

**DETERMINANTS OF VENTURE CAPITAL ACTIVITY IN NIGERIA**

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**JULY, 2022**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE  
STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR  
THE AWARD OF MASTER OF SCIENCE (M.Sc.) DEGREE IN FINANCE  
IN THE DEPARTMENT OF BANKING AND FINANCE, COLLEGE OF  
MANAGEMENT AND SOCIAL SCIENCE, COVENANT UNIVERSITY,  
OTA, NIGERIA**

**JULY, 2022.**

## **ACCEPTANCE**

This is to attest that this dissertation is accepted in partial fulfilment of the requirements for the award of the degree of Master of Finance in the Department of Banking and Finance, College of Management and Social Science, Covenant University, Ota, Nigeria.

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## **DECLARATION**

I, **AGUINAM, ADAEZE MARYANNE (20PAG02126)** declare that this research was carried out by me under the supervision of Prof. Kehinde A. Adetiloye of the Department of Banking and Finance, College of Management and Social Sciences, Covenant University, Ota, Nigeria. I attest that the dissertation has not been presented either wholly or partially for the award of any degree elsewhere. All sources of data and scholarly information used in this dissertation are duly acknowledged.

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**Signature and Date**

## **CERTIFICATION**

We certify that this dissertation titled “**DETERMINANTS OF VENTURE CAPITAL ACTIVITY**” is an original research work carried out by **AGUINAM, ADAEZE MARYANNE (20PAG02126)** in the Department of Banking and Finance, College of Management and Social Sciences, Covenant University Ota, Ogun State, Nigeria under the supervision of Prof. Kehinde A. Adetiloye. We have examined and found this work acceptable as part of the requirements for the award of Master of Science in Finance.

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## **DEDICATION**

This dissertation is dedicated to the memory of Ik Aguinam.

## **ACKNOWLEDGEMENT**

I am grateful to God for the grace to complete this dissertation.

I sincerely thank Dr. David Oyedepo, Chancellor of Covenant University, for this opportunity of high-quality education and for being instrumental in building a new generation of leaders.

My sincere appreciation goes to the Vice Chancellor, Prof. Abiodun H. Adebayo and other management members, especially the Registrar, Dr. Oluwasegun P. Omidiora, the Dean of the School of Postgraduate Studies, Prof. Akan B. Williams, and the Sub-Dean of the School of Postgraduate Studies, Dr. Emmanuel O. Amoo. For their service to the school of postgraduate studies and this prestigious institution.

I am also thankful to Prof. Abiola Babajide, the dean of the College of Management and Social Sciences (CMSS) and to Prof. Felicia Olokoyo, the head of department, banking and finance. I appreciate your guidance, leadership and prayers.

I heartily appreciate my project supervisor Prof. Kehinde A. Adetiloye who greatly motivated me throughout this dissertation. I am exceedingly thankful for your constructive critiques, kindness and guidance, God bless you Sir. I would also like to appreciate all faculty members of the department of banking and finance, especially, Prof. Ochei A. Ikpefan, Dr. Benjamin Ehikioya, Dr. Folashade Adegboye, Dr. Alexander E. Omankhanlen, and Dr. Godswil Osuma.

My colleagues who were also very instrumental in my learning process, I want to say thank you all.

Finally, this program and dissertation would not have been successful without the full support of my parents and brothers, and the encouragement of my friends.

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## LIST OF ACRONYMS

LPA	Limited Partnership Agreement
LP	Limited Partner
GP	General Partner
VC	Venture Capital/Venture Capitalist
NTBF	New Technology Based Firms
AVCA	African Private Equity and Venture Capital Association
LLC	Limited Liability Company
REIF	Real Estate Investment Fund
EUVECA	European Venture Capital Association
EMPEA	Emerging Markets Private Equity Association
PE	Private Equity
CVC	Corporate Venture Capital
IVC	Institutional Venture Capitalists
CoC	Cash on Cash
CAMA	Companies and Allied Matters Act
IPO	Initial Public Offering
SEC	Security and Exchange Commission
DEI	Development Financial Institutions
LCU	Local Currency Unit
ADF	Augmented Dickey Fuller

## **ABSTRACT**

*Venture Capital, over the past years have been on the increase in Nigeria and has become one of the most discussed philosophies in financial technology. It is believed that VC drives economic development as it involves bringing innovative technological ideas to light. Premised on this, this study examines the factors that influence venture capital activity in Nigeria. The study spans between 2003-2021, and employed a correlational research design as well as ARDL and Johansen cointegration methods of estimation to fulfil the objectives of the study. Findings reveal that unemployment, interest rate, innovation, patents and medium and high tech exports are key long run drivers of VC activity in Nigeria, while entrepreneurship, mergers and acquisition and government quality are short run drivers of VC activity in Nigeria. Also Inflation was found to have no significant effect on venture capital activity. Key recommendations as per the findings of this study, include the consideration of Islamic loans by venture capital firms amongst others.*

***Keywords: Portfolio Companies, New Technology based Firms, Corporate venture Capital firms, limited partners, General partners***