DETERMINANTS OF STOCK PRICE OF NEPALESE COMMERCIAL BANK

A Dissertation submitted to the Office of the Dean, faculty of Management in partial fulfillment of requirement for the Master's Degree

By

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**DETERMINANTS OF STOCK PRICE OF NEPALESE COMMERCIAL BANK**". The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declared that all information sources and literature used are cited in the reference section of the dissertation.

Sikha Adhikari

June 2024

REPORT OF RESEARCH COMMITTEE

Ms. Sikha Adhikari has defended research proposal entitled "**DETERMINANTS OF STOCK PRICE OF NEPALESE COMMERCIAL BANK**" successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Dr. Pitri Raj Adhikari and submit the thesis for evaluation and viva voce examination.

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(Supervisor)

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Dissertation Proposal Defended Date

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APPROVAL SHEET

We have examined the dissertation entitled "**DETERMINANTS OF STOCK PRICE OF NEPALESE COMMERCIAL BANK** "presented by Ms. Sikha Adhikari for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Any remaining errors are mine.

Sikha Adhikari

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURE

ABBREVIATIONS

ADBL	:	Agriculture Bank Limited
ANOVA	:	Analysis of Variance
DPS	:	Dividend per Share
EBL	:	Everest Bank Limited
EPS	:	Earnings per Share
KBL	:	Kumari Bank Limited
MPS	:	Market Price of Share
MBS	:	Master in Business Studies
NABIL	:	Nabil Bank Limited
NBL	:	Nepal Bank Limited
NRB	:	Nepal Rastra Bank
P/E	:	Price Earnings Ratio
ROA	:	Return on Assets
ROE	:	Return on Equity
S.D.	:	Standard Deviation
SCBL	:	Standard Charter Bank Limited
Size	:	Company Size
SPSS	:	Statistical Package for the Social Sciences
T.U	:	Tribhuwan University

ABSTRACT

The objectives of research are to identify the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size)) and market price of share (MPS), to analyze the relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size) and market price of share (MPS) and to examine the impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size) to the market price of share (MPS). The researcher conducted a literature review primarily based on previous scholars' articles and theses. They employed a descriptive and correlational research design. The study focused on the commercial banks of Nepal, with a sample of five banks chosen randomly from the population. Each bank was observed ten times, resulting in a total of 50 observations. Spss and excel were utilized for data analysis using secondary data. The independent variables included earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), and company size (size). The dependent variable was market price of share (MPS). The finding of the research is that; the minimum and maximum gaps is higher. The gap between the mean and minimum and mean and maximum also higher. The standard deviation are found higher. So the current status of the each variable is fluctuating in nature. The relationship between earning per share, price earnings ratio, dividend per share, return on assets, return on equity are positive and significant to the market price of share. The relationship between size and market price of share is negative and not significant. The impact of earnings per share, price earnings ratio and dividend per share to the market price of share is positive and significant. The impact of return on equity and company size to the market price of share is positive and not significant.

Keywords: *Earnings per share, dividend per share, price earnings ratio, return on assets, return on equity, company size and market price of share*

CHAPTER –I

INTRODUCTION

1.1 Background of the Study

The market price of a share, also known as the stock price or equity price, represents the current trading value of a single share of a company's stock on the open market. This price is determined by the interplay of supply and demand forces within the stock market. Several factors influence the market price of a share. Firstly, Company Performance: Investors evaluate a company's financial health, profitability, growth prospects, and overall performance to gauge the value of its stock (Sukesti et al., 2021). Positive developments such as robust earnings reports, successful product launches, or strategic partnerships can drive up stock prices, whereas negative news can lead to declines. Market Sentiment: Investor sentiment and market psychology play a crucial role in influencing stock prices. Favorable sentiment can spur buying activity, thereby increasing prices, while negative sentiment can trigger selling pressure and price drops. Economic Factors: Macroeconomic indicators such as interest rates, inflation, unemployment rates, and broader economic conditions also impact stock prices. For instance, lower interest rates may stimulate investment and elevate stock prices, whereas economic downturns often result in market downturns. Industry Trends: Performance and trends specific to particular industries can affect the stock prices of companies operating within those sectors. Positive developments or growth prospects within an industry can lift stock prices across the sector. Market Speculation: Speculative trading activities, including rumors and short-term trading strategies, can cause fluctuations in stock prices that are not necessarily tied to underlying fundamentals (Rahmawati & Hadian, 2022).

Earnings per Share (EPS) is a critical financial metric that measures a company's profitability per outstanding share. It is computed by dividing the company's net income (after taxes and preferred stock dividends) by the total number of outstanding shares of common stock. EPS serves as a fundamental indicator used by investors, analysts, and financial professionals to assess a company's profitability and performance (Ghazo et al., 2021). A higher EPS signifies that a company generates more profit per share, indicating robust financial health and operational efficiency. Conversely, a lower EPS may raise concerns about profitability and

operational effectiveness. Investors often use EPS to compare the earnings performance of different companies within the same industry or sector, identifying more profitable and attractive investment opportunities. Analysts utilize EPS forecasts to formulate investment recommendations and estimate a company's future earnings potential (Sun et al., 2022).

Dividend per Share (DPS) is a financial measure that represents the fraction of a company's profits allocated to each outstanding share of its common stock in the form of dividends. It's computed by dividing the total dividends distributed by the company to its common shareholders by the total number of outstanding common shares (Shrestha et al., 2023). DPS serves as a crucial metric for investors seeking income from their investments, particularly in dividend-paying stocks. It offers insight into the amount of income shareholders can anticipate per share they own. Companies with a history of consistent or increasing DPS are often perceived as stable and reliable investments, especially attractive to income-focused investors like retirees (Sun et al., 2022). Additionally, DPS can signal a company's financial health and stability; a consistent or growing dividend suggests strong cash flow, a solid balance sheet, and confidence in future earnings prospects. Conversely, a reduction in DPS or the suspension of dividends may raise concerns among investors regarding the company's financial performance or liquidity. Investors and analysts frequently compare a company's DPS to its Earnings per Share (EPS) to evaluate the sustainability of dividend payments. If DPS exceeds EPS, it may indicate that the company is paying out more in dividends than it earns, potentially unsustainable in the long term (Shrestha et al., 2023).

The Price-Earnings Ratio (P/E ratio) is a widely-used financial gauge that measures a company's stock valuation relative to its EPS. It's calculated by dividing the current market price of a company's stock by its EPS. The P/E ratio serves as a critical tool for investors and analysts when assessing the attractiveness of a stock as an investment (Wagle, 2021). A high P/E ratio generally indicates that investors are willing to pay a premium for each dollar of the company's earnings, indicating optimism about the company's future growth prospects (Hardi et al., 2023). Conversely, a low P/E ratio may suggest that the stock is undervalued compared to its earnings, presenting a potential buying opportunity. P/E ratios can vary significantly across different industries and sectors, reflecting variations in growth rates, risk profiles, and investor expectations. For instance, companies in high-growth industries like technology may have higher P/E ratios due to expectations of future earnings growth, while stable companies

in traditional sectors may have lower ratios. Investors use the P/E ratio to compare a company's valuation with its historical P/E ratio and with peers in the same industry, helping to determine whether a stock is overvalued, undervalued, or fairly valued relative to its earnings and growth potential (Abbas et al., 2023).

Return on Assets (ROA) is a financial metric that gauges a company's profitability relative to its total assets. It reveals how effectively a company utilizes its assets to generate profit, calculated by dividing the company's net income by its average total assets (Dharmawan et al., 2024). A higher ROA indicates efficient asset utilization and strong profitability, suggesting that the company generates more profit per dollar of assets. Conversely, a lower ROA may indicate inefficiencies in asset management or lower profitability relative to the company's asset base. ROA is particularly useful for comparing companies within the same industry, allowing investors and analysts to discern which companies are more adept at generating profits from their assets. Industry norms and business models must be considered when interpreting ROA, as different sectors may have distinct asset requirements and profitability expectations. Beyond assessing operational efficiency, ROA also provides insights into management effectiveness and investment potential. Companies with consistently high ROA may be viewed favorably by investors, potentially leading to higher stock prices and reflecting confidence in their ability to deliver returns to shareholders (Cahyaningtyas & Aisyah, 2024).

Return on Equity (ROE) is a key financial metric that measures a company's profitability relative to its shareholders' equity. It indicates how efficiently a company utilizes shareholder equity to generate profit, calculated by dividing net income by shareholders' equity (Fuad & Yuliadi, 2021). A higher ROE typically signifies strong profitability and effective use of shareholder funds, implying that the company generates more profit per dollar of shareholder equity. Conversely, a lower ROE may indicate inefficiency or lower profitability relative to the equity invested. ROE is critical for assessing a company's financial performance and comparing it with peers within the same industry. It helps investors evaluate the return on their investment in the company's equity, considering industry norms and business models for accurate interpretation. Apart from profitability assessment, ROE also serves as an indicator of management effectiveness and can influence investor perceptions and stock valuations (Hardi et al., 2023). Companies with consistently high ROE levels are often viewed favorably by investors, reflecting confidence in their ability to deliver robust returns.

Assets is measure of company size is total assets, which represent the value of all assets owned by a company. This includes tangible assets such as property, plant, and equipment, as well as intangible assets such as patients and trademarks. Company size, motive referred to simply as "size," is a fundamental characteristic used to categorize companies based on their relative scale of operations, assets, revenue, market capitalization, or other relevant metrics. Size is a critical factor in investment analysis, as it can impact a company's risk profile, growth positively, and market dynamics (Fuad & Yuliadi, 2021). Therefore, the study deals on stock price determinants in Nepalese commercial bank.

1.2 Problem Statement

The importance of Nepalese commercial banks in the country's economy has been steadily increasing, yet there remains a gap in understanding the specific factors that drive fluctuations in stock prices within this sector (Ghazo et al., 2021). This study seeks to fill this gap by identifying and analyzing the diverse influences on stock prices in Nepalese commercial banks. It will explore macroeconomic indicators, company-specific variables, regulatory impacts, market sentiment, and external factors such as geopolitical events, aiming to offer valuable insights into the mechanisms of stock price determination in Nepal's capital market (Shrestha, Acharya & Dhaka, 2023).

Furthermore, the research intends to investigate sector-specific variations and the effects of trading volume, liquidity, technological advancements, and investor behavior on stock price dynamics in Nepalese commercial banks. By addressing these research inquiries, the study aims to contribute new knowledge to the existing literature on stock market behavior and provide practical implications for investors, policymakers, and market participants in Nepal (Wagle, 2021).

The Nepal Stock Market, while gaining prominence within the national economy, presents unique challenges in understanding the drivers of stock prices. This research aims to untangle the complexities surrounding stock price determinants in Nepalese commercial banks and address existing gaps in scholarly inquiry.

The primary research problem centers on identifying and analyzing the crucial factors influencing stock prices in the Nepal Stock Market. The study will dissect the following sub-problems to achieve a comprehensive understanding: assessing the availability and reliability

of data pertinent to stock prices, financial metrics, and macroeconomic indicators in Nepal. It will critically examine the challenges associated with data collection, including sparse historical records, limited financial disclosures, and concerns regarding data transparency (Fuad & Yuliadi, 2021).

A central focus of the study is to investigate market inefficiencies, including factors like low liquidity, high volatility, and speculative trading, and their impacts on stock price movements. The research aims to uncover the complex interplay between market microstructure variables such as bid-ask spreads, trading volumes, and order imbalances, and their influence on stock prices in the Nepal Stock Market (Hardi et al., 2023).

The influence of regulatory frameworks and policies on stock price behavior within the Nepal Stock Market constitutes a significant aspect of the research. Through a comprehensive analysis, the study aims to elucidate the ramifications of foreign investment restrictions, capital controls, and regulatory fluctuations on stock market performance and investor sentiment. The problem statement is further explain using the following questions.

(i) What is the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (size) and market price of share (MPS)?

(ii) Is there any relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (size) to the market price of share (MPS)?

(iii) Do the impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (size) to the market price of share (MPS)?

1.3 Objective of the Study

The objective of the study are:

(i) To assess the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (Size)) and market price of share (MPS).

(ii) To examine the relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (Size)) and market price of share (MPS).

(iii) To analyze the impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (Size) to the market price of share (MPS).

1.4 Hypothesis of the Study

The hypothesis of the study are following statement.

Hypothesis 1: there is the significant relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (p/e), return on assets (ROA), return on equity (ROE) and company size (size))and market price of share (MPS).

Hypothesis 2: there is the significant impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity ROE) and company size (size) to the market price of share (MPS).

1.5 Rationale of the Study

Studying the factors that influence stock prices is essential for making informed investment decisions and formulating effective economic policies, as stock prices reflect the overall health and performance of the economy. Investigating these determinants contributes significantly to understanding market efficiency within the Nepalese context. It helps evaluate whether stock prices in Nepalese commercial banks accurately reflect all available information or if there are inefficiencies that investors could exploit for improved returns.

Identifying the primary drivers of stock prices offers valuable insights into lucrative investment opportunities in Nepal's market. Armed with this knowledge, investors can strategically allocate their portfolios to maximize returns while effectively managing risks. Moreover, research on stock price determinants provides policymakers with crucial insights into the factors shaping stock market dynamics in Nepal. This understanding can inform regulatory efforts aimed at enhancing transparency, stability, and growth in financial markets.

This study expands the existing academic literature on financial markets by examining the unique Nepalese context. It offers empirical evidence and insights into the specific factors

influencing stock prices in an emerging market economy, thereby enriching the global understanding of financial markets.

Understanding stock price determinants also aids in assessing and mitigating investment risks. By pinpointing the factors driving stock price movements, investors can develop strategies to hedge against adverse market conditions. Analyzing these determinants fosters investor confidence by providing a clearer understanding of market dynamics, empowering investors to make informed decisions and actively participate in Nepal's stock market.

1.6 Limitations of the Study

The limitations of the study are:

(i) The study is concerned on "determinants of stock price of Nepalese commercial bank".

(ii) Five companies are selected under study namely: Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited are taken for the study.

(iii) The study is based on secondary data.

(iv) The research covers the ten years period from 2013/14 to 2022/23.

(v) Key limitations of the research is that the variables of stock price determinant are only the firm specific factors are included in this study other variables are not include here.

CHAPTER-II

LITERATURE REVIEW

This chapter constitutes the core of the research endeavor, where the researcher comprehensively examines the subject from all perspectives and dimensions. Each aspect of the research topic, referred to as "angle," encompasses its theoretical underpinnings, conceptual development, and fundamental understanding, which are essential for the researcher's foundational knowledge.

A thorough grasp of each concept related to the topic is indispensable for progressing effectively with subsequent research tasks. A literature review plays a pivotal role in this process, as it involves a meticulous analysis of a segment of existing knowledge. This includes summarizing, categorizing, and comparing prior studies, theoretical frameworks, and literature reviews.

The literature review in this study is structured into three distinct sections, each serving a specific purpose in critically evaluating the existing body of knowledge.

2.1 Theoretical review

Efficient Market Hypothesis (EMH)

This theory suggests that stock prices reflect all available information and adjust rapidly to new information. In an efficient market, it's challenging for investors to consistently outperform the market by trading on available information since stock prices already incorporate all relevant data.

Discounted Cash Flow (DCF) Model

This approach involves estimating the present value of future cash flows generated by a company and discounting them back to their current value. The DCF model is based on the principle that the intrinsic value of a stock is determined by its expected future cash flows.

Dividend Discount Model (DDM)

This model values a stock based on the present value of its expected future dividends. It assumes that the intrinsic value of a stock is determined by the present value of the cash flows it provides to shareholders in the form of dividends.

Discounted Cash Flow (DCF) Analysis

Similar to the DDM, DCF analysis values a stock based on the present value of its expected future cash flows. EPS serves as a fundamental input in estimating future cash flows, particularly in forecasting earnings growth.

Price-Earnings (P/E) Ratio Analysis

The P/E ratio compares a company's stock price to its earnings per share. It is a widely used valuation metric that helps investors assess how much they are paying for each dollar of earnings. EPS is directly reflected in this ratio and is essential for determining a stock's relative valuation.

Earnings Quality Theory

This theory focuses on the sustainability and reliability of a company's earnings. It suggests that high-quality earnings, reflected in consistently and transparent EPS figures, are more valuable to investors than volatile or manipulated earnings.

Dividend per Share (DPS)

Dividend Growth Model

This model builds on the DDM and assumes that dividends will grow at a constant rate indefinitely. DPS plays a central role in estimating future dividends and determining the intrinsic value of a stock.

Investor Preference Theory

Some investors prefer dividend-paying stocks due to the regular income they provide. DPS influences investor preferences and can affect stock prices, particularly for income-oriented investors such as retirees.

Bird-in-Hand Theory

This theory, proposed by Myron Gordon and John Linter, suggests that investors value dividends because they provide tangible returns in the present, whereas capital gains are uncertain and dependent on future market conditions. DPS is a direct manifestation of this theory, reflecting the immediate cash returns to shareholders.

Price-To-Earnings (P/E)

When considering the price-to-earnings (P/E) ratio, there are relevant theories that help understand its implications for stock valuation and market dynamics, as well as theories that might be less directly applicable or irrelevant. Here are some examples:

Growth Investing Theory

Growth investor’s offer use the P/E ratio to assess the valuation of high-growth companies. A high P/E ratio relative to peers or historical averages may indicate that investors are willing to pay a premium for anticipated future earnings growth.

Value Investing Theory

Value investors use the P/E ratio to identify stocks that are trading at a discount to their intrinsic value. A low P/E ratio relative to peers or historical averages may suggest that a stock is undervalued, profitably presenting a buying opportunity.

Dividend Discount Model (DDM)

The P/E ratio indirectly influences the dividend discount model by reflecting investors' expectations of future earnings growth. A high P/E ratio may imply expectations of higher future dividends, influencing the stock's valuation under this model.

Market Sentiment Theory

The P/E ratio can also reflect investor sentiment. High P/E ratios may indicate optimism about a company's future prospects, while low ratios may suggest pessimism or concerns about future earnings growth.

Return on Assets (ROA) and Return on Equity (ROE)

When considering Return on Assets (ROA) and Return on Equity (ROE), there are relevant theories that help understand their implications for assessing a company's profitability and efficiency, as well as theories that might be less directly applicable or irrelevant. Here are some examples:

Profitability Theory

ROA and ROE are key metrics used to assess a company's profitability. A higher ROA and ROE indicate that a company is generating more profits relative to its assets and equity,

respectively. This theory is fundamental in evaluating the financial health and performance of a company.

Efficiency Theory

ROA reflects a company's ability to generate profits from its assets, while ROE measures how effectively a company is utilizing shareholder equity to generate profits. Both metrics are essential for assessing operational efficiency and resource utilization within a company.

DuPont Analysis

DuPont analysis breaks down ROE into its component parts, including net profit margin, asset turnover, and financial leverage. This theory helps investors and analysts understand the drivers of a company's ROE and identify areas for improvement.

Shareholder Value Theory

ROE is office linked to shareholder value creation. A high ROE indicates that a company is generating strong returns for its shareholders, which can lead to higher stock prices and increased market capitalization.

Company Size (Size)

When considering the company size (Size) factor in investment analysis, there are relevant theories that help understand its implications for stock returns and market dynamics, as well as theories that might be less directly applicable or irrelevant. Here are some examples:

Fama-French Three-Factor Model

The Fama-French model suggests that stock returns are influenced by three factors: market risk (captured by the market return), company size (captured by the Size factor), and value (captured by the Book-to-Market ratio). According to this model, smaller companies fived to outperform larger companies over the long term, as they carry higher levels of risk and thus offer higher expected returns.

Small Firm Effect

This theory suggests that smaller companies fived to outperform larger companies over time. Small firms may have higher growth profitably and can capitalize on market niches or innovative opportunities more effectively than larger, more bureaucratic organizations.

Risk Premium Theory

According to this theory, investors demand a risk premium for investing in smaller companies due to their higher levels of risk. Smaller companies are typically more volatile and have less established track records, leading investors to require higher returns to compensate for the added risk.

Behavioral Finance Theories

Behavioral finance theories, such as investor sentiment and overreaction, suggest that investor biases and market inefficiencies can lead to mispricing of stocks based on company size. For example, investors may irrationally favor larger, more familiar companies over smaller ones, leading to mispricing and opportunities for investors.

2.2 Empirical Review

Subedi (2024) investigated the factors determining stock prices in Nepal's secondary market through NEPSE, focusing specifically on the microfinance sector. Employing a blend of descriptive, analytical, and inferential research methods, the study scrutinized variables such as earnings per share, return on equity, price-earnings ratio, and book value. Notably, the research found a positive correlation between market book ratio and these variables, underscoring their significant impact. Independent variables like earnings per share, price-earnings ratio, and floating shares were identified as statistically significant contributors to stock price dynamics.

Hutabarat (2024) explored the influence of corporate governance, leverage, profitability, and earnings per share (EPS) on stock prices and firm value within the banking sector. Using data from fifteen banks listed on the infobank15 index during 2018-2020, the study employed both descriptive analysis and linear regression techniques. The findings highlighted that corporate governance, leverage, profitability, and EPS exerted considerable impacts on stock prices and firm value, individually and collectively.

Cahyaningtyas and Aisyah (2024) analyzed the determinants affecting stock prices in the mining sector of the Indonesian Sharia Stock Index using panel data analysis. The study, which focused on 14 mining companies, identified world coal prices as positively significant factors influencing stock prices, while stock trading volume showed a negative and significant impact.

Conversely, exchange rates, interest rates, and mining exports were found to have no significant effect on stock prices.

Dharmawan et al. (2024) evaluated variables influencing share prices on the Indonesia Stock Exchange, focusing on EPS, return on equity (ROE), and debt-to-equity ratio (DER). Utilizing quarterly financial statements from seven companies in the financial industry from 2017 to 2021, the study applied quantitative methods, including regression analysis. The findings indicated that EPS and ROE significantly influenced stock prices, whereas DER did not exhibit a significant impact.

Dhodary (2023) examined determinants of stock prices in Nepalese commercial banks, employing quantitative methods and descriptive research. The study utilized pooled cross-sectional data from NEPSE-listed banks, providing insights into selected variables influencing stock prices at a specific point in time.

Shrestha et al. (2023) investigated the effects of various determinants on stock market prices in Nepalese commercial banks using a causal-comparative research design and quantitative approach. Through secondary data and convenience sampling of commercial banks, the study employed Pearson's multiple correlations and linear regression analysis. It concluded that earnings per share (EPS) and dividend per share (DPS) did not significantly affect the market book ratio (MBR), while price-earnings ratio (P/E) and book value per share (BVPS) had a positive and statistically significant impact on MBR.

Kattel and Pradhan (2023) studied the impact of firm-specific factors on stock prices in Nepalese insurance companies, focusing on variables such as premium growth, return on assets (ROA), return on equity (ROE), dividend per share (DPS), earnings per share (EPS), price-earnings ratio, and company size. Their correlation and regression analysis revealed that EPS and price-earnings ratio positively influenced market book ratio and stock returns, emphasizing the role of these variables in determining stock prices

Hartono et al. (2023) examined predictors of stock prices in maritime companies listed on the Indonesia Stock Exchange using panel data regression analysis. The study highlighted profitability and financial leverage as robust predictors affecting stock prices, whereas firm size and market value were not statistically significant predictors.

Abbas et al. (2023) explored how growth opportunities, international standardization for organizations, and leverage influence firm value in manufacturing companies listed on the Indonesia Stock Exchange. Their study indicated that leverage significantly impacts firm value, while growth opportunities and international standardization do not.

Hardi et al. (2023) investigated the impact of financial ratios on market indicators for 41 financial institutions using correlation and multiple regression analysis. The study underscored the influence of ratios like return on assets, total debt to assets ratio, and total debt to total capital on market indicators, emphasizing their role in attracting investors in the banking system.

Shrestha (2022) identified firm-specific determinants of stock prices in Nepalese enterprises using unbalanced panel data from 47 firms listed on NEPSE. The study employed tests such as Breusch-Pagan Lagrangian multiplier and Hausman tests to select appropriate regression models, concluding that firm size, dividend per share (DPS), and earnings per share (EPS) significantly influenced the market book ratio of Nepalese enterprises.

Sun et al. (2022) explored stock investment decision-making by investors in the Indonesian stock market using mixed methods. Their findings highlighted the role of fundamental analysis, market sentiment, and risk tolerance in influencing investment decisions among investors.

Rahmawati and Hadian (2022) studied the relationship between debt-to-equity ratio, earnings per share, price-earnings ratio, and stock prices in consumer goods sector companies listed on the Indonesia Stock Exchange. Their research indicated that these factors significantly impacted stock prices, with debt-to-equity ratio, earnings per share, and price-earnings ratio showing notable effects.

Wagle (2021) analyzed empirical variables influencing stock market prices in commercial banks using a descriptive and causal-comparative research design. The study employed mean, standard deviation, correlation, and regression analysis techniques, revealing significant positive associations between market to book ratio (M/B), price-earnings ratio (P/E), earning

yield ratio (E/Y), and stock market prices, whereas dividend yield ratio (D/Y) showed a positive but insignificant impact.

Wagle (2021) conducted an analysis on the factors influencing stock market prices in Nepalese commercial banks over the period from 2015/16 to 2019/20. The study utilized both dependent and independent variables based on 130 observations from 26 out of 27 commercial banks in Nepal, using secondary sources such as annual reports. Employing a descriptive and causal-comparative research design, the study applied statistical techniques including mean, standard deviation, correlation, and regression analyses. The findings indicated that the Market to Book ratio (M/B), Price-Earnings ratio (P/E), and Earning Yield ratio (E/Y) exhibited a significant positive association with stock market prices. Conversely, the impact of Dividend Yield ratio (D/Y) on stock market prices was positive but statistically insignificant.

Ghazo et al. (2021) identified key macroeconomic variables affecting stock price fluctuations in the Amman Stock Exchange. They initially applied the Augmented Dickey-Fuller (ADF) test and found that the residuals violated the constant variance assumption under the Ordinary Least Squares (OLS) model. Consequently, the study employed the Generalized Autoregressive Conditional Heteroskedasticity (GARCH) methodology after first differencing the natural logarithm of all variables to achieve stationarity and demonstrate fluctuations. The results revealed that fluctuations in portfolio investment and the industrial production index significantly influenced stock price fluctuations in the Amman Stock Exchange in the same direction. Additionally, fluctuations in the real effective exchange rate, real interest rate, and Brent crude oil prices were found to significantly lead stock price fluctuations, albeit in the opposite direction.

Fuad and Yuliadi (2021) investigated the impact of world oil prices and macroeconomic variables on the Composite Stock Price Index. Utilizing the Partial Adjustment Model (PAM) method and conducting assumption tests using Views 7, the study focused on inflation, exchange rates, interest rates, and world oil prices. The findings indicated that inflation and exchange rates had a negative and significant impact on the Indonesian Composite Stock Price Index, while interest rates and world oil prices positively and significantly affected the index.

Sukesti et al. (2021) examined the effects of the debt-to-equity ratio (DER), net profit margin (NPM), and firm size on stock prices, with company performance measured by return on assets

(ROA) as a mediating variable. Employing the WarpPLS statistical tool to test their hypotheses, the study found that DER had a significant negative effect on ROA and a significant positive effect on stock prices. NPM was found to have a significant positive effect on both ROA and stock prices, whereas firm size positively affected ROA but did not significantly impact stock prices. The study also revealed that ROA acted as a mediating variable in the relationship between DER and stock prices, as well as between NPM and stock prices.

Yanto et al. (2021) investigated the influences of return on assets (ROA), return on equity (ROE), net profit margin (NPM), debt-to-equity ratio (DER), and current ratio on stock prices among manufacturing companies listed on the Indonesia Stock Exchange (IDX). Using purposive sampling, they found that current ratio had a positive influence on stock prices, while NPM had no significant effect. ROE was found to significantly influence stock prices, whereas ROA did not show a significant impact.

Panta (2020) examined the relationship between macroeconomic variables and stock market prices (NEPSE index) in Nepal using an autoregressive distributed lag (ARDL) model. The study applied an error correction model (ECM) derived from the ARDL model to integrate short-run adjustments with long-run equilibrium considerations. The results indicated that the NEPSE index's fluctuations in the long run were strongly associated with broad money supply, interest rates, inflation, and exchange rates. In the short run, GDP, money supply, and exchange rates positively affected the index, with only money supply maintaining a positive relationship in the long run.

Thapa (2019) explored factors influencing stock prices in Nepalese commercial banks listed on the Nepal Stock Exchange Ltd. Using questionnaire data and financial statements, the study employed a simple linear regression model. The findings highlighted that earnings per share (EPS), dividend per share (DPS), regulatory effectiveness, market sentiment, company profiles, and speculative factors significantly positively influenced share prices. Conversely, interest rates (IR) and price-to-earnings ratio (PER) were found to have significant inverse associations with share prices. The accessibility of liquidity and fundamental and technical analyses were identified as stimulating factors in the performance of the Nepalese stock market.

Rjoub et al. (2017) investigated the relationship between Turkish bank stock prices and a set of micro and macro variables using fixed panel data analysis and Dumitrescu and Hurlin panel Granger causality tests. The study found significant relationships between asset quality, management quality, earnings, size, money supply, interest rates, and bank stock prices. Additionally, bidirectional causality was identified between bank size, asset quality, money supply, and bank stock prices, suggesting the importance of considering specific bank information in investment decisions. Moreover, the study noted that bank stock prices reacted negatively during economic crises.

Narayan et al. (2014) examined the determinants of stock prices for major Indian banks using panel data modeling techniques. Their analysis revealed panel cointegration among stock prices, economic activity, interest rates, and exchange rates for thirteen banks. The results indicated that economic activity and currency depreciation contributed positively to stock prices, while an increase in interest rates had a negative impact.

Hussain et al. (2013) assessed the macroeconomic determinants of stock price variability in Pakistan using quarterly data on macroeconomic variables and the KSE-100 Index as a proxy for stock price variation. They employed the Johansen cointegration test and Vector Error Correction Model (VECM) for their analysis. The study found that foreign direct investment, interest rates, exports, and unemployment rates significantly and negatively influenced the KSE-100 Index, whereas money supply was found to have a significant and positive impact on stock prices.

Table 1

Summary of Review

Authored/ Date	Title	Variables	Methodology	Major findings
Subedi (2024)	Quest on Determinants of Stock Price in Nepal: Evidence of Microfinance Sector	Dependent variables: Independent Variables: earning per share, return on equity, price earnings ratio and book value.	The research employs descriptive, analytical, and inferential methods to examine the factors influencing	The market book ratio shows a positive correlation with earnings per share, return on equity, price-to-earnings ratio, and book value. The independent variables such as earnings per share, price-to-earnings ratio, and floating shares

	Share Listed in NEPALESE COMMERCIAL BANK.		the market price of Microfinance Companies.	demonstrate statistical significance.
Hutabarat(2024)	Determinants of stock price and company value viewed from corporate governance, leverage, profitability.	Dependent variables: stock price Independent Variables: corporate governance, leverage, profitability	This work employs both descriptive analysis and linear regression, along with conducting significant tests.	They discovered that corporate governance, leverage, profitability, and earnings per share each exert a significant influence on stock price and company value, both individually and simultaneously.
Cahyaningtyas and Aisyah (2024)	Determinants of mining sector stock price in the Indonesian sharia stock index panel data analysis of 14 mining sector companies.	Dependent variables: share price Independent Variables: trading volume, exchange rate, interest rates	The study utilized panel data analysis, opting for the Fixed Effect Model as the chosen analytical framework.	They discovered that mining sector share prices were impacted by two factors: world coal prices had a positive and substantial effect, while share trading volume had a negative and significant impact. Conversely, factors such as exchange rates, interest rates, and mining exports did not affect mining sector share prices.
Dharmawan et al. (2024)	Determinant Factors of Company Share Prices in Financial Sector Companies on The IDX.	Dependent variables: stock prices Independent Variables: EPS, ROA and DER	Quantitative methodologies, including regression analysis, were employed in this study to analyze the data. Classical assumption testing, model feasibility analysis, and panel regression	They discovered that in their study, stock prices are significantly impacted by EPS and ROA, whereas DER does not exert any influence on stock prices.

			analysis were conducted as part of the research process.	
Dhodary (2023)	Determinants of stock market price in Nepalese commercial banks.	Dependent variables: Share price Independent Variables: P/E ratio, earnings per share, BVPS, PE, ROE and DIV	The study employs a quantitative method, followed by descriptive research, to provide a concise and precise analysis of selected variables. It utilizes pooled cross-sectional data collected from Nepalese commercial banks listed at a single point in time.	The P/E ratio is absent in some years due to certain banks having no earnings per share. The share price of Nepalese commercial banks shows a positive correlation with BVPS, PE, ROE, and DIV, while it is negatively correlated with firm size (FS). Among the independent variables, all except firm size (FS) are statistically significant. Regression results indicate that BVPS, PE, ROE, and DIV have a positive and significant impact on MBR, whereas firm size (FS) has a significant and negative impact on MBR.
Shrestha, Acharya and Dhaka (2023)	The internal financial determinants of stock price: Evidence from Nepalese commercial banks.	Dependent variables: Market book ratio (MBR Independent Variables: Earnings per Share (EPS) and Dividend per Share (DPS), Price Earning (P/E)	The study utilizes a causal-comparative research design and adopts a quantitative approach, relying on secondary data. Commercial banks were selected using a convenience sampling method. Pearson's	The study found that Earnings per Share (EPS) and Dividend per Share (DPS) have a negative and statistically insignificant impact on the Market Book Ratio (MBR), indicating that EPS and DPS do not influence the stock market. The Price Earnings (P/E) ratio has a positive but statistically insignificant effect on MBR, suggesting it also does not affect MBR. However, Book Value per Share (BVPS) and the Market to Book Value (Mkt to BV) ratio have a positive and statistically significant impact on MBR.

			multiple correlations and linear regression analysis were employed for data analysis.	
Kattel and Pradhan (2023)	Impact of firm specific factors affecting stock price of Nepalese insurance companies.	Dependent variables: market book ratio Independent Variables: earnings per share, price earnings ratio	Correlation and regression analyses were performed for the study.	The study found that earnings per share positively impact the market book ratio and stock return, indicating that an increase in earnings per share leads to higher market share prices and stock returns. Additionally, the price earnings ratio also positively affects the market book ratio.
Hartono et al. (2023)	Factors affecting stock price of maritime companies in Indonesia.	Dependent variables: market value Independent Variables: profitability and financial leverage and firm size	The hypothesis was formulated using panel data regression analysis with the least squares dummy variable technique.	They found that profitability and financial leverage are strong predictors of the hierarchical regression parameters, whereas firm size and market value are not established as predictors.
Abbas et al. (2023)	Determinant of company value: evidence manufacturing Company Indonesia.	Dependent variables: company value Independent Variables: leverage,	The study's subjects were selected using a purposive sampling approach with several criteria.	They found that leverage affects company value, indicating that leverage can be seen as an estimate of a company's inherent risk. Higher leverage implies greater investment risk. Companies with low leverage ratios have smaller leverage ratios.

Hardi et al. (2023)	Dynamic Impact of Inflation and Exchange Rate in Indonesia's Top 10 Market Capitalization Companies: Implications for Stock Prices.	Dependent variables: Stock Prices. Independent Variables: return on assets, total debt to assets ratio, and total debt to total capital.	Correlation and multiple regression are analyzed.	They found that market indicators were primarily influenced by ratios such as return on assets, total debt to assets ratio, and total debt to total capital. In light of these findings, management teams in the banking system are urged to closely monitor these aspects.
Shrestha (2022)	Firm Specific Determinants of Stock Market Price of Nepalese Enterprises.	Dependent variables: market price of share Independent Variables: firm size, dividend per share (DPS) and earnings per share (EPS), return on equity (ROE)	This paper utilized unbalanced panel data from 47 firms listed in Nepalese commercial banks. The Breusch-Pagan Lagrangian multiplier test and Hausman test were employed to select the appropriate regression model. Both tests indicated that the Fixed Effects model is suitable for the dataset.	The findings indicate that firm-specific factors significantly determine the market book ratio of Nepalese enterprises. Specifically, the study concludes that firm size, dividend per share (DPS), and earnings per share (EPS) positively influence the market book ratio, while return on equity (ROE) and dividend yield (DY) have a negative influence. Additionally, book value per share (BVPS) shows an insignificant positive influence, and return on assets (ROA) shows an insignificant negative influence on the market price of shares.

Sun, Liu and Prodromou (2022)	The determinants of the related stock price overreaction and volatility.	Dependent variables: stock price Independent Variables: market sentiment and herd behavior	Mixed methods were employed by integrating quantitative data from surveys with qualitative data from interviews.	They discovered that fundamental analysis is pivotal in stock investment decision-making. Moreover, market sentiment and herd behavior also exert influence on investment decisions.
Rahmawati and Hadian (2022)	The influence of debt equity ratio (DER), earning per share (EPS), and price earnings ratio (PER) on stock price.	Dependent variables: stock prices Independent Variables: debt to equity ratio, earnings per share, debt to equity ratio, earnings per share, and price earnings ratio and price earnings ratio	The research method employed in this study is explanatory. The sampling technique used is non-probability sampling, specifically employing a purposive sampling method.	They discovered that the debt-to-equity ratio, earnings per share, and price-earnings ratio had an impact on stock prices. Additionally, the research results indicate the extent to which the debt-to-equity ratio and earnings per share influence stock prices.
Wagle (2021)	Determinant of stock market prices in Nepal: A case of commercial banks.	Dependent variables: stock market price. Independent Variables: Market to Book proportion (M/B), Price-earnings proportion (P/E) and Earning Yield proportion (E/Y)	The study employed a descriptive and causal-comparative research design. To achieve this, mean, standard deviation, correlation, and regression analysis techniques were utilized.	The findings indicated that the Market to Book ratio (M/B), Price-earnings ratio (P/E), and Earning Yield ratio (E/Y) show a significant positive correlation with the stock market price. However, the Dividend Yield ratio (D/Y) has a positive but insignificant impact on the stock market price.

Ghazo, Abu-Lila and Ajlouni (2021)	The macroeconomic determinants of stock price fluctuations in Amman Stock Exchange.	Dependent variables: stock price Independent Variables: exchange rate, real interest rate	The Augmented Dickey-Fuller (ADF) test revealed that the residuals did not meet the assumption of constant variance under the Ordinary Least Squares (OLS) model.	They discovered that fluctuations in portfolio investment and the industrial production index have a statistically significant impact on fluctuations in the stock price index on the Amman Stock Exchange, moving in the same direction. Meanwhile, fluctuations in the real effective exchange rate, real interest rate, and Brent crude oil prices also showed statistically significant impacts.
Fuad and Yuliadi (2021)	Determinants of the composite stock price index (IHSG) on the Indonesia stock exchange.	Dependent variables: Stock Price Independent Variables: interest rate	The method used to examine the data is the Partial Adjustment Model (PAM) method using Views 7 and performs assumption tests.	They discovered that inflation and exchange rate variables negatively and significantly affect the Indonesian Composite Stock Price Index. Conversely, interest rate and world oil price variables positively and significantly influence the Indonesian Composite Stock Price Index.
Sukesti et al. (2021)	Quest on Determinants of Stock Price in Nepal: Evidence of Microfinance Sector Share Listed in NEPALESE COMMERCIAL BANK.	Dependent variables: Stock Price Independent Variables: DER, ROA, NPM, Size	This research employed the Warp PLS statistical test tool to validate the proposed hypotheses.	They found that the Debt-to-Equity Ratio (DER) has a significant negative effect on Return on Assets (ROA) and a significant positive effect on Stock Price. Net Profit Margin (NPM) has a significant positive effect on ROA and also on Stock Price. Size has a significant positive effect on ROA but no effect on Stock Price. ROA itself has a significant positive effect on Stock Price. ROA does not mediate the relationship between Size and Stock Price. However, ROA acts as a mediating variable in the relationship between DER and Stock Price, as well as in the

				relationship between NPM and Stock Price.
Yanto, Christy and Cakranegara (2021)	The influences of return on asset, return on equity, net profit margin, debt equity ratio and current ratio toward stock price.	Dependent variables: stock price Independent Variables: Current Ratio, Net Profit Margin	The population in this study comprises all manufacturing companies listed on the Indonesia Stock Exchange (IDX). The sample was selected using a purposive sampling method.	This research includes six variables, one dependent and five independent variables. The findings indicate that the Current Ratio has a positive influence on stock price, while Net Profit Margin shows no significant influence. Return on Equity has a significant influence, whereas Return on Assets does not show a significant influence.
Panta (2020)	MacROEconomic determinants of stock market prices in Nepal.	Dependent variables: stock market prices Independent Variables: money supply, interest rate, inflation, GDP and exchange rate.	The study employs an Error Correction Model (ECM), derived from the ARDL model through a simple linear transformation. This approach integrates short-term adjustments with long-run equilibrium dynamics while preserving long-term information.	The result indicates that the fluctuation of NEPALESE COMMERCIAL BANK Index in long run is strongly associated with broad money supply, interest rate, inflation, and exchange rate. The GDP, money supply and exchange rate can positively define in short run while only money supply holds positive relationship in long run.
Rjoub, Civcir and Resato	Micro and macroeconomic determinan	Dependent variables: stock prices	The study carried out via applying a fixed panel	They discovered significant relationships between asset quality, management quality, earnings, size, money supply, and

glu (2017)	ts of stock prices: The case of Turkish banking sector.	Independent Variables: asset quality, management quality, earning, size, money supply, economic crisis and interest rate	data analysis and Dumitrescu and Hurlin panel Granger causality test.	interest rates with stock prices. Additionally, bidirectional causality was observed between bank size, asset quality, money supply, and bank stock prices, highlighting the importance of considering bank-specific information in investment decisions. Furthermore, the results suggest that bank stock prices exhibit a negative reaction during economic crises.
Naray an, Naray an and Singh/ (2014)	The determinan ts of stock prices: new evidence from the Indian banking sector.	Dependent variables: share prices Independent Variables: economic activity and currency depreciation	They utilized a panel Granger causality test to determine the direction and nature of causality.	They discovered that economic activity and currency depreciation contribute to an increase in share prices, whereas an increase in interest rates leads to a decrease in bank share prices.

2.3 Research Gap

This research aims to achieve several objectives: to assess the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size), and market price of share (MPS); to analyze the relationships among these variables; and to examine their impact on the market price of share (MPS). The study employs a descriptive and causal-comparative research design, utilizing purposive sampling to select five commercial banks in Nepal as the sample. Each bank's ten years of data were collected, resulting in a total of 50 observations for analysis.

Previous studies focused on single-sample banks and utilized various methods for data analysis, including panel analysis. Some studies employed comparative techniques randomly. Their scope was non-academic, and their sample sizes exceeded those of this study. Most studies analyzed data spanning five to eight years, with some researchers using the entire population for their investigations.

Future researchers could expand upon this work by including more or fewer variables, using different research methods beyond explanatory and correlation designs, and potentially encompassing the entire study population

CHAPTER- III

RESEARCH METHODOLOGY

The research methodology encompasses the specific procedures and techniques used to gather, select, manage, and analyze data pertaining to a particular subject. In a research paper, the methodology section allows readers to evaluate the overall credibility and reliability of the study. This chapter outlines detailed plans outlining the sequence of research activities.

3.1 Research Design

This research employs descriptive and causal-comparative research designs to investigate factors influencing stock prices. The descriptive design is used to gather comprehensive information on these factors. Additionally, the study utilizes an analytical research design to compare the strength and direction of correlations between the dependent variable and the independent variables.

3.2 Population and Sample

The total population of the research are 20 Nepalese commercial bank in the date of mid-July 2023. Based on the propulsive sampling 5 sample are selected from commercial bank. The list of the five sample companies is:

Table 2

Sample of the bank

S.N.	Commercial bank	Sample	Periods	Observations
1.	Nabil Bank Limited	1	2013/14 to2022/23	10
2.	Nepal Bank Limited	1	2013/14 to2022/23	10
3.	Everest Bank Limited	1	2013/14 to2022/23	10
4.	Kumari Bank Limited	1	2013/14 to2022/23	10
5.	Agriculture Bank Limited	1	2013/14 to2022/23	10
	Total	5		50

Source: *NEPSS*

3.3 Nature and Sources of Data

In this section, the researcher describes the nature and sources of data utilized in the study. Data can be categorized into two main types: primary data and secondary data. Research often draws from a variety of sources, including published and unpublished materials. Published sources include articles by researchers, annual reports, newspapers, tax reports, and government policies. Unpublished sources comprise internal organizational documents such as decision records, meeting minutes, vouchers, and other materials related to management and board decisions. This research utilizes secondary data collected from these sources.

3.4 Instrument of Data Collection

The term "instrument" refers to the tools used to collect data. Secondary data in this study are sourced from the websites of relevant manufacturing companies, primarily extracted from their annual reports. Additionally, economic reports from the Nepal Rastra Bank (Banking and Financial Statistics) and other published statistical data have been consulted. Informal discussions and procedures have also been utilized for supplementary information. Primary data are gathered through various instruments such as questionnaires, observations, interviews, laboratory experiments, quasi-experiments, and scales.

3.5 Methods of Analysis

To attain the study's objectives, diverse financial and statistical tools/methods have been applied, including the following.

3.5.1 Financial Analysis

This involves an examination of the strengths and weaknesses of the company. Strengths contribute positively to the organization, while weaknesses pose challenges. Both aspects provide valuable insights for the company's future planning and improvement. Various ratios are computed to assess the financial position.

1. Earnings Per share (EPS)
2. Dividend per share (DPS)
3. Price Earnings ratio (P/E)
4. Return on Assets (ROA)

5. Return on Equity (ROE)
6. Company size (Size)

Earnings Per share (EPS)

Earnings Per Share (EPS) is a financial metric representing the portion of a company's profit allocated to each outstanding share of its common stock. It serves as a fundamental indicator of profitability, crucial for investors making investment decisions. The formula to compute EPS is:

EPS= Net Income/ Total Number of Shares

Here, Net Income reflects the company's profit after deducting all expenses, taxes, and interest, while Total Number of Shares Outstanding encompasses all shares issued by the company.

Dividend per Share (DPS)

Dividend per Share (DPS) is a financial metric that signifies the entire dividends distributed by a company to its shareholders for each outstanding share of its common stock. It serves as a crucial indicator for investors focused on generating income from their investments.

The formula to calculate Dividend per Share (DPS) is:

DPS = Total Dividends Paid/Total Number of Shares Outstanding

Where:

Total Dividends Paid refers to the sum of all dividends distributed by the company to its shareholders over a specific period, typically a quarter or a year.

Total Number of Shares Outstanding refers to the total number of shares issued by the company and held by investors. This includes shares held by institutional investors, insiders, and the public.

Price-Earnings Ratio (P/E ratio)

The Price-Earnings Ratio (P/E ratio) is a valuation metric that evaluates a company's current stock price relative to its EPS. It indicates investor willingness to pay for each dollar of earnings.

The formula to calculate the Price-Earnings Ratio (P/E ratio) is:

P/E ratio =Market book ratio/ Earnings per Share (EPS)

Where:

Market Price per Share represents the current market price of a single share of the company's stock.

Return on Assets (ROA)

Return on Assets (ROA) measures a company's profitability relative to its total assets, indicating how efficiently assets generate profit.

The formula to calculate Return on Assets (ROA) is:

ROA =Net Income/ Total Assets

Where:

Total Assets represent the company's assets at a specific period, averaged if necessary.

Return on Equity (ROE)

Return on Equity (ROE) is a financial ratio that measures a company's profitability relative to its shareholders' equity. It indicates how efficiently a company is utilizing its equity to generate profit.

The formula to calculate Return on Equity (ROE) is:

ROE = Net Income/ Shareholders' Equity

Where:

Net Income represents the company's profit after deducting all expenses, taxes, and interest.

Shareholders' Equity, also known as book value or net worth, represents the shareholders' ownership interest in the company and is calculated as total assets minus total liabilities.

Company size (Size)

Company size (Size) typically refers to the scale of a company's operations or its market capitalization. In this research, firm size is measured using the log of total assets, represented as:

Firm Size= log (Total Assets)

3.5.2 Statistical Analysis

3.5. 2.1 Descriptive Statistics

Descriptive statistics include several measures like mean, standard deviation, coefficient of variation, minimum, and maximum, among others. The mean, also known as the average or

expected value, represents the central tendency within a probability distribution, alongside the median and mode. Standard deviation quantifies the extent of variation or dispersion among a set of values. It is computed as the square root of variance and measures how much each data point deviates from the mean.

3.5.2.2 Correlation Analysis

The relationship has been explained using the Pearson correlation coefficient. This coefficient ranges from -1 to +1. A correlation coefficient of -1 indicates a perfect negative correlation, where the variables move exactly in opposite directions. On the other hand, a correlation coefficient of +1 indicates a perfect positive relationship between the variables.

3.5.2.3 Multiple Regression Model

Multiple regression analysis is a statistical technique used to explore the relationship between a single dependent (outcome) variable and multiple independent (predictor) variables. Its main objective is to predict changes in the dependent variable based on variations in the independent variables. It serves as a measure of how well the independent variables predict the dependent variable. Additionally, the coefficient of determination, represents the proportion of variability in the dependent variable explained by the regression equation. The multiple regression equation for this study can be expressed as follows:

$$MPS = \beta_0+\beta_1\times EPS +\beta_2\times P/E +\beta_3\times DPS +\beta_4\times ROA +\beta_5\times ROE +\beta_6\times Size +e$$

Where,

MPS=Market Price of Share

EPS=Earnings per Share

DPS=Dividend per Share

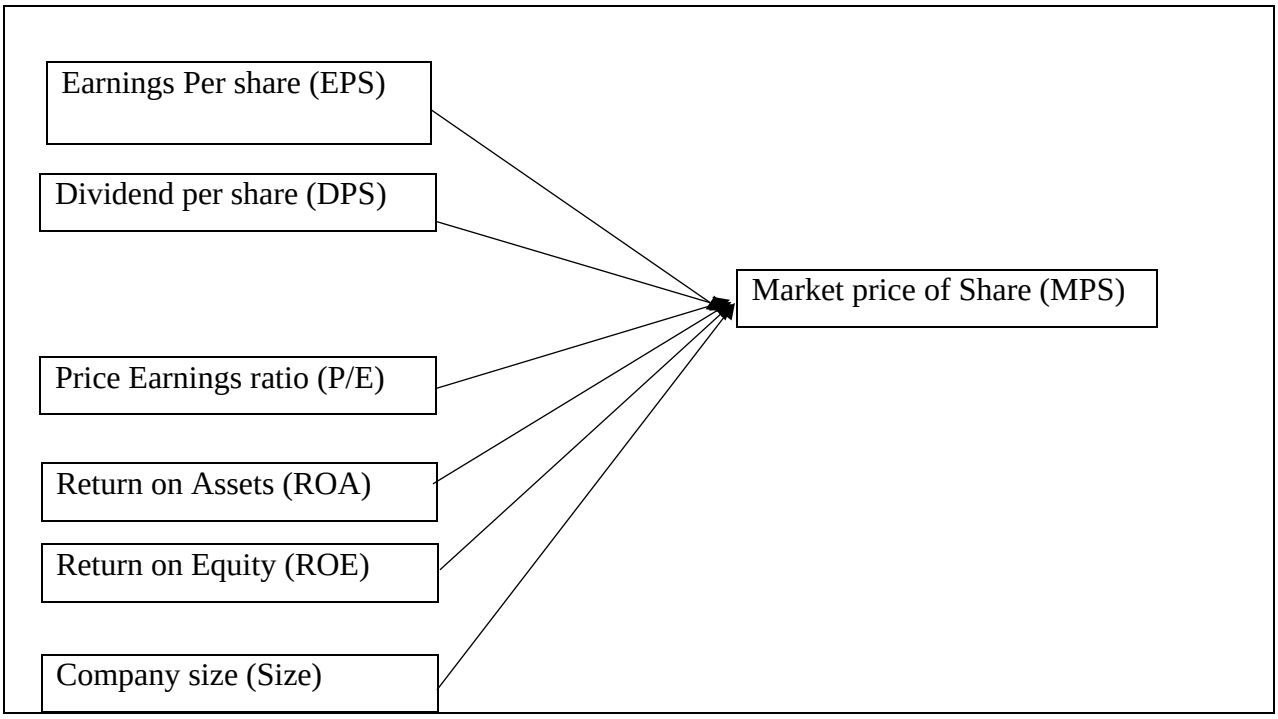
P/E=Price Earnings Ratio

ROA=Return on Assets

ROE=Return on Equity

Size=Company Size

3.6 Research Framework and Definitions of Variables



Source: *Thapa, (2019); Kattel & Pradhan, (2023)*

Figure1: Research Framework

Definitions of Variables

Dependent Variables

Market Price of Share

The market price of a share, often referred to simply as the share price, is the current value at which a single share of a company's stock is bought and sold on the open market. This price is influenced by several factors, including supply and demand dynamics, investor sentiment, company performance, industry trends, and broader economic conditions. It reflects the collective assessment of the company's worth by market participants at any given time.

Constantly fluctuating during trading hours, the share price mirrors investors' expectations regarding the company's future earnings potential and growth prospects. Therefore, it serves as a crucial gauge of market sentiment and a significant factor influencing investment decisions.

Independent Variables

Earnings per Share

Earnings per Share (EPS) is a fundamental financial metric that assesses a company's profitability on a per-share basis. It is computed by dividing the company's net income (after taxes and preferred stock dividends) by the total number of outstanding shares of common stock. EPS is widely utilized by investors, analysts, and financial professionals to evaluate a company's profitability and performance. A higher EPS indicates greater profitability per share, which is indicative of strong financial health and efficiency.

Dividend per Share

Dividend per Share (DPS) is a financial metric representing the portion of a company's earnings distributed to each outstanding share of its common stock as dividends. DPS is calculated by dividing the total dividends paid to common shareholders by the total number of outstanding common shares. It is crucial for investors seeking income from their investments, particularly in dividend-paying stocks, providing insight into the expected income per share.

Price Earnings Ratio

Price-Earnings Ratio (P/E ratio) is a prominent financial metric that gauges the valuation of a company's stock relative to its EPS. It is determined by dividing the current market price of the company's stock by its EPS. The P/E ratio is essential for investors and analysts in assessing the attractiveness of a stock investment. A high P/E ratio suggests optimism about a company's growth prospects, while a low P/E ratio may indicate potential undervaluation.

Return on Assets

Return on Assets (ROA) is a financial ratio measuring a company's profitability in relation to its total assets. It evaluates how effectively a company utilizes its assets to generate profit. ROA is calculated by dividing net income by average total assets, providing insights into the efficiency of asset utilization and profitability.

Return on Equity

Return on Equity (ROE) is a key financial ratio indicating a company's profitability relative to shareholders' equity. It measures how efficiently a company generates profit from shareholder investments. ROE is computed by dividing net income by shareholders' equity, highlighting the profitability and efficiency of utilizing shareholder funds.

Company Size

Company Size refers to the scale of a company's operations, often measured by total assets, which encompass all owned tangible and intangible assets. Size is a critical factor in investment analysis, influencing a company's risk profile, growth potential, and market dynamics.

CHAPTER-IV

RESULT AND DISCUSSION

Result and discussion of data is the very importance part of the desertion. Its shows all the numerical data into some expressed form of analysis. It is the process of organizing the data by tabulating and then placing that data in presentable form by using various tables, figures and sources.

4.1 Result

4.1.1 Financial Analysis

This is an analysis of the strengths and weaknesses of the company. Strengths are advantageous for the organization, while weaknesses are detrimental. The identification of both strengths and weaknesses equips the company with insights for future planning and improvement. Various financial ratios are computed to assess the company's financial position.

Table 3

Market Price of Share

Year (MPS)	NABIL	EBL	NBL	KBL	ADBL	Mean	S. D	C.V (%)
2023	599	563	249	165	233.9	361.98	202.82	56.03
2022	824	439	268	191	331	410.6	248.29	60.47
2021	1359	738	443	371	479	678	405.1	59.74
2020	765	675	249	186	385	452	256.97	56.85
2019	800	666	336	220	409	486.2	239.88	49.33
2018	921	663	281	199	314	475.6	305.77	64.29
2017	1523	1353	364	327	435	800.4	586.42	73.26
2016	2344	3385	470	350	768	1463.4	1339.59	91.53
2015	1910	2120	305	380	432	1029.4	903.91	87.8
2014	2535	2631	459	536	756	1383.4	1101.01	79.58
Mean	1358	342.4	1323.3	292.5	454.29			
S. D	699.58	87.34	1032.0	119.95	176.76			
C.V (%)	51.51	25.50	77.98	41.01	38.91			

Source*: Appendix* -1

Table 3 shows the market price of share of the five sample commercial bank in five years of each. The sample banks are Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited,

Kumari Bank Limited and Agriculture Bank Limited. The highest mean on the basis of commercial bank is 1358 in NABIL and highest standard deviation in the NBL of 1032, on the basis of the year highest mean in the year of 2016 is 1463.4 and highest standard deviation in the year of 2016 is 1339.59. Year base highest C.V is in the year 2016 is 91.53 percent and on the basis of companies highest C. V is in NBL of 77.98 %. The result shows the market price of share has a fluctuating nature in the commercial bank.

Table 4

Earnings per Share

Year (EPS)	NABIL	EBL	NBL	KBL	ADBL	Mean	S. D	C.V (%)
2023	83.68	57.24	59.27	59.86	49.51	15.37	11.96	77.81
2022	86.04	78.04	40.33	32.48	32.78	18.93	4.64	24.5
2021	18.08	7.48	44.59	38.77	39.98	21.67	5.42	25.01
2020	18.69	16.24	26.53	13.29	14.54	22.49	8.05	35.79
2019	35.19	78.83	52.79	31.59	36.64	29.39	11.19	38.07
2018	33.37	43.03	33.55	35.15	23.11	34.69	12.85	37.04
2017	35.98	25.59	28.31	23.06	16.62	35.19	16.74	47.57
2016	65.47	57.38	45.96	35.49	27.33	44.7	12.51	27.98
2015	34.83	34.48	36.78	33.46	15.16	47.56	33.86	71.19
2014	40.7	30.9	29.3	29.3	35.7	48.33	34.05	77.8
Mean	40.288	26.36	41.50	14.98	36.03			
S. D	24.53	11.46	22.17	6.11	19.8			
C.V (%)	60.8	43.47	53.42	40.78	54.94			

Source*: Appendix* -1

Table 4 presents the earnings per share of the five sample commercial bank in five years of each. The sample banks are Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited, and Agriculture Bank Limited. The highest mean on the basis of commercial bank is 24.53 in NABIL and highest standard deviation in the NABIL, on the basis of the year highest mean in the year of 2014 and highest standard deviation in the year of 2014. Year base highest C.V is in the year 2023 and on the basis of companies highest C. V is in NABIL. The result shows the Earnings per Share has a fluctuating nature in the commercial bank.

Table 5

Dividend per Share

Year (DPS)	NABIL	EBL	NBL	KBL	ADBL	Mean	S. D	C.V (%)
2023	45	43.68	60	66	56	4.1	9.18	223.9
2022	62.63	36.58	73.68	34.74	20	20.57	12.03	58.48
2021	0	0	0	0	0	19.11	13.81	72.26
2020	34.74	11.58	22.1	12.75	0	19.6	9.76	49.79
2019	21.83	13.51	13.14	13.6	28.03	29.68	16.82	56.6
2018	49.22	33.16	27.64	27.64	26.58	20.8	23.2	111.5
2017	45	43.1	28.74	22.1	11.06	25.41	25.88	101.8
2016	50.81	27.89	8.61	12.06	35	33.78	31.55	93.39
2015	29.09	29.84	31.01	17.16	26.58	21.07	18.32	86.94
2014	65	36.04	63	65	62	32.84	23.65	72.01
Mean	44.76	6.776	32.28	12.68	16.99			
S. D	18.30	9.09	20.80	10.11	8.66			
C.V (%)	40.88	134.14	64.4	79.7	50.9			

Source*: Appendix* -1

Table 5 shows the dividend per share of the five sample commercial bank in five years of each. The sample banks are Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited. The highest mean on the basis of commercial bank is 44.76 in NABIL and highest standard deviation in the NBL, on the basis of the year highest mean in the year of 2016 and highest standard deviation in the year of 2016. Year base highest C.V is in the year 2023 and on the basis of companies highest C. V is in EBL. The result shows the Dividend per Share has a fluctuating nature in the commercial bank.

Table 6 shows the price earnings ratio of the five sample commercial bank in five years of each. The sample banks are Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited. The highest mean on the basis of commercial bank is 31.54 in NBL and highest standard deviation in the KBL, on the basis of the year highest mean in the year of 2023 and highest standard deviation in the year of 2016. Year base highest C.V is in the year 2016 and on the basis of companies highest C. V is in KBL. The result shows the Price Earnings Ratio has a fluctuating nature in the commercial bank.

Table 6

Price Earnings Ratio

Year (P/E)	NABIL	EBL	NBL	KBL	ADBL	Mean	S. D	C.V (%)
2023	30.29	33.37	39.55	25.44	18.6	33.79	28.9	85.52
2022	30.58	27.17	83.94	41.66	20.23	21.59	13.43	62.20
2021	25.39	40.78	10.54	9.39	7.03	27.8	10.69	38.45
2020	28.68	23.41	0	24.61	13.68	16.7	4.98	29.82
2019	16.03	5.48	14.55	13.77	8.57	14.03	3.1	22.09
2018	24.36	34.86	26.4	25.21	23.84	13.6	5.86	43.08
2017	26.96	24.11	28.19	19.3	19.01	22.97	12.52	54.5
2016	42.75	33.86	78.33	64.67	27.62	29.71	33.6	113.09
2015	36.75	25.73	50.98	27.64	19.83	26.04	13.24	50.84
2014	23.6	22.8	35.5	26.3	17.4	26.19	6.04	23.06
Mean	29.42	16.03	31.54	24.11	15.114			
S. D	9.79	10.16	20.29	22.57	7.53			
C.V (%)	33.27	63.35	64.3	93.57	49.82			

Source*: Appendix* -1

Table 7

Return on Assets

Year (ROA)	NABIL	EBL	NBL	KBL	ADBL	Mean	S. D	C.V (%)
2023	2.89	2.06	2.32	2.69	2.61	1.05	0.7	66.66
2022	2.25	1.85	1.59	1.83	1.97	1.11	0.12	10.8
2021	0.92	0.55	2.79	2.78	2.41	1.31	0.34	25.9
2020	1.1	1.06	1.69	1.29	1.26	1.36	0.412	30.29
2019	1.76	3.12	2.32	2.15	2.54	1.9	0.6	31.5
2018	1.34	1.94	2.03	2.19	1.67	2.15	0.56	26.04
2017	1.71	1.21	1.51	1.64	0.97	2.14	0.618	28.8
2016	2.51	1.99	1.98	1.84	2.61	2.14	0.49	22.89
2015	1.5	1.64	1.59	1.57	1.97	1.72	0.89	51.7
2014	2.3	1.9	2	21	21	1.78	0.814	45.7
Mean	2.059	1.644	1.628	1.073	1.951			
S. D	0.573	0.78	0.41	0.403	0.81			
C.V (%)	27.82	47.44	25.18	37.55	41.5			

Source*: Appendix* -1

Table 7 exhibits the return on assets of the five sample commercial bank in five years of each. The sample banks are Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited. The highest mean on the basis of commercial bank is 2.059 of NABIL and highest standard deviation in the ADBL, on the basis of the year highest mean in the year of 2018 and highest standard deviation in the year of 2015. Year base highest C.V is in the year 2023 and on the basis of companies highest C. V is in EBL. The result shows the Return on Assets has a fluctuating nature in the commercial bank.

Table 8

Return on Equity

Year (ROE)	NABIL	EBL	NBL	KBL	ADBL	Mean	S. D	C.V (%)
2023	27.97	22.73	25.61	22.41	20.94	7.94	5.04	63.47
2022	28.39	22.85	23.54	18.35	16	9.53	2.17	22.7
2021	12.61	42.93	27.22	7.57	14	11.82	2.65	22.4
2020	11.5	11.77	17.76	7.99	9.93	10.65	3.23	30.32
2019	10.08	21.66	13.59	11.77	14.4	13.84	4.01	28.97
2018	17.06	24.53	21.22	21.58	14.17	15.05	3.9	25.9
2017	15.93	13.05	16.5	16.84	12.09	13.61	6.54	48.05
2016	26.27	21.69	17.18	11.98	18.66	21.54	5.7	26.4
2015	51.4	45.06	40.74	23.01	15.8	24.38	11.35	46.55
2014	24.47	20	15.66	21.32	14.71	18.11	9.23	50.9
Mean	18.76	15.23	17.24	10.037	11.97			
S. D	6.11	11.34	6.2	4.19	4.8			
C.V (%)	32.56	74.45	35.96	41.74	40.10			

Source*: Appendix* -1

Table 8 shows the return on equity of the five sample commercial bank in five years of each. The sample banks are Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited. The highest mean on the basis of commercial bank is 18.76 of NABIL and highest standard deviation in the EBL, on the basis of the year highest mean in the year of 2015 and highest standard deviation in the year of 2014. Year base highest C.V is in the year 2023 and on the basis of companies highest C.V is in EBL. The result shows the Return on Equity has a fluctuating nature in the commercial bank.

Table 9 present the company size of the five sample commercial bank in five years of each. The sample banks are Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited. The highest mean on the basis of commercial bank is 5.296 of NABIL and highest standard deviation in the KBL, on the basis of the year highest mean in the year of 2023 and highest standard deviation in the year of 2015. Year base highest C.V is in the year 20143 and on the basis of companies highest C. V is in KBL. The result shows the Company Size has a fluctuating nature in the commercial bank.

Table 9

Company Size

Year (SIZ)	NABIL	EBL	NBL	KBL	ADBL	Mean	S. D	C.V (%)
2023	4.96	5.07	5.12	5.16	5.21	5.51	0.118	2.14
2022	4.85	5	5.06	5.07	5.16	5.42	0.117	2.15
2021	4.95	5.01	5.05	5.11	5.13	5.25	0.164	3.1
2020	4.49	4.57	4.63	4.79	4.92	5.27	0.07	1.3
2019	4.95	5	5.05	5.1	5.13	5.19	0.105	2.02
2018	4.87	4.92	5	5.03	5.07	5.10	0.11	2.15
2017	4.71	4.78	4.91	5	5.23	5.04	0.147	2.91
2016	4.66	4.73	4.81	4.89	4.92	4.98	0.199	3.99
2015	4.96	5.07	5.11	5	5.01	4.93	0.203	4.117
2014	4.94	5.02	5.11	5.27	5.27	4.8	0.198	4.12
Mean	5.296	5.174	5.149	4.977	5.182			
S. D	0.237	0.17	0.16	0.36	0.16			
C.V (%)	4.47	3.28	3.10	7.23	3.08			

Source*: Appendix* -1

4.1.2 Descriptive Statistics Analysis

This process entails assessing the company's advantages and disadvantages. Strengths contribute positively to the organization, whereas weaknesses present challenges. Both strengths and weaknesses offer valuable insights for the company's future strategies and enhancements. Various financial ratios are analyzed to assess the company's financial standing, with calculations made for their mean, minimum, maximum, and standard deviation.

Table 10

Descriptive Statistics Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Market Price of Share	50	165.00	3385.00	754.09	729.58
Earnings per Share	50	1.97	86.04	31.83	20.13
Price Earnings Ratio	50	.00	83.94	23.24	16.19
Dividend per Share	50	.00	73.68	22.7	19.63
Return on Assets	50	.14	3.12	1.67	.69
Return on Equity	50	1.50	42.93	14.65	7.46
Company Size	50	4.49	5.68	5.1	.24
Valid N (list wise)	50				

Source: *Appendix-2*

Table 10 presents the descriptive statistical analysis of the different five commercial bank namely they are: Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari

Bank Limited and Agriculture Bank Limited. Total number of observation they are 50; each bank has 10 observations. Here minimum, maximum, mean and standard deviation are calculated.

The minimum, maximum, mean and standard deviation of market share price are 165.00, 3385.00, 754.09 and 729.58 respectively. The minimum, maximum, mean and standard deviation of earnings per share are 1.97, 86.04, 31.83 and 20.13 respective. The minimum, maximum, mean and standard deviation of price earnings ratio are .00, 83.94, 23.24 and 16.19 respectively. The minimum, maximum, mean and standard deviation of dividend per share are 0.00, 73.68, 22.7 and 19.63 respectively. The minimum, maximum, mean and standard deviation of return on assets are .14, 3.12, 1.67 and 0.69 respective. The minimum, maximum, mean and standard deviation of return on equity are 1.50, 42.93, 14.65 and 7.46 respective. The minimum, maximum, mean and standard deviation of company size are 4.49, 5.68, 5.1 and 0.24 respectively. In the given table; result shows that the gap between minimum and maximum is higher. The gap between the mean and minimum and mean and maximum also higher. The standard deviation are found higher. So the current status of the each variables are fluctuating in nature.

4.1.3 Correlation Analysis

It demonstrates how two variables move together and measures the strength of their relationship. This relationship is explained using the Pearson correlation coefficient, which ranges from -1 to +1. A correlation coefficient of -1 indicates a perfect negative correlation, where the variables move exactly in opposite directions. In contrast, a correlation coefficient of +1 indicates a perfect positive relationship, meaning the variables move together in sync.

Table 11 shows the correlation analysis of the different five commercial bank namely they are: Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited AND Agriculture Bank Limited. Total number of observation they are 50 each bank has 10 observations. The relationship between the dependent and independent variables is calculated; the dependent variable is Market price of share and independent variables are Earnings per Share, Dividend per Share, Price Earnings Ratio, and Return on Assets, Return on Equity, Company Size.

Table 11

Correlations Analysis

		MPS	EPS	PE	DPS	ROA	ROE	SIZE
EPS	Pearson Correlation	.668**	1					
	Sig. (2-tailed)	.000						
	N	50	50					
PE	Pearson Correlation	.519**	-.094	1				
	Sig. (2-tailed)	.000	.516					
	N	50	50	50				
DPS	Pearson Correlation	.793**	.536**	.326*	1			
	Sig. (2-tailed)	.000	.000	.021				
	N	50	50	50	50			
ROA	Pearson Correlation	.353*	.794**	-.366**	.396**	1		
	Sig. (2-tailed)	.012	.000	.009	.004			
	N	50	50	50	50	50		
ROE	Pearson Correlation	.579**	.590**	.133	.455**	.447**	1	
	Sig. (2-tailed)	.000	.000	.356	.001	.001		
	N	50	50	50	50	50	50	
SIZE	Pearson Correlation	-.168	-.285*	.146	-.097	-.180	-.324*	1
	Sig. (2-tailed)	.243	.045	.313	.504	.211	.022	
	N	50	50	50	50	50	50	50

**Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: *Appendix-2*

The relationship between the market price of share and earnings per share is positive and significant and the hypothesis of the research also true. The correlations value 0.668 is the positive correlation value and the significant value is 0.000; which represent the less the 0.01 so the relationship is significant at the level of 1 percent.

The relationship between the market price of share and price earnings ratio is positive and significant and the hypothesis of the research also true. The correlations value 0. 519 is the

positive correlation value and the significant value is 0.000; which represent the less the 0.01 so the relationship is significant at the level of 1 percent.

The relationship between the market price of share and dividend per share is positive and significant and the hypothesis of the research also true. The correlations value 0.793 is the positive correlation value and the significant value is 0.000; which represent the less the 0.01 so the relationship is significant at the level of 1 percent.

The relationship between the market price of share and return on assets is positive and significant and the hypothesis of the research also true. The correlations value 0. 353 is the positive correlation value and the significant value is 0.012; which represent the less the 0.05 so the relationship is significant at the level of 5 percent.

The relationship between the market price of share and return on equity is positive and significant and the hypothesis of the research also true. The correlations value 0.579 is the positive correlation value and the significant value is 0.000; which represent the less the 0.01 so the relationship is significant at the level of 1 percent.

The relationship between the market price of share and company sizes is negative and not significant and the hypothesis of the research also not true. The correlations value is negative 0.168 and the significant value is 0.243; which represent the more the 0.05 so the relationship is not significant.

4.1.4 Multiple Regression Analysis

The purpose of multiple regression analysis is to predict changes in the dependent variable by considering variations in the independent variables. Its interpretative focus involves assessing the predictive capability of the multiple regressions. Additionally, the coefficient of determination indicates the proportion of variability in the dependent variable that is explained by the regression equation.

Table 12

Model Summary Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.937[a]	.877	.860	272.69

a. Predictors: (Constant), Company Size , Dividend per Share , Price Earnings Ratio , Return on Equity , Return on Assets , Earnings per Share

Source: *Appendix-2*

Table 12 shows the model summary regression analysis of the different five commercial bank namely they are: Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited. Total number of observation they are 50 each bank has 10 observations. To achieve the objective three which is related impact of the independent variables to the dependent variables it is prepared. The dependent and independent variables is calculated; the dependent variable is market price of share and independent variables are earnings per share, dividend per share, price earnings ratio, return on assets, and return on equity and company size. The table shows the adjusted r square is 0.86 which represent the cumulatively the independent variable to the dependent variable impacted 86% and remaining 14% is by other variable which are not considered in this research.

Table 13

ANOVA of the Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22885165.342	6	3814194.224	51.292	.000[b]
	Residual	3197563.188	43	74361.935		
	Total	26082728.530	49			

a. Dependent Variable: Market Price of Share

b. Predictors: (Constant), Company Size , Dividend per Share , Price Earnings Ratio , Return on Equity , Return on Assets , Earnings per Share

Source: *Appendix-2*

Table 13 shows the ANOVA regression analysis of the different five commercial bank namely they are: Nabil Bank Limited, Nepal Bank Limited, Everest Bank Limited, Kumari Bank Limited and Agriculture Bank Limited. Total number of observation they are 50; each bank has 10 observations. To achieve the objective three which is related impact of the independent

variables to the dependent variables it is prepared. The dependent and independent variables is calculated; the dependent variable is market price of share and independent variables are earnings per share, dividend per share, price earnings ratio, return on assets, and return on equity and company size the table shows that the regression is significant which is shown by the sig value by 0.000.

Table 14

Coefficient of the Regression

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-21.749	907.794		-.024	.981
	Earnings per Share	19.814	3.778	.547	5.244	.000
	Price Earnings Ratio	17.625	3.267	.391	5.394	.000
	Dividend per Share	14.336	2.695	.386	5.319	.000
	Return on Assets	-137.154	110.055	-.130	-1.246	.219
	Return on Equity	7.444	6.930	.076	1.074	.289
	Company Size	-91.164	173.564	-.031	-.525	.602

a. Dependent Variable: Market Price of Share

Source: *Appendix-2*

Table 14 shows the coefficient regression analysis of the different five commercial bank namely they are: Nabil bank limited, Nepal bank limited, Everest bank limited, Kumari bank limited and agriculture bank limited. Total number of observation they are 50; each bank has 10 observations. To achieve the objective three which is related impact of the independent variables to the dependent variables it is prepared. The dependent and independent variables is calculated; the dependent variable is market price of share and independent variables are earnings per share, dividend per share, price earnings ratio, return on assets, and return on equity and company size.

The earnings per share (EPS) have a positive and significant impact on the market price of shares, confirming the hypothesis. The beta value of 19.814 indicates that a 1% change in EPS results in a 19.814% change in the market price of shares, which is statistically significant ($p = 0.000, < 0.05$). The low standard error of 3.778 enhances the accuracy of the calculated result.

Similarly, the price-earnings ratio (P/E ratio) also shows a positive and significant impact on the market price of shares, validating the hypothesis. With a beta value of 17.625, a 1% change in the P/E ratio correlates with a 17.625% change in the market price of shares ($p = 0.000, < 0.05$). The standard error of 3.267 further supports the accuracy of the findings.

Moreover, dividend per share (DPS) positively influences the market price of shares significantly, in line with the hypothesis. The beta value of 14.336 suggests that a 1% change in DPS leads to a 14.336% change in the market price of shares ($p = 0.000, < 0.05$). The standard error of 2.695 indicates a high level of accuracy in the estimated result.

On the other hand, return on assets (ROA) shows a negative impact on the market price of shares but is not statistically significant, thereby not confirming the hypothesis. The beta value of -137.154 implies that a 1% change in ROA results in a -137.154% change in the market price of shares ($p = 0.219, > 0.05$). The higher standard error of 110.055 suggests lower accuracy in the estimation.

Similarly, return on equity (ROE) exhibits a positive impact on the market price of shares but is not statistically significant, contradicting the hypothesis. The beta value of 7.444 indicates that a 1% change in ROE leads to a 7.444% change in the market price of shares ($p = 0.289, > 0.05$). The standard error of 6.93 suggests less accurate estimation.

Furthermore, company size shows a negative impact on the market price of shares and is not statistically significant, hence not confirming the hypothesis. The beta value of -91.164 suggests that a 1% change in company size results in a -91.164% change in the market price of shares ($p = 0.602, > 0.05$). The higher standard error of 173.564 indicates lower accuracy in the estimation of this relationship.

4.2 Discussion

The first objective of research is to identify the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size)) and market price of share (MPS). It is found that the dependent and independent variables is calculated; the dependent variable is market price of share and independent variables are earnings per share, dividend per share, price earnings ratio, and

return on assets, return on equity and company size are in fluctuating nature. The result is consistence with the result of Subedi, (2024). The minimum and maximum gaps is higher. The gap between the mean and minimum and mean and maximum also higher. The standard deviation are found higher. So the current status of the each variable is fluctuating in nature. The result is consistence with the result of Panta, (2020).

The second objective of research is to analyze the relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (size)) and market price of share (MPS). It is found that the relationship between the market price of share and earnings per share is positive and significant and the hypothesis of the research also true. The result is consistence with the result of Rahmawati and Hadian, (2022). The relationship between the market price of share and price earnings ratio is positive and significant and the hypothesis of the research also true. The result is consistence with the result of Sun et al., (2022). The relationship between the market price of share and dividend per share is positive and significant and the hypothesis of the research also true. The result is consistence with the result of Hardi et al., (2023). The relationship between the market price of share and return on assets is positive and significant and the hypothesis of the research also true. The result is consistence with the result of Abbas et al., (2023). The relationship between the market price of share and return on equity is positive and significant and the hypothesis of the research also true. The result is consistence with the result of Hartono et al., (2023). The relationship between the market price of share and company sizes is negative and not significant and the hypothesis of the research also not true. The result is consistence with the result of Dharmawan et al., (2024).

The third objective of research is to examine the impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size)) to the market price of share (MPS). It is found that the impact of the earnings per share to the market price of share is positive and significant so the hypothesis is true. The result is consistence with the result of Kattel and Pradhan, (2023). The impact of the price earnings ratio to the market price of share is positive and significant so the hypothesis is true. The result is consistence with the result of Yanto et al., (2021). The impact of the dividend per share to the market price of share is positive and significant so the hypothesis is true. The result is consistence with the result of Abbas et al., (2023). The impact of the return on assets

to the market price of share is negative and not significant so the hypothesis is not true. The result is consistence with the result of Subedi, (2024). The impact of the return on equity to the market price of share is positive and not significant so the hypothesis is not true. The result is consistence with the result of Shrestha, (2022). The impact of the company size to the market price of share is positive and not significant so the hypothesis is not true. The result is consistence with the result of Hardi et al., (2023).

CHAPTER – V

SUMMARY AND CONCLUSION

This chapter has three sections. The first is related to the summary of the study, second conclusion and third implication. The summary is the detail of the research from beginning to ending. The conclusion included the in short finding and implication for explain of future use.

5.1 Summary

The market price of a share, also referred to as the stock price or equity price, signifies the current trading price of a single share of a company's stock in the open market. Earnings per share (EPS) is a crucial financial metric that assesses a company's profitability on a per-share basis. Dividend per share (DPS) represents the portion of a company's earnings distributed to each outstanding share of its common stock as dividends. The price-earnings ratio (P/E ratio) is widely used to gauge the valuation of a company's stock relative to its earnings per share (EPS). Return on assets (ROA) measures a company's profitability in relation to its total assets, while return on equity (ROE) evaluates profitability relative to shareholders' equity. Company size, typically measured by total assets, reflects the aggregate value of all assets owned by a company. These factors collectively form the basis of the research study related to the “stock price determinants in Nepal stock exchange”.

The objectives of research is to identify the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size)) and market price of share (MPS). To analyze the relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size), and market price of share (MPS). To examine the impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size) to the market price of share (MPS). The objectives are set on the basis of problem of the research and they are what are the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size) and market price of share (MPS)? Is there any relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity

(ROE), company size (size) and market price of share (MPS)? Do the impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size) to the market price of share (MPS)?the researcher conducted a literature review primarily based on previous scholars' articles and theses.

They employed a descriptive and correlational research design. The study focused on the commercial banks of Nepal, with a sample of five banks chosen randomly from the population. Each bank was observed ten times, resulting in a total of 50 observations. Spss and excel were utilized for data analysis using secondary data. The independent variables included earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE) and company size (size). The dependent variable was market price of share (MPS). The finding of the research is that; the minimum and maximum gaps is higher. The gap between the mean and minimum and mean and maximum also higher. The standard deviation are found higher. So the current status of the each variable is fluctuating in nature. The relationship between earning per share, price earnings ratio, dividend per share, return on assets, return on equity are positive and significant to the market price of share. The relationship between size and market price of share is negative and not significant. The impact of earnings per share, price earnings ratio and dividend per share to the market price of share is positive and significant. The impact of return on equity and company size to the market price of share is positive and not significant.

5.2 Conclusion

The first objective of research is to identify the current status of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size) and market price of share (MPS). It is found that the minimum and maximum gaps is higher. The gap between the mean and minimum and mean and maximum also higher. The standard deviation are found higher. So the current status of the each variable is fluctuating in nature. In conclusion the independent and dependent variables of research are fluctuating in nature.

The second objective of research is to analyze the relationships between earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size) and market price of share (MPS). It is found that the. The

relationship between earning per share, price earnings ratio, dividend per share, return on assets, return on equity are positive and significant to the market price of share. The relationship between size and market price of share is negative and not significant. In conclusion the relationship between earning per share, price earnings ratio, dividend per share, return on assets, return on equity are significant to the market price of share.

The third objective of research is to examine the impact of earnings per share (EPS), dividend per share (DPS), price earnings ratio (P/E), return on assets (ROA), and return on equity (ROE), company size (size) to the market price of share (MPS). It is found that the impact of earnings per share, price earnings ratio and dividend per share to the market price of share is positive and significant. The impact of return on equity and company size to the market price of share is positive and not significant. In conclusion the impact of earnings per share, price earnings ratio and dividend per share to the market price of share is positive and significant.

5.3 Implications

Studying the factors that influence stock prices is crucial for making well-informed investment decisions and developing effective economic strategies. By understanding these determinants, one gains insights into the overall health and performance of the economy. In the context of Nepalese commercial banks, investigating these factors helps assess market efficiency—whether stock prices accurately reflect available information or reveal inefficiencies that investors can exploit for higher returns. Identifying these key determinants also offers insights into potential investment opportunities in Nepal, guiding investors in optimizing their portfolios while managing risks effectively.

Moreover, research on stock price determinants informs policymakers about the dynamics driving Nepal's stock market. This understanding is essential for designing regulatory frameworks that promote market transparency, stability, and growth. By contributing to the academic literature on financial markets, particularly in the Nepalese context, this study enriches our understanding of market behaviors and influences decision-making both in investment and policy realms.

i. For potential investors in the stock market, aiding their decision-making on whether to invest in a particular stock at its current price.

ii. Assisting company management and board members in identifying key indicators that contribute to the appreciation of the market price of their shares.

iii. Providing insights to government policymakers regarding regulations and policies concerning share prices on the stock exchange.

iv. Offering valuable information to stock exchanges for making decisions on compiling lists of stock analysis indicators for each listed company.

v. Serving as a reference for future researchers in their academic investigations.

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APPENDIX

Appendix 1: Data collection

1. Nabil Bank

Year	MPS	EPS	PE	DPS	ROA	ROE	Total Assets	Log of total asset
2023	599	12.65	25.31	0	1.42	11.66	481203	5.682328
2022	824	16.15	44.21	41.5	1.2	9.78	419818	5.623061
2021	1359	21.72	40.48	42.4	1.71	15.19	291066	5.463991
2020	765	18.55	21.15	37.02	1.58	13.61	237680	5.375993
2019	800	24.25	15.82	56	2.11	17.76	201138	5.303494
2018	921	49.51	18.6	56	2.61	20.94	160978	5.206767
2017	1523	59.86	25.44	66	2.69	22.41	144017	5.158414
2016	2344	59.27	39.55	60	2.32	25.61	131347	5.11842
2015	1910	57.24	33.37	43.68	2.06	22.73	118695	5.074432
2014	2535	83.68	30.29	45	2.89	27.97	90292	4.955649

2. Everest Bank Limited

Year	MPS	EPS	PE	DPS	ROA	ROE	Total Assets	Log of total asset
2023	563	31.43	17.91	20.53	1.41	13.25	250090	5.398096
2022	439	26.3	16.69	16.3	1.13	10.7	225211	5.35259
2021	738	19.91	37.06	11.69	0.89	8.557753	122,645	5.08865
2020	675	29.71	22.72	16.04	1.42	13.50003	191,162	5.281402
2019	666	38.05	17.5	30.66	1.94	17.32766	170077	5.230646
2018	663	32.78	20.23	20	1.97	15.99727	144818	5.160823
2017	1353	32.48	41.66	34.74	1.83	18.34878	116510	5.066363
2016	3385	40.33	83.94	73.68	1.59	23.54382	113885	5.056467
2015	2120	78.04	27.17	36.58	1.85	22.84802	99167	4.996367
2014	2631	86.04	30.58	62.63	2.25	28.39076	70445	4.84785

3. Nepal Bank Limited

Year	MPS	EPS	PE	DPS	ROA	ROE	Total Assets	Log of total asset
2023	249	23.39	10.64	0	1.81	9.41	296736	5.47237
2022	268	20.29	13.21	19.59	1.12	8.24	260077	5.415102
2021	443	23.43	18.9	11.78	1.33	13.76487	122,645	5.08865
2020	249	20.68	12.04	15.16	1.22	7.765568	191,162	5.281402
2019	336	26.99	12.45	21.23	1.51	8.865817	171515	5.234302
2018	281	39.98	7.03	0	2.41	13.99591	133467	5.125374
2017	364	38.77	9.39	0	2.78	7.571292	130226	5.114698
2016	470	44.59	10.54	0	2.79	27.22033	112057	5.049439
2015	305	7.48	40.78	0	0.55	42.93163	103479	5.014852
2014	459	18.08	25.39	0	0.92	12.60767	88211	4.945523

4. Kumari Bank Limited

Year	MPS	EPS	PE	DPS	ROA	ROE	Total Assets	Log of total asset
2023	165	1.97	83.55	0	0.14	1.5	380524	5.580382
2022	191	17.54	10.89	12.5	1.22	12.28	213155	5.328696
2021	371	14.2	26.13	8.67	1.04	10.42769	189,782	5.278255
2020	186	12.08	15.39	14	0.76	6.706046	145,971	5.164267
2019	220	14.81	14.85	10.53	1.17	10.49578	105311	5.022474
2018	199	14.54	13.68	0	1.26	9.92504	82723	4.917626
2017	327	13.29	24.61	12.75	1.29	7.987414	61416	4.788282
2016	350	26.53	0	22.1	1.69	17.75794	42416	4.62753
2015	380	16.24	23.41	11.58	1.06	11.77174	37374	4.57257
2014	536	18.69	28.68	34.74	1.1	11.50084	31020	4.491642

5. Agriculture Development Bank Limited

Year	MPS	EPS	PE	DPS	ROA	ROE	Total Assets	Log of total asset
2023	233.9	7.42	31.54	0	0.5	3.9	265,670	5.424343
2022	331	14.41	22.98	13	0.9	6.67	246,184	5.39126
2021	479	29.13	16.44	21.05	1.59	11.19505	222,959	5.348225
2020	385	31.45	12.24	15.79	1.86	11.69962	179,745	5.254657
2019	409	42.88	9.54	30	2.77	14.78203	151,457	5.180289
2018	314	36.64	8.57	28.03	2.54	14.4006	134,854	5.129864
2017	435	31.59	13.77	13.6	2.15	11.76875	126866	5.103345
2016	768	52.79	14.55	13.14	2.32	13.59298	111785	5.048384
2015	432	78.83	5.48	13.51	3.12	21.66356	100812	5.003512
2014	756	35.19	16.03	21.83	1.76	10.08292	88519	4.947036

Appendix 2: SPSS Calculations

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	10	1358.0000	699.57717
Earnings per Share	10	40.2880	24.53952
Price Earnings Ratio	10	29.4220	9.79343
Dividend per Share	10	44.7600	18.30864
Return on Assets	10	2.0590	.57354
Return on Equity	10	18.7660	6.11828
Company Size	10	5.2963	.23904
Valid N (listwise)	10		

a. bank name = Nabil Bank Limited

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	10	1323.3000	1032.10950
Earnings per Share	10	41.5070	22.17914
Price Earnings Ratio	10	31.5460	20.29722
Dividend per Share	10	32.2850	20.80106

Return on Assets	10	1.6280	.41848
Return on Equity	10	17.2464	6.20366
Company Size	10	5.1479	.17024
Valid N (listwise)	10		

a. bank name = Nepal Bank Limited

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	10	342.4000	87.34122
Earnings per Share	10	26.3680	11.46864
Price Earnings Ratio	10	16.0370	10.16191
Dividend per Share	10	6.7760	9.09171
Return on Assets	10	1.6440	.78245
Return on Equity	10	15.2373	11.34951
Company Size	10	5.1742	.17274
Valid N (listwise)	10		

a. bank name = Everest Bank Limited

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	10	292.5000	119.95671
Earnings per Share	10	14.9890	6.11614
Price Earnings Ratio	10	24.1190	22.57198
Dividend per Share	10	12.6870	10.11400
Return on Assets	10	1.0730	.40335
Return on Equity	10	10.0352	4.19455
Company Size	10	4.9772	.36149
Valid N (listwise)	10		

a. bank name = Kumari Bank Limited

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	10	454.2900	176.76983
Earnings per Share	10	36.0330	19.81861
Price Earnings Ratio	10	15.1140	7.53788
Dividend per Share	10	16.9950	8.66343
Return on Assets	10	1.9510	.81275
Return on Equity	10	11.9756	4.80630

Company Size	10	5.1831	.16641
Valid N (listwise)	10		

a. bank name = Agriculture Bank Limited

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	361.9800	202.82850
Earnings per Share	5	15.3720	11.96249
Price Earnings Ratio	5	33.7900	28.90124
Dividend per Share	5	4.1060	9.18130
Return on Assets	5	1.0560	.70259
Return on Equity	5	7.9440	5.04952
Company Size	5	5.5115	.11823
Valid N (listwise)	5		

a. year = 2023.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	410.6000	248.29478
Earnings per Share	5	18.9380	4.64373
Price Earnings Ratio	5	21.5960	13.43801
Dividend per Share	5	20.5780	12.03835
Return on Assets	5	1.1140	.12720
Return on Equity	5	9.5340	2.17011
Company Size	5	5.4221	.11720
Valid N (listwise)	5		

a. year = 2022.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	678.0000	405.10369
Earnings per Share	5	21.6780	5.42333
Price Earnings Ratio	5	27.8020	10.69554
Dividend per Share	5	19.1180	13.81997
Return on Assets	5	1.3120	.34931
Return on Equity	5	11.8271	2.65097
Company Size	5	5.2536	.16450

Valid N (listwise)	5		

a. year = 2021.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	452.0000	256.97860
Earnings per Share	5	22.4940	8.05571
Price Earnings Ratio	5	16.7080	4.98412
Dividend per Share	5	19.6020	9.76882
Return on Assets	5	1.3680	.41270
Return on Equity	5	10.6563	3.23498
Company Size	5	5.2715	.07566
Valid N (listwise)	5		

a. year = 2020.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	486.2000	239.88581
Earnings per Share	5	29.3960	11.19968
Price Earnings Ratio	5	14.0320	3.10539
Dividend per Share	5	29.6840	16.82208
Return on Assets	5	1.9000	.60984
Return on Equity	5	13.8463	4.01073
Company Size	5	5.1942	.10555
Valid N (listwise)	5		

a. year = 2019.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	475.6000	305.77410
Earnings per Share	5	34.6900	12.85583
Price Earnings Ratio	5	13.6220	5.86146
Dividend per Share	5	20.8060	23.22301
Return on Assets	5	2.1580	.56024
Return on Equity	5	15.0518	3.98081
Company Size	5	5.1081	.11132
Valid N (listwise)	5		

a. year = 2018.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	800.4000	586.42715
Earnings per Share	5	35.1980	16.74320
Price Earnings Ratio	5	22.9740	12.52161
Dividend per Share	5	25.4180	25.88444
Return on Assets	5	2.1480	.61856
Return on Equity	5	13.6172	6.54533
Company Size	5	5.0462	.14788
Valid N (listwise)	5		

a. year = 2017.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	1463.4000	1339.59763
Earnings per Share	5	44.7020	12.51989
Price Earnings Ratio	5	29.7160	33.60698
Dividend per Share	5	33.7840	31.55558
Return on Assets	5	2.1420	.49807
Return on Equity	5	21.5450	5.70757
Company Size	5	4.9800	.19921
Valid N (listwise)	5		

a. year = 2016.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	1029.4000	903.91194
Earnings per Share	5	47.5660	33.86700
Price Earnings Ratio	5	26.0420	13.24673
Dividend per Share	5	21.0700	18.32301
Return on Assets	5	1.7280	.98700
Return on Equity	5	24.3890	11.35319
Company Size	5	4.9323	.20347
Valid N (listwise)	5		

a. year = 2015.00

Descriptive Statistics[a]

	N	Mean	Std. Deviation
Market Price of Share	5	1383.4000	1101.01331
Earnings per Share	5	48.3360	34.05113
Price Earnings Ratio	5	26.1940	6.04458
Dividend per Share	5	32.8400	23.65695
Return on Assets	5	1.7840	.81476
Return on Equity	5	18.1104	9.23721
Company Size	5	4.8375	.19834
Valid N (listwise)	5		

a. year = 2014.00

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Market Price of Share	50	165.00	3385.00	754.0980	729.58932
Earnings per Share	50	1.97	86.04	31.8370	20.13493
Price Earnings Ratio	50	.00	83.94	23.2476	16.19785
Dividend per Share	50	.00	73.68	22.7006	19.63963
Return on Assets	50	.14	3.12	1.6710	.69027
Return on Equity	50	1.50	42.93	14.6521	7.46910
Company Size	50	4.49	5.68	5.1557	.24730
Valid N (listwise)	50				

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.937[a]	.877	.860	272.69385

a. Predictors: (Constant), Company Size , Dividend per Share , Price Earnings Ratio , Return on Equity , Return on Assets , Earnings per Share

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22885165.342	6	3814194.224	51.292	.000[b]
	Residual	3197563.188	43	74361.935		
	Total	26082728.530	49			

a. Dependent Variable: Market Price of Share

b. Predictors: (Constant), Company Size , Dividend per Share , Price Earnings Ratio , Return on Equity , Return on Assets , Earnings per Share

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-21.749	907.794		-.024	.981
	Earnings per Share	19.814	3.778	.547	5.244	.000
	Price Earnings Ratio	17.625	3.267	.391	5.394	.000
	Dividend per Share	14.336	2.695	.386	5.319	.000
	Return on Assets	-137.154	110.055	-.130	-1.246	.219
	Return on Equity	7.444	6.930	.076	1.074	.289
	Company Size	-91.164	173.564	-.031	-.525	.602

a. Dependent Variable: Market Price of Share

		Market Price of Share	Earnings per Share	Price Earnings Ratio	Dividend per Share	Return on Assets	Return on Equity	Company Size
Market Price of Share	Pearson Correlation	1	.668**	.519**	.793**	.353*	.579**	-.168
	Sig. (2-tailed)		.000	.000	.000	.012	.000	.243
	N	50	50	50	50	50	50	50
Earnings per Share	Pearson Correlation	.668**	1	-.094	.536**	.794**	.590**	-.285*
	Sig. (2-tailed)	.000		.516	.000	.000	.000	.045
	N	50	50	50	50	50	50	50
Price Earnings Ratio	Pearson Correlation	.519**	-.094	1	.326*	-.366**	.133	.146
	Sig. (2-tailed)	.000	.516		.021	.009	.356	.313
	N	50	50	50	50	50	50	50
Dividend per Share	Pearson Correlation	.793**	.536**	.326*	1	.396**	.455**	-.097
	Sig. (2-tailed)	.000	.000	.021		.004	.001	.504
	N	50	50	50	50	50	50	50
Return on Assets	Pearson Correlation	.353*	.794**	-.366**	.396**	1	.447**	-.180
	Sig. (2-tailed)	.012	.000	.009	.004		.001	.211
	N	50	50	50	50	50	50	50
Return on Equity	Pearson Correlation	.579**	.590**	.133	.455**	.447**	1	-.324*
	Sig. (2-tailed)	.000	.000	.356	.001	.001		.022
	N	50	50	50	50	50	50	50
Company Size	Pearson Correlation	-.168	-.285*	.146	-.097	-.180	-.324*	1
	Sig. (2-tailed)	.243	.045	.313	.504	.211	.022	
	N	50	50	50	50	50	50	50

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ABSTRACT The objectives of research are to identify **the current status of**

earnings per share (EPS), dividend per share (DPS),

price earnings ratio (P/E), return on assets (ROA), return on equity (ROE), company size (size)) **and** market price of **share** (MPS), to analyze **the**