

TITLE PAGE

THE ROLE OF INFORMATION TECHNOLOGY IN ENHANCING THE PERFORMANCE OF NIGERIA CAPITAL MARKET. (A CASE STUDY OF NIGERIAN STOCK EXCHANGE (KANO BRANCH)

BY

**ADISA HABIB
11120902442**

**AN ESSAY SUBMITTED TO SCHOOL OF POSTGRADURATE
STUDIES, THROUGH THE DEPARTMENT OF ACCOUNTING
USMAN DANFODIO UNIVERSITY, SOKOTO, IN PARTIAL
FULFILMENT OF THE REQUIRMENTS FOR THE AWARD OF
POST GRAUATE DILPOMA IN ACCOUNTING AND FINANCE
(PGDAF)**

MARCH, 2013

CERTIFICATION

I certify that this essay was prepared and written by me, and has never been presented, wholly or partially for the award of any diploma or degree, or for publication elsewhere.

(Signature)

(Full Name) Adisa Habib

(Full Reg. No.) 11120902442

APPROVAL PAGE

This essay has been read and approved as meeting the requirements for the award of postgraduate Diploma in accounting and finance (PGDAF) of Usman Danfodio University, Sokoto.

**MR. A.A. ALIYU
(PROJECT SUPERVISOR)**

.....
SIGNATURE AND DATE

**MR Y.Y KAURA
(PROGRAMME COORDINATOR)**

.....
SIGNATURE AND DATE

**PROF. A.M. BASHIR
(HEAD OF DEPARTMENT)**

.....
SIGNATURE AND DATE

(EXTERNAL EXAMINER)

.....
SIGNATURE AND DATE

DEDICATION

I am dedicating this project work to Almighty Allah who guided me day and night in the pursuit of my PGDM and to my late beloved parent Alhaji and Hajia Nafiu Adisa.

ACKNOWLEDGMENT

Let me start by thanking Almighty Allah for his assistance and guidance throughout my year of study.

My special thanks goes to my Project Supervisor Mr. A.A Aliyu whose guidance and relentless effort, suggestion, cheerfulness and correction made this work a reality.

My sincere gratitude goes to my beloved parent Alhaji and Hajia Nafiu Adisa who supporting and encouragement made this project what it is. I love you.

To my beautiful Brother and Sister whose prayer, encouragement, love and care make it meaningful. I love you all.

To my friends who gave me audience, day to day discussion and jokes provided me with pleasurable and suitable quality and objectivity of this project, they are. Thank you dear friend.

I would also like to appreciate the support and contributions of all PGDM students towards the success of our programme and any other person who contributed in one way or the other towards the success of my project.

TABLE OF CONTENT

Title page.....	i
Certification.....	ii
Approval page.....	iii
Dedication.....	iv
Acknowledgment.....	v
Table of Contents.....	vi-viii

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study.....	1-3
1.2 Statement of the Problem.....	4
1.3 Research Questions.....	4
1.4 Research Hypothesis.....	5-6
1.5 Objective of the Study.....	6-7
1.6 Significance of the study	7
1.7 Scope and limitation of the study.....	7-9
1.8 Definition of Terms.....	9-11

CHAPTER TWO: REVIEW OF LITERATURE

Introduction	12
Information Technology.....	12-13
Historical of Information Technology.....	13-15
2.1.2 I.T in the Nigeria Capital Technology.....	15-18
Market Overview.....	18-21

Current Development in the Nigeria Capital Market.....	21-24
Membership of the Nigeria (Kano) Exchange.....	25
Pupil issues of the shares (Primary Market).....	25
Secondary Securities Market.....	26-27
Disclosures of Equity Holding.....	27
Players involved in Securities Transaction in the Nigeria Stock Exchange	27-28
Securities traded on Nigeria Stock exchange.....	28-30
The Nigeria Stock Exchange and all Share Index.....	30
The Central Securities Clearing System Limited.....	30-31
Component of the Automatic Trading System depository.....	31-32
Marketing Services.....	32-33
Intangibility.....	33
Heterogeneity.....	33
Fluctuation Demand.....	33-34
Improving IT in Nigeria Capital Mark.....	34-35
CHAPTER THREE	
Introduction.....	36
Research Design.....	36
Population of the study	37
Sample and Sampling technique.....	37
Data Collection Instrument.....	37-39

Questionnaire.....39

Personal Interview.....39

Method of Data Analysis.....39-41

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction42

4.2 Analysis and interpretation of response.....42-54

4.3 Hypothesis Testing.....54-56

4.4 Summary of Major Finding.....56-57

CHAPTER FIVE: SUMMARY, RECOMMENDATION, AND CONCLUSION

Introduction.....58

Summary.....58-59

Conclusion.....59

Recommendation.....59-60

BIBLIOGRAPHY.....61-62

APPENDIX.....63-64

CHAPTER ONE: INTRODUCTION

BACKGROUND TO THE STUDY

Companies and government (local, state, and federal) are continuously facing financial problem not only to meet their short term needs, but also to meet their long term capital requirement for fixed investment like factories, plant and machinery, housing estate, road electricity etc for the execution of such long term project are produced by the capital market. It is a market that mobilized saving from surplus units for long term investment Yusuf (2004). It is the arm of the financial market which is designed to facilitate the efficient flow of long term capital Ekineh (2001).

More elaborately, the capital market is an interconnectivity of financial and government institution, facilities arrangement and individual that interacts in ways approved by law to mobilize and allocate long term funds in the economy through the exchange of fund for debt or equity instruments.

For the market to prepare itself in this present millennium there is need for information technology. Major forces that will drive economics and business in the third millennium are increasingly becoming evidence. These include democratization globalization and information technology. Advance information technology have thrown up new challenge that must be taken into consideration thus could be illustrated with the ties in the service sector, where the emphasis is now on customers and service delivery, consequently, effective communication links and computerized system are essential for high quality service delivery.

However, this research project is set out to examine how modern information technology can be used to enhance the efficiency of the capital market by finding ways to provide information to the investors as required by the earlier mentioned efficient capital market participants and contribute positively to development of the national economy. In addition, an empty shall be made to examine the change that has taken place in the

market with emphasis on those changes occasioned by information technology.

Capital market activities in Nigeria started in 1946 when the colonial government issued a \$ 300, 000 local developments stocks. At that time, there was no formal market structure for long term securities.

In 1958, the government set up the R.H Bar back committee to consider and advice it on ways and means of setting up a stock market in Nigeria.

Following the Bar back committee recommendation the Lagos stock exchange was establish in 1959 and commence business in June 1961 after the enactment of the Lagos stock exchange Act of 1961. It was later renamed the Nigerian stock exchange (NSE) in 1977 and later open several branches in the country Kaduna (1978), Kano (1989), Onitsa (1990), Ibadan (1990), Abuja (1999), and Yola (2002), Benin (2005), Uyo (2007), Ilorin (2008), Abeokuta (2008), Owerri (2009), Bauchi (2009). Lagos is the head office of the exchange.

Kano which was established in (1989) as one of the branch of Nigeria stock exchange each of these branches has a trading floor.

STATEMENT OF PROBLEM

There is no doubt that information technology is the key to business growth and performance in the 21st Century.

But before the introduction of Information Technology, the capital market service was different and monotonous to perform. This is as a result of its inability to provide investment to public with accurate and required information, which is then characterized by low growth due to low awareness and enlightenment among the investing public during that period investor would rather hold on their fund in cash because there is no ingredient of confidence.

Mean while, with the advance of I.T in which tools are being provided in re- engineering its operation the investing public are partially informed, you will find out that investors are more active and involve in the activities of the Nigeria capital market.

RESEACH QUESTIONS

If all investors have the knowledge of the relevant information at the same time, if all agreed of the implication of at the same time, and if there were no advantages in term of transaction cost determined by the sign of the trading, the market would be perfect in economic sense.

Based on the premise, the following questions come to mind:

What is the relationship that exists between the growth of information technology and capital market efficiency?

What are the forms of information technology tools in re-engineering capital market operation?

What are the modern ways of obtaining technology by investors about market information?

What are the ways of improving information technology in the Nigerian capital market?

What is the correlation between information technology and service delivery?

RESEARCH HYPOTHESIS

Hypothesis is generally statement describing a phenomenon in which the statement might either be true or false. In any research especially in the management science, there is always the need to develop hypothesis that will guide and provide the limits to the research investigation to be carried out the following hypothesis are provided for testing the research finding.

H₀- Information technology has significant impact on the performance of Nigeria capital market.

H₁- Information technology has no significant impact on the performance of Nigeria capital market.

OBJECTIVE OF THE STUDY

The main objective of this study is to examine the role of information technology in enhancing the performance of Nigeria capital market. However, the study will be guided by the following specific objectives:

To examine the relationship between the growth of information technology and capital market efficiency.

Identify the form of information technology tools in re-engineering of the capital markets operations.

To investigate a correlation between information technology and service delivery ability of stock broker.

To proffer ways of improving information technology in the capital market.

SIGNIFICANCE OF THE STUDY

This study will aid capital market operate on how to use information technology to accelerate the market efficiency.

To provide adequate information which will contribute to the existing fact for use by potential research?

It will be used as material to be kept for use in libraries for reference purpose.

SCOPE AND LIMITATION OF THE STUDY

The study is aimed at assessing the impact of information technology on the efficiency on the capital market in Nigeria with particular reference to Nigerian Stock Exchange Kano Branch. This study shall consider

efficiency in Nigeria. Attempts shall also be made to evaluate the level of information available to Nigeria investors and what is their understanding of the information provided. Also, we shall Endeavor to know how investor prefer to receive capital market in formation. The study will strive to establish (if any) the relationship between information technology and capital market development or efficiency.

A study of this nature which encompasses the Nigerians stock exchange is band to have certain invitation the work performed is united to Nigeria stock exchange Kano branch. It shows that central part for the operation of the Nigeria capital market.

The finding and coalition of requisite information and material for this research work is limited to those obtained from the Nigeria capital market Kano branch.

Distance: The distance between the place of residual of the researches and the case study may not allow for full information because the researchers are under going

double process, they are currently having lectures on campus and secondly undergoing research. The only available time created to gather information from the case study may not yield the required target.

The deposition of the respondent to provide answer to all question throw to them regarding the project matter may not allow for full information and there may not be chance probity of the respondent as a result of tight schedule.

1.7 DEFINITION OF TERMS

In the financial environment certain words refers the meanings as applicable to day to day communication while others have been given specialized meaning, some of the words as used in the context of this research works are defined as follows:

A STOCK: This is a representation of an equity interest in company usually in denomination of N 100 etc.

THE STOCK EXCHANGE: This is physical place where the market is located. It is the place where sellers

and buyers of quoted investment come to transact business.

CAPITAL: The stock of goods used in the creation of other goods productive resources used in the advancement of further wealth.

CAPITAL MARKET: This is a market that deals in long-term financing (fund and securities).

FINANCIAL SYSTEM: This is framework within which capital formation take place.

MONEY MARKET: This is the market where lending and borrowing of short term loan can be obtained.

CAPITAL FORMATION: The investment process that increase the production capacity of the economy.

Equity (ies): This is a share of quoted companies.

A Share: This is a representation of an equity interest in a company; it is a unit of a share in a company.

Right price: This is the price at which rights shares are issued to existing shareholder

Conversion price: This is the price at which shares are exchange for convertible security.

Debenture: This is a loan obtained by a company from investors through the capital market.

Securities: Relates to all types of share and debenture which may be issued by a company.

Primary Market - A medium through which new financial asset (stocks, bonds, shares etc) are issued or generated.

Secondary Market – A medium through which existing financial assets are traded from old to new ones.

Economics Growth – A situation whereby a country raise the per capital income by properly harnessing it national and material resources in such a way as to obtain maximum output.

CHAPTER TWO: REVIEW OF LITERATURE

2.0 INTRODUCTION

The chapter start with the conceptual clarification of some important term used in this project, such term include the Information Technology, the market review and as well as Development in the Nigerian capital market.

INFORMATION TECHNOLOGY

Information technology, as describe by the Information technology Association of America ITAA (1990). “Is the study, design, development, implementation support or management of computer based information systems, particularly software applications and computer hardware” Encompassing the computer and information system and industries, information technology is the capability to electronically input process, store, and output, transmit and receive data and information including tax, graphics sound, and video as well as the ability to control machines of all kinds electronically. Worth N39.7 billion for 21 corporate issues this year as against N35.5 billion for the same period and number of issues this as year. Also, statistics showed that N9.9 billion was for public offers, N22.6 billion for right issues and N6.15 billion for mergers. The all share index also grew by 34.0 percent to close the first half of the year at 10937.26 a record mark..

The events of the 2000's in the world business community eventually threw up market economy and rapid growth in information technology, which enable the country to do business within and across the boarder where boundary is no more regarded as a major barrier.

The stock market is not left out in this phenomenon. It has become very easy for an investor in Nigeria to invest in a dollar quoted stock vis-a - vis an American investor doing same in Nigeria quoted stock without necessarily traveling out of their respective countries. Nigeria stock exchange in order to streamline its operation to be at par with these of developed stock markets only recently commissioned its e-business platform and portal which incorporate on-line trading facilities Chafe (2004).

HISTORY OF INFORMATION TECHNOLOGY

The term "Information technology" evolved in the 1970's. Its basic concept, can be traced to the World War II alliance of the military and information theory. After the 1940's military remained the major source in the development of electronics, computers and research and development funding for the expansion of automatic to replace manpower with machine power.

Since the 1950's four generations of computer have evolved, each generation reflected a change to hardware of decreased size

but increase capacities to control computer operations. The first size generation is vacuum tubes, the second use transistor, the third used integrated circuit, and the fourth used integrated circuit and a single computer chip. Advance in artificial intelligence that will minimize the fifth generation of computer, still in the experimental stage.

The first commercial computer was UNIVAC I, developed by John Eckert and John W. Maaclily in 1951. It was used by the Census bureu to predict the out come of the 1952 presidential election. For the next twenty five years, mainframe computers were used in large corporation to do calculation and manipulated large amount of information store in data base. Super computers were used in science and engineering, for designing aircraft and nuclear reactors, and for predicting world wide whether patterns. Mini computers came on to the scene in the early 1980's. in small business manufacturing plants and factories. In 1975, the Massachusetts institutes of technology developed microcomputers. In 1976 Tandy corporation's first radio shack microcomputer followed, the apple microcomputer was introduces in 1977. The market for microcomputer increased

dramatically when IBM introduced the first personal computer in the fall of 1981. Because of dramatic improvement in computers, today do more than the largest computer of the mid 1960's at about a thousand of the cost Etadage (1997).

One of today's first and largest application of computer is keeping and managing business and financial records. Most large companies keep the employment records of all their workers in large databases that are managed by computer programme similar program and databases are used in such business function as billing customers tracking payment received and payment to be made and tracking supplies needed and items produced, stored, shipped, and in fact, particularly all the information companies need to do business involves the use of computers and information technology.

2.1.2 INFORMATION TECHNOLOGY IN NIGERIA CAPITAL MARKET

No doubt, the Nigerian stock exchange (NSE) is emerging as one of the leading stock exchange in America and in the global arena. At the 24th annual president's merit and award ceremony of the exchange held recently in Lagos, Mr. Akintola Williams a Reputable Accountant and the Doyen of Accountancy profession in Nigeria, who was also the special guest of honor at the ceremony

ret iterated the body is decision to all grade it information (I.T) infrastructures, in a bid to sustain it's rating as a leading market in the global scene.

The continue upgrading and improvement of the electronic and information technology infrastructure of its has over the years received global recognition for high return on investment in 1997, the international finance corporate (IFC) rated the NSE second in the world, based on it's return on investment and in 1999, NSE becomes number one in the world. While 2001, standard and poor, an international agency rated in number three in the world premises on it's mission statement, the NSE has invested heavily in I.T and education programmes to enhance market development culture in the average Nigeria. Among the IT facilities is the automated trading system, called over system on April 27, 1999, the incorporation of centre securities clearing system settlement and delivery of transaction of the exchange: done through are electronic process and computer.. This has been put in place to settle transaction from over trading and enables it to achieve a T + 3 settlement cycles, One of the best ever in any market. The T + 3 have reduced the risk profile of the market, boosted investors confidence in the market while allowing for completion of transaction in 3 working days Clipton (2002).

The cross boarders listing is another major achievement of the exchange. The NSE has signed memorandum of understanding (MOU) with international stock exchange of South Africa and Ghana stock and exchange among others. This made it possible to achieve the first cross boarder listing in African continent with the concument listing of M-Net / Super Sport Linked shares. Since June, 1987, NSE linked up with Reuter's electronic contributor system for online global disseminations of stock market information, trading statistic, all-share index company investment ratio and company news.

As part of the continue upgrading of Nigerian stock exchange's system. It installed a new server and a very small apertures terminal (V-sat) to enables it has remote access to its trading engine and support internet services to all its stakeholders.

Statistic obtained from the NSE showed that so far the exchange has approved new issues of 13.8 billion ordinary share with worth it N39. 7 billion for 21 corporate issue this year was against it N35.5 billion for the same period and number of issue last year. Also, statistics showed that it N9.9 billion was public offers, it N 22.6

billion for right issue and it N6.15 billion for mergers. The all share index also grew by N34.0 percent to close the first half of the year at 10937.26 the Nigeria Stock Exchange Annual Report (2008).

2.2 MARKET OVERVIEW

Although a small market by international standard, the Nigerian capital market is one of the leading markets in Sub-Saharan Africa and has made some notable strides in recent years. With a history of over 50 years (when the first public issue was floated) and 42 years of a stock exchange, equity listing and market capitalization are still relatively small, standing at 196 and US \$ 7.0 billion respectively at the end of March 2003. The value of equities traded at year – end 2002 was US \$ 0.5 billion, a much lower figure than market capitalization. As a result of this, turnover ratio of 7.9 percent was recorded at the end of 2002, higher than the average turnover ratio for 1998 – 2002. From a historical perspective, this figure excepting for 2001, is an improvement, evidencing the continued rise in activities in the market. The market has been quite active this year with traded equities of N10.8 billion (US \$ 86 million) in January 2003, which represented about 18 percent of the total equity value in 2002, by end

of march 2003, N24 billion (US \$ 188.9 million)equities has been traded. (The Nigerian Stock Exchange annual reports, 2005).

It is important to point out that the depreciation of the local currency. The naira has continued to impact on the size of the market in dollar terms between 1997 and December 2002, the naira cost over half its value to the to dollar. As a result, while market capitalization witnessed impressive growth in local currency terms, this was registered. For instance, in the five year ended 2002, equity market capitalization recorded almost three-fold increases from N256.8 billion in 1998 to N 748.7 billion in 2002 for a 91.5 percent increases while it rose by 52.6 percent or from US \$ 3.8 billion in 1998 to US \$ 5.8 billion in 2002. (Nigeria stock exchange fact book). The point being made is that, if the local currency had been strong, the dollar size of the market would have been larger.

In 2002, equity market capitalization grew by over N100 billion (US \$ 794 million) or 15 percent and has remained on the upward swing this year. In the month of January 2003, equity market capitalization rose by over 12.4 percent had by February 2003, it had gained N116 billion (US \$ 0.9 billion) over December 2002 more than the increase in the whole of that year. However, in March

2003, market capitalization rose by N98.2 billion (US \$ 0.8 billion) over December because of the type of SOE's slated for sale and their expected impact on the capital market. This phase has the utilities including electric and telecom companies whose sheer size would considerably deepen the market. As a matter of fact, the state telecom company has reached an advanced stage of preparation of the market. It is worthy of note that after restructuring, many of the privatized enterprises have been back to the market for additional offerings. If trend continue, market capitalization by year ended 2003 is likely to significantly surpass gain recorded in 2002.

The impressive movement in market capitalization has been led principally, by new listing and firmers arising from positive market sentiment. In 2002, the stock index rose by 10.7% lower than the price increase of 35.2% in 2001 and 54.0% in 2000. In point of fact, the three years (2000 – 2002) average index growth of 33.3% is higher than the growth of inflation, which average 12.6% during the same period Obafemi (2003).

The commission believed that as merit of the capital market become better appreciated, more initial public offering (IPOS) would be induced, furthermore, privatization, and strongly equity could further booster the percentage of the market capitalization to

GDP. In deed the capital market in recent times becomes a major source of fund to corporate entities and is increasingly becoming attractive to state government. This is particularly obvious in the number and value of new issue as well as the varieties of fund raisers in the market lately. Year 2002 was a record year for the capital market with total flotation of N61.3 billion or US and No.483 million, the highest annual record ever posted in the capital market. This single year record surpasses the cumulative figure for the preceding two years. It also significant that the total value of flotation last year represented 36.4% of flotation in the ten years ended 2002. it may by intrusive to state that the commission actually receive 42 new issue application for N78 billion but only 33 application has been cleared by year ended. The 33 flotation in 2002 compared favorably with 27 and 21 in 2001 and 2000 respectively.

2.2 CURRENT DEVELOPMENTS IN THE NIGERIAN CAPITAL MARKET

According to the Nigerian stock exchange facts book (1997), the capital market is a network of specialized financial institution that in various ways bring together the suppliers and users of funds. The market supplier users with fixed and working capital and

finances medium/long term borrowing for all tiers of governments, companies and individuals. The institutions that make up the capital market are stock broking / investment / issuing / underwriting houses, merchant banks, pension funds, etc. While the regulatory institutions are the central banks, stock exchange and securities and exchange commission. The various institutions operating in the capital market give quantitative and qualitative direction to the flow of funds and bring rational allocation of resources. This is done by converting financial assets into productive physical assets.

According to Ibru (1990), the capital market is an important economic sector whose uses are best appreciated from the perspective of efficiency capital formation and allocation. Though its functions, the capital market enables government and industry to raise long-term capital for the financing of new projects, expansion and modernization of industrial / commercial concerns. An efficient capital market mobilizes savings and allocates a greater proportion to those investments with the highest prospective rates of returns after giving due allowance for risk. This palliative function is critical in determining the overall growth of the economy. If capital resources are not provided to those economic areas, especially industries where demand is growing and which

are capable of increasing production and productivity, the rate of expansion of the economy often suffers,

It is a requirement for a sustainable growth and development that funds must be effectively mobilized and allocated to enable business and the economy harness, human, material and management the resources for optimal output.

The trend in capital market techniques in the new millennium in shaping the futures of Nigerians business is to get more companies to raise cost effective funds through the capital market.

This way, they will be able to reduce their excess leverage and imbibe the culture of prudent management and .market discipline. The economy can no longer afford to finances long term investment through short-term bank loans. Business and economics financed in such manners do not last. Corporate finance must henceforth rely on long-term capital market funding mechanism.

Ibru (1999) further said the exchange as the nub of the capital market in Nigerian, has been proactive and innovative in the range of instrument and infrastructure it offers for success investment through the capital market. One of the most dormant factors characterizing securities market today is change-change generated by technology, economic developments, politics, new

product and new clients. The Nigerian stock exchange has in various ways anticipated and responded to these developments in its environment Ibru (1999).

Essentially, the exchange took the initiative in enhancing its operational efficiency by executing a computerization programmed under which it automated its clearing, depository and settlement system and trading system. These have made Nigerian capital market more investors friendly, apart from improving efficiency. Also the transition to the computerize clearing system and automated trading system (ATS) has made the market truly international and emerging market.

Indeed, these technological innovations give Nigeria a strong and dynamic stock market, which can be relied upon for efficient capital formation in the present millennium. In order to ensure that every thing works well in the market, the exchange has established an investor's protection fund against default arising from liquidated stock-broking firms. Similarly, incase of failed trades, the exchange is in the process of establishing a guarantee fund.

The exchange also has a stiff penalty for any stock brokers who want perpetrate any malpractice.

2.3.1 MEMBERSHIP OF THE NIGERIAN (LAGOS) EXCHANGE.

According to the Nigerian stock exchange fact book (1997) dealing members of the Nigerian stock exchange (stockbrokerage firms) can now provide somewhere to stay foreign shareholders in their equity capital; or go into any form of partnership with foreign stock brokerage firms. Application from foreign stockbrokers as members on the Nigeria stock Exchange can be entertained within the rule and Regulations of the Nigerian stock exchange as well as registration with securities exchange commission and corporate affairs commission.

2.3.2 PUBLIC ISSUES OF SHARES (PRIMARY MARKET)

According to the Nigerian stock exchange fact book (1997), companies quoted on the Nigerian (Lagos) stock exchange can now make new issues which could be subscribed to all persons irrespective of nationalities and to any level within the capital structure of the companies. Quoted companies may also seek multiple / cross border listing subject to the Nigerian stock exchange “memorandum of understanding” with such international stock exchanges.

Prices and other direct controls have given way to indirect controls by the regulatory bodies (Securities and Exchange Commission and the Nigerian stock exchange) following the

deregulation has definitely made the market more competitive and investors friendly.

2.3.3 SECONDARY SECURITY MARKET

According to the Nigeria stock exchange fact book (1997), dealing members may now buy and sell quoted securities on behalf of Nigerians and non-Nigerians within the rules and regulations of the stock exchange. Accordingly, current transfer forms that contain attestation of Nigerians citizenship should now be amended to allow transfers listed on the Nigerians and non-Nigerians stock exchange official list are still registered securities. As the total market capitalization of each quoted company is listed on the exchange, all investments or sale of shares must be affected on the trading floors through stock brokers licensed by the stock exchange. Investors should note that share certificate of companies quoted on the exchange are negotiation instruments; hence registrars should not seek the approval of the vendors before effecting transfers. In effect, owners should protect their certificates as they would their currencies. The Nigerians stock exchange through its central securities clearing house provides custodian services to all investors on request. To avoid

concentration on share are still limited to among/between family members and associated corporate entities.

2.3.4 DISCLOSURE OF EQUITY HOLDING

According to the Nigerian stock exchange fact book (1997), as soon as the holding of an individual or corporate body in a quoted company gets to 5% of the capital, the beneficiary must notify the exchange; also director's interest must be disclosed.

2.3.5 PLAYERS INVOLVED IN SECURITIES TRANSACTION IN THE NIGERIAN STOCK EXCHANGE

- 1. Issuing house** – An issuing house is essentially a company that arranges the assurance of the share of another company. It may also issue its own shares by law. The issuing house needs to be an ordinary member of the exchange. The new function of the issuing house is to underwrite shares not fully subscribed and render financial advice to prospective investors. Merchant banks are usually issuing houses.
- 2. Stock brokers** – These are dealing members of the exchange who arrange to buy or to sell securities on behalf of investors for commission. A broker is an agent who acts according to the instruction of his / its principals.

3. **Register** – The register is not a member of the stock exchange but performs a vital function that facilitates securities transaction on the exchange. They prepare share certificate and maintain Update Company's share register where ever there is transfer of shares. They may also dispatch notices of meeting when directed to do so.
4. **Dealers** – The dealing members of stock market are active operators of the market on the Nigeria stock exchange, the dealing members are financial institutions who are given license to buy and sell securities listed on the floor of the exchange on behalf of investors.
5. **Investor** – These are important participant in the stock market. An investor may be a person or an institution that buys and sell. Securities the investor may be individual, government, company etc.

2.3.6 SECURITIES TRADED ON NIGERIAN STOCK EXCHANGE

The types of securities or instruments traded on the floor of Nigeria stock exchange are:

1. **ORDINARY SHARES:** These shares entitled the holder to the ownership of a company. The ordinary share holders bear the greatest risk in a company and also benefit from the success

ordinary shares are permanent sources of capital to a company with no contractual repayment period.

2. **PREFERENCE SHARES:-** The holder of preference share are entitled to a fixed percentage divided before ordinary share holder are paid if there are sufficient distributable profit available, preference share may be accumulating non-cumulative preference share issued may also be redeemable or irredeemable and participate non-participate.
3. **DEBT SECURITIES:-** These are financial claims with all obligations by the issuer to pay interests as specified rate and fixed period of time and to redeem the issue at a future date.

The classes of debt instruments traded on Nigerian stock Exchange Include:-

- i. **Federal Government Development Stock:** Federal Government issues these instruments to raise funds. Development stocks are long term locus with naturally between 6 – 25 years; the first development stock of £600,000 was floated in 1946.
- ii. **Bonds:-** These instruments are used by state and local government in Nigeria to raise fund on the stock market.
- iii. **Debenture loan stock:-** These are corporate loan stock for financing long term capital needs. Loan stock is raise by a

company on which interest is paid whether profit is earning or not by the company. Debentures are form of loan stock.

2.3.7 THE NIGERIAN STOCK EXCHANGE AND ALL SHARE INDEXES.

According to the Nigerian stock exchange fact book (1991), the index was formulated in January 1984, it is an all share index; only common stock (i.e. ordinary shares or equities) are included in its computation. The index is value – relative, with 1984 as base year (January 3, 1984 – 100).

2.4 THE CENTRAL SECURITIES CLEARING SYSTEM LIMITED

According to the Nigerian stock exchange fact book (1997), the development of any stock market and its ability to contribute to overall national economic development and growth are dependent on how investors and speed of execution. An efficient stock market is one that is able to meet the needs of users at minimum cost and time where share prices reflect all available information. Thus as part of the effort to make the Nigeria stock exchange market more efficient and investor. Friendly, the exchange in 1992 incorporation a subsidiary, the central securities clearing system limited (CSCS), with a mission to speed up the delivery and settlement system of the market through the introduction of a more

efficient, effective securities clearing, delivery, settlement and custodian mechanism. The (CSCS) central securities clearing system limited was commissioned on April 8, 1997, by then the chief of general staff Lt. Gen. Oladipo Diya. The CSCS limited commenced operations on April 14th 1997.

The central securities clearing system limited also sets the tone for electronic trading on the whole market, which will make the market more efficient, investor-friendly and internationally competitive. The electronic order routing of the Nigerian stock exchange (also known as the automatic trading system ATS) was commissioned on the 5th of August 1999 by the Honourable Minister of Finance of the Federal Republic of Nigeria Mallam Adamu Ciroma.

2.5 COMPONENTS OF THE AUTOMATIC TRADING SYSTEM DEPOSITORY

Automatic trading is one of the most outstanding innovations in the securities market in Nigeria. The Nigerian stock exchange has been operating on an automatic trading system (A.T.S) since April 27, 1999, with dealers trading through a network of computers connected to a server. Many of the dealing members trade online from their offices in Lagos and from Abuja area office, Kano, Kaduna, Port Harcourt, Yola, and Benin branches of exchange.

The exchange is in the process of connecting more branches for online real time trading system.

All securities to be traded on the floors of the Nigerian stock exchange are to have their certificates deposited in the depository maintained by CSCS limited. The certificates are deposited in the name of the selling broker prior to trading on a particular day. The settlement system / stock transactions is processed by way of electronic book entry, that is reducing the seller's stock account and increasing the buyers depository account held in the CSCS limited stock brokers bank.

The CSCS limited has entered into agreement with designated four (4) commercial banks of high repute with automated integrated banking system as stock broker's banks. All stock broking firms are required to open trading account with any one of the designated banks to facilitate settlement of trade / transaction.

2.6 MARKETING OF SERVICES

According to station (1981) services are those separately identifiable essentially intangible activities that provide want satisfaction, and that are not necessarily tied to the sale of a product or another. The services in focus in this study are the

capital market product such as shares, debentures, government loan stocks, etc.

The following are some characteristics of capital market instruments (products).

2.6.1 INTANGIBILITY

According to station (1981), services are essential intangible. This features of services places some stains on an organization. The sales force and advertising department must concentrate on the benefits to be derived from the services, rather than emphasizing the services itself. Hence, stock brokers promote such benefits dividends, profit / earning ration of capital market instruments (products).

2.6.2 HETEROGENEITY

According to station (1981), it is impossible for a service industry or even as individual seller of service standardized output. He further went onto say that “unit” of some service. For example, the prices of ordinary share are not the same for different companies.

2.6.3 FLUCTUATING DEMAND

The market for services fluctuates considerably by season, by day of week, and by hour of the day (station 1981). For

example the prices of securities fluctuate in cyclical manner throughout the year.

2.7 IMPROVING I.T IN NIGERIAN CAPITAL MARKET

Integration of information and communication technology (ICT) tools in every facet of the economy is the dream of every government in this era and working a head, the management of progenic corp limited, mid last year, announced the enhancement of its top brand, symbols with a web-based module. Progenic corp led by Amiable Tony Udoh, said the improvement was a reiteration of its commitment to the deployment of ICT software solutions, particularly in the capital and money market sub-sector of the economy.

Head business development at progenies, Mr. Tunde Yemi Daniel, informed that the award wining symbols is progenies investment software solution developed indigenously, for both local and international market.

He also said that the enhancement came in form of district modules which is an internet-based interface that has been structured to work efficiently with symbols.

According to him, symbols, web front and in interface affords users the ability to give their customers access to view the

current position of their investment account online among other features.

He explained that this translates to business with these firms now having remote access to the state of their investments using the internet.

The module as said by him, enhances the timeliness for investment information by equipping the investor with requisite propensity such as the ability to view current investment portfolios with the firm even as they could place orders remotely.

Yemi – Daniel added that the product offers the viewing of financial transactions carried out on ones portfolios, list of trade; the stock brokers has executed on behalf of a portfolios owner as well as view the current state of certificates lodge with the stockbroker or asset manager.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The chapter is about the sources, types and method of data collection for the project. Also the population and the sample of the study. In order to bring to light, the necessary information needed for the research work.

3.2 RESEARCH DESIGN

Research design specifies the types of information to be collected, sources of data and the procedures to be adopted in collecting the data. It also serves as a guide in the presentation and analysis of data in order to arrive at conclusion.

The Case Study Approach: - This include the study of specific group at a particular time and drawing conclusion based on the out come of the finding of the group.

The Survey Approach: - This include a general view and drawing conclusion from what have been viewed.

The researcher chose the case study approach because it gives room for a deep analysis into the operation of the organization under study and also try to sample the opinion of other people.

3.3 POPULATION OF THE STUDY

In collection of the data relevant to this research work and due to the time factors. This study consider the management of Nigerian stock exchange and some stock brokers to represent entire population of 70 people for the study in the other to improve the information technology Nigerian stock exchange.

3.4 SAMPLE AND SAMPLING TECHNIQUES

According to Osudu, E. C. (1999.30), sampling is a selection of a given number of people from a defined population as the representative of the population.

For the purpose of this research, the sample techniques use in the random sampling, where a given number of people from a defined population as the represented the population.

The sample of the population will be constituted by the selected staff and selected investors of Nigeria stock exchange (Kano Branch).

3.5 DATA COLLECTION INSTRUMENT

These relates to the embarked upon in gathering information relevant to the research work. Information can be gathered through primary and secondary sources.

Advantages of Primary Data

- a. There is originally in the data collection and highly reliable for management decision making.

- b. Also, the information obtained are first hand information from the main source.
- c. There is actuality and reasonability in primary data where detectable collected which also enable the researcher to make direct references.

Disadvantages of Primary Data

The collection of primary data is not easy to carry out owing to cost intensive time consumption, accuracy, skill and information gathered may not be complete and totally in depth due to fear of official information leakages embarrassment and vigorous protocol involved

Secondary Data

This is data collected from the work already done in particulars areas of the study. Data from this source are those already published and compiled by other authors which are used by researchers but not personally collected by him from original sources.

However, there are advantages in using secondary data, those include:-

- a. It is cheaper to obtain for instance many government publications are relatively cheap to obtain.
- b. Availability and easy access to large quantity of secondary data.

Examples are, textbooks and Journals.

- c. There is a great variety of data on a wide range of subject.

3.5.1 Questionnaire

The questionnaire method of obtaining information is the most valuable, when small amount and clear information is required from larger number of people. It is also applied when a systematic study is being made of all the activities of one unit of the organization.

Questionnaire method is a form of written interview vividly constructed and systematically designed in “Yes” or “No” form so as met to be burden to the interview and respondents.

3.5.2 Personal Interview Method

Personal interview method is where the interview, interviews the respondent directly and often face to face. The interviewer gets his answer directly and immediately.

3.6 METHOD OF DATA ANALYSIS

For this study, data will be analyzed based on information which is to be collected on the completed returned questionnaires. This will be supplemented the response to personal interview and observation.

Table and percentage will be used in analyzing questions asked in structure are close forms on questionnaire and interview.

Narration of what happens will be used in analyzing the observation made.

For the test of hypothesis stated in chapter four on the statistical reference that will be used is chi-square. This is a measure of discrepancy existing between observed and expected (theoretical) frequency. It is used to test for the efficiency and effective of the role of computer information technology in enhancing the performance of Nigeria capital market. Hence, it is chosen to test the validity of the formulated hypothesis of this study.

The chi-square formula is given as: -

$$X^2 = \sum \frac{(O-E)^2}{E}$$

Where x^2 = chi-square

E = summation

O = observation

E = Expected frequency

The degree of freedom to be used is 2. This is derive from the formular

$$\begin{aligned} V &= (r - 1) (c - 1) \\ &= (2 - 1) (3 - 1) \\ &= 1 \times 2 \\ &= 2 \end{aligned}$$

The level of significance will be 5% or 0.05 while the level of confidence will be 95% or 0.95.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

This chapter presents analysis of data collected from the questionnaire. The main aim of this chapter is to presents data collected in a form of the important features highlighted for enhancing interpretation of collected data.

This will enable us draw conclusion on the findings at the end of the research work.

4.2 ANALYSIS AND INTERPRETATION OF RESPONSE

Data is being presented on the response to the questionnaires that were administered. The responses to the questions are presented in percentage tabulation method for proper understanding. This is accompanied by the interpretation and narration.

The tables of thirty (30) questionnaires were administered for both investors and staff of the Nigerian stock exchange (Kano branch); fifteen (15) questions were issued to customers on the Nigerian stock exchange (Kano branch) while the remaining fifteen (15) were administered to the staff. The effective response rate achieved was 25. The responses are presented as:

TABLE 4.1: SUMMARY OF RESPONSES TO QUESTIONNAIRE

Details	Sample Group		Total	Percentage (%)
	Investor	Staff		
Number of questionnaires administered	15	15	30	100
Number of questionnaires returned	11	14	25	83
Number of questionnaires not returned	4	1	5	17

Source: Questionnaires Administered 2010

4.2 THE RELATIONSHIP BETWEEN I.T AND CAPITAL MARKET EFFICIENCY

In this section, question No. 1, 2, 3, 4 and 5 as regards to relation between capital market efficiency will be represented and analyzed.

Based on research question 1, the question has been answered.

TABLE 4.2.2: IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE NIGERIAN CAPITAL MARKET.

Variable	Responses	Percentage (%)
Yes	12	85.7
No	Nil	-
Partially	2	14.3
Total	14	100

Source: Questionnaire Administered 2010.

From table 4.2.2 analysis, it can be seen that I.T has improved the effectiveness and efficiency of the Nigerian capital market. This is evidenced by 85.7% option for Yes and 14.3% optioned for NO while partial in Nil.

TABLE 4.2.3: RATING THE IMPACT OF I.T IN THE NIGERIAN CAPITAL MARKET?

Variable	Responses	Percentage (%)
Excellent	10	71.4
Very good	2	14.3
Average	2	14.3
Total	14	100

Source: Questionnaire Administered 2010.

From table 4.2.3, 10 respondents rated the impact of I.T in the Nigerian capital market as excellent, 2 responded that it is very good while 2 responded that it is average. The results are in the following percentage 71.4, 14.3 and 14.3 for excellent, very good and average respectively.

TABLE 4.2.4: WAYS OF IMPROVING I.T IN THE NIGERIAN CAPITAL MARKET.

Variable	Responses	Percentage (%)
Computer Literate	7	50
Encourage other forms of I.T	4	28.6
None of the above	3	21.4
Total	14	100

Source: Questionnaire Administered 2010.

From Table 4.2.4, 50% revealed that to improve I.T in the Nigerian capital market individual investors and employees of the capital market has to be educated on the use of computer or to create awareness of being computer literate.

TABLE 4.2.5 APPLICATION OF IT TO INCREASE PROFITABILITY

Variable	Responses	Percentage (%)
Yes	12	85.7
No	Nil	-
No idea	2	14.3
Total	14	100

Source: Questionnaire Administered 2010.

Table 4.2.5, show 12 respondents relies that I.T have increased profitability representing 85.7% while 2 respondent had no idea representing 14.3% of total respondent. These responses show that I.T has improved profitability.

TABLE 4.2.6: HOW INFORMED ARE INVESTORS ABOUT INVESTMENT

The research intends to declare the level of information that investors have as a result of I.T

Variable	Responses	Percentage (%)
Highly informed	4	28.6
Moderately informed	8	57.1
Poorly informed	2	14.3
Total	14	100

Source: Questionnaire Administered 2010.

Table 4.2.6 showed 28.6% highly informed about investment as a result of I.T, 57% are moderately informed, 14.3% are poorly informed. We conclude that 57.1% of the investors are moderately informed as a result of I.T.

TABLE 4.2.7: TYPE OF INVESTMENT

The researchers want to reveal the type of investments that the capital market investors mostly invest in.

Variable	Response	Percentage (%)
Ordinary share/equity share	7	63.663.6
Preference share	3	27.3
Debt securities	1	9.1
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.2.7, revealed that 63.6% of the respondents own ordinary share, 27.3% own preference shares, while 9.1% own debt security.

We can conclude by saying mostly the investors are ordinary share investors some little are of preference shareholding.

TABLE 4.2.8: DIRECT BUYING SECURITY FROM THE PRIMARY MARKET

Variance	Responses	Percentage (%)
Yes	6	54.5
No	5	45.5
Partially	Nil	Nil
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.2.8 revealed 57.1% of the respondent buy security directly from the primary market, while 42.9% are not directly from the primary market.

We can conclude that most of the investors buy security directly from the primary market.

TABLE 4.3.9: USAGE OF STOCK BROKER(S) BY INVESTORS

The research is trying to know whether the capital market investors use stock brokers as regard to how to invest or they don't use them at all.

Variable	Responses	Percentage (%)
Yes	6	54.5
No	5	45.5
Partially	Nil	Nil
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.3.9 revealed that 54.5% of the respondents use stock brokers, while 45.5% do not engage in the service of stock brokers to invest in the capital market. This is mainly due to fact that stock market is a restricted market and only qualified personal (stock brokers) can trade on the floor of the stock exchange.

Also the 45.5% of the respondents that do not use the brokers for acquiring securities are people only buy the initial public offer (IPO) of the securities. This class of investors purchases securities not for trading purpose but for safe keeping. This is due to poor knowledge of the operation of the capital market. The effect of this is shortage of instruments on the floor of the exchange. This is one of the factors responsible for shallow depth and narrow breath of the Nigerian capital market.

TABLE 4.3.10: RATING THE SERVICE OF NIGERIA CAPITAL MARKET

Variable	Response	Percentage
Good	3	27.3
Satisfactory	6	54.5
Not satisfactory	2	18.2
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.3.10, showed 27.3% are good service delivery, 54.5% said the service delivery by there broker is satisfactory while 18.2 % are not satisfactory.

We can conclude by saying service delivered by stock brokers are satisfactory.

TABLE 4.3.11.: LEVEL OF I.T AS A DETERMINED FACTOR FOR CHOOSING BROKER.

Variable	Responses	Percentage (%)
Yes	7	63.6
No	2	18.2
Partially	2	18.2
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.3.11, revealed that 63.6% said the level of I.T has been a determined factor for choosing their broker, 18.2% said no and 18.2% also said partially determined.

TABLE 4.3.12: BENEFIT THAT INFLUENCE CHANGE OF BROKER

Variable	Responses	Percentage (%)
Better customer relation	5	45.5
Customized/ Personalized Service	2	18.2
Corporate Confidence	4	36.3
Total	11	100

Source: Questionnaire Administered 2010.

Table 12 revealed that better customer relation will influence 45.5% of respondents to change their brokers, while customized/ personalized service 18.2% and 36.3% for corporate confidence

4: FORMS I. T TOOL IN RE-ENGINEERING CAPITAL MARKET OPERATIONS

The essence of these is enable us know the type of I. T tools in re-engineering capital market operation.

TABLE 4.4.13: PREFERRED FORM OF I.T TOOLS.

Variable	Responses	Percentage (%)
Telephone	3	27.3%
Television / Radio	2	18.2
Internet	6	54.5%
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.4.13, revealed that 27.3% of the respondents prefer that their brokers get in touch with them via the use of Telephone, 18.2% prefer Television/Radio while 54.5 prefer the use of internet.

We can conclude that the investors of the capital market prefer internet as the major tool in which their broker will get through them followed by telephone.

TABLE 4.4.14: INVESTORS RATE THE UNDERSTANDING OF FINANCIAL NEWS AS A RESULT OF I.T TOOLS

Variable	Responses	Percentage
Highly informed	3	27.3
Moderately informed	7	63.6
Poorly informed	1	9.1
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.4.14, showed 27.3% are highly informed about financial news, 63.6% are moderately informed and 9.1% are poorly informed.

At last we can conclude that by saying investors understanding of financial news is averagely good since 63.6% of the investor's rate it as moderately informed.

4.5: THE MODERN WAYS OF OBTAINING TECHNOLOGY BY INVESTORS ABOUT MARKET INFORMATIONS

The researchers intend to know the modern ways of obtaining technology information about the capital market. , Base on table 16 and 17, the research question on. 3 as been answered.

TABLE 4. 5. 16: INVESTORS HAVING CSCS ACCOUNT

Variable	Responses	Percentage
Yes	5	45.4%
No	4	36.4%
No idea	2	18.2
Total	11	100

Source: Questionnaire Administered 2010.

Table 16 showed 45.4% having CSCS account, 36.4% does not while 18.2% does no have idea.

We can conclude by saying investors have CSCS account.

TABLE 4. 5. 17: AWARE OF INVESTORS ON AUTOMATIC TRADING MACHINE

Variable	Responses	Percentage
Yes	4	36.4
No	5	45.4
No idea	2	18.2
Total	11	100

Source: Questionnaire Administered 2010.

Table 4.5.17, showed 36.4% being aware of automatic trading machine, 45.4% does not while 18.2% does not have idea.

We can conclude by saying investors are not aware of automatic trading machine because 45.4% of the respondent are not aware.

4.3 HYPOTHESIS TESTING

Test of hypothesis/finding of the study can be done by applying the following methods.

- (1) **NULL HYPOTHESIS (H₀)**
- (2) **ALTERNATIVE HYPOTHESIS (H₁)**

H₀: (NULL HYPOTHESIS) that the information technology as significant impact on the performance of Nigeria Capital Market.

The formula to use for this method is

$$x^2 \sum \frac{(O - E)^2}{E}$$

From our questionnaire question, relate to the above information to test the hypothesis and finding of the study.

OPTION	RESPONSE
Yes	13
No	2
TOTAL	15

OPTION	7.50	E	(O-E)	(O-E)²	$\frac{(O-E)^2}{E}$
YES	13	7.5	5.5	30.25	4.05
NO	2	7.5	-5.5	30.25	4.03

$$X^2=8.06$$

The degree of freedom to be used is derived from the formula.

$$\begin{aligned}V &= (r - 1) (c - 1) \\ &= (2 - 1) (1 - 1) \\ &= 1\end{aligned}$$

At 5% = 3.841

Therefore is not accepted

H₁: (Alternative Hypothesis) the information technology has no significant impact on the performance of Nigeria capital market.

Interpretation: From the various responses gathered that shows signifies that the hypothesis is not accepted.

4.4 SUMAMARY OF MAJOR FINDINGS

1. A large proportion of these investors are aware of I.T and it impact in the Nigerian capital market. It shows that they are moderately informed about investment as a result of I.T in the market, they also rate the source of the market as satisfactory, of which 54.5% have approved that the establishment of I.T has boost their confidence in the market. With this, one can say that the relationship that exists between the growth of I.T and the capital market efficiency is averagely good.
2. The investors did not rate the service delivery of their broker as satisfactory and the level of I.T is the key factor in determining of

choosing their brokers, in which 54% of the respondents prove satisfactory.

3. The investors are moderately informed on the financial news in which 63.6% of the respondents recommended the financial news as averagely good.

CHAPTER FIVE: SUMMARY, RECOMMENDATION, CONCLUSION

5.1 INTRODUCTION

This is the summary. Conclusion and recommendation of this research work, having studying the role of information technology in Nigeria capital market.

This chapter help to summarize the project and its brings the key point to highlight. Its also set out to examine how Modern Information Technology can be use to enhance the performance of Nigeria Capital Market.

5.2 SUMMARY

This research introduces the research topic and where we find out that investing public are not informed accurately with required information. The money market and capital market operators will be key area where the study will be significant. The research trace the origin of our study area where we found out that the Nigerian capital market activities started operation in 1946 and at that time there was no any formal market structure for long term securities except it.

The research also reviews on the specific objective. It only literature base on a study area but also review what information technology is. It traces the origin of information technology date

back to 60s. The research look at I.T in the Nigerian capital market with market overview as a result of I.T the terms of information technology were identity where we mention the central security clearing system and automated trading floor and provide ways of improving I.T in Nigerian capital market.

The research also discussed how we obtain our data our method of data collection that is the primary and secondary sources of data analysis of the questionnaires which forms the basis of our conclusion at last.

5.3 CONCLUSION

According to the findings of this study, the level of involvement of brokers in information technology does not influence investor's chance of brokers greatly. This is probably due to law low of information technology drives can also account of the investor's response. It is advised that brokers should take advantage of the situation qualify to invest in information technology.

5.4 RECOMMENDATION

1. There is need for stock brokers or the capital market as a whole to duplicate of this to stock brokers is that the earlier they acquire this form of information technology the better placed they are. In

meeting the investors need of information which is essential in making the market efficient.

2. There is need for both brokers and the Nigerian stock exchange to devices programs or product that will arouse investor's interest in the capital market.
3. It is further recommended that the stock exchange should device a means to improve investor's wider tendency of financial new. It is believe that more people can understand financial news, that more the attitude to the capital will improve and the Nigerian capital market will be unit's ways to compete with some of the efficient market in the world

BIBLIOGRAPHY

- Asika, N. (1991): *Research Methodology in the Behavioral Sciences* (Lagos: Longman Nigeria Plc).
- Babbie, E. (2004): *The Practice of Social Research* (10th, Ed). Thomas Wadsworth: USA.
- Balnaves, M. & Caputi, P. (2001): *Introduction to Quantitative Research Method. An Investigate Approach*. Stage Publication. Thousand Oaks, California
- Business Guardian. Vol. 17, No. 8088 January 8, 2009
- Business Vanguard Vol. 17, No. 4665 January 12, 2009
- Case Study (1999) “*Stock Exchange*” Microsoft Encarta Encyclopedia 1993-1999 (An Internet Base Encyclopedia).
- Danielle, C. M. (2003) *Business Information Source* 3rd Edn, Los Angels, C.A University of Califonia.
- Ekezie, S. (1997), *The Elements of Banking* (Africana – FEP Publishers Ltd).
- Gunton, T. (1990), *Inside Information Technology: A Practical Guide to Management Issues* (Business Information Technology Series), Hemil Hepstead: Prentice Hall
- Ibru, G. (1999), *Financing Options in the Nigerians Capital Market* (Alumi Association. Lagos).

- Madawaki, M.D (2002): *Capital Market and Portfolio Theory Lecture note*. A.D.G (1998) “Nigerian Capital Market” Essays on Banking and Finance (Lagos: CIDN Press ltd).
- Minor, N. (1998): *Understanding the season of Change* (Bahamas: Pneumatic Publishers).
- Ndanusa S. A. (2009). *The Future of Domestic Capital Market in Developing Countries*. A Paper presented at Fifty Annual Financial Markets and Development Conference Watergate Hotel, Washington D.C.
- Samuels, J.M and Willses F.M (1980): *Management of Company Finance*, (Survey Thomas Nelson and sons Ltd).
- Security and Exchange Commission, Annual Report and Accounts 2010.
- The Nigerian Stock Exchange Annual Reporter 2008.
- Wang, R.Y. (Ed) (1993) *Information Technology in Action*. Technology in Action: Trends and Perspective Engle wood cliffs, N.J. Prentice hall.
- Williams A. (2001): *Nigerian Stock Exchange: Moving to Greater Heigh*. A Paper Presented at the 24th Annual President’s Merit Award Ceremony if the Exchange.

QUESTIONNAIRE

General Instructions:

Either a pen or pencil can be used to complete this questionnaire. Most of the answers may be simply ticking () the appropriate box, others may require a written answer.

SECTION A: STAFF ONLY

1. Do you think I.T has improved the effectiveness and efficiency of the Nigerian capital market?
 - a) Yes ()
 - b) No ()
 - c) Partially ()

2. How would you rate impart of I.T in the Nigerian Capital market?
 - a) Excellent ()
 - b) Very good ()
 - c) Average ()

3. What the ways of improving I.T in Nigeria Capital market?
 - a) Computer Literate ()
 - b) Encouraging other forms of I.T tools ()
 - c) All of the above ()

4. Has the application of I.T increase profitability?
 - a) Yes ()
 - b) No ()

- c) No idea ()
5. How informed are investor about investment as a result of I.T?
- a) Highly informed ()
- b) Moderately informed ()
- c) Poorly informed ()
6. What form of I.T tool would you prefer to be used for you?
- a) Telephone ()
- b) Television / Radio ()
- c) Internet ()
7. How would you rate your understanding of financial news as a result of I.T tools?
- a) Highly informed ()
- b) Moderately informed ()
- c) Poorly informed ()
8. Do you have CSCS account?
- a) Yes ()
- b) No ()
- c) No idea ()
9. Are you a ware of automatic trading machine?
- a) Yes ()
- b) No ()
- c) No idea ()