

Impact of the Firm Specific Factors on Share Prices of Diversified Financial Companies in Colombo Stock Exchange

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Abstract

Introduction: The stock exchange is a key measure of a country's economic strength and development. In the distribution Because share prices are random, they play an important role in the market. As a result, many research have been conducted to study various aspects impacting share price. However, in the context of Sri Lanka, there were few study associations that attempted to find this.

Design / Methodology: The most influential factors were chosen in this investigation. response to variations in the Colombo Stock Exchange (CSE) share price, as well as to explore the impact of Those elements have an impact on the share price. This study's sample consisted of 43 Diversified Financials companies and only 20 companies the Colombo Stock Exchange. (CSE) from 2013 to 2023. The independent variables are Earnings per share (EPS), Dividend per Share (DPS) and return on equity (ROE), Price to earnings ratio(P/E), Debt to total assets (DPS). The dependent variable is Share Price (SP). This study analysis has done through Descriptive analysis, Correlation analysis and Regression analysis.

Conclusion: Consequentially, this study was found; there is a significant impact between Share price (SP) with Earning per Share (EPS), Dividend per Share (DPS) Price to earnings ratio(P/E), Debt to total assets ratio and Return on Equity (ROE) respectively further strong positive relationship between Earning per Share (EPS) and Share Price (SP) as well as Dividend per Share (DPS) has strong positive relationship between Share Price.

Keywords: Share price, earning per Share, Dividend per Share, Return on Equity, Price to earnings ratio, Debt to total assets.