

Effect of Financial Performance on the Stock Prices: Evidence from Selected Listed Finance Companies in Colombo Stock Exchange

Peiris, P.A.S. ¹and Weligamage, S.S.²

Abstract

Introduction- This research study focuses to identify and determine the relationship and effect of financial leverage, profitability, market value and asset efficiency with Debt-to-Equity Ratio (DER), Return on Equity (ROE), Earning Per Share (EPS) and Total Asset Turnover (TATO) as the determiners of the finance companies listed in Colombo Stock Exchange during the period 2014-2019 for stock price.

Design/Methodology/Approach- Secondary data collection was done based on selected 20 finance companies using Stratified sampling method from 2014-2019. Regression analysis of panel data which comprising T test, F test, Normality test, Multicollinearity test, Heteroskedasticity test and Serial Correlation test were used to analysis the data. All analysis test was run using E-Views 11.

Findings- Findings revealed that EPS significantly effects for stock prices and ROE negatively significant to stock prices while DER and TATO have not significantly affected for stock prices. DER, ROE, EPS and TATO jointly influence by 61.27% for the stock prices. According to that while other variables influence by 38.73%. R Square is higher than 50% which

Conclusion- The results conclude that the research accomplishes to explain relationship for stock prices and financial performance.

Keywords: *Debt to Equity Ratio, Earning Per Share, Return on Equity, Stock Price, Total Asset Turnover*

Cite this paper as:

Peiris, P.A.S. and Weligamage, S. (2021). Effect of Financial Performance on the Stock Prices: Evidence from Selected Listed Finance Companies in Colombo Stock Exchange. *9th Students' Research Symposium, Department of Finance, University of Kelaniya, Sri Lanka*. 1. 29-54

¹ Department of Finance, Faculty of Commerce and Management Studies, University of Kelaniya (<mailto:anjalishriyangika@gmail.com>)

² Department of Finance, Faculty of Commerce and Management Studies, University of Kelaniya

1. Introduction

Corporate organizations of CSE make efforts for create value to shareholders. For this purpose, firms must increase return of shares and also have to build good value for shares. Therefore, with the global competition, companies are focusing their efforts on creating more shareholders according to market sustain and survive (Vora, 2018). According to Puspitaningtyas (2017), Competitive investors need appropriate information for make better investment decisions in stock market. Therefore, investors need fundamental approaches for prefer most profitable listed company shares in stock market. And investors need some basic approaches to analyze stock prices. Investors consider accounting information and financial information for decision making process. Investors take decision with huge risk.

According to Vora (2018), Investing in equity shares is like a taking a risk and investors seek those financial indicators and measures that has significant impact on share price to take investment decisions. With the ever-increasing global competition and need to sustain and survive in the market companies are focusing their efforts on creating shareholders. In the current dynamic business environment, it is crucial for firms to measure & disclosure the value and creating investors. It is not one-time job; firms need to keep the track of the value and create year.

According to Puspitaningtyas (2017), the decision making is a process of selecting best alternative from the various alternatives under the influence of complex risk situations. Investment decision making process will be influenced by various accounting and financial information received. Therefore, rational investor uses financial statements of companies for stock investment decision making. Investors prefer investment decision after the considering and analyzing financial statements of companies. Financial statements help measure relative financial performance of different financial measures.

1.1. Research Problem and Objectives

Rational investors required to come the right place for stock investing in stock market. Stock investing, when done well, is among the most effective ways build long term wealth. Therefore, great stock ideas are looked for some great beginner friendly investment opportunities in stock market. Also, investors go everything when selecting and analyzing stocks in various listed companies in CSE. Corporate organizations exist for the sole reason of creating value to stakeholders specially shareholders. For this reason, firms that can create value are rewarded by the market through generation of greater revenue, which translates to profit and operating cash flow that finally accrues to shareholders (Stewart, 2004). For this purpose, firms try to operate acceptable level of sales, profits and returns.

Investors want to prefer profitable investment decision in the stock market. And, investors required moderate decision-making process as a basic framework for determine fundamental performance of a company. Therefore, research aims to build such an effective approach about financial performance effective to stock prices.

The overall objective of this study is to determine the relationship between financial performance and stock prices for finance companies listed in Colombo Stock Exchange, therefore study focuses on financial ratios that reflect business activities of the companies. Therefore, study focus for measure the collective effect of these independent variables to stock prices.

2. Literature Review

Some financial literature state that stock price reflects companies' financial performance. The higher the stock price reflect the company's financial performance is also higher. In other words, the higher the financial performance of a company the higher the stock price level in marker (Schaub, 2006). Assessment of financial performance can be done using fundamental analysis, namely through the measurement of financial ratios as an indicator. Investors can use different fundamental financial analysis approaches for determine movement of stock prices. Fundamental analysis can describe the company's conditions and prospects. Financial ratio measurement is an instrument of company performance analysis that shows changes in financial position in certain period and describe the trend of change (Puspitaningtyas, 2012a; 2015; 2017).

Financial leverages the extent to which a business or investor is using the borrowed money. It is important when considering the performance of the business. Business companies with high leverage are at risk of bankruptcy, they are not able to repay the debts. In this research the researcher examines the relationship between debt-to-equity ratio with share prices. If the debt-to-equity ratio is high, the owners contribute relatively little money. Therefore, it is danger signal for creditors. The low debt to equity ratio value will stated that company has a possibility for pay long term liabilities. Therefore, stock prices move in (Asmirantho & Somantri, 2017).

According to Olivia Christina & Robiyanto (2018) concluded research with variables that are return on equity, current ratio, debt to equity ratio and firm size. Research aimed to find out effect of financial performance which consist with return on equity, current ratio, debt to equity ratio and firm. The research has proved the lower debt to equity ratio means well for the company, because the company's financial risk also low. As a result, investors interested to investing in shares of these companies. Furthermore, stock prices also rising and concluded that debt to equity ratio has no significant positive effect on stock price.

Utama & Wikusuana (2018) analyzed the main goal of this study is to determine the effect of financial performance and macro-economic variables for stock prices in Indonesia stock exchange. Research has concluded factors of company's financial performance debt to equity ratio has a positive and insignificant effect on stock returns, this study has showed that debt to equity ratio does not affect investor decisions in investing.

Market value ratios that relate to firm's stock price to earnings and book value per share. Return on Equity reflects the effects of all other ratios and it is the single best accounting measure performance. Investors like a high return on equity and high return on equity are correlated with high stock prices. (Brigham & Houston, 2009)

A profitability ratio is a measure company's performance. It measured after deducted all cost and expenses from all earning within certain accounting period. The most important ratio is the return on equity, which tells how much stakeholders are earning on the funds they provide to the firm. When ROE is high, the stock price also trends to be high, so actions that increase ROE generally crease in stock prices. Other ratio provides information about how well assets such as accounts receivables, inventory, and fixed assets are managed and about the firm's capital structure. Managers use ratios related to these factors to help develop plans to improve ROE. (Brigham & Houston, 2009)

Christina & Robiyanto, (2018) conducted research to analyze the effect of financial performance and firm size on stock prices of manufacturing companies. Based on the study, concluded that return on equity and total asset turnover has a significantly positive effect on stock prices. And stated that the higher return on equity make company's ability to distribute dividends will be even greater. It means that the company can use the capital well, so investors believe that the company will provide a greater profit, and it will affect in increasing of stock prices.

This ratio give investors insight into how efficiently a business is employing resources invested in fixed asset and working capital, it does can reflect how effective company's management. Efficiently, it is advised that are other factors at play that influence the performance of business. In this research total asset turnover ratio was selected to measure financial performance on stock prices. (Asmirantho & Somantri, 2017)

Martani et al, (2009) stated that total asset turnover has negative correlation with stock return, Higher total asset turnover is a benefit for the firm and can give positive effect on stock return. The result of negative correlation of total asset turnover on return might be caused by big firm's domination on high stock return, whereas big firms usually cannot increase their total asset turnover easily. Another factor that caused negative correlation is that stock return is also affected by non-operating profit which is not gained from sales.

3. Methodology

The financial performance behavior in this study is considered using five variables namely financial leverage, profitability, efficiency, and market valuation measured using share prices of listed companies in Colombo stock exchange. Figure 1 presents the conceptual framework of study.

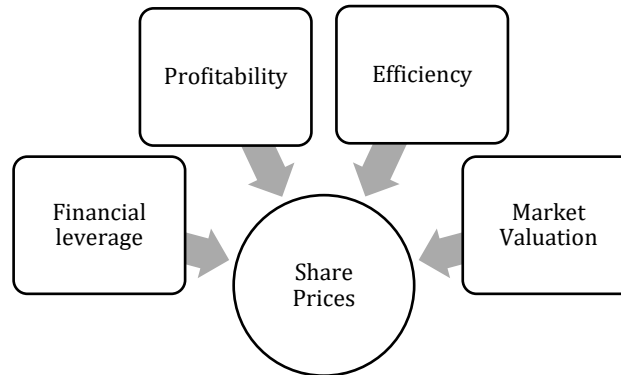


Figure 01- Conceptual Framework

Based on above information framework researcher tries to formulate research hypothesis as follows.

H1: Debt to Equity Ratio, Return on Equity, earning per Share and Total Asset Turnover simultaneously affect to stock prices.

H2: Debt to Equity Ratio has a positive relationship with stock prices.

H3: Earning Per Share has a positive relationship with stock prices.

H4: Return on Equity has a positive relationship with stock prices.

H5: Total Asset Turnover has a positive relationship with stock prices.

Table 3.1- Operationalization of Variables

Variable	Indicator	Measurement	Reference
Share Price	Market Price of Shares	$\text{Highest Price} + \text{Lowest Price} / 2$	Iniyama, (2015)
Financial Leverage	Debt to Equity Ratio	$\text{Total Liabilities} / \text{Total Equity}$	Gibson (2009)
Market Value	Earning Per Share	Earning after Tax/Net Income	Brigham & Houston (2010)
Profitability	Return on Equity	$\text{Earning after interest \& Tax} / \text{Total Equity}$	Brigham & Houston (2010)
Asset Efficiency	Total Asset Turnover	$\text{Net Sales} / \text{Total Assets}$	Brigham & Houston (2010)

Source: Compiled by Author, 2020

The data and information for this study collected from Colombo Stock Exchange (CSE), annual reports, and CSE publication. The total listed companies in the CSE contained in 283 companies representing 20 business sectors as at end of December 2019, with market capitalization of Rs. 2,595.841 Bn. The following table refers 20 business sectors of listed companies in Colombo Stock Exchange. Secondary data were collected from annual reports and financial publications of listed companies of Colombo Stock Exchange records in Sri Lanka for the period of 2015 to 2019. According to Stratified sampling method, 3 non-overlapping groups have been selected.

Multiple Regression Model

$$Y = \beta_0 + \beta_1 \text{DER} + \beta_2 \text{ROE} + \beta_3 \text{TATO} + \beta_4 \text{EPS}$$

Y=Stock Prices

EPS =Earning Per Share

ROE=Return on Equity

DER = Debt to Equity Ratio TATO =Total Asset Turnover

4. Findings and Discussions

Based on Table 2 shows that amount of data in this research 120 samples based on the calculation results for the period 2014-2019. The independent variables used in this research are DER, EPS, ROE and TATO. And the independent variable is Stock Price comprises with 120 stock prices. The lowest value (minimum) of stock price is 13.30 and the highest value (maximum) is 255.60. While the average (mean) of 83.56442 with the standard deviation 58.51183.

Table 4.1-Results Descriptive Statistics Analysis

	STOCK_PRICE	DER	EPS	ROE	TATO
Mean	83.56442	6.649337	12.44750	0.161062	0.129572
Median	69.31500	5.844000	8.735000	0.145850	0.081700
Maximum	255.6000	77.08510	61.95000	1.201400	0.924600
Minimum	13.30000	0.002900	0.240000	0.003400	0.000100
Std. Dev.	58.51183	7.614385	12.12155	0.147070	0.143489
Skewness	1.038608	6.642017	1.472914	3.678418	2.810734
Kurtosis	3.381583	62.18523	5.038924	23.66722	12.34821
Jarque-Bera	22.30215	18396.79	64.17557	2406.284	594.9501
Probability	0.000014	0.000000	0.000000	0.000000	0.000000
Sum	10027.73	797.9204	1493.700	19.32740	15.54860
Sum Sq. Dev.	407412.4	6899.485	17484.89	2.573936	2.450109
Observations	120	120	120	120	120

Source: Author Compiled

In the variable of the debt-to-equity ratio (DER) shows the lowest (minimum) of 0.0029 and the maximum of 77.08510. While the average (mean) of the 6.649337 with the standard deviation 7.614385. In the earning per share ratio (EPS) variable the minimum value is 0.24 and the maximum value is 61.95. While the average (mean) of 12.4475 with the standard deviation 12.12155. In the return on equity (ROE) variable the minimum value is 0.0034 and the maximum value is 1.2014. While the average (mean) of 0.161062 with the standard deviation 0.14707. In the variable of total asset turnover (TATO) the minimum value is 0.0001 and the maximum is 0.9246. While the average (mean) of 0.129572 with the standard deviation 0.143489.

Panel data estimation technique is performed for select the best model for the results analysis in this study. Panel data estimation technique is used to determine the best model among common effect, fixed effect or the random effect models.

Table 4.2- Correlated Random Effects: Hausman test results

Test Summary	Chi-Sq. Statistic	Chi-Sq. df.	Prob.
Period random	2.977607	4	0.5616

Source: Author Compiled

Based on the table 3 it shows that probability value of chi-sq is 0.5616. It is more than 5%. Therefore, test can be concluded that the selected model is random effect model.

The normality test on the regression model is used to test whether the regression model is normally distributed or not. A good regression model should be normally distributed. The distribution is said to be normal if the Jarque-Bera value is not significant, meaning that Jarque-Bera value is smaller than two and the probability value is higher than 5%. (Probability > 0.05).

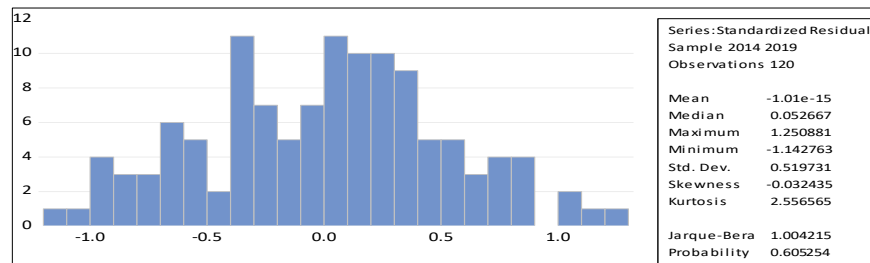


Figure 02- Jar-Que Bera Test Results

Source: Author Compiled

According on above table 4 it can be viewed that the Jarque-Bera value is smaller than two, the value is equal to 1.004215 and probability value of 0.605254 is greater than 0.05. Therefore, it can be concluded that the regression model is normally distributed. For that normality test, log variable of dependent variable has been used for

normality test. Two of autocorrelation probability values higher than 0.05. Therefore, it can be concluded that regression model is not consist with autocorrelation problem.

Table 4.3-Serial Correlation Test Results

Test order	m-Statistic	rho	SE (rho)	Prob.
AR (1)	-1.446133	-139605.772057	96537.293926	0.1481
AR (2)	-0.492851	-5244.087896	10640.310893	0.6221

Source: Author Compiled

Based on the table5, probability value of R2 is 0.075107 and the chi-square value is done by multiply number of observations within probability value of R2 that is 9. 487729. Meaning that LM stat value is 9.01284 (120*0.075107). Based on the results Chi-square value is higher than LM test value. Therefore, it can be concluded that regression model is not comprises with heteroskedasticity problem.

Table 4.4.-Breusch Pagon (BP) LM Test Results

Weighted Statistics			
Root MSE	2048.304	R-squared	0.075107
Mean dependent var	1140.347	Adjusted R-squared	0.042937
S.D. dependent var	2138.778	S.E. of regression	2092.358
Sum squared resid	5.03E+08	F-statistic	2.334683
Durbin-Watson stat	1.307192	Prob(F-statistic)	0.059712

Source: Author Compiled

Based on the table 6, shows the correlation coefficient between independent variables. DER and EPS of 0.135608, DER and ROE with 0.080045, DER and TATO with -0.1988696, EPS and ROE comprise with 0.100148, EPS and TATO of -0.229233, ROE and TATO with 0.344117. Therefore, it can be concluded that regression model does not combine with multicollinearity problems because of the results of test which all values are lower than 0.4

Table 4.5 - Multicollinearity Test Results

	DER	EPS	ROE	TATO
DER	1.000000	0.135608	0.080045	-0.198696
EPS	0.135608	1.000000	0.100148	-0.229233
ROE	0.080045	0.100148	1.000000	0.344117
TATO	-0.198696	-0.229233	0.344117	1.000000

Source: Author Compiled

Table 7 presents the model summary of the panel data regression test results. Regression model constant value is 41.89795 meaning that if other independent variables are equal to zero, then the stock price increased by 41.89795

Table 4.6 - Panel Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DER	0.101151	0.466050	0.217040	0.8286
EPS	3.829836	0.296659	12.90991	0.0000
ROE	-54.11863	25.56915	-2.116560	0.0365
TATO	15.73202	27.14101	0.579640	0.5633
C	41.89795	7.304428	5.735966	0.0000

Weighted Statistics			
Root MSE	36.26011	R-squared	0.612738
Mean dependent var	83.56442	Adjusted R-squared	0.599268
S.D. dependent var	58.51183	S.E. of regression	37.03999
Sum squared resid	157775.5	F-statistic	45.48908
Durbin-Watson stat	0.644244	Prob(F-statistic)	0.000000
Unweighted Statistics			
R-squared	0.612738	Mean dependent var	83.56442
Sum squared resid	157775.5	Durbin-Watson stat	0.644244

Source: Author Compiled

The value of the coefficient variable DER is 0.101151 meaning that each increase of debt-to-equity ratio by one unit, share price will increase by 0.101151 when the assumption of other independent variables is fixed value. The value of coefficient variable EPS is positive that is 3.829836 meaning that each increase of earning per share by one unit, share price will increase by 3.829836 when other independent variables have fixed value. The value of coefficient variable ROE is negative that is -54.11863 meaning that each increase of return on equity by one unit, share price will decrease in 54.11863 when other independent variables have fixed value. The value of coefficient variable

TATO is positive that is 15.73202 meaning that each increase of total asset turnover by one unit, share price will increase in 15.73202 when other independent variables have fixed value.

The coefficient of determination (R Square) is 0.612738. This value is described that variation of stock price can be explained by the value of debt-to-equity ratio, earning per share, return on equity and total asset turnover of 61.27%. While the rest of 38.73% is described by other variables not included in this model. And R Square is more than 60% (61%>60%). Therefore, it can be concluded that this model is nicely fitted or good regression model.

Based on table 7 debt to equity ratio has positive effect with coefficient value which is equal to 0.101151 and t test probability value is higher than significant level of 5%. (0.8286>0.05). It concludes that debt to equity ratio (DER) does not affect stock price of listed finance companies in CSE on the period 2014-2019. Therefore, it can be concluded that H1 is rejected. Based on the table 4.11, earning per share ratio has positive effect with coefficient value which is equal to 3.829836 and t test probability value is lower than significant level of 5%. (0.0001<0.05). So, it can be concluded that earning per share (EPS) affect for the stock prices of listed finance companies in CSE on the period 2014-2019. Because of that, H2 is accepted. Return on equity has negative effect with coefficient value which is equal to -54.11863 and t test probability value is lower than significant level of 5%. (0.0365<0.05). Therefore, it can be concluded that return on equity (ROE) affect for the stock prices of listed finance companies in CSE on the period 2014-2019. Meaning that return on equity negatively effect on stock price. Therefore, H3 is rejected. Total Asset turnover has positive effect with coefficient value which is equal to 15.73202 and t test

probability value is higher than significant level of 5%. ($0.5633 > 0.05$). Therefore, it can be concluded that total asset turnover (TATO) does not affect for the stock price of listed finance companies in CSE on the period of 2014-2015. Therefore, H4 is rejected.

Based on the above table 7 F statistics is 45.48908 and the corresponding probability value is 0.0001. Probability value is less than 5%. Therefore, it can be concluded that, independent variables can simultaneously effect on depend variable. (stock price)

The results indicate that there is a significant relationship with financial performance and stock prices of listed finance companies in CSE because the F-value 209.2711 is significant with the probability of significant value equal to 0.0001. Value is lower than the significant level. ($0.0001 < 0.05$).

Table 4.7 -Anova between independent variable and dependent variable

	Sum of Squares	df	Mean Squares	F	Sig
Between Groups	607486.8	4	151871.7	209.2711	0.0000
Within Groups	431801.8	595	725.7174		

Source: Author Compiled

Table 4.8 -Acceptance and Rejection of Hypothesis

Hypothesis	Results (Significant/ Not)	Accepted/ Rejected
H1	Significant	Accepted
H2	Not Significant	Rejected
H3	Significant	Accepted
H4	Significant	Rejected
H5	Not Significant	Rejected

Source: Author Compiled

5. Conclusion

This research is aimed to find out the relation between stock prices and financial performance by talking the 20 listed finance companies at CSE for the period within 120 observations. The key objective of this study was to identify the relationship between stock prices and financial performance and secondary objectives were to identify the real effect of changes in financial leverage, profitability, asset efficiency and market value. The important finding in this research is the earning per share and return on equity ratio mostly affecting to determine the stock prices of listed finance companies in CSE. Therefore, the determinants of the stock prices are earning per share and return on equity. Here the earning per share is positively effect for the stock prices. Meaning that if earning per share

increase, stock prices go up. When earning per share increase of a particular company, that is effect for investors more appreciate about that company and then stock prices goes up because the increasable demand from competitive investors. However, there is a negative relationship between stock prices and return on equity. Meaning that if return on equity increase, stock prices go down. But someone can be recommending this is an opposite of the accounting theory.

The constant value of stock price is Rs.42. Because at the time if no other variables are available in a particular company share price is Rs.42. Stock price of shares of the finance industry was found to be positively and significantly influenced by Earning per share. However, debt to equity ratio and total asset turnover positively influence on stock prices in finance industry. Return on Equity negatively affected for stock prices. However, rational investors should concentrate about Earning per Share before taking investment decisions.

The conclusions of this study have shown some contrasting but results arising from the analysis of financial performance and stock prices.

- Individual investors usually seek the counsel of the stockbrokers before investing on CSE, there is need for local individual investors to be carrying out a fundamental analysis in the decision making for stock investing.
- Listed finance companies on CSE must improve on performance to stimulate better stock prices.

- Other factors other than stock prices should be considered in the investment decision making.
- Competitive investors and prospective investors can be more focused about earning per share as a main factor when investing listed finance companies in CSE. Because in this research study has concluded Earning Per Share (market value) has a positive significance effect on stock prices.

References

- Aharony, J., & Swary, I. (1980, March). Quarterly Dividend and Earnings Announcements and Stockholders' Returns: An Empirical Analysis. *The Journal of Finance*, 35(1), 1-11. Retrieved from <http://www.jstor.org/stable/2327176?origin=JSTOR-pdf>
- Alamry, S. C. (2020). *Analysis of Financial Statements* (Vol. III). Muthanna : Muthanna University Publishing. Retrieved from <https://www.researchgate.publication/338385318>
- Bon, P., & Edman, A. (2020, May 2). The Real Effects of Financial Markets. *Annual Review of Financial Economics*, 4, 339-360. Retrieved from : <https://www.jstor.org/stable/42940388>
- Demchuk, A., & Gibson, R. (2006, December). Stock Market Performance and the Term and Structure of Credit Spreads. *The Journal of Financial and Quantitative Analysis*, 41(4), 863-883. Retrieved from Cambridge University Press on behalf of the University of Washington.
- Christina, O., & Robiyanto. (2018). The Effect of Financial Performance and Firm Size on Stock Prices of Manufacturing company. *Prosiding SENDI*. 3, pp. 559-565. Salatiga: Fakultas Ekonomika dan Bisnis.

- Darake, P. P., & Fabozzi, F. (2008, September 15). *Financial Ratio Analysis*. Retrieved from Wiley website: onlinelibrary.wiley.com
- Dow, J., & Gorto, G. (1997). Stock Market Efficiency and Economic Efficiency : Is there a connection? *THE JOURNAL OF FINANCE*, 52(3), 1087-1129. Retrieved from <https://www.jstor.org/stable/2329517>
- Durnev, A. (2011). *The Real Effects of Political Uncertainty: Elections and Investment Sensitivity to Stock Prices*. McGill University, Desautels Faculty of Management. Montreal: McGill University Publishing.
- Gibson, C. H. (2007). *Financial Reporting & Analysis* (11 ed.). Mason, USA: South-Western Cengage Learning. Retrieved from www.ichapters.com
- Henry, E., Robinson, T. R., & Greuning, J. H. (2011). Financial Analysis Techniques. In C. Institute, *Financial Analysis Techniques* (pp. 270-342). Brunei: CFA Institute Publishing.
- Hossain Academy. (2011). *Hossain Academy-All models in Eviews*. Retrieved from You Tube: <https://www.sayedhossain.com>
- Inyama, O. I. (2015). Effect of Banks' Financial Performance on Share Prices. *European Journal of Research and Reflection in Management Sciences*, 3, 69-79.
- Ligocka, M., & Stavarek, D. (2019). The Relationship Between Financial Ratios and The Stock Prices of Selected European Food Companies Listed on Stock Exchanges. *Acta Universitatis Agriculturae et Silviculture Mendelianae Bruensis*, 67(1), 299-307.

- Martani, D., Mulyono, & Khairurizka, R. (2009). The effect of financial ratios, firm size, and cash flow from operating. *Chinese Business Review*, 8(6), 44-55.
- Masoud, N. M. (2013). The Impact of Stock Market Performance upon Economic Growth. *International Journal of Economics and Financial Issues*, 3(4), 788-798.
- Mohsen, M. A. (2017, July 10). Capital Asset Pricing Model, Theory and Practice. *International Journal of Business and Management*, 12, 182-192. Retrieved from <https://doi.org/10.5539/ijbm.v12n8p182>
- Ngunjiri, N. (2012). *Relationship Between Firms' Financial Performance and Stock Return for Firms Listed at Nairobi Securities Exchange*. University of Nairobi, Department of Finance and Accounting . Nairobi: University of Nairobi Publishing.
- Niresh, J. A., & Velnampy, T. (2014, March 21). Firm Size and Profitability: A Study of Listed Manufacturing Firms. *International Journal of Business and Management*, 9(4), 57-64. doi:10.5539/ijbm.v9n4p57
- Obeidat, M. I. (2009, June 1). The International Financial Determinants of Common Stock Market Price : Evidence from Abu Dhabi Securities Market. *Journal of Economic and Administrative Sciences*, 25(1), 21-46.
- Oliveira, J. D., & Taques , F. H. (2016, October). Relation Between Share Price and Financial Indicators in The Brazilian Stock Market. *ACRN Oxford Journal of Finance and Risk Perspectives*, 5(3), 30-45.
- Pamela, P. D. (2011, December 11). Financial Ratio Analysis. In P. D. Pamela, *The Basis of Finance* (pp. 243-274). New York: Wiley Online Library. doi:10.1002/9781118267790

- Puspitaningtyas , Z. (2017). Is Financial Performance Reflected in Stock Prices. *2nd International Conference on Accounting, Management, and Economics* (pp. 17-28). Jember: Atlantis Press.
- Schaub, M. (2006, October). Investor Reaction to Regulated Monopolies. *Review of Accounting and Finance*, 1-32. doi:10.1108/14757700610712453
- Sheikhdon, A. A., & Kavale, S. (2016, May). Effect of Liquidity Managment on Financial Performance of Commercial Banks in mogadishu, Somalia. *International Journal for Research in Business, Management and Accounting*, 2(5), 101-123.
- Stewart, J. (2004, December 9). The Meaning of Strategy in the Public Sector. *Australian Journal of Public Administration*, 63(4). Retrieved from <https://doi.org/10.1111/j.1467-8500.2004.00409.x>
- Tarver, E. (2019, June 21). *How is a Company's Share Price Determined?* Retrieved from Investopedia: <https://www.investopedia.com/ask/answers/061615/how-companys-share-price-determined.asp>
- Tomas, P., & Stavarek, D. (2017, August). The Effect of Financial Ratios on the Stock Price Development. *Working Papers in Interdisciplinary Economics and Business Research*, 43, 1-7.
- Utama, A. M., & Wiksuana , I. G. (2018, September). The Effect of Company Financial Performance and Macroeconomic Variables on Stock Returns in Property and Real Estate Sectors in Indonesia Stock Exchange. *RJOAS*, 81(9), 105-110. Retrieved from <https://doi.org/10.18551/rjoas.2018-09.12>