry has effectively pushed Nigerians to rely fully on imports to meet their daily needs, putting a greater burden on the foreign exchange reserves of the country (Kalu and Anyanwaokoro, 2020).

As variations/fluctuation in the exchange rate raise the risk of foreign transactions, risk-averse traders restrict export/import business and reassign manufacturing to domestic markets. More exchange rate volatility will lead to higher expenses and lower trading abroad for risk-averse traders. High exchange volatility has a negative impact on current account balance sustainability, price discovery and export performance according to Panda and Mohanty (2015). International oil prices might create rapid shocks in a country such as Nigeria, with the oil market being subject to turmoil (Omojimite and Akpokodje, 2010). If international trade did not exist, each country should be totally self-sufficient. Each country then relies on what they can make on their own. The same would happen to a person entirely self-sufficient to fulfill all wants and requirements in terms of goods and services such as clothing and food. International trade encourages any country to specialize in the products that it can most successfully produce. As a consequence of specialization, overall productivity is higher than if every country strives to be completely independent. In order to maintain a more stable, less volatile exchange rate, a country should seek to gain more foreign exchange via exports than exported via imports over time.

A weaker currency stimulates exports and raises import costs and reduces the trade imbalance of the country. On the other side, a strong currency might limit exports while cheaper imports exacerbate the imbalance of trade. Although a strong currency is usually thought to be useful to the economy of a country, such could not always be the case. Over the years, the economy may be trapped in an unjustifiably strong currency, which would lead to uncompetitiveness in the whole industries and result in thousands of jobs being lost. In fact, the weaker currencies can stimulate the economy in contrast to common opinion, given the strong relation between the exports and GDP (Panda & Mohanty 2015). On the other side, a drop in the currency might contribute to inflation as import costs rise. The exchange rate changes are a major factor to the determination of interest rates imposed by the central bank and have an immediate impact on monetary policy of a country. Constant fluctuations in exchange rate can also have a detrimental influence on the market, making both internal and international trade volatile and harmful.

The naira rate has grown increasingly instable due to this policy incoherence and the lack of consistency in exchange-rate measures (Ewubare & Dennis, 2019). The naira depreciated through the eighties until the present day, according to Benson and Victor (2012) despite repeated government efforts to keep a consistent exchange rate. In view of this, this present study would be on the impact of exchange rate fluctuation on international trade with reference to selected companies in Nigeria.

1.2 Aim and Objectives of the Study

The main objective of the study is to evaluate the impact of exchange rate fluctuation on international trade of selected companies in Nigeria.

• To evaluate the impact of exchange rate fluctuations on Nigeria's balance of trade of selected companies in Nigeria.

• To recognize the impact of exchange rate fluctuations on import volume in Nigeria of selected companies in Nigeria.

• To research the impact of exchange rate fluctuations on export volume in Nigeria of selected companies in Nigeria.

1.3 Research questions

• What is the impact of exchange rate fluctuations on the balance of trade of selected companies in Nigeria?

• What is the impact of the exchange rate fluctuations on import volume of selected companies in Nigeria?

• What is the impact of exchange rate fluctuations on export volume of selected companies in Nigeria?

1.4 Research Hypotheses

In line with the objectives above, the following hypotheses guided this study.

H_{01}: Exchange rate fluctuations have no significant impact on balance of trade of selected companies in Nigeria.

H_{02}: Exchange rate fluctuations have no significant effect on exports volume of selected companies in Nigeria.

H_{03}: Exchange rate fluctuations have no significant effect on imports volume of selected companies in Nigeria.

1.5 Scope of the Study

This study explores the impact of exchange rate fluctuation on international trade: a case study of quoted conglomerates in Nigeria. The study is focused on four companies that still operate till date in Nigeria which are Unilever Nigeria Plc, John Holt Plc and PZ Cussons Nigeria Plc. The sample was chosen as an effective representative of the study population, as the questionnaire will be sent to the respondents. As a result of this study being a quantitative research, the positivism philosophy and deductive approach best suits the study.

1.6 Study Chapters outline

In this study there would be five chapters. The first chapter is the introduction and a fundamental summary of the whole topic. The chapter would be made up of the study background, research problems, research aims and objectives.

Chapter two discusses the current literature about the link between volatility and fluctuation in exchange rates and international trade. The literature review is divided into three sections: conceptual review, theoretical review and summary of literary review.

Chapter three covers the methodology adopted for the study. It will explain the research approaches used to examine the relationship between variations and fluctuation in exchange rates and international trade.

In the fourth chapter the data gathered would be presented, analyzed and the findings discussed. This chapter presents and interprets the collected data. The researcher would use tables and frequency percentages to present and analyze the data. 200 respondents from Unilever Nigeria Plc, A. C. Leventis Nigeria Plc, John Holt Plc and PZ-Cussons Nigeria Plc are been expected to take part in the Google's online form questionnaires. The research findings would be further discussed by comparing them with the results obtained and published in other studies.

Chapter five would be the study conclusion. This is a summary of the whole research project. The chapter contains a summary of the results, a conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

The objective of this chapter of the study report is to acquire a thorough knowledge of the impact of exchange rate fluctuation on international trade in Nigeria, which is the topic of the study. This Chapter consists of a conceptual review (i.e the review of the major themes of the research topic such as exchange rate, international trade etc), theoretical review (i.e the review of various theory that are related and can be used to explain the topic of this research), as well as analytical review of the research questions stated in the previous chapter of this study.

2.1 Conceptual Review

2.1.1 Exchange Rate

The exchange rate is the rate at which one currency is exchanged for another. In other words, it is the current exchange rate of a currency in reference to another currency (Jhingan 2011). The exchange rate, according to Obadan (2006), is one of the most important macroeconomic indicators for the execution of general economic policy. Exchange rates play an essential role in stimulating exports while discouraging imports, ensuring a healthy balance of payments, integrating the pricing systems of other nations, and allowing businesses to readily compare prices. For a long time, international trade flows were the dominant drivers of exchange rate in the pre-monetary 1970s. An international transaction in which a country exchanges its own currency for the currency of another, according to Adewuyi (2005) is referred to as foreign exchange, and a network of financial institutions supervises the entire process.

In exchange rate basic form, it is price of one currency in relation to another. In the case of Nigeria and Ireland, it is the amount of naira required to buy one unit of the other country's currency (for example, the Euro used in the Republic of Ireland).This is, depending on whether it is in Republic of Ireland, United States or UK, the value of naira in Euro, dollars or pounds (UK). The decision on foreign transactions involves a policy on exchange rates (Obadan, 2006). Consequently, exchange rate policy is one component of the monetary authorities' macroeconomic management methods to attain the medium-term domestic balance in each country. In this sense, internal balance refers to the amount of economic activity proportionate to an acceptable inflation management. On the other hand, deficit funds from foreign or sustainable current-account funds have long-term capital inflows. It is well-known that the exchange rate has a significant impact on inflation in Nigeria. The exchange rate between the national currency and the foreign currency is the same. As contrast to a fixed base date, an effective exchange rate measures the entire currency value by referring to a number of distinct currencies. A value or measure is defined for each of these calculations by the currency and the proportionate priority (weight). The Central Bank of Nigeria's effective naira exchange rate indicators are based on the Military Exchange Rate Model (MERM) of the International Monetary Fund (IMF).

According to Momodu (2015), the present global economy is focusing significantly on the need to break away from poverty limitations for exchange and emerging countries. The government's political ideology also impacts the decision making of the foreign exchange policy or the regime. According to Momodu (2015), the exchange rate is the rate at which one country's currency is exchanged for another. While exchange rates are the many methods for calculating the exchange of one country's currency for another country's currency. It is important to note that the current exchange rate regime or policy has substantial implications for the value of the naira. Variations in the pace of foreign monetary activity affect a variety of economic activities, including purchasing power, the balance of payments, the price of goods and services, import structures, export profits, government revenues, and foreign reserves.

Nigerian trade and exchange rate shocks were studied by Umoru and Osema (2013). The influence of the J-curve was studied with Nigerian data and vectors adjusting methodology. The study shows that the balance of trade is cyclically connected to the actual depreciation of Naira. However, research shows that the balance of trade will deteriorate in the near future. The cyclical trade is, on the other hand, assessed experimentally, as the J-curve theory suggests. Exchange rate fluctuations have an impact on trade as suggested empirically. A real shock to the exchange rate will improve matters at the moment. The country's overall trade balance will deteriorate and recover thereafter and the price instantly increases. The J-curve idea is not demonstrated in Nigeria's trade balance, linked to the real devaluation. Consequently, Nigeria's J-curve short term prediction is not obvious.

According to Bada *et al.* (2016), the effect of the inflation of the exchange rate is one of the major challenges of economic policy management internationally, especially in emerging and developing countries. Changes in exchange rates will lead to internal economic distortions and reduce a country's competitiveness. Publications and governments typically are careful not to alter the exchange rate owing in particular to expect severe economic consequences the negative repercussions of currencies misalignment are widely recognized.

2.1.2 International trade

International trade is the exchange of goods and services among countries. In other words, it is just the import and export of goods and services. It involves the movement of goods and services over national frontiers. Exports are known as the selling of products and services outside the nation while imports are known as buying of goods and services into the country. Products moved or sold from one party to another are regarded as exports from the nation of origin and imports from the country that is receiving the goods. The exports of "A" may be deemed imports of "B." The essential elements of international trade are imports and exports and significant concepts like trade terms and trade balance exist. This may be seen in a country's current account and balance of payments (E-Finance Management, 2017).

International trade helps global economies, since it gives countries new ideas, access to inexistent resources and reduces economic collapse chances as low as possible. It would not have been possible for the exporters to sell to sell simply to the local market without the existence of international trade. The earning of foreign currency is one of the benefits of the exporter. Products can then be imported with foreign currency. This has a major influence on world economic and social performance, especially progress and international trade prospects. There was never a country that has developed without trade aid. Because trade is a driving force for development and growth, the human situation must continuously be improved by increasing individual options (Oke, Adeniji, & Odugbemi, 2018). International trade therefore has a major role in changing economic and social features of emerging nations in particular. Operations of international trade which are import and export go beyond national boundaries (Kanu and Nwadiubu, 2020).

2.1.2.1 Importance of international trade

Due to resources constraints and differences, no country can provide all the products and services that are needed by its citizens, which stems the importance of international trade. This trading relationship requires countries to export goods and services to generate revenue to finance non-home imports (Adeleye, Adeteye & Adewuyi, 2015). The significance of international trade to the economic well-being of a nation and long-term growth was shown in financial literature. International trade investigates the causes and impacts of global trade in goods and services and international movements of production forces. While Alfred Marshall did not have any worry over the beneficial benefits of international trade, the link between international trade and economic growth is still controversial (Nosakhare & Milton, 2014).

International trade therefore refers to activities such as cross-border exchanges of commodities and services. They recommend that the list of activities connected to cross-border trade should cover just a few nations. Domestic production, consumption and international trade were used to measure growth and individual economic income levels in all products and services (Oke, Adeniji, & Odugbemi, 2018). International trade consequently has a crucial influence, particularly on developing markets, in transforming the economic and social features of any nation.

2.1.2.2 International trade and exchange rate Fluctuation

The exchange rate is essential in international economic contact since no nation can be independent owing to uniform factors. The exchange rate is an important figure for determining a country's balance of payments (BOP) condition. When properly employed, it may be used as a nominal anchor for price stability (Oladipupo and Onotaniyohuwo, 2011). Other economic variables include interest rate, inflation, unemployment, financial provision, etc (Babatunde & Adekunle, 2017). These statistics emphasize the importance of the exchange rate for each country's financial welfare which enables international trade in goods and services. It is due to the fact that this exchange rate connects the pricing systems of the two nations so as to make a direct comparison of trade items with international trade. In other words, it covers the gap between national and international pricing. Due to its influence on imports and exports, the exchange rate has an important impact on a country's balance of payments. Governments must establish an exchange rate strategy to accomplish macroeconomic goals, including good external balance, as seen in their balance of payments (BOPs).

Due to its direct influence on local pricing, profitability, resource allocation and the choice of investments of traded goods and services, the exchange rate plays a significant role in determining international trade quantities in Nigeria. Exchange rate stability is essential to improve trade outcomes and balance of payments (Emekekwue, 2016). Since the Bretton Woods fixed exchange system declined in the 1970s, volatility in the exchange rate was seen in most countries. In the years, global professionals and politicians have been concerned about the continuing growth of exchange volatility (IMF, 2019). Most growing economies, notably monocultural economies like Nigeria, have influenced this tendency. The industrial sectors encouraged Nigerians to rely entirely on imports due to the country's daily exchange reserves (Kalu and Anyanwaokoro, 2020).

Exchange rate fluctuation raises the risk of international transaction, which makes the risk averse traders to restrict export-import activities and shift production to domestic markets. For risk-averse people, higher exchange rate volatility means higher expenses and less foreign trade. Significant exchange rate movement, according to Panda and Mohanty (2015), has a detrimental impact on price findings, export results, and the current-account balance's sustainability. The economy of a country like Nigeria is sensitive to whims, delusions, and shocks in global oil prices, which have a direct impact on the local economy (Omojimite and Akpokodje, 2010). The two major pillars of international trade thus are exports and imports. below is a brief discussion of what export and import entails:

2.1.3 Exports

One of the most essential functions of international trade is to secure shipment for future sales or trade of goods produced in the individual country. One driver of a country's economic growth and development is international trade, including the exchange of products and services among citizens and/or governments across a range of nations. Examples of activities in international trade are import and export (Cole and Aminu, 2018). While poor nations like Nigeria devote more resources (times, effort, money) to imports and export, they invest disproportionately. Everything has a balanced effect: trade, economic growth and development. Many developing nations like Nigeria have now opened up their economies and pursue export-driven trade policies with a view to expansion and grow (Cole and Aminu, 2018).

Therefore, exports are items and services sold by a nation to another nation (Shehu, 2008). Economic transfer between nations with lower trade obstacles, such as tariffs or subsidies, starts with exports. The term export denotes services and products from the port of a country according to Lequiller and Blades (2006). An exporter is anyone who sells these products and services, whereas an importer is someone who purchases them from another nation. As a rule of thumb, exports are domestic accounting transactions involving residents as well as non-residents (sales, barter, gifts, or grants). When determining exports, smuggled goods must be taken into account. As a result, international visitors' charges in the country's economic region are included in the country's export services. The domestic account is the export of services to non-residents making direct purchases on the economic territory of the Country. Illegal service flows across international borders must also be analyzed. Exports also include information that may be sent by e-mail, fax or telephone (Ojukwu, 2011). Economic exports are referred to as items or products that are transferred lawfully, frequently for trade purposes from one country to another. Many countries are involved in international trade.

The export earnings of Nigeria, according to Kiprop (2020), depend mostly on oil exports. In 2018, there were more than 92 percent of petroleum exports in the country. The top three include crude oil ($35.6B), gas ($6.47B) and refined oil ($774M). Nigeria exports crude oil and purchases refined oil due to the absence of refineries and old-style equipment. The country is exposed to inflation and unanticipated advantages when prices fluctuate because of its heavy dependence on oil goods. Nigeria inability to mobilize significant supplies of natural gas for both internal and export usage lead to political insecurity, technological shortfalls, legislation, unequal growth, insurgencies and corruption (Kiprop, 2020). Cocoa and rubber are two goods which Nigeria can export. They all succeeded, boosting the country's economic growth. Agriculture, trade, telecom, industry and firm industries are the main drivers of the country’s economic growth.

Sekkat and Varoudakis (2000) specifically evaluated the effects of the trade policy on agricultural exports from Sub-Saharan Africa. The studies investigated the impact on the export performance of exchange rate volatility and misalignment panels in the CFA and non-CFA countries between 1970 and 1992. Exchange rate volatility has a significant negative impact on exports of textiles and chemicals from non-CFA countries, but the effect on exports from CFA nations is marginally positive. The study was limited by the fact that it employed data from two different periods (that is fixed and flexible exchange rate era.) A study conducted by Chowdhury (2007) investigated the effects of current and nominal external volatility on exports. When a flexible slack model is used, researchers found that the Goldstein-Khan bi-country model had an overall affect on both scenarios. In its size and orientation, the measurement remains unmodified depending on the results. The impact of forecast volatility in foreign currencies. However, there are substantial temporal variations between real and nominal exchange volatility.

2.1.4 Imports

Commercially, importation of goods and products into Nigeria occur through the purchasing of goods and services into Nigeria from another country, whereas exportation are the transaction/sale of goods and service to other nations from Nigeria. Different governmental organizations regulating import operations in Nigeria have created distinct laws and restrictions (Resolution law firm, 2020).The word "import," often used by boat to transport goods to remote regions, derives from the word "port." Thus, imports arise from the concept of transit from one nation to another of goods and services. The buyer is known as the "importer," the seller is known as the "exporter" (Mohan, 2009). As a result, imports are referred to as products or services lawfully carried from one nation to another. It is a product purchased from another nation for sale (Arthur and Steven, 2003).

Domestic consumers buy goods or services imported from foreign producers. An import in the receiving country must be regarded as an export by the nation which is sending it. If the domestic quantity sought is higher than the domestic quantity provided or if the global market price of the item (or service) is lower than the local market price, import demand is been made. Nigeria's top import come from the following nations: China ($15.5B), the Netherlands ($5.91B), India ($3.76B), the USA ($3.32B) and Belgium ($2.81B) and top product imported are refined petroleum ($10B), cars ($1.57B), wheat ($1.48B), packaged medicaments ($1.32B) and Laboratory glassware ($1.45B) (Lawrence, 2020)-not in your list of references.

2.1.5 Balance of trade

A phrase used for determining the economic situation is the balance of trade. The trade balance, international trade balance, balance of trade or net exports is commonly used (Kenton and Boyle, 2020). The balance of trade is the difference between a country's exports and imports. The balance of payments is the main aspect, since all transactions made internationally are measured. It is easy to compute because all items and services are passed via the customs agency (Amadeo and Brock, 2020). The trade balance of a country's economy is the same as that of its trading partners. When a country sells more than it purchases, it has a positive trade surplus, but when a country imports more than it does export, it has a negative trade deficit or trade balance. A trade surplus is bad only if the government uses protectionism (Kenton and Boyle, 2020). Importing nations may gain from unbalanced trade and invest in economic growth (Amadeo and Brock, 2020).

2.1.6 Impact of exchange rate fluctuation on balance of trade

Balance of trade is a statement of trade between one country and another. The balance of trade and exchange rates is determined by monetary supply and demand and all transactions with other nations in a changing exchange system (Lioudis, 2021). The worldwide market for all financial transactions (balance of trade) and the supply and demand of a specific currency (exchange rate) are therefore at work in respect a nation's balance of trade and changes in value of their currency (Lioudis, 2021). Production cost(s), cost and access to raw material, intermediary goods or other provisions (land, labor, equity, taxes, incentives), exchange rate fluctuation; bilateral and unilateral trade tariffs and restriction all affect the balance of trade.

Okonkwo (2019) looked at how the trade balance in Nigeria is connected to exchange rate variation between 1988 and 2018. The research was needed because the direction of a country's exchange rate affects the trade balance directly or indirectly. Secondary data was used to compile the data set. Thereafter, using ordinary least squares (OLS) analytical approach for regression analysis, the data was evaluated. According to the study, the exchange rate and the trade balance have a close relationship. Olayungbo (2019) also explored Granger's proportional causal influence on Nigerian currencies, commerce, and foreign reserves. Using quarterly data from 1986Q4 to 2018, the study has adjusted the data for seasonal variations. According to the study there are no stable components in the report other than oil prices and foreign reserves and as time progressed, co-integration became more common. For example, the price of oil has a short-term impact on foreign reserves, according to the Granger research.

2.1.7 Impact of exchange rates fluctuation on import volume

Consumers in their local supermarkets and retail establishments throughout the world are used to seeing items from across the world today. With these imported items from other countries, consumers have more alternatives. Imports also enable people to manage their limited family budgets, as they are often made less costly than any domestically produced equivalent (Leslie and Robert, 2021). The outcome is increased imports for exports and an ever-growing trade deficit that can negatively influence a country's exchange rate; weak national currency promotes exports while raising import costs (Leslie and Robert, 2021). Since floating systems were created, according to Muhia (2018), economic research has attracted a significant lot of attention. Muhia (2018) used a multi-linear log model in his examination of the consequences of fluctuation in Kenyan exchange rates between 1980 and 2015. According to the research, real changes in exchange rates have a significant influence on imports. In addition, increasing exchange rate weakness has a long-term detrimental effect on exports but does not have an impact on imports.

2.1.8 Impact of Exchange rate fluctuation on export volume

Oil and gas dominate 95 percent of Nigeria's exports, and the country's import basket is very robust (Nwanosike et al., 2017). Therefore, the quantity of money from exports depends heavily on the energy costs and the achievements of one major industry. In the Niger Delta area of Nigeria, despite considerable local demand for foreign commodities, low petroleum prices between 2008 and present and as well lower yield, the Nigerian trade balance has remained insignificant (Oloye, 2012). Moreover, the service balance is generally negative. This is due to the fact that oil companies rely largely on technical and financial expertise. Tourism and corporate services are Nigeria's primary exports, both of which are largely undeveloped.

One of the most severe challenges affecting emerging countries, according to Ogboru (2010), is trade imbalance, which impedes the growth of domestic innovations and the preservation of external balance. Nigeria's trade deficit was less severe in some other developed countries than Nigeria's trading deficit in 1978, at N2147.3m. The trade balance was positive in Nigeria from 1970 and 1977, with a surplus of N 130million to N 1697.6million in 1976, while N537 Million in 1977. Nigeria's trade balance was positive. The Nigerian trade deficit in 1981 was N1816.3 million, 1982 was N2564.1million, and 1983 was N1401.2 million. The country had the greatest economic maladministration from 1979 to 1983 when, following 13years of military dictatorship (1966–1979), before politicians reclaimed authority over the nation. Nigeria's trade balance between 1984 and 1997 was excessive and surplus. By 1996, N746916.8 million was the trade surplus accounted for by Nigeria (Oloye, 2012). Between 1999 and 2006, trade surpluses were reached, all-time highs reached between 2003 and 2006, except from the 1998 N85562m deficit. In 2003 and 2004, 2005 and 2006, they found N1007651.1m and N2615736.2m, N3892729.9m and N3224661.7m. (Central Bank of Nigeria, 2013).

2.2 Theoretical Review

The following related theories of the study are discussed and linked to the study.

2.2.1 Trade theories

The purpose of the trade theory is to understand current trade trend, its consequences for local economies and the sort of government actions necessary to enhance a country's well-being.

Adam Smith was a writer, philosopher, and economist who was often seen as the father of modern economics according to his trade theory. The wealth of nations is a well-known 1776 work by Smith. In Nigeria, the trade theories are not widely taken up and virtually nothing works in the nation. For example, traditional trading philosophy stressed long-term growth on the basis of economic comparability and inferiority via international trade. Nigeria should concentrate on agriculture based on the principles of this trade strategy due to its large fertile land and the abundance of labor supplies. Sadly, the government has given up agriculture and industry since oil prices grew in the early 1970s. Both government and trade economic sectors focus on the oil and gas industry leading to the rest of the economy to be denied financial investment, key investment and even managerial skills.

As a result, the country's core economy is globally uncompetitive and a magnet for foreign firms (Sanusi, 2010). Nigeria's oil sector is marked by waste, corruption, low productivity and unlimited foreign dominance (Hassan, Olawoye and Nnadozie, 2002). The country has been reduced to a single product economy, with most government income accounting for oil exports, making the country vulnerable to global crude oil shocks. In addition, there are numerous other solid minerals, abundant in the nation. In essence, the economic dependence on the primary industry (sustainable agriculture and the mining industry) was too high. This includes a lack of adequate work, a favorable shift in attitudes, restructuring of value and equitable economic income. There has been limited economic progress.

The factor proportion theory says the Nigerians have spent a lot of money, despite the fact that the country does not export a good deal of agricultural production, on technologically connected things, mainly from Western Europe. In fact, the machinery and equipment category accounted for about 40 percent of Nigeria's annual imports at that time, according to the Nigeria Import Profile from 1980 to 1985. For example, $2.755 million (or 89.8%) was allocated to machinery, spare parts and raw materials out of $3.067 million in foreign exchange gains. Of the overall $3,584.1 million in 1991, all for industrialization by technology transfers, the figure was up $3,344 million (93.3 percent) (Ogbimi 2010).

The application of the theory to this study

Although Nigeria was an important rice exporter in the 1960s and now a major importer of the same rice, Nigeria as the technologically weak and backward country has to some extent no value in its production life cycle theory. In Nigeria, for example, 2008 came to an end with significant imports of N80 billion of rice and grain (Ikeokwu, 2008). The goal of the Trade

Theory is to explain the existing trade patterns, the influence that the Nigerian Government has on the domestic economies and the kind of public policies to promote the well-being of the country. Theoretically, it tackles the most efficient distribution of production to Nigerian authorities to optimize the use of resources of each country region (such as labor or natural/physical capital). The theoretical approach is relevant to research. The premise is that trade is helpful to all countries due to worldwide specialization and resource efficiency. Current theories have the strongest assumptions to justify this outcome (such as perfect competition, no transaction cost or decreasing returns to scale),

2.2.2 The Portfolio Balance Theory

The theory of portfolio balance assumes that people's wealth is dispersed over three categories of asset: the monetary base, domestic bonds and foreign bonds. The theory was propounded by Branson (1975:264). When the ownership of these properties is in the desired proportions, the exchange rate is in balance. If the private sector is satisfied with its holdings of financial assets, the portfolio analysis current account balance reflects the government's budget deficit. Without falling their values, the Government's failure to sell bonds to foreigners reflected in the overall balance of payments deficit.

The portfolio balance theory also underlines the significance in the determination of exchange rate for market adaptation or capital transactions. Unlike monetary theory, however, it explains how exchange rate variances reflect a wide range of currency-denominated assets, both supply and demand. The investments of individuals in a single portfolio-balancing framework consisting both of local and international bonds are expected. Perfect substitutions are solely non-resident government-guaranteed debts and liabilities. The portfolio balance framework, also known as net financial value, is the amount of money, national bonds and foreign bonds represented in national currency that is not interest-bearing. The demand for foreign bonds is a positive function of the foreign exchange rate and a negative part of the national interest rate with foreign exchange rate assuming that the demand for domestic bonds has been fixed (Lambe, 2015).

The theory's application to this study

The theory is vital for research as it explains how capital moves freely in international trade between Nigeria and other nations if capital mobility is optimal. This is because of the absence, as a disincentive of investment, of large transaction costs or capital limits. As a result, spot and forward exchange rates automatically respond to the changing conditions of the financial market. These factors affect the price of the exchange rate for bonds supply, demand and market circumstances. The balance of payments may have a positive or a negative effect on the depreciation or appreciation of the exchange rate.

2.2.3Theoretical Framework

However, after reviewing the theoretical review in the study, the study focused on trade theories. This is due to the theory's emphasis on countries specializing in producing and exporting items that make use of abundant local factor endowments. Where resources are scarce, countries will import such items. The trade theory, once again, places a lower priority on comparative advantage and relative input costs. According to trade theory, supplying consumers a wider range of distinct items is a driving force behind trade in the actual world. Export trade, according to the theory, is a stimulant for long-term economic development. Nigeria gains significant foreign exchange, expands its tax base, and reduces the risk of trade deficits through export trade. It also aids in the stabilization of economic diversification. In Nigeria, by contrast, international trade has the following positive economic effects: diversity of consumer commodities, effective assignment and use of resources, productivity efficiency, increased employment, decreased consumer costs, reduced trade fluctuation, the use of surplus products, for peaceful and good intentions (Onoja, 2020).

2.3 Summary and gap Literature

This section provides an overview of the literature evaluated as well as the gaps that were discovered. The conceptual structure gave a comprehension of the study variables, which are based on exchange rate fluctuation as an independent variable and international trade as a dependent variable with the following proxies: balance of trade, import volume, and export volume. The literature argues that the price of one currency as another currency cannot be fulfilled without international trade. International trade, commonly known as exports and imports, is the exchange of commodities and services between nations. Research suggests that there can be no understatement of the influence on the Nigerian economy of exchange rates fluctuations and international trade. No nation can remain independent because of the varying factor of endowment; exchange rates are essential for international economic connections. The trade theories and portfolio balance theory were used in the study. The study was based on trade theories, which argue that enterprises in a country should specialize in making and exporting items that make full use of local resources in other to maximize profits.

RESEARCH QUESTION

Research question 1: What is the impact of exchange rate fluctuations on the balance of trade of selected companies in Nigeria?

There have been no clear or generally accepted responses as to the impact which exchange rate fluctuation would have on the balance of trade in Nigeria, as there not been much recent study on this area. Foreign exchange rate behavior and currency devaluation as a trade balance improvement method are both hotly debated topics in the literature. There has been various study with different answer to the impact of exchange rate fluctuation on the balance of trade. Nigeria's import-export balance is not explained by exchange rate variations, according to Ojo (1978)'s study on the impact of exchange rate fluctuations on Nigeria's trade balance. Omojomite and Akpokodje (2010) studied how exchange rate variations affected Nigeria's trade performance between 1986 and 2007. The finding of the study was that the country's non-oil exports are positively affected when the value of its currency declines due to depreciation. Although the import pattern remained same, it was dominated by consumer items. According to Eke, Eke and Obafemi (2015), changes in the exchange rate has a significant negative influence on trade. During this time period the currency rate impacted Nigeria's trade balance in a negative way. This means that a country's trade balance or balance of payments condition is not affected by a devaluation of its currency.

Research question 2: What is the impact of the exchange rate fluctuations on import volume of selected companies in Nigeria?

Today's globalized world makes it impossible for any nation to be completely independent, as all economies are linked in some way, whether directly or indirectly, through markets for services and assets or goods (Adewuyi, 2005). To a large extent, international trade is determined by exchange rates, which have a direct impact on local pricing, the profitability of traded products and services, resource allocation, and investment decisions are all being impacted on. Exchange rate stability is essential for a favorable balance of payments and a successful international trade (CBN, 2013; Emekekwue, 2016). 81 percent of the Nigerian economy adapts to shocks and dynamics of the exchange rate and its correlates, according to Kalu and Anyanwaokoro (2020) study, and export and exchange rate have a causal relationship with all the variables analyzed in the block exogeneity. Researchers have studied the characteristics that determine Nigeria's import sub-sector and how foreign exchange availability affects those imports. Ozo-Eson (1984) research study suggests that import demand is strongly influenced by money supply. According to Oyovwi (2012), actual exchange rate movement has no major impact on Nigerian imports. Local consumption favors imported items, indicating that Nigerian exports are heavily dependent on imports, according to the study by Oyovwi (2012). Using devaluation as a policy tool to reduce trade imbalances, the study found that it has not discouraged major imports. For the external sector to be less stressed, more rigorous limitations, such as outright bans and quantitative limits are proposed because exchange rate variations do not explain imports in a major way. It is on this ground with no clear stand on the impact of both variables that the second research question was formed

Research Question 3: What is the impact of exchange rate fluctuations on export volume of selected companies in Nigeria?

As a result of the demand for Nigeria's exportable commodities on the worldwide market, this could bring about the country's foreign reserves increase and as well injecting into the economy as financial resources are received. Several studies have come up with varying responses to this third research question, which this present study tries to provide answers to with a recurrent analysis. Klaassen (2004) concludes that exchange rate has little impact on exports, although a number of studies have shown that exchange rate has a significant impact on exports (Huchet-Bourdon and Bahmani-Oskooee, 2013; Erdal, Erdal and Esengun, 2012; Dincer and Kandil 2011; Wisdom and Granskog, 2003). There is a mixed finding from varying researchers on this research question (Hsu and Chiang, 2011). According to Obinwata, Owuru, and Farayibi (2016) export performance in Nigeria is significantly affected by exchange rate volatility, particularly export demand. The exports of products and services are not affected by the exchange rate, according to the study by Nyeadi, Atiga and Atogenzoya (2014). It is with all these varying findings that the present study tries to proffer answer to this research question.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The researcher can track and draw up an action plan, which will lead the researcher through various phases of the research with the help of a research methodology (Hussain, 2011). Here, the study discusses about the research approach that was utilized in the course of the investigation. In a methodology description, the study's process is explained and justified. There is also an explanation as to how the task was completed and how the data was acquired. The study's ethical considerations were taken into account.

3.1 Research Philosophy

A researcher's research philosophy is a set of concepts and theories that help to produce information concerning certain subjects. All phenomena that are real or regarded as real are founded on the research philosophy's precepts (Barrett, Powley and Pearce, 2011). During study, a researcher's philosophy informs the strategies used. The researcher's vision and reasoning are characterized by the adopted research philosophy. It helps the researcher differentiate between different techniques for data collection. Selection of the research technique, data analysis and the implementation of the knowledge gathered are all important components of the research philosophy. There is handful of philosophies from hence a researcher could select from in carrying out a study. The sort of research philosophy selected is dependent on a study subject or hypothesis.

3.1.1 Positivism

The positivism philosophy opposes the immutable and continuous realities. Users of this philosophy simply think that they can observe reality and explain it (Bryman, 2012). Positivism claims that the circumstances do not impact social considerations and can only rely on factual evidence. It follows the concept that reality can only be tested, expanded and experimented. The objective is considered rather than subjective. The positive approach offers an impartial way of research with findings that impact human values and beliefs without influence. The researcher interacts with the research subjects as little as possible and the facts are quantitatively measured. The goal of a positivism researcher is to gather and evaluate data.

3.1.2 Realism

It's a study technique that demands researchers to follow a science course, and not to believe what their observations tells them. This means that although ideas and conclusions might be drawn, they cannot be accepted unless scientific proof supports them. Therefore, research must first establish a foundation before any notion can be useful (Kumar, 2010)

3.1.3 Interpretivism

The philosophy of interpretivism concentrates on the study of the social environment. The users of this philosophyhave their research work being influenced by human conceptions and ideals. Interpretativism is also referred to as social constructivism (Kumar, 2010). It's all about naturalism. Human interest is measured by interviews and observations. The philosophy of interpretivism is used if the outcomes are situational-dependent.

3.1.4 Pragmatism

This is one of the research philosophies claiming that only action-oriented study is genuine if specific types of action are achieved. Pragmatism refers to the belief that an issue cannot be solved by just following a particular solution path. This philosophy is of the believe that there are a number of methods to addressing a specific problem (Kooy, 2008). It illustrates that pragmatism combines and follows many philosophical topics in order to obtain results.

Briefly, the philosophy adopted for this present study is the positivism philosophy. The researcher, in other terms, finds out more about the impact of exchange rate fluctuations on international trade in Nigerian, by ensuring the phenomena general perspective is taken into account in the context of social reality. This idea is useful to illustrate the significant influences of exchange rate fluctuation on international trade in Nigeria. Positivism follows a social reality that is observable to measure and comprehend occurrences. This is the best approach to assess if exchange rate fluctuations have had a significant influence on international trade in Nigerian. The major strength and benefit of this adopted philosophy is the rigorous way of creating hypotheses, carrying out empirical trials to confirm these hypotheses, doing a comprehensive analysis to measure the outcomes and eventually codifying the results in a number of laws.

Some of the benefits and advantages considered before adopting this philosophy for the present study are as follows:

i. Positivism is quantitative data/research reliant and the users of the positivism philosophy believe the quantitative data is more reliable than the qualitative. Quantitative research is more reliable than qualitative research as the quantitative research employs more "scientific" techniques. Quantitative data is crucial for research because it provides objective information which researchers may utilize to create scientific assumptions.

ii. Positivism in research and debates follows a well-defined framework. Positivists think that minimum margin for mistake may be set in accordance with established legislation and norms. This framework gives limited space for variance and abrupt variables, since it aims to follow certain principles with the aim of ensuring that research in tests and applications is more accurate.

3.2 Research Approach

The objective is to test the facts and findings of the research utilizing various relevant designs in this part of the research methodology. The main emphasis of the research approach is the assessment of the type of study to be undertaken and how outcomes may be achieved. There are two kinds of research approaches available on the market, which are deductive and inductive approach respectively (Saunders, Lewis & Thornhill, 2007).

Deduction Approach: This technique makes use of predefined findings and assumptions. This technique refers to a study procedure that shows that a prepared hypothesis has been correct or incorrect with several methods (Min, 2016) The deductive approach is the best one on the other since it enables the researcher, on the basis of facts, to build a hypothesis. For example, studies are predicated on the assumption that the roses are red in color. This is a well-known reality, and the gathering of a range of evidence needs the accuracy and falsehood of the assertion to be determined or refuted. This is a top-down approach.

Induction Approach: This research approach focuses on hypothesis formulation and findings. It indicates that the researcher must initially develop questions of study before drawing conclusions based on data analysis (Min, 016). It is a strategy that starts from below and works rather than the other way round. Inquiries about people's eating habits, for example, may reveal that the vast majority of people do not follow a healthy diet. Since themes must be related to the investigation's questions, inductive reasoning is used.

This study uses a deductive research approach. This is because the deductive technique is better suitable for the study's purposes. The researcher can investigate the many hypotheses and explain exchange rate significant influence on international trade in Nigeria using this deductive approach.

Deductive Approach offers the following advantages to the present study as it is been adopted:

i. Possibility of explaining causal connections among concepts and variables.

ii. Quantitative measurement of ideas can be done.

iii. The ability to some extent of extrapolation of outcomes.

3.3 Research Choice

Mono method, mixed method and multi method are the three elements of this Research Onion layer.

3.3.1 Mono Approach: as its name suggests just one quantitative or qualitative approach is used in a single mono procedure. Therefore, this technique of research might be considered as quantitative or qualitative (Bryman, 2012).

In a **quantitative research** a number of statistical approaches can be used to measure one or more values. This paradigm is compatible with methods and assumptions previously acknowledged. This technique's main goal is also to collect numerical data in a tabular manner. This approach emphasizes data collecting and processing, which enables the researcher to draw conclusions. As a result, researchers focus on topics that provide real evidence and make the application of various statistical approaches easier.

The gathering of data in a **qualitative** study depends on opinions of participants, which cannot be described digitally.

3.3.2 Mixed Method: For certain topics it is not possible to do comprehensive qualitative nor quantitative research. A mixed technique (Ashwin, 2011), utilizing both methodologies, is used in this situation. Thus, numerical data and thinking/option may be gathered from the respondents by the researcher. This interprets and uses statistical instruments together. This boosts the study's appeal, since the researchers may concurrently utilize a single approach to exploit the advantages of two methods.

3.3.3 Multi-method: the results of a multi-method study are combined with a number of various research results. Many methodological research papers may also be distinguished from mixed method research as the study of mixed methods includes quantitative and qualitative techniques, while numerous quantitative or qualitative methods are used.

Only one technique which was the quantitative research was suitable for this present study. The data was obtained via an online-administered survey questionnaire; quantitative research was the optimal method for this study in examining the links among variables. Similarly, this method leverages chance to ensure universality. Many approaches for data gathering are conceivable in multi-methods and mixed methods. A multi-method design is limited to quantitative or qualitative research but quantitative and qualitative research is done using a mixed method design (Saunders et al, 2012). Quantitative findings may probably be extended from a larger, randomly selected sample to a whole population and sub-group. Besides sampling, data processing requires less time since statistic tools such as SPSS are employed (Collis and Hussey, 2007).

3.4 Research Strategy

In order to conduct any study, this research strategy leverages available material. This research includes a systemic analysis of literature that evaluates and summarizes the patterns of existing studies in order to gather a body of knowledge or to identify the applicability of current studies to particular situations. Archive research is known as a historical study in which a set of materials is collected from sources to get results.

Data were gathered through the distribution of questionnaire and the survey research approach is employed in this research. The questionnaire also includes closed questions and to come up with conclusions, the respondent's responses are collected and examined. Thus, the survey permits quantitative data to be collected. This method allows the researcher to have more control over the study process (Saunders et al, 2012). Furthermore, data sampling is a less expensive method of acquiring a representative sample of the entire population. The data were then statistically analyzed to produce results for a particular population (Collis and Hussey, 2009). As a result, the number of questions that could be included in the questionnaire were limited. Aside from that, the researcher has made sure that the sample chosen is representative of the total population. Furthermore, the data processing needed time for the researcher, even using SPSS software, to be used.

3.5 Time Horizons

The time range for completing the project is specified in this layer. This is true regardless of the approach of a study. A 'snapshot' or 'diary' may be used to define a time horizon. Snapshots are Cross-sectional research whereas diary research is longitudinal. Data obtained in cross-sectional study by a representative subset or community is collected at a given period throughout whereas the longitudinal studies collects data for same subject over a period of time. These longitudinal studies may take years, if not decades. Usually this sort of investigation is used to check certain changes or progress.

This research, on the other hand, is based on cross-sectional data that gathers respondents 'responds to the impact of exchange rate fluctuation in relation to international trade at only one stage. The research is scheduled for July 2021, and was conducted in a short period. On the other hand, the cross-sectional data offer these benefits: it is relatively simple and quick to use (no extended follow-up periods), the prevalence of all aspects of the studies can only be evaluated once and a range of results and exhibitions can be studied.

3.6 Data Collection

In this study, data are obtained from both primary and secondary sources.

3.6.1 Primary Data

These data were gathered utilizing a structured questionnaire approach, which includes information on exchange rate fluctuation and international trade from respondents. It was effective in making exchange rate fluctuation and international trade understandable to the public. The data was also collected via Google Drive, the generator of an online survey and the delivery to the respondents' boxes. The researcher receives original data through the distribution of the hyperlink to the questionnaire developed on the Google Drive.

3.6.2 Secondary Data

In this study, previous study and books were employed as secondary data. The secondary data set was utilized to compare and contextualize the researcher with the study's primary data set. Academic journals were more essential since they supplied material related to international trade, whereas textbooks and online pieces provided information about the study's ideas. The Harvard reference style was used to reference all secondary data.

For many reasons, the study selected electronic surveys (Internet questionnaires). Because a large population is required for a successful study, electronic questionnaires were less expensive than hard copy surveys (Bryman, 2012). The researcher can also monitor the respondents responds until the end of the survey with this strategy. Second, it takes less time to complete online surveys than paper-based surveys. The researcher can study a large number of people in a very short time. Online surveys were then carried out, which allowed participants to obtain a summary and real-time result at any time. For preliminary analysis, the technique has been it easier. The sample group restriction serves as the main drawback of the technique. Research excluded individuals with no e-mail or access to the Internet. Individuals who cannot complete the survey due to lack of technological use were also excluded.

3.6.3 Pilot test of the questionnaire

A pilot test has been used in this research. A questionnaire test pilot is formed with a sample size less than the intended sample size. In this stage of study, the questionnaire is delivered in a more casual environment to a proportion of the whole sample population or a convenience sample. This allows any difficulties during this stage to be dealt with before actual research starts. The purpose of the pilot test was to enable the researchers to assess whether all the questions were meaningful. Correction of mistakes is much easier during the pilot than to go back to the final questionnaire and gather data. Before sending the questionnaire to likely respondents, the researcher verified the questionnaire. Some concerns utilized technical and expert vocabulary that the respondents at large could barely understand, which meant that synonyms were replaced by making queries more accessible to everyone. The Cronbach Alpha result for the pilot test reported 83%, which means that the questionnaire to a very large extent could measure what it is indented to measure since 83% is above the generally accepted bench mark.

3.6.4 The Population and Sample Size of the Study

The population of this study consists of all companies involved in international trade in Nigeria. For the researcher the collection of data from a sample is easy (Denscombe, 2007). Unilever Nigeria Plc, PZ Cussons Nigeria Plc and John Holt Plc are the three companies that form part of the population of the study and were selected as the sample for the study. The sample is selected to ensure a population that is manageable as questionnaire will be distributed to the respondents.

Table 1: Population of Distribution of selected three (3) quoted conglomerates

conglomerates company(ies)	Production or mgt staff	Sales, Distribution/	Administration or non-manager	Grand Total	Sample Size

		marketing or senior staff			
Unilever Nigeria Plc	565	122	90	777	140
PZ Cussons Nigeria Plc	595	248	90	933	166
John Holt Plc	10	66	48	124	22
Total	1170	436	228	1834	328

Source: Annual report and accounts 2020 of selected quoted conglomerates

Justification for the Group of Staff used for Data collection

The study was on conglomerate companies which are companies involved in international trade and transactions, so the companies have staffs that handle its international and national trade. The data for the study was collected from staffs in the production, sales, distribution/marketing and administration department with only the staffs involved in the international trade of the companies studied participating in this study and that are fully aware and understands the concepts of exchange rate, international trade, import and export.

The researcher selects the sample based on the population of staff of selected quoted conglomerates that are knowledgeable of the concepts of the study investigation and that are involved in the international trade of the companies. However, it is pertinent to determine the number of respondents to take part in the study. Therefore, in order to calculate samples for the study, the researcher employed the Taro Yamane method: $n = \frac{N}{1 + N(e)^2}$.

N = Population

e = permissible margin of error

1= A constant value

$$n = \frac{1834}{1+1834(0.05)^2}$$

$$= \frac{1834}{1+ 1843 \text{ X } 0.0025}$$

$$= \frac{1834}{1+ 4.585}$$

$$= \frac{1834}{5.585}$$

$$= 328.38$$

As a result, about three hundred and twenty eight respondents are expected to take part in this study.

3.7 Data analysis

All of the data gathered from the surveys was examined and interpreted (Bell, 2005). The findings were compiled using statistical analysis and comparative methodologies (Denscombe, 2007). Analytical software is required for data analysis. The researcher used descriptive and inferential analysis in this study. The first phase descriptive analysis uses percentages and frequencies and other descriptive elements to emphasize discrepancies of answers and opinions. The second stage is inferential analyses performed on the statistics package for social science (SPSS)using regression analysis. This facilitates the understanding of the data and the analysis of variables (Pallant, 2010). This research aimed at minimizing, synthesizing and unveiling features that indicated links among linked variability's with the lowest possible loss of data. The survey has been conducted on a likert scale of five points: 'SA: Strongly Agree,' 'A: Agree,' 'SE: Seldom,' "D = Disagree" and 'SD: Strong Disagree.'

3.8 Ethical issues of data gathering

This portion of the research process is crucial since it shows the study approach. A crucial component of the research process is ethics (Hussain, 2011) since it helps researchers to understand and discriminate between suitable and inadequate behavior. Every effort has been taken in this research to respect the ethical norms. Because the study must be free of plagiarism, all material obtained from numerous publications and journals has been accurately referenced. The respondents' identities were kept secret from data gathered from surveys, as promised to the respondents before taking part in the survey.

The participants' unique thoughts and answers have been recorded and have not been altered. During the research, no one was forced to participate in the data collection procedure. A brief explanation of the topic was provided to participants in order to collect authentic and correct data before they were asked for their consent to take part in the study. A random sampling technique was used to collect the data from respondents to ensure that each participant had equal opportunities in the sample. This made the collection of data more purposeful. The data of the three selected companies was uploaded only after they gave an authorization for that to be done. There were no legal violations in any of the actions taken. No damage to the environment or public property was reported during the research.

3.9 Research limitations

Each research has a certain set of limitations, and researchers need to concentrate on the research question. Some of the study's limitations are:

Limited time: No one has time for other individuals in today's culture. People were unhappy with sharing their opinions or responding to inquiries. In addition, it is not possible to contact the full population of the entire companies that are involved in international trade in Nigeria as the research must be completed within a specific time period.

Reliable Data: The survey findings are not general sable, as only a limited number of individuals from the three sampled companies participated in the survey.

Issue of briefing: Only the subject of the study can be revealed to respondents. There is a possibility of the respondents not understanding some questions properly or might have the need to ask the researcher for clarification. These problems have not been fixed and surveys are likely to be completed incorrectly.

3.10 Conclusion

The study examined the methodologies and procedures used in this chapter and explained why the aforementioned research approaches were chosen. This chapter discusses the positivism research philosophy adopted for this present study, research choice, approach, population as well as the sample size of the study. The ethical issues identified were covered as well as the limitations faced in the course of the study. The nest chapter will be the presentation of the outcomes, analysis and discussion of the survey findings.

CHAPTER FOUR

DATA PRESENTATIONAND ANALYSIS

4.0 Introduction

Data collected were presented, and analyzed in this chapter, while the next chapter discusses the findings and highlights the implication of the findings in the light of reviewed literature. A total of 278respondents participated by completing the online questionnaire out the 328 respondents who were expected to participate in the online Google form questionnaires representing 84.76%. Questionnaire responses were analyzed using appropriate statistical tool such as statistical package for social science (SPSS).

4.1 Descriptive Analysis

4.1.1 Respondents Demographic Information

Three demographic factors are taken into consideration in this study. Only a few factors include gender, age and educational achievement. The findings in the tables below indicate how the sample persons were allocated depending on population features.

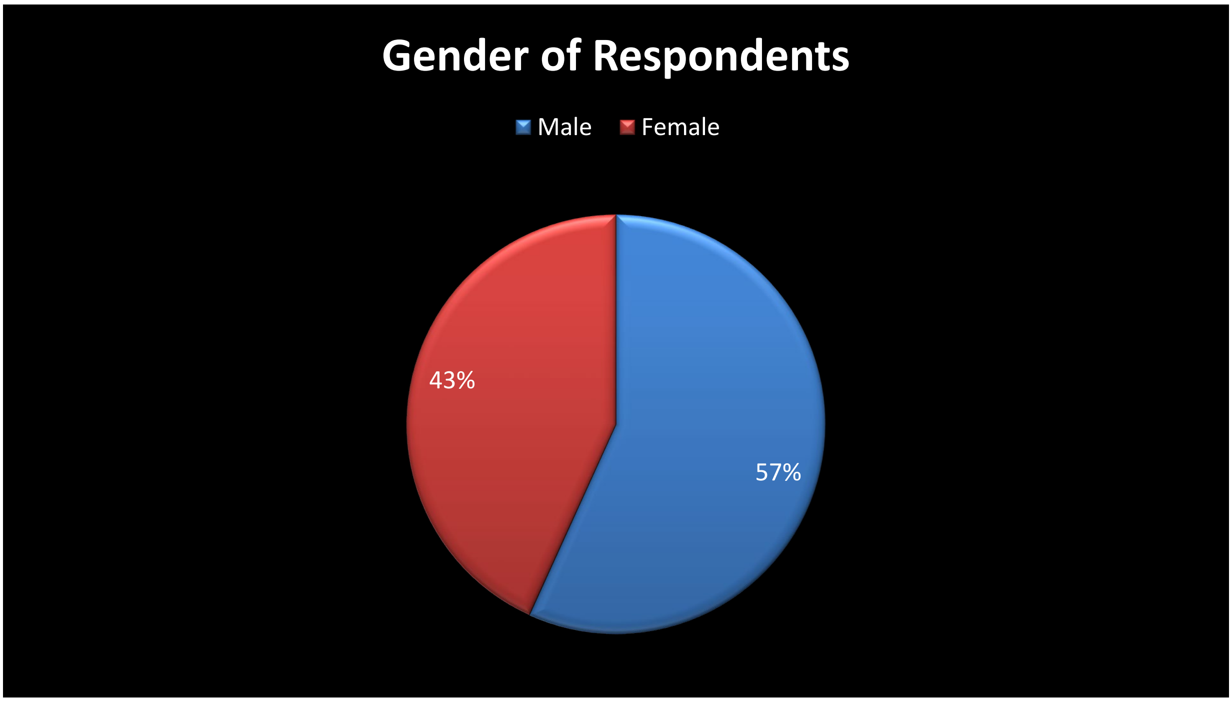

Figure 1: Gender of the Respondents

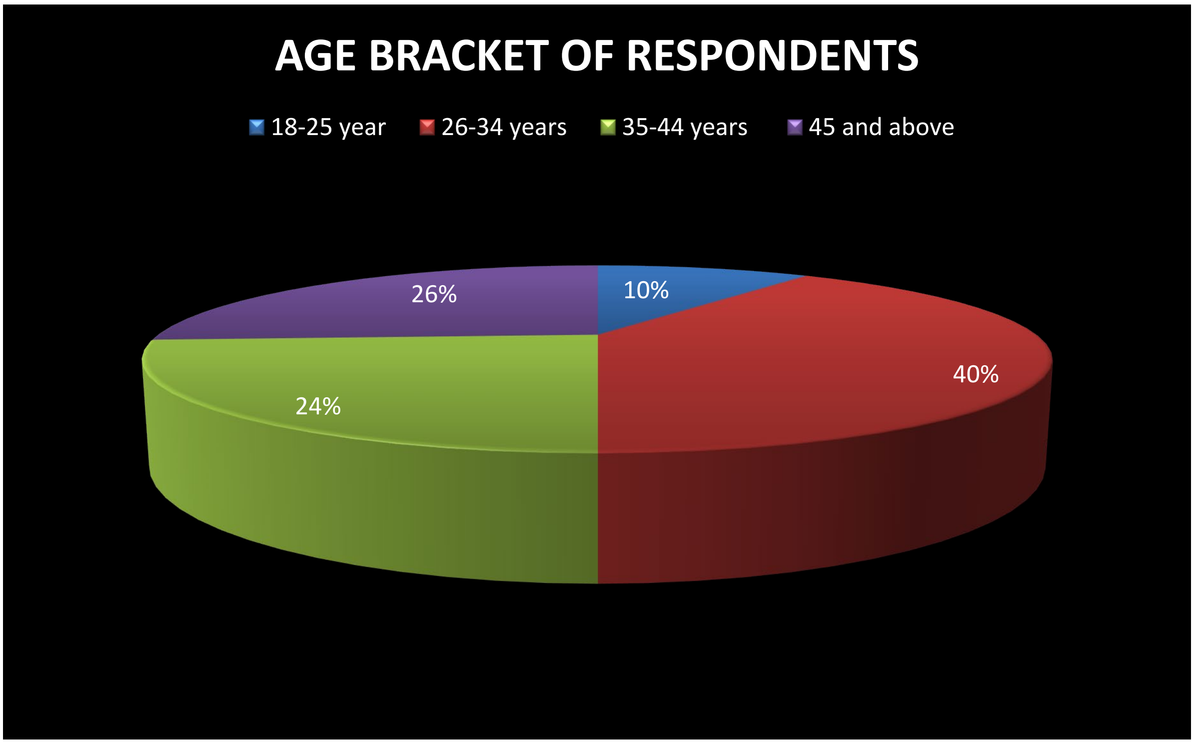

Figure 2: Respondents Age Bracket

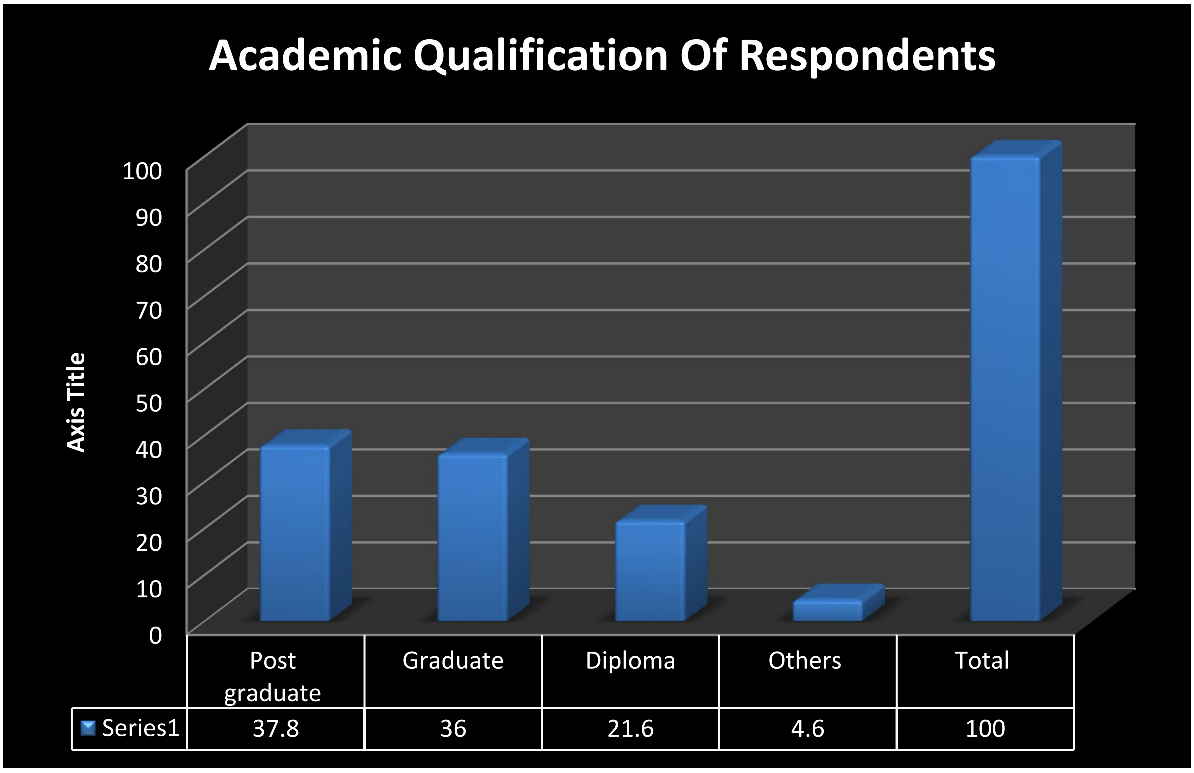

Figure 3: Academic Qualification of the Respondents

Figure 1 above reveals that of the total respondents that participated in the survey, 157 (56.5%) were male and 121 were female (43.5%). This indicates that male who engage in the survey are more than female and this could be seen as a result of having several companies where the male are much more than the female employees. In addition to that in Figure 2, 27 (9.7%) aged between 18-25 years, 112 (40.3%) aged between 26-34years, 67 (24.1%) aged between 35-44 years, and 72-25% (25.9%) aged 45 years and above. The age group that participated must in the survey fall within age group of 26-34 years. On education of the respondents in Figure 3, 105 (37.8%) of the respondents were post graduate, 100 (36.0%) of the respondents were graduate, Diploma 60 (21.6%) of the respondents were Diploma and others respondents were 13(4.6%). This shows that post graduate respondents participated more in the survey and with this the respondents could be said to give a well thought out responds to the questions asked.

4.1.2 Data Analysis, Interpretation and Discussion of Respondents Responds to the

Table 2: Descriptive Analysis of exchange rate fluctuation on balance of trade

	SA 5	A 4	SE 3	D 2	SD 1	Descriptive Statistics	
Frequencies/ Percentages	**F %**	**F %**	**F %**	**F %**	**F %**	$\bar{x}$	σ

Balance of trade is driven by the supply of the local currency	100 36.0%	59 21.2%	34 12.2%	30 10.8%	55 19.8%	4.29	1.77
Balance of trade is determined by the demand for the domestic currency	54 19.4%	108 38.8%	74 26.6%	21 7.6%	21 7.6%	4.48	1.30
Balance of trade is influence by cost of production (land, labor, capital, taxes, incentives, etc.),	59 21.2%	116 41.7%	53 19.1%	33 11.9%	17 6.1%	4.56	1.22
Currency exchange rate movements affects balance of trade	72 25.9%	86 30.9%	86 30.9%	19 6.8%	15 5.4%	4.61	1.21
Multilateral, bilateral and unilateral taxes changes trade balance.	115 41.4%	70 25.2%	76 27.3%	4 1.4%	13 4.7%	4.91	1.27

Source: Online Survey, 2021

Table 2 signifies respondents' opinion on the impact of exchange rate fluctuations on balance of trade of quoted conglomerates companies in Nigeria. The description revealed 57.2% of the respondents agreed that balance of trade is driven by the supply of the local currency, 12.2% seldom and 30.6% disagree. The mean and standard deviation value are 4.29 and 1.77 respectively which gives the implication that the respondents agree balance of trade is driven by the supply of the local currency.

In the table also 58.2% of the respondents agree that balance of trade is determined by the demand for the domestic currency, 26.6% seldom while 15.2% disagrees. The mean and standard deviation value are 4.48 and 1.30 respectively which implies that respondents agree balance of trade is determined by the demand for the domestic currency.

Further, the table showed that 62.9% of the respondents agree balance of trade is influence by cost of production (land, labor, capital, taxes, incentives, etc.), 19.1% seldom and 18.0% disagree. The mean and standard deviation value are 4.56 and 1.22 respectively which entails that the respondents agree that balance of trade is influence by cost of production (land, labor, capital, taxes, incentives, etc.),

In addition, the table also showed that 56.8% of the respondents agree that currency exchange rate movements affect balance of trade, 30.9% seldom, and 12.2% disagrees. The mean and standard deviation value are 4.61 and 1.21 respectively which indicates that the respondents agree Currency exchange rate movements' affects balance of trade.

Last of all, the table also showed that 66.6% of the respondents agree that multilateral, bilateral and unilateral taxes changes trade balance, 27.3% seldom, and 6.1% disagree. The mean and standard deviation value are 4.91 and 1.27 respectively which implies that the respondents agree that multilateral, bilateral and unilateral taxes changes trade balance.

Table 3: Descriptive Analysis of exchange fluctuation on import volume

	SA 5	**A 4**	**SE 3**	**D 2**	**SD 1**	**Descriptive Statistics**	
Frequencies/ Percentages	**F %**	**F %**	**F %**	**F %**	**F %**	**$\bar{x}$**	**σ**
Imports are boosted by a lower local currency.	130 46.8%	114 41.0%	28 10.1%	6 2.1%	0 0.0%	5.32	.74
Imports are more expensive when the home currency is weak.	79 28.4%	133 47.8%	62 22.3%	4 1.5%	0 0.0%	5.03	.75
Imports are hampered by a strong domestic currency.	129 46.4%	113 40.7	28 10.1%	4 1.4%	4 1.4%	5.29	.82
Imports are less expensive when the domestic currency is strong.	100 36.0%	130 46.8%	34 12.2%	12 4.3%	2 0.7%	5.13	.84
exchange rate undervaluation enhances cost competitiveness	143 51.4%	93 33.5%	26 9.4%	10 3.6%	6 2.1%	5.27	.99

Source: Online Survey, 2021

Table 3 signifies respondents' opinion on the impact of exchange rate fluctuations on imports volume of quoted conglomerates companies in Nigeria. The table showed that 87.8% of the respondents agree imports are boosted by a lower local currency, 10.1% seldom and 2.8% disagree. The mean and standard deviation value are 5.32 and .74 respectively which implies that the respondents agree that imports are boosted by a lower local currency.

Moreover, the table also showed that 82.8% of the respondents agree that imports are more expensive when the home currency is weak.22.3% seldom, 1.5% disagrees and strongly disagreed were none. The mean and standard deviation value are 5.03 and 0.75 respectively which implies that the respondents agree that Imports are more expensive when the home currency is weak.

Besides, the table also showed that 87.1% of the respondents agree that imports are hampered by a strong domestic currency, 10.1% seldom, 1.4% disagrees and another 1.4% strongly disagreed. The mean and standard deviation value are 5.29 and 0.82 respectively which implies that the respondents agree that imports are hampered by a strong domestic currency.

In addition, the table also showed that 82.8% of the respondents agree that Imports are less expensive when the domestic currency is strong, 12.2% seldom, 4.3% disagrees and 0.7% strongly disagreed. The mean and standard deviation value are 5.13and 0.84 respectively which implies that the respondents agree that Imports are less expensive when the domestic currency is strong.

The table also showed that 84.9% of the respondents agree that exchange rate undervaluation enhances cost competitiveness, 9.4% seldom, 3.6% disagree and 2.1% strongly disagreed. The mean and standard deviation value are 5.27 and 0.99 respectively which implies that the respondents agree that exchange rate undervaluation enhances cost competitiveness.

Table 4: Descriptive Analysis of exchange rate fluctuation on export volume

	SA 5	**A 4**	**SE 3**	**D 2**	**SD 1**	**Descriptive Statistics**	
Frequencies/ Percentages	**F %**	**F %**	**F %**	**F %**	**F %**	**$\bar{x}$**	**σ**
Constant currency fluctuation affect market adversely as it causes it to become volatile.	159 57.2%	96 34.5%	20 7.2%	3 1.1%	0 0.0%	5.48	.68
a weaker domestic currency stimulates exports	102 36.7%	127 45.7%	40 14.4%	6 2.2%	3 1.1%	5.13	.92

fluctuating domestic currency makes imports more expensive	115 41.4%	59 21.2%	24 8.6%	27 9.7%	53 19.1%	3.70	1.87
a strong domestic currency hampers exports	76 27.3%	155 55.8%	39 14.0%	6 2.2%	2 0.7%	5.05	.82
a stable local currency makes importation cheaper.	157 56.5%	84 30.2%	26 9.4%	6 2.2%	5 1.7%	5.35	1.01

Source: Field Survey, 2021

Table 4.1.4 shows respondents opinion on the impact of exchange rate fluctuations on export volume of quoted conglomerates companies in Nigeria. Findings revealed 91.7% of the respondents agreed that Constant currency fluctuation affect market adversely as it causes it to become volatile, 7.2% seldom and 1.1% disagree. The mean and standard deviation value are 5.48 and 0.68 respectively which gives the implication that the respondents agree that constant currency fluctuation affect market adversely as it causes it to become volatile.

The table also showed that 82.4% of the respondents agree that a weaker domestic currency stimulates exports, 14.4% seldom while 3.3% disagree. The mean and standard deviation value are 5.13 and 0.92 respectively which connote that the respondents agree a weaker domestic currency stimulates exports.

Furthermore, the table also showed that 62.6% of the respondents agree that fluctuating domestic currency makes imports more expensive, 8.6% seldom and 28.8% disagree. The mean and standard deviation value are 3.70 and 1.87 respectively which implies that the respondents agree that fluctuating domestic currency makes imports more expensive.

Furthermore, the table also showed that 83.1% of the respondents agree that a strong domestic currency hampers exports, 14% seldom, 2.7% disagree. The mean and standard deviation value are 5.05 and 0.82 respectively which implies that the respondents agree that a strong domestic currency hampers exports.

Finally, the table also showed that 86.7% of the respondents agree that a stable local currency makes importation cheaper, 9.4% seldom, and 3.9% disagree. The mean and standard deviation value are 5.35 and 1.01 respectively which implies that the respondents agree that a stable local currency makes importation cheaper.

CHAPTER FIVE

DISCUSSION

5.0 Introduction

In this section, the data presented in the previous chapter are used in testing the hypotheses stated in chapter one, with the aid of the version 23 of the Statistical Package for Social Science the study carried out a regression analysis of the data and discussion of the findings with the linking of the findings to the established literature was done.

5.1 Hypothesis One

H_{01}: Exchange rate fluctuations have no significant impact on balance of trade of quoted conglomerates companies in Nigeria.

Table 5: Regression Analysis Results

Statistic	results
R	1.000
R^2	0.999
AR^2	0.999
error estimate	2.4764
R. sum of square	19430.802
Residual sum of squares	18.398
residual mean squares	6.133
F-value	3168.407
DW	1.804
C	-8.867
Coeff.	1.159
Beta (β)	1.000
t	56.289
P-value	0. 000

Source: Researcher's compilation based on SPSS software outcome.

The variance in the dependent variable, as shown in Table 5.1, indicates a strong connection between exchange rate fluctuation and balance of trade at R=1.000. The table above shows that exchange rate fluctuation and balance of trade variance is at 99.9%, and the remaining 0.1% owing to variables outside this model, of the balance of trade variations. A strong model explanatory capacity is demonstrated. Adjusted R-Squared instrument (R^2) was used to calculate the coefficient of determination and the calculation resulted to 0.999, reflecting the control power of the independent variable over the dependant. As a result, exchange rate fluctuations have a significant influence on trade balance changes. The premise of auto-correlation claims that a future random value (u) variable is temporarily distinct; auto-correlation employs Durbin Watson (DW) statistics as proof of a significant portion of fluctuations inside a dependent variable. The highest value of Durbin Watson is 2, however the figure's range is 0.2. The data from Durbin-Watson is 1.804, showing that the model has no autocorrelation and is reliable since it falls within its permissible range and the researcher thereby concludes that the model exhibits strong serial autocorrelation. The model is statistically significant, given that p-value of 0.000 is less than 0.05. Base on that the null hypothesis is rejected and the alternative hypothesis accepted. Consequently, the concludes that exchange rate fluctuations have significant impact on balance of trade of quoted conglomerate companies in Nigeria.

The first research question, objective and hypothesis of the study revealed that exchange rate fluctuation have an impact on balance of trade of quoted conglomerates in Nigeria and the model is statistically significant since the p-value of 0.000 is greater than 0.05 level of significance. The results of this study is confirmed by the result of the study carried out by Okonkwo (2019) that concluded that there is a substantial relationship between exchange rate and balance of trade. This is further supported by the findings of Aidi, Suleiman and Saidu (2018) that the basic components (exchange rate and inflation) of balance of payments (dependent variable) showed statistically significant negative impacts. The analysis also shows that Nigeria's balance of payments is statistically significant in terms of domestic loans, money supply, and Real Gross Domestic Product (RGDP). The reduction in balance of payments through the balance of trade mechanism is due to depreciation of the exchange rate as stated in the findings of Nwanosike *et al.* (2017). The depreciation of the exchange rate has no major influence on the balance of trade in Nigeria was the contrary findings of the study carried out by Anoke, Odo and Ogbonna (2016), the study further found a long-term equilibrium between exchange rate depreciation and the Nigerian balance of trade.

5.2 Hypothesis Two

H_{02}: Exchange rate fluctuations have no significant effect on exports volume of quoted conglomerates companies in Nigeria.

Table 6: Regression Analysis Results

Statistic	results
R	0.980
R^2	0.961
AR^2	0.948
DW	2.662
C	-6.237
Coeff.	1.112
Beta (β)	.980
t	8.590
P-value	0.003

Source: Researcher compilation based on SSPS software outcome.

Table 5.2 illustrates a significant relationship between exchange-rate fluctuations and export volume at R = 0.98, with R-Square (R^2) of 96.1 percent and the remainder of 3.9 percent variations in export volume due to non-included components of the model between the exchange-rate fluctuation and the export-volume. Therefore, the model's explaining power is strong. The effects of exchange rate fluctuations on export volume variations are 94.8%, corrected by the adjusted R-Squared (R^2) = 0.948. This is significant since it is superior to usual. The Durbin-Watson value is 2.662, which show that the model is not free from autocorrelation and as well it is not reliable since its value falls above the limits. The study then infers that the model has negative serial autocorrelation. The significance value (p-value) of 0.003 is lower than 0.05 and hence the model is significant statistically. The null hypothesis is rejected and the alternative hypothesis accepted. Consequently, the study concludes that exchange rate fluctuations have significant effect on export volume of quoted conglomerates companies in Nigeria's.

The second research question, objective and hypothesis of the study shows that exchange rate fluctuations have a significant effect on export volume of quoted conglomerate companies in Nigeria with the model being statistically significant as the p-value of $0.003 < 0.05$. The findings of the study is supported by the findings of a study carried out by Arize, Osang and Slottje (2000) that found out that increased exchange rate fluctuation in connection to exports to emerging nations have a substantially negative relationship. The findings of the study by Eme and Johson (2012) which concluded that there is no evidence that exchange rate are correlated with production growth further support the outcome of the present study. Currency factors have, instead, directly influenced Nigeria's economic development. Ogun (2006) reports both real exchange misalignment and volatility hamper the development of non-oil exports in Nigeria. The study by Lawal (2016) states that exchange rate fluctuation have a long-run and short-term impact on the production sector. The result indicates that the exchange rate has a positive relationship with industrial activity. Nevertheless, empirical research has demonstrated that the exchange rate has a positive connection with industry production for export.

5.3 Hypothesis and Research Question Three

H_{03}: Exchange rate fluctuations have no significant effect on import volume of quoted conglomerates companies in Nigeria.

Table 7: Regression Analysis Result

Statistic	results
R	0.855
R^2	0.732
AR^2	0.642
F-value	8.174
DW	2.478
Beta (β)	0.855
t	2.859
P-value	0.065

Source: Researcher’s compilation from results of SSPS software.

A significant relationship between exchange rate fluctuation and import volumes exist at R=0.855 as seen in Table 5.3. The relationship is really statistically significant. The R-Square shows how far the variables explain the model and the R-Square of 73.2% show that the dependent variables explains 73.2% of the model, while the remaining 26.8 percent of export volume fluctuates due to variables not considered in this model. A strong model's explanatory capacity is demonstrated. The adjust R-Squared (R^2) of 0.642 shows the significant effect of change in exchange rates fluctuation on export volumes of 64,2%. This is significant since it is above average of 50%. The Durbin-Watson value is 2.478, which are outside the scope to show that the model is not free from autocorrelation and not reliable. The study infers that the model has negative autocorrelation series. The model is statistically not significant since the significance value (p-value) of 0.065 is more than 0.05. There is, therefore, a rejection of the alternate hypothesis and an acceptance of the null hypothesis. The study infers, then, that exchange rate fluctuations have no significant effect on exports volume of quoted conglomerate companies in Nigeria.

The third research question, objective and hypothesis revealed a statistically insignificant model with a p-value of 0.065 >0.05 which suggests that exchange rate fluctuation have no significant effects on import volume in Nigeria. The findings is supported by the study of Aliyu (2011) which concluded that a rise in imports leads to a drop in exports, while a decrease in exports leads to increase in imports. If the exchange rate depreciates, a move from international to domestic products is usual. As a result of trade changes, the earnings on both exporting and importing nations is moved from importing countries to exporting countries that impact economic development. The beneficial impact of goods and services imports on Nigeria's RGDP, while other explanatory factors have a considerable negative effect, has been by shown the study carried out by Okunnu, Ekum and Aderele (2017). The study of Okoye and Clement (2015) indicates that the use of industrial capabilities is affected by exchange rates, interest rates and trade conditions. The utilisation of industrial capacity in Nigeria, with no substantial impact on inflation, external debt and Open Trade, are all having a negative contribution.

5.4 Implication of the Findings

The findings of this study suggests that it would be extremely difficult for an economy to expand and flourish if its citizens were unable to import goods and services from outside the country, as well as export goods and services to generate revenue that could pay for the imported goods and services. Trade has thus been widely acknowledged as a growth engine in developing nations like Nigeria by economists for a long time. Thus, the impact of exchange rate fluctuation on international trade needs to be full understood and adequate policies formulated for the macroeconomic goals like stable and favorable exchange rate, full employment, favorable balance of trade, income redistribution and a favorable balance of payments, price stability to be more quickly achieved. It will also help to promote local technology as well as to disseminate management skills and encourage indigenous business to innovate. As a result of the detrimental effects of export instability, Nigeria has not been able to fully benefit from trade possibilities. In the 21st century, no country can be able survive without trade. Nigeria relies on international trade to supply many of its needs, while maintaining a considerable trade surplus in recent years.

This study from its findings has been some recommendation which would turn out to form benchmarks, norms, and rules that would help Nigeria flourish and boost its ability to reap the benefits of international trade.

5.5 Area for further investigation

The study has so far looked at the impact of exchange rate fluctuations on international trade; however, based on the literature analysis and empirical findings, the study suggests that a further investigation on exchange rate trends and export performance in Nigeria. As well a further study on exchange rate variations and foreign trade in a mono-product economy: a Nigeria experience, 1986-2020, should be investigated.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter summarizes the outcomes of study on the impact of exchange rate fluctuation on international trade in Nigeria a study of Unilever Nigeria Plc, John Holt Plc and PZ Cussons Nigeria Plc. Based on the findings of the study, conclusion and recommendations were drawn.

6.1 Summary of findings

The key empirical findings by this study are as follows:

i. Exchange rate fluctuations have an impact on balance of trade of quoted conglomerate companies in Nigeria with a p-value of 0.000 which is less than 0.05.

ii. Exchange rate fluctuations have a significant impact on export volume of quoted conglomerates companies in Nigeria's, since it has a p-value of 0,003 which is less than 0.05.

iii. Exchange rate fluctuation have no significant impact on imports volume of quoted conglomerates companies in Nigeria, Since p-value of 0.065 is greater than 0.05.

6.2 Conclusion

This study was on the impact of exchange rate fluctuation on international trade in Nigeria with a focus on Unilever Nigeria Plc, John Holt Plc and PZ Cussons Nigeria Plc as the case study. The study was divided into six chapters and in these six chapters, the topic was introduced, literature reviewed, methodology adopted for the research discussion and justification for its adoption, data presentation, analysis and discussion of findings and then conclusion and recommendation. This study enhanced and highlighted the different viewpoints of exchange rate fluctuation on international trade with balance of trade, export volume and imports volume as the proxies for international trade. The research looked at how exchange rate fluctuation impacts on international trade in Nigeria. This research has thus included existing information by previous authors in the literature review. The results of the study show that exchange rate fluctuation have impact on balance of trade and on export volume of quoted conglomerates companies in Nigeria while exchange rate fluctuation has no significant impact on import volume of quoted conglomerate companies in Nigeria. Therefore, the research sums up that the exchange rate fluctuation significantly influences international trade.

6.3 Recommendations

Based on the findings of this study the following recommendations were made:

i. In order to foster international competitiveness and maintain a positive trade balance for the quoted conglomerates companies in Nigeria, the Nigerian government should promote and enhance the use of domestic raw materials in manufacturing processes. In addition to ensuring compliance with international standards, manufacturing agencies should monitor product quality of domestic industries.

ii. Since exchange-rate fluctuations have a significant impact on the volume of exports, government export promotion strategies should encourage trade-related excess balance conservation as well as an environment conducive for trade and commerce, appropriate security, efficient fiscal and monetary policies, and foreign-investor infrastructure facilities.

iii. The Government should create links between basic commodities and industrialization, in order to prevent overdependence on the foreign market and the effects of exchange rate fluctuation.

6.3.1 Recommendations for Further Study

The study has so far looked at the impact of exchange rate fluctuations on international trade; however, based on the literature analysis and empirical findings, the study suggests that a further investigation on exchange rate trends and export performance in Nigeria. As well a further study on exchange rate variations and foreign trade in a mono-product economy: a Nigeria experience, 1986-2020, should be investigated.

6.3.2 Importance of the research to the audience

The following groups of audience will considerably benefit from the research in general:

The federal government and its agencies: From the findings of this study the government would see the need for a better foreign exchange transaction for the economy, and from the recommendations of the study the government could designed, adapted, and implemented policies and take action plans needed for a better foreign exchange rate. Then its agencies like the Central Bank of Nigeria would be able to come up with better guidelines governing international trade practices.

Banks: Importantly, the conclusions of this study will help banks assess the strengths and weaknesses of each foreign exchange system and, as a result, build a plan that is appropriate for their operations. This would undoubtedly aid deposit money banks in Nigeria's poor areas to expand and thrive in the giving of credit to international traders.

The general public: this study offers more understanding on the impact of exchange rate fluctuation on international trade in Nigeria, and from the findings of the study the general public could see and understand the significant relationship between the variables and factors that significant affect international trade. The research work serves as an addition to the body of literature on the impact of exchange rate fluctuation on international trade in Nigeria.

6.4 self-learning Statements

These sections outline the understanding of the assessment of the impact of exchange rate fluctuation on international trade in Nigeria. This portion indicates that the researcher acquired academic and expert skills at the conclusion of the study and that learning enabled the researcher to develop and therefore improve her worth for future jobs. The researchers also stressed the strategies for maintaining and expanding this knowledge.

6.4.1 Learning Styles

The learning style for an individual in this study is defined as a 'collection of influences, actions, and learning attitudes.' Learning is a combination of cognitive, constructive and emotional features that serve as universal markers for comprehension, communication and reaction to information. Learning style 'Keefe' (1979) is an individual composite. Four different forms of learning have been discovered by Kolb (1984) as follows:

Activists: There are activists who learn via action. Activists have a flexible learning attitude and are open to new ideas. They are more intuitive and more prone to conclude with irrationality. Just as activists want to speak with people, they want to work with them (Kolb, 1984).

Reflectors: Reflectors comprehend and learn by observing and expressing their opinions about the occurrences. Instead of contributing reflectors like to sit and observe. Reflectors would want to come back and observe things in many ways, collect data and make discoveries (Kolb, 1984).

Theorists: These learners are aware of the theory and reason for each occurrence. They offer examples, goals and realism for the study cycle. Generally, new concepts may be decoded or integrated into a consistent and orderly structure (Kolb 1984).

Pragmatists: This group of learners attempts at understanding the application of the theory to real world situations. Unable to execute abstract notions daily, they have little significance. In their capabilities to generate new ideas, conceptions and procedures, Pragmatics are appraised (Kolb 1984). Consequently, the researcher created a novel method of learning.

6.4.2 Individual Learning Outcome

The researcher discovered that individual learning style was crucial, which showed what appeared to be incompatible with the outcomes of the research in terms of accuracy and learning success. Before the beginning of this program the researcher could not conduct the study. On the other side, during the second part, the researcher learnt to arrange and to conduct the study appropriately. During the research time, the experience inspired the researcher. The researcher can now swiftly and efficiently organize a study project. Engage more time in the process of learning and reflection.

6.4.3 Capacity for teamwork

The capacity of the researcher to operate and work with a team is essential. Team work is becoming increasingly popular in today's industry, and many firms actively want it as part of their employment process. Furthermore, following the sessions, the researcher learned to function efficiently as a team and maintain a good working environment. As a future leader, the researcher has learnt to handle and offer insights from both internal and external teams. The desire for the researcher to work with a team would led to her success in future leadership roles.

6.4.4 Capabilities for personal communication

Personal interaction with the local environment and individuals included is an important skill acquired by the researcher. During study program the researcher's communication skills have improved. Without fear or anxiety, she has learnt to speak to her audience, communicate visually and use nonverbal communication successfully. The researcher has more open discussions with individuals and groups at the moment. The expertise gained throughout the study and preparation of this report has improved the communication abilities of the researchers. In order to achieve a full public commitment during a speech, the researcher will continue to develop.

The flow of information between people, both private and public, as well as between persons and their local environment is called for by personal communications. During the researchers lecture sessions, she learnt how to speak with the audience confidently, without reading notes and making eye contact. The researcher is now permitted to talk to professors, employees and the general public. The researcher enhanced her capacity to speak effectively via her own communication abilities as she studied and produced this report. Therefore, the researcher would try to keep the audience in mind during a presentation and enhance its presenting abilities throughout.

6.4.5 Competencies Future employment

Self-management is also known for being able show how a person's thoughts, feelings and conduct. These talents are the basis of the researcher's ability to make good evaluations and achieve their future employment goals. The researcher learnt how to control and use time throughout the study. The researcher can work more efficiently and productively without needing to rush.

6.6.6 Conclusion of individual learning plans

The researcher can now use a learning approach. The main educational goal of the researcher was to get information in a knowledge society and to develop their abilities. Consequently, the researcher got urge to study. Lifelong learning, according to Honey and Mumford (1992) is "learning that never stops". The researcher is sure to continue her studies throughout her career. Therefore, it is necessary for a successful lifelong learner. The researcher can now study and analyze the problem rationally and fairly before a conclusion is reached. This demonstrates an improvement in researchers' decision-making skills.

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APPENDICES

REQUEST TO ANSWER THE RESEARCH QUESTIONS ON IMPACT OF EXCHANGE RATE FLUCTUATION ON INTERNATIONAL TRADE IN NIGERIA: A STUDY OF QUOTED CONGLOMERATES COMPANIES

QUESTIONNAIRE

Instruction; Please kindly tick [√**]** in the box spaces provided [tick in one of the box for each question.

SECTION A (FOR ALL CATEGORIES OF RESPONDENTS)

1. Name (optional) …………………………………………………………….

1. Gender

a) Male [ ]

b) Female [ ]

2. Age group

a) 18yrs-25 yrs [ ]

b) 26yrs – 34yrs [ ]

c) 35yrs-44yrs [ ]

d) 45yrs and above [ ]

3. Educational background/ qualification

a) O'Level WASSCE [ ]

b) OND polytechnic [ ]

c) HND/B.SC [ ]

d) MBA/M.SC [ ]

e) ACCA/ACA [ ]

f) OTHER [ ]

Appendix II

SECTION B INSTRUCTIONS: Please indicate by ticking (x) on filling in the appropriate column provided.“SA: Strongly Agree”, “A: Agree”, “SE: Seldom”; “D=Disagree” and “SD: Strongly Disagree”.

Part 1: What is the impact of exchange rate fluctuations on balance of trade of quoted conglomeratescompanies in Nigeria?

items	impact of exchange rate fluctuations on balance of trade	SA 5	A 4	SE 3	D 2	SD 1
1	balance of trade is driven by the supply of the local currency					
2	balance of trade is determined by the demand for the domestic currency					
3	balance of trade is influence by cost of production (land, labor, capital, taxes, incentives, etc.),					
4	Currency exchange rate movements affects balance of trade					
5	Multilateral, bilateral and unilateral taxes changes trade balance.					

Part 2: What is the impact of exchange rate fluctuations on imports volume of quoted conglomeratescompanies in Nigeria?

items	impact of exchange rate fluctuations on imports volume	SA 5	A 4	SE 3	D 2	SD 1
1	Exports are boosted by a lower local currency.					
2	Imports are more expensive when the home currency is weak.					

3	Exports are hampered by a strong domestic currency.					
4	Imports are less expensive when the domestic currency is strong.					
5	exchange rate undervaluation enhances cost competitiveness					

Part 3: What is the impact of exchange rate fluctuations on export volume of quoted conglomeratescompanies in Nigeria?

items	impact of exchange rate fluctuations on export volume	SA 5	A 4	SE 3	D 2	SD 1
1	Constant currency fluctuation affect market adversely as it causes it to become volatile.					
2	a weaker domestic currency stimulates exports					
3	fluctuating domestic currency makes imports more expensive					
4	a strong domestic currency hampers exports					
5	a stable local currency makes importation cheaper.					

Appendix III

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	1.000[a]	.999	.999	2.4764	.999	3168.407	1	3	.000	1.804

a. Predictors: (Constant), Exchange rate fluctuations

b. Dependent Variable: Balance of trade

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19430.802	1	19430.802	3168.407	.000[b]
	Residual	18.398	3	6.133		
	Total	19449.200	4			

a. Dependent Variable: Balance of trade

b. Predictors: (Constant), Exchange rate fluctuations

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	95.0% Confidence Interval for B Upper Bound
1	(Constant)	-8.867	1.593		-5.566	.011	-13.937	-3.797
	Exchange rate fluctuations	1.159	.021	1.000	56.289	.000	1.094	1.225

a. Dependent Variable: Balance of trade

Appendix IV

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.980[a]	.961	.948	15.9149	.961	73.788	1	3	.003	2.662

a. Predictors: (Constant), Exchange rate fluctuations

b. Dependent Variable: Exports volume

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18689.351	1	18689.351	73.788	.003[b]
	Residual	759.849	3	253.283		
	Total	19449.200	4			

a. Dependent Variable: Exports volume

b. Predictors: (Constant), Exchange rate fluctuations

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	95.0% Confidence Interval for B Upper Bound
1	(Constant)	-6.237	10.123		-.616	.581	-38.454	25.979
	Exchange rate fluctuations	1.112	.129	.980	8.590	.003	.700	1.524

a. Dependent Variable: Exports volume

Appendix V

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.855[a]	.732	.642	41.7206	.732	8.174	1	3	.065	2.478

a. Predictors: (Constant), Exchange rate fluctuations

b. Dependent Variable: Imports volume

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14227.371	1	14227.371	8.174	.065[b]
	Residual	5221.829	3	1740.610		
	Total	19449.200	4			

a. Dependent Variable: Imports volume

b. Predictors: (Constant), Exchange rate fluctuations

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	-15.792	31.172		-.507	.647	-114.995	83.410
	Exchange rate fluctuations	1.284	.449	.855	2.859	.065	-.145	2.713

a. Dependent Variable: Imports volume