STOCK PRICE BEHAVIOR IN NEPALESE DEVELOPMENT BANKS

A Dissertation submitted to the Office of the Dean of the Faculty of Management in partial fulfillment of the requirements for the master's degree (MBS)

By

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**STOCK PRICE BEHAVIOR IN NEPALESE DEVELOPMENT BANKS**". The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has 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 declare that all information sources and literature used are cited in the reference section of the dissertation.

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Date:

REPORT OF RESEARCH COMMITTEE

Ms. Archana Pandit has defended research proposal entitled **"STOCK PRICE BEHAVIOR IN NEPALESE DEVELOPMENT BANKS"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Kamal Prakash Adhikari Submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"STOCK PRICE BEHAVIOR IN NEPALESE DEVELOPMENT BANKS"** Presented by Archana Pandit Candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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Researcher

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ABBREVIATIONS

ANOVA:	Analysis of Variance
DPS:	Dividend Per Share
EPS:	Earnings Per Share
FY:	Fiscal Year
MPS:	Market Price Per Share
NEPSE:	Nepal Stock Exchange
NRB:	Nepal Rastra Bank
NWPS:	Net Worth Per Share
P/E Ratio:	Price Earnings Ratio
SEBON:	Securities Board of Nepal
SPSS:	Statistical Package for the Social Sciences

ABSTRACT

This study examines at stock price behaviour in Nepalese development banks, specifically the relationships between market price per share (MPS) and key financial indicators such as earnings per share (EPS), net worth per share (NWPS), price earnings ratio (P/E Ratio), and dividend per share (DPS). The study uses a descriptive and causal comparative research design, as well as statistical analyses such as regression and correlation tests, to evaluate existing conditions, identify relationships, and analyse the effects of these financial indicators on MPS. The findings show that MPS and NWPS have significant correlations, as does the P/E Ratio, with moderate relationships with EPS and DPS. According to regression analysis, NWPS and P/E Ratio have a significant impact on MPS, whereas EPS and DPS have a smaller effect. These findings have implications for managers, academics, and future researchers, as they provide actionable guidance for strategic decision-making in development banks, enrich theoretical frameworks in finance, and serve as a foundation for further investigation into stock price behaviour in emerging markets. Overall, this study contributes to a better understanding of market dynamics and provides useful insights for stakeholders navigating the complexities of Nepal's banking sector.

Keywords: Share price, dividend, earning per share, capital market

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Development banks have always played a pivotal role in the nation's economy. They are instrumental in fostering the growth of industries and trade, serving not only as custodians of a country's wealth but also as vital resources necessary for economic development. The stock market presents a prime investment opportunity for investors. Moreover, many lucrative projects require long-term venture capital for funding (Siegel, 2021). However, most investors are wary of taking risks and are hesitant to commit their savings to long-term ventures. A liquid stock market mitigates investment risks and makes it more appealing. This encourages savers to invest in long-term projects, knowing they can easily sell securities if they wish to retrieve their savings before the project matures. Simultaneously, companies gain easy access to capital through the issuance of new shares.

The term "stock price"denotes the current trading price of a share of stock on the market (Ariyo et al., 20214). When shares of a publicly traded company are issued, they are assigned a price that ideally reflects the company's value. Stock prices fluctuate in response to various factors such as economic changes, industry shifts, political events, conflicts, and environmental developments. The banking sector plays a crucial role in the economic advancement of a country. Banks function as institutions that mobilize resources by accepting deposits from diverse sources and then investing these accumulated funds in sectors like agriculture, trade, commerce, industry, and tourism. Thus, banks are indispensable and highly beneficial to modern society, playing a crucial role in the economic progress of developing nations (Bhegawati et al., 2020). Stock price movements have garnered significant attention from both scholars and practitioners in recent decades, as they serve as a gauge of risk in financial markets.

Typically, the stock market index is considered an economic barometer of a country. An increase in the stock index is generally viewed favorably, indicating investor confidence in the economy's future prospects (Abberger et al., 2020). Conversely, a decline in the stock index is seen as unfavorable, signaling investor pessimism about the economy's future. Index fluctuations are influenced by a myriad of macroeconomic and microeconomic variables. Any factor impacting firms' cash flows

or discount rates will invariably affect share prices in the stock market. The financial market encompasses the trading of financial instruments like shares, bonds, and debentures. It serves as a platform where the community's savings are channeled to those in need of funds. The financial market facilitates direct transactions between fund suppliers and demanders (Ledgerwood et al., 2013). Financial assets can take various forms, ranging from long-term government bonds to ordinary shares of different companies. Short-term financing, known as the money market, caters to suppliers and demanders of short-term funds with maturities of one year or less. Long-term financing, referred to as the capital market, caters to suppliers and demanders of long-term funds with maturities exceeding one year (Demirguc-Kunt & Maksimovic, 2001). The financial market contributes to savings mobilization, investment, national growth, entrepreneurial development, and industrial progress.

In Nepal's context, investors and shareholders often overlook the risk-return behavior of stocks before investing in securities. Many Nepalese investors opt to invest in a single security without conducting a thorough risk-return analysis (Greenwood & Scharfstein, 2013). While some investors diversify their investments based on individual security expectations and assumptions rather than logical portfolio decisions, they may incur substantial losses. Additionally, investors often exhibit apprehension towards securities investments (Mishkin & Eakins, 2006).

The history of modern banking in Nepal traces back to the establishment of Nepal Bank Ltd. in 1937 A.D., marking the nation's first commercial bank. Prior to the establishment of the Nepal Rastra Bank (NRB) in 1966 A.D., both commercial and central banking functions were carried out by Nepal Bank Ltd. Following the government's adoption of liberal economic policies in the mid-1980s, the first private sector commercial bank, Nabil Bank Ltd., was founded in 1984 A.D. In 2041 B.S., the first joint venture commercial bank, Nepal Arab Bank Ltd., was established. Subsequently, several joint venture and private sector banks have been founded.

1.1.1 Profile of sample banks

Garima Bikas Bank Limited (GBBL)

Garima Bikas Bank Limited, a national-level development bank headquartered in Waling, Syangja, commenced its commercial operations on the 18th of Kartik, 2064,

with a paid-up capital of Rs. 26.5 million. Initially, the bank operated in three districts - Syangja, Palpa, and Kaski - as a Regional Level Development Bank. However, its operational scope was expanded to include 10 districts on the 20th of Chaitra, 2068. Despite its efforts to provide banking services to a wide range of clients, the bank faced challenges due to its limited operational area and a lack of distribution outlets, in alignment with its corporate motto of "Access to All."Consequently, the bank strategically planned to elevate its status to that of a National Level Development Bank. This goal was realized when it merged with Nilgiri Bikas Bank Limited, based in Beni, Myagdi, on the 29th of Asadh, 2072, becoming a National Level Development Bank. Subsequently, the bank further strengthened its position by merging with Subekshya Bikas Bank Limited, headquartered in Narayangarh, on the 4th of Aswin, 2073. These mergers aimed to enhance the bank's capital base, expand its operational areas, and improve its services. Most recently, the bank acquired Sahara Bikas Bank Limited, located in Malangwa, Sarlahi, which is expected to enhance the bank's presence in Province 2.

Jyoti Bikash Bank Limited (JBBL)

Jyoti Bikash Bank Limited is a national level development bank engaged in commercial banking operations with a "Kha"license from Nepal Rastra Bank. The Bank commenced its operations on the 9th of Shrawan, 2065. Established by a core group of promoters consisting of employees from Nepal Power Corporation, as well as other entrepreneurs, professionals, and ordinary citizens, the bank had a distinct vision of fostering the hydropower sector by providing credit facilities to potential hydro projects. From personal finance to the financial requirements of small and medium-sized enterprises, to the needs of large corporations, the Bank has been at the forefront of supporting the national goal of enhancing prosperity in the lives of its citizens. Starting with an initial paid-up capital of Rs. 259 million, the Bank has now reached a paid-up capital of Rs. 4.26 billion. Over the course of the past 13 years, the Bank merged with Jhimruk Bikas Bank Limited (FY 2073/74) and acquired two more regional development banks, namely Raptiveri Bikas Bank Limited (FY 2074/75) and Hamro Bikas Bank Limited (FY 2075/76). Currently, the Bank operates 121 branches across the region, including 3 extension counters. Moreover, the Bank offers services through a network of 74 ATMs and is in the process of expanding its presence

through both branch and ATM expansion, in addition to reaching out to technologically savvy customers with a wide range of digital banking products.

Shangrila Development Bank Limited (SDBL)

Shangrila Development Bank, a prominent national-level financial institution in Nepal, commemorates its illustrious 18-year legacy. Established in 2061 B.S, the bank has consistently ranked among the top in meeting the financial needs of individuals. The board members of the bank comprise distinguished individuals with extensive experience and expertise in the banking and financial sectors. Committed unwaveringly to customer service, Shangri-la Development Bank, headquartered in Baluwatar, has been delivering its services through an extensive network of 112 branches and 30 ATMs scattered across the nation. The customer-centric products have proven to be highly successful, leading to the exponential growth of the institution. The enduring trust of our esteemed clientele has united us as a large family of over 450 thousand customers and 821 staff members. With a paid-up capital of Rs. 3.010 Billion, deposits amounting to Rs. 52.20 Billion, and loans totaling Rs. 43.24 Billion, we stand as one of the key players in the development banking sector.

Kamana Sewa Bikas Bank Limited (KSBBL)

Kamana Sewa Bikas Bank Limited (KSBBL) is a national-level development bank that was established through the merger of Kamana Bikas Bank (a national-level development bank) and Sewa Bikas Bank (a district-level development bank) on the 4th of September 2017. KSBBL is a prestigious financial institution founded by prominent business groups and individuals of the region who have excelled in their respective fields with exceptional acumen and social standing. Under the guidance of a distinguished Board of Directors and a professional and dynamic management team with extensive experience and a proven track record in the banking industry, Kamana Sewa Bank is dedicated to providing a wide range of banking products and services tailored with cutting-edge technology to meet the unique needs of all clients and exceed their expectations. Currently, KSBBL operates in 7 provinces and 38 districts of Nepal (out of 7 provinces and 77 districts of Nepal) through its 124 branches and 66 ATM terminals. According to the monthly data released by the Nepal Rastra Bank,

there are a total of 20 development banks with 1,029 branches, 296 ATM terminals as of mid-July 2023.

Shine Resunga Development Bank Limited (SRDBL)

Shine Development Bank Ltd. was established in Butwal Rupandehi, the economic and industrial hub of western Nepal, on the 11th of Falgun, 2065 BS, with service locations spanning three districts. Following its merger with Resunga Bikas Bank on the 4th of Chaitra, 2069 BS, from Gulmi District, the development bank was rebranded as Shine Resunga Development Bank Ltd., expanding its service areas to ten districts. The bank further amalgamated with Gaumukhi Bikas Bank from Pyuthan district on the 29th of Jestha, 2073 BS. Upon acquiring Bhaargav Bikas Bank and Purnima Bikas Bank on the 27th of Ashwin, 2076 BS, the development bank was elevated to a national-level development bank on the 10th of Mangshir, 2076 BS. Headquartered in Butwal, Rupandehi district, the development bank emphasizes easy financial access for both urban and rural clients, adhering to all directives issued by Nepal Rastra Bank and other relevant laws and regulations. Shine Resunga Development Bank has inaugurated five new branches simultaneously. The bank has opened new branches in New Baneshwor, New Road, Kalanki, Gangbu, and Maharajgunj of Kathmandu. Previously, Shine Resunga Bank operated in Lumbini district and was recognized as a national-level development bank a year earlier. Banepati, a national-level development bank, had not established any branches in the Kathmandu Valley until now. However, the bank has now marked its presence in the Kathmandu Valley by launching five branches simultaneously. The bank has expanded its branch network by organizing a program on Sunday. Commencing from Rupandehi in 2065 BS, the bank currently operates 80 branches. The bank's paid-up capital stands at approximately Rs 3.40 billion, with a total capital of around Rs 6 billion. The bank serves 400,000 clients.

1.2. Statement of the problem

Investments in the capital market play a pivotal role in the financial development of a nation (Tachiwou, 2010). The advancement of the capital market in any country and its sustainable growth rely on the overall economic situation, savings, and investment opportunities. Due to the lack of adequate knowledge and information about companies and the stock market (Briggs, 2015) investors often engage in stocks

haphazardly and struggle to identify profitable or valuable stocks. The prevailing economic instability, political uncertainty, and ineffective implementation of the country's economic policies have created negative perceptions within the economy (Choong et al., 2010). The prices of securities, especially common stocks, have experienced fluctuations and arbitrary declines in recent years (Azam et al., 2016). The Nepali stock market issue remains unexplored and unaddressed. Policy makers have failed to formulate appropriate strategies for stock market development. Most government-led initiatives to establish the stock market have yielded poor results (Hermes & Lensink, 2003). Stock prices are determined by the principles of supply and demand, making it a contentious and unpredictable matter to pinpoint the exact factors influencing stock prices (Donwa & Odia, 2010). Stock prices fluctuate over time, with the stock market reacting to changes in the economic landscape (Adelakun, 2010). This study aims to identify the determinants of stock prices and assess the extent of their influence. Specifically, this research seeks to address the following questions:

i. What is the existing condition of MPS and earnings, net worth price, price earnings and dividend of sample banks in Nepal?
ii. What is the relationship between MPS and earnings, net worth price, price earnings and dividend of sample banks in Nepal?
iii. How earnings, net worth price, price earnings and dividend affect on the MPS of sample banks in Nepal?

1.3 Objectives of the Study

The main aim of the study is basically to analyze the movement of share price of selected development banks of Nepal and their relationship with some variables (EPS, NWPS, P/E ratio and DPS). Besides that, the specific objectives are as follows:

i. To evaluate the existing condition of MPS and earnings, net worth price, price earnings and dividend of sample banks in Nepal.
ii. To identify the relationship between MPS and earnings, net worth price, price earnings and dividend of sample banks in Nepal.
iii. To analyze the effect of earnings, net worth price, price earnings and dividend on the MPS of sample banks in Nepal.

1.4 Hypothesis

Research hypothesis testing is a fundamental aspect of a research study, often involving a quantitative assessment of a population parameter. By testing a hypothesis, researchers can determine whether the theory should be accepted or rejected. The main objective of hypothesis testing is to evaluate the characteristics of a hypothesized population parameter based on sample data, assessing whether the difference between the population parameter and the test statistic is statistically significant. The research hypotheses formulated are as follows:

H_1: There is a significant association between Earning per share (EPS) as a predictor of Market Price per Share (MPS).

H_2: There is a significant association between Book Value per Share (BVPS) as a predictor of Market Price per Share (MPS).

H_3: There is a significant association between Price-Earnings ratio (P/E) as a predictor of Market Price per Share (MPS).

H_4: There is a significant association between Dividends per Shares (DPS) as a predictor of Market Price per Share (MPS).

1.5 Rationale of the study

Every people are attracted to invest in share for purpose of getting more return as well as to maximize his or her wealth. So, an analysis of sensitivity of share price in Nepalese Stock Market has become an effective way to attract new investors. The study is significant for individual investors who are willing to trade in securities of Nepalese and multinational organization. This study also helpful to understand the share price of the various listed companies in Nepal. It is helpful to related person like policymakers, shareholders, management and all parties involved in Nepalese share market. This study may help investors to think about restructuring their investment portfolio. Similarly, the potential investors may take better timely investment decision on the basis of the finding of the study. The finding are importance for the further researches and scholars who are related to Nepalese stock market. This study helps to find out possibilities, problems, and prospects of stock market in Nepal. It contributes to find out the financial status of selected banks. Therefore, this study is expected to helpful for general investor and organization that are related with stock market.

1.6 Limitations of the study

The following are some limitations of the study:

- The topic " stock price behavior " (analysis of selected banks) is much more dynamic and it takes huge resources including human and financial to cover the whole aspects of the research but the research has focused only on the stock price behavior due to changes in EPS , NWPS , P/E and DPD ratio as independent variable.
- The dependent variable, market price per share used in this study is computed only on the basis of the average of quarterly average price of the stock in a year.
- The study is mainly concentrated on the stock price behavior of five development banks. Because banks have just merged with some development banks and finance companies and some are in process of merger.
- This study included the observation period of ten years from FY 2013/14 to 2022/23 of Five development banks.
- The result is strictly based on information provided by secondary source the company's website, SEBON, NEPSE, NRB.
- This study uses purposive sampling method.

CHAPTER-II

LITERATURE REVIEW

A literature review involves the exploration and assessment of existing literature that is pertinent and applicable to a specific subject or area of study. It serves to outline the current state of knowledge regarding the subject matter or topic being researched. A well-executed review demonstrates to the reader that the researcher possesses a comprehensive understanding of the subject matter. Consequently, a literary review is considered a fundamental component of any research endeavor. It encompasses the examination of existing literature, the synthesis of information into a concise summary, critical analysis of the gathered information, and the presentation of findings in a structured manner.

This chapter focuses on written works by various authors that pertain to the relationship between independent variables and market prices of banks, as documented in papers, journals, books, and websites. The aim is to evaluate the key aspects of existing knowledge, including significant discoveries, as well as theoretical and methodological contributions to this specific area of study. It encompasses a review of previous works, identification of research gaps, and establishment of a theoretical framework. The primary objective of this chapter is to ascertain the extent of research conducted in relation to the identified research problem. To enhance comprehension for readers of this research, the outcomes of the literature review are organized as follows:

2.1 Theoretical review

Theoretical review is study of theory rather than application with the aim to establish existing theories and their interrelationships as well as identifying the existing research gaps therefore resulting in the development of new hypotheses that call for research.

2.1.1. Efficient market hypothesis (EMH)

An exceedingly efficient market is one where all investors have access to relevant information, with a comprehensive library of news that impacts the stock market readily available within the market. "An efficient financial market exists when

security prices incorporate all available public information regarding the economy, financial markets, and the specific company involved" (Van Horne & Wachowicz Jr, 2005). In a comprehensive examination of theoretical and empirical research conducted on the capital market, Previously its proposed three categories of information subsets to evaluate and assess an efficient market model. These categories are weakly efficient, semi-strongly efficient, and strongly efficient. The weak form efficient market hypothesis (WEMH) posits that all historical information is already reflected in security prices. In this market, historical information has already been factored into prices, therefore no excess profit can be gained from an investment strategy based on past information (Sultan et al., 2013). If current stock prices reflect all publicly available information, including past prices, volume data, and all information disclosed in the market, even analyzing published accounting information through fundamental analysis becomes irrelevant as market participants would accurately and immediately factor it in upon publication. On the other hand, the strong efficient market hypothesis (SEMH) assumes that all information, both public and private, that influences stock prices will be reflected in security prices (Chen & Yu, 2014). Consequently, even individuals with access to private information cannot consistently achieve an abnormal return. This concept is derived from the idea of perfect competition, which presupposes freely available information, rational investors without taxes, and transaction costs.

2.1.2. Random walk efficient market theory

The random walk hypothesis posits that fluctuations in stock prices follow a consistent distribution and are independent of one another. Consequently, it asserts that past movements or trends in a stock price or market cannot be relied upon to forecast its future trajectory (Pesando, 1979). In essence, the random walk hypothesis asserts that stocks follow an unpredictable and erratic path, rendering all attempts to predict stock prices futile in the long term (Fama, 1995). The hypothesis is based on several key assumptions, including:

i. Random walk hypothesis proposes that changes in stock costs have the same conveyance and are free of each other.
ii. Random walk hypothesis induces that the past development or drift of a stock cost or showcase cannot be utilized to foresee its future movement.

iii. Random walk hypothesis accepts it's unrealistic to beat the market without expecting extra risk.

iv. Random walk hypothesis considers specialized examination undependable since it comes about in chartists as it were buying or offering a security after a move has occurred.

v. Random walk hypothesis considers principal investigation undependable due to the often-poor quality of data collected and its capacity to be misinterpreted (Chitenderu et al., 2014).

2.1.3. Theoretical review theory of pricing

Marshall (1990) posited, from the perspective of classical economic theory and early neoclassical economics, that the equilibrium market price would be established by the interplay of demand and supply forces within the perfect market competition framework (Pratten, 1998). This stance aligns closely with classical value theory. According to Clarke (1988), price is defined as the assigned numerical monetary value of a good, service, or asset. If there is an excess supply of money in the market, it will exert a downward pressure on prices. Conversely, an excess demand for money will lead to price increases. Mishkin (1986) observed that interest rate serves as the fee charged by lenders on borrowed funds, and argued that market forces of demand and supply would converge to establish the equilibrium interest rate. This assertion is consistent with classical economic theory (Cumby & Mishkin, 1986). The supply side of the money market represents the availability of loanable funds, while the demand side reflects the need for loanable funds. Consequently, the determination of the interest rate occurs at the equilibrium point where the supply and demand curves intersect.

2.1.4. Fishers' theory

Changes in short-term interest rates are primarily driven by fluctuations in the expected rate of inflation. It is assumed that market participants' expectations regarding inflation rates are largely accurate. The main factor influencing interest rate adjustments is the rate of inflation. Hence, the equation r=i-p is used, where r represents the real interest rate, I is the nominal interest rate, and p stands for the inflation rate (Mishkin, 2010). This renowned theory, named after the American

economist Fisher (1930), serves as the foundation for the conventional recommendation on real interest rates. The theory posits that in competitive financial markets, the nominal interest rate on deposits should be positive in real terms. This is because savers need to be incentivized to hold financial assets rather than tangible assets, which generally appreciate in nominal terms at the inflation rate. Therefore, the nominal interest rate should equal the expected inflation rate plus a modest real rate. Correspondingly, lending rates should also be positive in real terms, as they are derived from the cost of deposits with an added margin covering intermediation costs, reserve requirements, taxes, and risk. As a result, many economists advocate for maintaining low inflation levels to keep nominal interest rates at bay. The primary criticism of Fisher's theory lies in its limited scope, as it operates under a partial equilibrium framework focusing solely on capital markets and assuming that prices of goods and services are predetermined (Mishkin, 2010).

2.1.5. Arbitrage pricing theory (APT)

APT was introduced by Ross (1976). The theory presumes that stock market returns are influenced by some economic variables through their effect on discount rates and future dividends (Shrestha et al., 2015). APT correlates with market portfolio concept, according to arbitrage theory individuals have different portfolio of investments with their specific systematic risk. APT is a multifactor model and most of the empirical literature argues that APT proposes better results comparatively to CAPM, because it used multiple factors for explaining shared and systematic risk (Waqar & Mustabsar., 2015). The theory established a theoretical framework that links share returns with some variables that have the potential to influence sources of income volatility (Devkota & Dhungana, 2019). Arbitrage Pricing Theory (APT) uses macro-economic variables to predict stock returns and the theory assumes that various macro – economic variables can actually affect stock returns other than systematic risk beta.

2.2 Empirical review

Rauf et al. (2024) inspected the variables impact on stock costs within the keeping money segment on the Colombo Stock Exchange" for the period between 2005 and 2014. This think about utilized expressive, correlational and direct different relapse models to degree the person and combined impacts of illustrative factors on the subordinate variable. The findings appeared that there's a positive relationship

between the free factors such as profit per share, profit per share, book esteem per share, P/E proportion and estimate and the subordinate variable advertise cost of the share. In expansion, the study of the relapse investigation of the relationship between company size and showcase cost appeared that there's a converse relationship between them. At last, other factors profit per share and profit payout have an immaterial affect on the showcase price.

Dabbous et al. (2024) examined the comparison of stock prices in the United Kingdom, the United States, Japan, Hong Kong, and Mainland China. They found that compared to mature stock markets, China's monetary policy has a short-term impact on stock market indices. As trading and risk show, interest rates have a negative impact on stock prices; however, its long-term impact is well understood.

Islam (2023) investigated the influence of macroeconomic variables on the profits of companies listed on the London Stock Exchange (LSE) during the period from 2015 to 2019. The main objective was to explore the impact of macroeconomic factors on financial performance. The study utilized panel data from 23 banks listed on the London Stock Exchange. A random effects panel data regression analysis was conducted to assess the effects of five macroeconomic variables: gross domestic product (GDP), actual interest rate growth rate, unemployment rate, rate of change in return on assets (ROA), and return on equity (ROE) on profitability. The findings revealed that real GDP growth had a negative effect on the profitability of companies, as indicated by ROA and ROE. Other macroeconomic indicators did not show significant impacts on profitability measured by ROA and ROE. This suggests that internal factors, rather than external factors, play a crucial role in determining the profitability of UK banks.

Anh et al. (2023) conducted a study to analyze and evaluate the factors influencing non-interest income, including the impact of the Covid-19 pandemic, based on a sample of 27 commercial banks in Vietnam. The study found that variables such as efficiency management (RELROE), bank size (Size), capital adequacy ratio (CAR), and the Covid-19 pandemic had a positive impact on non-interest income, while liquidity (LIQ), net interest margin (NIM), loans to assets ratio (Credit), credit risk (Risk), and inflation rate (INF) had a negative impact. The article provides recommendations to enhance the non-interest income of Vietnamese commercial banks. Additionally, research has shown that the Covid-19 pandemic has a positive

effect on non-interest income. Consequently, the article offers suggestions to improve the non-interest income of Vietnamese financial institutions.

Dumara (2023) conducted study on determinants of budgetary execution of state and private commercial banks in Ethiopia. Information is auxiliary in nature; the quantitative investigate approach and illustrative investigate plan were considered. Other than, the settled impact show was utilized. The settled impact show is favored to the irregular impact show based on the Hausman detail test. This think about, both inner and outside components were included. The inner components utilized in this think about intrigued salary, administration effectiveness, and bank estimate while outside components are genuine GDP, intrigued rate, and cash supply. Besides, ROA and ROE were utilized as the money related execution degree of banks. Based on the discoveries, the bank particular factors are intrigued salary and administration productivity has positive and noteworthy impacts on (ROA and ROE) but bank measure. On the other hand, macroeconomic figure of GDP has positive and noteworthy impacts on the (ROA) and (ROE) and intrigued rate and cash supply have negative and positive noteworthy impacts on (ROE) but immaterial affect on (ROA) respectively.

Ahmed et al. (2023) inspected the Determinants of stock cost in a test of the Affiliation of Southeast Asian Countries and other three nations. More particularly, the ponder looks at the part of organization quality markers on the advancement and instability of the stock showcase. To attain the targets of the think about, we utilize yearly information from 1991 to 2014 and utilizeboard integration test, completely altered standard slightest squares and heterogeneous non-causality test. Our observational discoveries affirm a critical long-run relationship between the factors. Essentially, our comes about of long-run flexibilities on stock advertise execution and instability recommend that markers of regulation opportunity, such as direction, government estimate, sound cash, and trade freedom, have a critical positive impact on stock market execution, and these markers, at the side the legitimate framework, have a significant negative affect on stock cost instability. With macroeconomic factors, we too discover critical short-term causalities of stock showcase advancement and cost instability. Given these comes about, our consider proposes that pointers of organization freedom not as it were advance stock advertise improvement but moreover viably diminish stock cost instability in ASEAN and the three countries.

Sarkar and Rakshit (2023) conducted study on determinants of commercial banks' execution in India. Uncommon reference to the macroeconomic variables. Considering return on resources (ROA), return on value (ROE) and net intrigued edge (NIM) as the degree of execution, we have chosen a board of open and private division commercial banks of our nation. Taking a few large scale factors such as GDP, expansion and loaning intrigued rate as the prime illustrative factors in conjunction with a few bank-specific and macroeconomic control factors, to begin with distinction generalized strategy of minutes (GMM) strategy has been connected to watch the affect of these macroeconomic variables on the execution of commercial banks. Comes about show that outside factors altogether influence commercial banks' execution and these discoveries stay unaltered with the successive incorporation of all control factors. This work has colossal significance to the investors, organizers and policymakers in forming fitting approach choices for the commercial banks.

Musah and Aryeetey (2021) examined components that influence the share cost of firms recorded on the Ghana Stock Trade. Particularly, the think about inspected firm-specific components, bookkeeping proportions and macroeconomic variables that influence the share cost of recorded firms in Ghana. Firm-specific factors incorporate firm estimate and whether the firm may be a money related institution. Bookkeeping proportions utilized within the study incorporate profit per share, obligation, return on resources, return on value and profit per share. Macroeconomic factors incorporate financial development, expansion rates, and intrigued rates. This study included a test of 21 firms over a period of 10 a long time, from 2009 to 2018. The study utilized clear insights, relationship examination, and board relapse examination to attain the think about targets. The comes about of the consider appear that firm-specific factors such as firm estimate and the firm being a money related institution were positive and factually critical determinants of the share cost of recorded firms in Ghana. Bookkeeping proportions of obligation to resource proportion, return on resources and return on value were measurably inconsequential affiliations with the share cost of firms recorded on the Ghana Stock Trade. Other bookkeeping proportions such as profit per share and profit per share were emphatically related and factually critical with the share cost of the examined companies recorded on the Ghana Stock Trade. Of the macroeconomic factors, as it were financial development was emphatically related with stock costs and statistically significant at the 10% noteworthiness level.

The concluded that bookkeeping or speculation proportions are the most determinants of share cost for firms recorded on the Ghana Stock Exchange.

Gharaibeh et al. (2021) inspected the affect of hazard, measure, and benefit, profit per share, profit abdicate, and book market capitalization on share costs of Jordanian banks. The study utilized graphic insights, relationship investigation, and board relapse examination to attain the ponder goals. This think about appeared that estimate (Measure), benefit (ROA), dividend surrender (DY) and book-to-market proportions (BE/ME) are factually noteworthy determinants of stock prices. The hazard (Chance) calculate measured by the instability of ROA encompasses a positive and noteworthy impact on stock costs, whereas profit per share contains a negligible impact on stock costs. The comes about appear that ROA features a noteworthy and positive impact and gives the biggest impact of all the factors utilized in this think about, whereas the Hazard figure contains a positive and noteworthy impact. On the other hand, Measure, DY and BE/ME have a noteworthy negative impact on stock costs. The Chance is altogether impacts on stock costs in Jordanian commercial banks. The analyst prescribes utilizing the benefit figure spoken to by ROA, which incorporates a critical positive impact on stock costs in Jordanian banks, and applying the ROA variable to other sectors.

Huy et al. (2021) inspected the vacillations stock cost of commercial bank in creating nations such as Vietnam will reflect the commerce wellbeing of the keeping money framework and the economy as an entirety. Great trade administration requires us to consider the impacts of different large scale components on stock cost and contributes to supporting trade arrange, money related hazard administration and financial approach for financial development and stabilization of macroeconomic components. The article analyzed and assessed the impacts of seven (7) macroeconomic components on the share price of Vietcom bank (VCB) joint-stock commercial bank in Vietnam within the period 2014-2019, both positive and negative sides. The comes about of quantitative inquire about within the seven-factor show appear that the increment in GDP development and the credit rate and the risk-free rate have a critical impact on the increase within the cost of VCB shares with the most noteworthy affect coefficient, the moment is the diminish within the trade rate, and at long last there's a slight diminish within the S&P500. This inquire about finding and prescribed approach can too be utilized as an arrangement reference for the commercial managing an account framework in numerous creating nations.

Wagle (2021) conducted a study to analyze the variables that affect the stock prices of commercial banks in Nepal. The researcher employed Cruel, Standard deviation, relationship coefficient, and regression analysis strategy. By considering both dependent and independent variables, the study found that the Market value to Book value, price to earnings, and earnings to dividend ratios exhibit a significant positive correlation with the market prices of each bank in Nepal. However, the Profit to Yield ratio shows a positive but insignificant impact on the stock market price. The study concludes that there is always a numerical relationship between macroeconomic factors and the stock price of a company. The implication of this research was that investors can utilize this information to make informed decisions when investing in the stock market.

Dahal and Puri (2021) examined the Stock Market Behavior of Listed Joint Stock Companies in Nepal. To analyze the collected data, he employed simple percentage and paired t-test as analytical tools. The study discovered that the majority of investors were associated with the banking sector for investment. Upon analyzing primary data, it was evident that the stock market in Nepal is in a developing stage as investors are not well-informed about the investment process and other factors like the NEPSE index, price trends, and investment facilitators are not fulfilling their responsibilities accurately. It was also found that investors' motivation for owning shares of companies is to derive profits from the shares. By analyzing the price trend of the NEPSE index over two years in various months using the monthly trend, it was observed that in the year 2001, there was a downward trend. Furthermore, the results of the paired t-test for signaling variables regarding major seven events indicated that signaling effects had a significant impact on the fluctuation of stock prices.

Niroula (2021) investigated the stock price behavior of 18 commercial banks in Nepal, with Market Price per Share as the dependent variable and Earnings per Share, Price-to-Earnings ratio, Dividend Yield ratio, size, Return on Equity, Book Value per share, and Return on Assets as independent variables. The researcher utilized a descriptive and explanatory research design using the SPSS program for data analysis. The results of the study revealed that Earnings per Share, Price-to-Earnings ratio, and bank size have a significant and positive impact on the share price. Dividend Yield and Return on Assets influence the market price positively but insignificantly. On the other hand, Return on Equity and book value per share have a negative and insignificant effect. In conclusion, Earnings per Share, Price-to-Earnings ratio, and

bank size significantly impact the stock price of commercial banks in Nepal. The research suggests that investors should make purchasing decisions based on the performance of the stock.

Almaaiteh and Alsaraireh (2019) investigated the impact of the economy on the stock prices of Jordanian companies listed on the Amman Stock Exchange (ASE) between 2006 and 2017. In this study, the STATA program was used for data processing and an effect was selected from the multiple regression model. To measure correlation. Research results show that there is a significant relationship between EPS, DPS, BVPS and P/E ratio and market value. Additionally, the regression results show that return on equity and earnings per share are the variables that have the greatest impact on the market share price of companies. Similarly, the regression results show that earnings per share has a negative relationship with market capitalization, variable income has a negative relationship with price lag copy but not significant, but current ratio also has a good relationship with product. Business value and it doesn't matter. The market value of a commodity. This study recommends that investors in the Amman Stock Exchange focus on financial metrics when making investment decisions.

Thapa (2019) explored the factors influencing stock prices in Nepal, specifically focusing on Nepalese commercial banks listed on the Nepal Stock Exchange Ltd. from 2008 to 2018 AD. Data were collected from surveys and financial statements of relevant companies and analyzed using a simple linear regression model. The study revealed that Earnings per Share (EPS), Dividend per Share (DPS), regulatory compliance, market sentiments, company profiles, and success dependent on luck have a significant positive correlation with share price. On the other hand, Interest Rate (IR) and Price-to-Earnings ratio (PER) showed a significant negative correlation with share price. Additionally, liquidity availability, fundamental and technical analysis stimulate the performance of the Nepalese stock market. Notably, stock market performance was found to respond significantly to changes in earnings and interest rates.

Ghimire and Mishra (2018) investigated the relationship between stock prices and explanatory factors such as DPS, EPS, P-E ratio, BV, Market to BV for the period of 2012 to 2017. Through simple and multiple regression analysis and descriptive statistics, this study examined the factors influencing stock prices. With a sample size of 11 financial and non-financial firms in Nepal, the results indicated that Market to

BV and P-E ratio are significant determinants of stock price, directly affecting the stock price. Additionally, DPS and BV have a positive impact on stock price, while EPS has a minimal effect. The main findings of this study are particularly valuable for stock investors, fund managers, and the economy as a whole, as they can consider these significant factors when evaluating stock returns and predicting share prices.

Dhakal (2018) explored the factors influencing the share price of commercial banks through a Relationship and Regression Analysis. The results of the study over the past five years revealed that Earnings per Share, Earnings per Share, and Book Value per Share have a significant positive correlation with share price using secondary data analysis. Earnings per Share, Book Value, Earnings payment, Price-to-Earnings ratio, paid-up capital of the banks, and external factors such as government instability, policies of the NRB, performance of SEBON, and political influences are essential factors.

Pathak and Gupta (2018) examined the impact of rights share issues on share price development in the banking sector from 2007/08 to 2016/17. To analyze share price development at different selected points in time, pre and post-right issues, and price relatives were calculated. Five different time points were selected to monitor share price movements, with the announcement date as the reference point. Stock price data were obtained from the NEPSE website. The study used correlation coefficients to determine the relationship between overall market movements and individual share price changes. The coefficient of determination was used to assess how much of the share price variation is explained by the occurrence of rights share issues. The results indicated that the right issue announcements have a signaling effect, albeit negative. The share price of Nepalese commercial banks decreases after the announcement of rights despite an increase in the market index during the corresponding period. These results highlight the asymmetric information behavior that leads to a negative change in share price after rights issue announcements. The implication of the results is that investors can anticipate the nature of share price changes after rights issue announcements and make strategic plans to improve trading activity.

Karki (2018) investigated the cross-sectional differences in stock prices of Nepalese commercial banks based on six key factors: Earnings per Share, Book Value per Share, Cash Dividend per Share, Stock Dividend per Share, Price-to-Earnings ratio, and firm size. This study utilized secondary data sources, with panel data from commercial banks including 150 observations used for the period of 2000-2014.

Earnings per Share and Stock Dividend per Share were identified as the most significant determinants of stock prices of commercial banks in Nepal. The performance of the stock dividend is particularly crucial, as this variable is statistically and economically the most important of the six key factors examined.

Bhattarai (2018) explored the Determinants of Share Price of Nepalese Commercial Banks, focusing on nine commercial banks in Nepal. The study concluded that the shares of commercial banks provide investment opportunities to Nepalese investors, as these shares are more frequently traded in the market compared to others in the Nepalese context. The findings of the study from 2006-2014 revealed that Earnings per Share and Price-Earnings ratio have a significant positive correlation with share price, while profit surrender showed a significant negative correlation with the share price of banks. The study concludes that profit surrender, Earnings per Share, and Price-Earnings ratio are the major determinants of the share price of Nepalese commercial banks.

Almumani (2018) examined the topic Factors affecting the prices of banks traded on the Amman Stock Exchange". A linear multiple regression model was used. There is a significant relationship between earnings per share and market performance of listed companies in Jordan. There is also a relationship between the book value of the bank and its market value. Another result obtained from the regression analysis shows that there is a positive relationship between the price-earnings ratio and market value. The empirical results of the regression analysis on the relationship between size and market value show that there is an interaction between size and market value. Finally, another difference between dividends per share and cash dividends relates to market value.

Khatiwada (2017) investigated the effectiveness of the stock market and the behavior of share prices. The study employed serial correlation tests and runs tests as statistical tools, in addition to utilizing a technical trading rule known as channel rule for data analysis. The study revealed that the standard deviations of individual stock price fluctuations are greater than the mean. Consequently, the distribution of observed frequency is flatter compared to that of a normal distribution. The results obtained from the serial correlation test for the 30 stocks are highly significant and consistently differ from zero. The results from the runs test align with those of the serial correlation tests. Upon analyzing the runs test by lengths, it was observed that the number of runs does not follow a normal distribution. Therefore, there is significant

evidence of a sequential pattern in the price changes within the Nepalese stock market. Furthermore, the study revealed from the channel test that sophisticated technical trading rules can outperform the average market return. Since most of the filter's trading returns exceeded those of the buy and hold strategy, it supports the findings of the serial correlation and runs tests. Consequently, the author concluded that today's price changes are not solely a result of yesterday's price changes.

Papadamou et al. (2017) pointed out that changes in interest rates in the long term will have a long-term impact on stock returns. Fluctuations in interest rates and deposit rates have no impact on short-term stock prices; only lowering interest rates will have a short-term impact on the stock market. Because low interest rates mean recession; this will cause anxiety among investors and drag the stock market into conflict.

Aveh and Awunyo-Vitor (2017) examined the determinants of stock prices on the Ghana Stock Exchange. The results from the regression analysis show that there is a positive relationship between ROE, EPS, BMVS and market capitalization, indicating that these variables are determinants of stock prices on the Ghana Stock Exchange. However, there is a negative relationship between stock price and dividend yield, indicating that dividend decision is not a significant factor in affecting stock price. This study provides guidance to potential investors in the Ghana Stock Exchange to focus on the above factors before making an investment decision. The study found that individuals who want to invest in solar portfolios need to monitor the performance of some variables before deciding to expand their portfolios. Listed companies should focus more on developing knowledge of the key variables affecting business prices.

Velankar et al. (2017) investigated the impact of EPS and DPS on stock prices of companies in India. Various types of time series data; EPS, DPS and stock prices are provided from Money Control and NSE websites for a period of 9 years from 2006-07 to 2014-15. Perform a fixed position test, use ARCH LM to test the hypothesis of a multiple regression model, and analyze the impact of EPS and DPS on stock prices. Through hypothesis testing, the results show that EPS and DPS have a significant impact on stock prices, and it is recommended to consider other determinants of stock prices.

Enow and Brijlal (2016) examine the movements of stock prices of companies listed on the Johannesburg Stock Exchange using 14 companies listed on the Johannesburg Stock Exchange. 2009-2013. the results obtained from multiple regression analysis

show that earnings per share, earnings per share and price/earnings ratio are associated with a turnover ratio of 57.8%. Additionally, while earnings per share and earnings per share show a positive relationship with stock prices, there is no relationship between dividends per share. This finding means that managers can create value for shareholders by increasing earnings per share, earnings per share, and value per share.

Shrestha and Lamichhane (2016) conducted an investigation into the determinants of stock market performance in Nepal. The study revealed that stock prices have a strong positive correlation with inflation and the growth of money supply, and a negative response to interest rates. The stock market is increasingly seen as a hedge against inflation by individuals who invest in this market when there is ample liquidity at a low interest rate. Positive political developments with stability can further boost the stock market, which plays a crucial role in financial intermediation and resource mobilization through the capital market. As the findings suggest that the stock market is also influenced by rumors, news, and speculations, enhancing transparency in this market by providing easy access to information related to listed companies is crucial. Improving transparency and communication by relevant authorities is necessary to dispel rumors and speculations in the market.

Sharif et al. (2015) explored the Components Influencing on Stock Costs of 41 companies recorded on the Bahrain Stock Trade for the period 2006–2010. As the Bahrain Stock Trade experienced a turbulent period within the first half of 2010 due to political unrest, which caused a 25.5% drop within the add up to esteem of offers exchanged within the to begin with half of 2010 and a 7.59% decrease within the Worldwide Bahraini File the taking after year, the period after 2010 has been purposely disregarded in this ponder. This think about utilized clear, correlational and straight numerous relapse models. Eight firm-specific factors, to be specific return on value, book esteem per share, profit per share, profit per share, profit surrender, cost profit and obligation to resources, which are directed by firm measure, were considered to determine their affect on showcase cost offers. Within the significant market. The comes about show that the factors return on value, book esteem per share, profit per share, profit abdicate, cost pick up and firm measure are critical determinants of stock costs within the Bahraini advertise. The tall R^2 (0.80) uncovered for both models utilized assist archives the critical affect of these factors on the stock advertise cost. This recommends that speculators can make ideal venture choices and

be guaranteed of reasonable returns in the event that they consider these determinants that have advanced as critical supporters to the showcase cost of offers in Bahrain.

Arshad et al. (2015) explored the Determinants of Stock Costs of Recorded Commercial Banks in Pakistan. Amid this investigate, the analyst collected information from recorded commercial banks in Karachi Stock Trade amid the period 2007-2013. One of the special highlights of this article is to discover out the impact of inner and outside variables on the stock cost. Direct numerous relapse examination is utilized to decide whether the chosen autonomous factors have an impact on stock costs or not. The comes about demonstrate that profit per share have a more prominent impact on stock costs and have a positive and noteworthy relationship with stock costs, the book-to-market proportion and intrigued rate too have a critical but negative relationship with stock costs, whereas other factors (net residential item, cost profit proportion, profit per share, use) have no relationship with stock costs.

Masum (2014) examined the dividend policy in Bangladesh and its impact on stocks by examining the stock market returns of all 30 banks listed on the Dhaka Stock Exchange between 2011 and 2015. Where stock returns and stock returns of private companies in Bangladesh can also be attributed to dividend distributions. The sample size is large and covers all companies listed on Dhaka Stock Exchange, so the results are reliable and valid. Panel data is used to explain the relationship between revenue and stock price. Earnings per share, return on equity, insurance premiums, etc. After controlling for variables such as, there is a positive relationship explaining the change with stock prices. At the market price, the income after dividends and income is inversely proportional to the stock price and is very small. All results of the study show that dividend policy has a positive impact on stock price.

Almumani (2014) inspected the Variables impact on share costs of banks recorded on the Amman Stock Trade. This consider utilized expressive, correlational and straight different relapse models. Ponder incorporates free factors such as: DPS, EPS, BVPS and PE proportions and advertise cost as dependent variable. Observational discoveries appear that there is a positive relationship between the autonomous variables DPS, EPS, BVPS, PE with the dependent variable MP. Furthermore, there's a significant relationship between BVPS and MP Banks. Another empirical comes about from the different relapse show examination appears that there's a positive relationship between P/E and MP. At long last, other DPS factors have an immaterial impact on the market price.

Table 2.1 Summary Table of Empirical Review

Author (Year)	Objectives	Methodology	Variables	Findings	Summary, Conclusion
Rauf et al. (2024)	Inspect the variables impacting stock prices within the banking sector on Colombo Stock Exchange	Descriptive, correlational, and linear multiple regression models	Dependent: Market price of share; Independent: EPS, earnings per share, book value per share, P/E ratio, size	Positive relationship between EPS, earnings per share, book value per share, P/E ratio, size, and market price. Inverse relationship between company size and market price.	Investors should consider these factors when investing in the banking sector.
Dabbous et al. (2024)	Compare stock prices across UK, US, Japan, Hong Kong, and China	Comparative analysis	Dependent: Stock prices Independent: Monetary policy, interest rates	China's monetary policy impacts short-term indices. Interest rates negatively affect stock prices; long-term impacts are understood.	Highlights differences in the impact of monetary policies across countries, with a focus on short-term effects in China.
Islam (2023)	Investigate the impact of macroeconomic variables on profitability of LSE-listed companies (2015-2019)	Panel data regression analysis using random effects model	Dependent: Profitability (ROA, ROE) Independent: GDP, interest rate, unemployment rate, ROA change, ROE change	Real GDP growth negatively affects profitability. Other macro indicators have no significant impact. Internal factors are crucial for UK banks' profitability.	Highlights the significance of internal factors over external ones in determining bank profitability in the UK.
Anh et al. (2023)	Analyze factors influencing non-interest income in Vietnamese banks, including Covid-19	Quantitative analysis with sample of 27 banks	Dependent: Non-interest income Independent: Efficiency, size, CAR, Covid-19, liquidity, NIM,	Efficiency, size, CAR, and Covid-19 positively impact non-interest income. Liquidity, NIM, credit risk, and inflation negatively impact it.	Suggests enhancing efficiency and addressing Covid-19 impacts to boost non-interest income

	impact		credit risk, inflation		in Vietnamese banks.
Dumara (2023)	Examine determinants of budgetary execution in Ethiopian banks	Quantitative approach with fixed effects model	Dependent: ROA, ROE Independent: Interest income, management efficiency, bank size, GDP, interest rate, money supply	Interest income and management efficiency positively affect ROA and ROE. GDP positively affects ROA and ROE, while interest rate and money supply affect ROE.	Indicates that internal factors and GDP significantly influence budgetary execution, with varying impacts of interest rates and money supply.
Sarkar & Rakshit (2023)	Study determinants of commercial banks' performance in India with a focus on macroeconomic variables	GMM panel data analysis	Dependent: ROA, ROE, NIM Independent: GDP, inflation, interest rates	External factors like GDP, inflation, and interest rates significantly impact performance. Control factors confirm these findings.	Emphasizes the critical role of macroeconomic variables in shaping the performance of Indian commercial banks.
Ahmed et al. (2023)	Investigate determinants of stock prices in ASEAN and three other countries	Econometric analysis with panel integration and causality tests	Dependent: Stock prices Independent: Regulatory freedom, legal framework, macroeconomic indicators	Regulatory freedom and legal framework positively impact stock market performance and reduce price volatility. Short-term causality also significant.	Recommends enhancing regulatory freedom and legal frameworks to boost stock market stability and performance in ASEAN and other countries.
Musah & Aryeetey (2021)	Examine factors influencing share prices on Ghana Stock	Quantitative analysis using panel data	Dependent: Share prices Independent: Firm size, financial	Firm size and financial institution status are significant determinants. Book ratios like EPS and	Highlights the importance of firm-specific and accounting ratios in

	Exchange		institution, EPS, debt, ROA, ROE	ROE have varying impacts.	determining share prices, with economic growth positively influencing stock prices.
Gharaibeh et al. (2021)	Assess impact of risk, size, and profitability on stock prices of Jordanian banks	Descriptive statistics, correlation, panel regression analysis	Dependent: Stock prices Independent: Risk, size, ROA, dividend yield, BE/ME	Size, ROA, dividend yield, and BE/ME significantly impact stock prices. ROA has the most substantial positive impact, while size, DY, and BE/ME have negative effects.	Suggests focusing on ROA and risk factors as key determinants of stock prices in Jordanian banks.
Huy et al. (2021)	Analyze the impact of macroeconomic factors on stock prices of Vietcom Bank in Vietnam (2014-2019)	Quantitative analysis of seven macroeconomic factors	Dependent: Stock prices Independent: GDP growth, credit rate, risk-free rate, exchange rate, S&P500	GDP growth, credit rate, and risk-free rate significantly increase stock prices. Exchange rate and S&P500 have minor impacts.	Suggests policy implications for banking and economic stabilization in developing countries, emphasizing key macroeconomic factors.
Wagle (2021)	Analyze variables that affect the stock prices of commercial banks in Nepal	Mean, standard deviation, correlation coefficient, regression analysis	Dependent: Market prices; Independent: Market value to book value, P/E ratio, earnings to dividend ratios	Significant positive correlation between market value to book value, P/E ratio, earnings to dividend ratios, and market prices. Profit to yield ratio shows a positive but insignificant impact on stock price.	Investors should utilize this information to make informed decisions when investing in the stock market.
Niroula (2021)	Investigate stock price behavior of commercial	Descriptive and explanatory research design using SPSS	Dependent: Market price per share; Independent:	Significant positive impact of EPS, P/E ratio, and bank size on share price. Dividend	Investors should make purchasing decisions based

	banks in Nepal	program	EPS, P/E ratio, dividend yield ratio, size, ROE, BVPS, ROA	yield and ROA have a positive but insignificant impact. ROE and BVPS have a negative and insignificant effect.	on the performance of the stock.
Thapa (2019)	Explore factors influencing stock prices in Nepal	Simple linear regression model	Dependent: Share price; Independent: EPS, DPS, regulatory compliance, market sentiments, company profiles	Significant positive correlation between EPS, DPS, regulatory compliance, market sentiments, company profiles, and share price. Significant negative correlation with interest rate and P/E ratio.	Investors should monitor these factors when investing in the stock market.
Almaaiteh and Alsaraireh (2019)	Investigate the impact of the economy on stock prices of Jordanian companies listed on ASE	STATA program, multiple regression model	Dependent: Market value; Independent: EPS, DPS, BVPS, P/E ratio, ROE	Significant relationship between EPS, DPS, BVPS, P/E ratio, ROE, and market value. ROE and EPS have the greatest impact. EPS has a negative relationship with market capitalization.	Investors should focus on financial metrics when making investment decisions on ASE.
Almumani (2018)	Examine factors affecting the prices of banks traded on ASE	Linear multiple regression model	Dependent: Market performance; Independent: EPS, book value, P/E ratio, size, dividends per share, cash dividends	Significant relationship between EPS, book value, P/E ratio, size, and market performance. Positive relationship between price-earnings ratio and market value.	Investors should consider these factors before making investment decisions.
Ghimire and Mishra (2018)	Investigate relationship between stock prices and	Simple and multiple regression analysis,	Dependent: Stock prices; Independent: DPS, EPS, P/E	Market to BV and P/E ratio are significant determinants of stock price. DPS and BV	Investors, fund managers, and the economy should consider

	explanatory factors	descriptive statistics	ratio, BV, market to BV	have a positive impact, while EPS has a minimal effect.	these factors when evaluating stock returns and predicting share prices.
Aveh and Awunyo-Vitor (2017)	Examine determinants of stock prices on Ghana Stock Exchange	Regression analysis	Dependent: Market capitalization; Independent: ROE, EPS, BMVS, dividend yield	Positive relationship between ROE, EPS, BMVS, and market capitalization. Negative relationship between stock price and dividend yield.	Investors in the Ghana Stock Exchange should focus on these factors before making investment decisions.
Velankar et al. (2017)	Investigate the impact of EPS and DPS on stock prices of companies in India	Time series data, hypothesis testing, multiple regression model	Dependent: Stock prices; Independent: EPS, DPS	EPS and DPS have a significant impact on stock prices.	It is recommended to consider other determinants of stock prices.
Papadamou et al. (2017)	Analyze long-term impact of interest rate changes on stock returns	Empirical analysis using long-term data	Dependent: Stock returns Independent: Interest rates, deposit rates	Long-term interest rate changes significantly impact stock returns. Short-term fluctuations in interest rates and deposit rates are insignificant.	Concludes that only significant reductions in interest rates affect short-term stock prices, with long-term changes crucial for returns.
Enow and Brijlal (2016)	Examine the movements of stock prices of companies listed on Johannesburg Stock Exchange	Multiple regression analysis	Dependent: Stock prices; Independent: EPS, earnings per share, P/E ratio	Positive relationship between EPS, earnings per share, P/E ratio, and stock prices. No relationship between dividends per share.	Managers can create value for shareholders by increasing EPS, earnings per share, and value per share.
Sharif et al.	Explore the	Descriptive,	Dependent:	Significant	Investors can

(2015)	factors influencing stock prices of companies listed on Bahrain Stock Exchange	correlational, and linear multiple regression models	Market price of shares; Independent: ROE, book value per share, EPS, dividend yield, P/E ratio, size	relationship between ROE, book value per share, EPS, dividend yield, P/E ratio, size, and market price. High R^2 indicates a significant impact on stock market price.	make optimal investment decisions by considering these determinants.
Arshad et al. (2015)	Explore determinants of stock prices of listed commercial banks in Pakistan	Linear multiple regression analysis	Dependent: Stock prices; Independent: EPS, book-to-market ratio, interest rate, GDP, P/E ratio, dividend yield	Positive and significant relationship between EPS and stock prices. Book-to-market ratio and interest rate have a significant but negative relationship with stock prices. Other factors have no relationship.	Investors should focus on EPS when investing in commercial banks.
Almumani (2014)	Examine the factors impacting share prices of banks listed on ASE	Descriptive, correlational, and linear multiple regression models	Dependent: Market price; Independent: DPS, EPS, BVPS, P/E ratio	Positive relationship between DPS, EPS, BVPS, P/E ratio, and market price. Significant relationship between BVPS and market price.	Investors should consider these factors when investing in banks listed on ASE.
Masum (2014)	Examine the dividend policy in Bangladesh and its impact on stocks	Panel data analysis	Dependent: Stock prices; Independent: Earnings per share, return on equity, dividend distributions	Positive relationship between earnings per share, return on equity, dividend distributions, and stock prices. Dividend policy has a positive impact on stock price.	Investors should consider dividend policy when investing in the stock market.

2.3. Research Gap

Various studies have been conducted related to share price considering it as a crucial phenomenon in the stock market. All of these have many useful findings and have

own limitations as well. Most of the studies are mainly focused on secondary data and that too are not updated. With the change in time, there have been many developments in stock market. Accordingly, the number of listed companies in NEPSE has increased. There is a certain gap between this research work and previous research works in terms of time, objective, population, sample and topic itself. The population and sample are be different as number of listed companies in NEPSE has risen (Niroula, 2021). Although various studies have been conducted related to share price considering it as a crucial phenomenon in the stock market, but it is clearly realized that share price are fluctuating abnormally and there is lack of appropriate researches to find out the volatility of share price of development banks in the stock market (Niroula, 2021)

The previous thesis titles are limited on stock price behavior, factors affecting share price, Risk and Return analysis of share of certain companies but no study has been made on "Stock Price Variability of development Banks in Nepal". The objective of this research work is to study and analyze the dynamism in stock price of development banks listed in NEPSE based on secondary data. Present study tries to analyze the stock price behavior of development banks by applying various facts using secondary data. The present study is fruitful to the investors, interested person academics as well as in policy perspective. This study is helpful in future in the related field.

CHAPTER III

RESEARCH METHODOLOGY

This chapter provides the overall framework or plan for the collection, analysis and presentation of data required to fulfill the objective of the study. Objective of using different tools and techniques for the analysis and presentation as well as to answer the research questions as explained under this section. Research methodology is the specific procedure of techniques used to identify, select, process, and analyze information about a topic. To meet the objectives, the methodologies applied in the study are described below.

3.1 Research design

The study employed a descriptive and causal comparative research design, which involves the integration of statistical data and additional information to draw logical conclusions. It is essential for research design to be based on carefully selected topics to uncover both negative and positive aspects. A well-structured research design provides researchers with clear objectives, enabling them to assess the connection between different dependent and independent variables. In line with the study's objectives, a descriptive and comparative research design was implemented. Various financial tools were utilized to analyze the gathered data and meet the research goals. Information extracted from annual reports, financial statements, and other relevant documents was categorized based on its nature and presented in tables and graphs. Correlation tests, such as correlation and regression analysis, were carried out to examine the relationship between variables and assist analysts in understanding the stock price behavior of development banks in Nepal.

3.2 Population and sample

As part of fiscal strategizing and oversight, both local banks and development institutions are encompassed within the financial landscape of Nepal. Presently, there are a total of 17 banks sanctioned to operate within the country. By the year 2024, all 17 development banks licensed to operate in Nepal will be considered indigenous entities. This research, which focuses on 5 development banks - Garima Bikas Bank Limited (GBBL), Jyoti Bikash Bank Limited (JBBL), Shangrila Development Bank

Limited (SRDBL), Kamana Sewa Bikas Bank Limited (KSBBL), and Shine Resunga Development Bank Limited (SRDBL) - was structured based on a purposive sampling methodology. Typically, an effective sample size comprises approximately 10% of the entire population.

3.3 Nature and sources of data

In order to achieve the objectives of the research, the methodology for data collection was revised. Sources of information include data extracted from reports, literature, periodicals, and newspapers. The primary sources of information consist of the annual reports of Garima Bikas Bank Limited (GBBL), Jyoti Bikash Bank Limited (JBBL), Shangrila Development Bank Limited (SRDBL), Kamana Sewa Bikas Bank Limited (KSBBL), and Shine Resunga Development Bank Limited (SRDBL), as well as bulletins and reports from the respective banks. Additionally, information was gathered from materials published in newspapers, magazines, related journals, periodicals, books, brochures, and the websites of the banks.

- Library research study
- Internet, home page and related links to banks
- NRB derivatives
- Annual report of the related bank
- Published articles and journals by various researchers and lecturers.

3.4 Methods of analysis

The available information is group as per the need of the research work in order to meet research objective. Both financial and statistical tools are applied to meet the objective of the study:

3.4.1. Financial analysis

Financial rebellious are utilized to uncover a company's relative qualities and shortcomings compared to other companies within the same industry and to appear whether its monetary position is making strides or breaking down over time. In this way, the effectiveness proportion can be utilized to evaluate the productivity between factors. Money related disobedient was calculated as the productivity proportion of EPS and DPS.

Earnings per share (EPS)

Earnings per share is the portion of a company's profit that's distributed to each common share extraordinary. It is one of the markers of the company's productivity. A better benefit demonstrates way better comes about in terms of productivity and monetary educate in mobilizing their stores and bad habit versa. Profit per share is the free variable for this think about in this paper show (as appeared below).

Earning per share (EPS) = (Total Earning of Organization)/(No of Share Outstanding)

Net worth per share (NWPS)

The NWPS represents the real value of the company. It is simply the ratio of net worth (share capital plus retained earnings/genera reserve) divided by the number of shares outstanding. It is also one of the independent variable in this study.

Net worth per share (NWPS) = (Net Worth)/(No.of Share Outstanding)

Price to Earnings Ratio (P/E Ratio)

The price-to-earnings proportion analyzes a company's current stock cost in connection to its profit. It too reflects investors' desires almost the company's profit development, which influences the share cost. It is additionally the independent variable in this study.

Price to Earnings Ratio (P/E Ratio) = (Market Price Per Share)/ (Earning Per Share)

Dividend per share (DPS)

Dividend per share is the whole of pronounced profits for each standard share issued. This is often the overall profits paid to shareholders for the whole year separated by the number of extraordinary offers issued. For the reason of this think about, both cash and stock profits pronounced by each company were considered. It is one of the autonomous factors in this study.

Total dividend amount = cash dividend + stock dividend in % * MPS for next year

Dividend per share (DPS) = (Total dividend paid) / (No.of share outstanding)

Market price per share (MPS)

The advertise cost per share is the closing share cost at which the share was exchanged on the Nepal Stock Trade Ltd amid the study period. Advertise cost per share is the subordinate variable in this thesis demonstrate (as appeared below).

Market Price Per Share (MPS) = (Total Market Capitalization) / (No of Share Outstanding)

3.4.2. Statistical tools

Some critical measurable devices are utilized to attain the objective of the think about. Measurable instruments such as cruel, standard deviation, coefficient of variety, relationship, relapse examination was utilized in this ponder. In this inquire about think about a few factual instruments are utilized for more exact information investigation which are mentioned below:

Mean ($\bar{X}$)

The arithmetic mean or mean is the sum of all observations in a sample. It represents almost all the information that lies between the two extremes. For this reason, the mean is often called a measure of average preference. In this study, data on ten-year dividends of selected banks were used. It is calculated as follows: Arithmetic means: Arithmetic is the average return over time. The formula is as follows:

$$\bar{X} = \frac{\sum X}{N}$$

Where,

$\bar{X}$ = Arithmetic Mean

$\sum X$ = Sum of Elements

N = Number of Observations

Standard deviation (S.D)

Standard deviation is an absolute measure of dispersion; is another measure of dispersion and has flaws because it follows most of the requirements for a good measure of dispersion. Standard deviation is defined as the square root of the mean, which is the square of the variance of the arithmetic mean. Show the range and extent

of deviation from the mean value or mean. It measures completely differently. The higher the standard deviation, the higher the variance and vice versa. Dispersion measures the deviation of data from the mean value. In other words, it helps identify differences in the quality of the data. The calculation formula is as follows:

$$S.D = \sqrt{\frac{\sum(X-\bar{X})^2}{n-1}}$$

Coefficient of variation (CV)

Standard deviation: distribution degree is its absolute measure. The measurement of the variance of a variable based on standard deviation is called standard deviation coefficient measurement. Therefore, the coefficient percentage is called the coefficient of variation. Less CV means more uniformity and consistency and vice versa. Standard deviation alone is not suitable for comparing two pairs of variables, but even CV can compare the difference between two variables independently. The formula is as follows:

$$\text{Coefficient of Variation (C.V.)} = \frac{\text{S.D } (\sigma)}{\bar{X}}$$

Where, σ = standard deviation

$\bar{X}$ = arithmetic mean return

Karl Pearson Coefficient Correlation Analysis

Among various mathematical methods for measuring relationships, the method called Pearson correlation coefficient, popularized by Karl Pearson, is widely used in practice to measure the relationship between two variables. Two variables are said to be correlated if the value of one variable is accompanied by a change in the value of the other variable. Therefore, the evaluation is made according to the following formula using two or more variables.

$$\text{Correlation(r)} = \frac{n\sum XY - \sum X \sum Y}{[n\sum X^2 - (\sum X)^2] \quad [n\sum Y^2 - (\sum Y)^2]1/2}$$

Where, r = correlation coefficient

ΣXY = Sum of product of X and Y series.

ΣX^2= sum of squares in the X series

ΣY^2 = sum of squares in the Y series

n = number of data pairs

The value of this coefficient can never be greater than + 1 or less than -1. So + 1 and -1 are the limits of this coefficient. From r = + 1 it follows that the correlation between the variables is positive and vice versa. And zero meant no correlation.

Coefficient of determination

Coefficient of determination is a measure of the degree of linear relationship or correlation between two variables, one of which is the independent variable and the other the dependent variable. It measures the percentage of total variation in a variable explained by the independent variables, that is, the degree of relationship between two variables. The value of the coefficient of (multiple) determination ranges from zero to one.

$$(r^2) = \frac{\text{Eplained Variation}}{\text{Total Variation}}$$

The value of the coefficient of (multiple) determination ranges from zero to one.

t- Statistics

The t test is used to test the validity of hypotheses in small-scale studies. To use the t distribution, the t value is first calculated and the degrees of freedom are compared with the significance value for the given significance level. If the 't' value is greater than the table value, the difference is known to be significant at 5% significance level, but if the t value is less than the critical value of the 't' distribution, the difference is not significant important flag. is of equal importance. In H0 the t statistic is:

$$t = \frac{r \times \sqrt{(n-2)}}{\sqrt{1-r^2}}$$

Where, t = calculated value of t

r = correlation coefficient between variables

n= number of samples

Multiple regression analysis

Multiple regression analysis attempts to evaluate two or more explanatory and response variables by fitting them onto a single line equal to the data analysis model relationship between them. Each value of individual variable X is related to the value of variable Y. Researchers use market price per share (MPS) as a measure of

profitability (dependent variable) and select other predictor variables (independent variables) for analysis. . These variables are bank-specific variables, Earnings per Share (EPS), Net worth per Share (NWPS), Price Earnings Ratio (P/E Ratio) and Dividend per Share (DPS). Therefore, the following model was adopted to examine the relationship and the results of different studies. Regression equation are:

Dependent variable MPS: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon i$

Where, Y = Dependent variable i.e., MPS

β_0= Value of Y when all X_1 X_2 X_3 X_4 are zero

β_1= Coefficient of earning per share (EPS)

β_2= Coefficient of net worth per Share (NWPS)

β_3 =Coefficient of price earnings ratio (P/E Ratio)

β_4 = Coefficient of dividend per share (DPS)

X_1= Earnings per share (EPS)

X_2= Net worth per share (NWPS)

X_3= Price earnings ratio (P/E Ratio)

X_4= Dividend per share (DPS)

e = Remaining term of the relapse equation.

3.4 Research framework and definition of variables

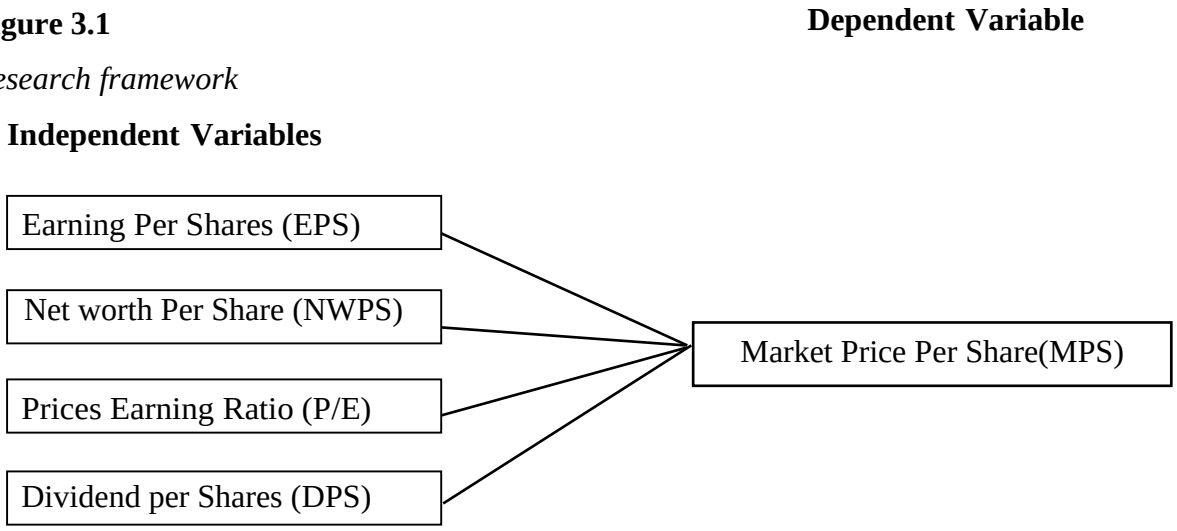
A research framework is a precise representation of the structure of a research project plan. Through this structure, you can determine the critical areas of the study.

Theoretical framework

A inquire about system is an expository apparatus with a few variations and settings. It is utilized to distinguish investigate and organize thoughts. It contained independent factors and subordinate factors. An autonomous variable may be a variable that influences changes in other factors and the analyst had control over them. Subordinate factors appear the impact of controlling the free variable. Earnings per Share (EPS), Net worth per Share (NWPS), Price Earnings Ratio (P/E Ratio) and Dividend per Share (DPS) are taken as autonomous factors whereas market price is the subordinate variable. The investigate system that portrays the subordinate and autonomous factors utilized within the think about is appeared within the figure:

Figure 3.1

Research framework



Source: Gupta (2019)

Definition of variables

Earnings per share (EPS)

Earnings per share, too called net wage per share, may be a showcase viewpoint proportion that measures the sum of net pay earned per extraordinary share. Sharma (2018) consider revealed that profit per share incorporates a significant effect on the showcase cost of the stock. Bhatt and JK (2012) found that EPS and advertise esteem of value share are emphatically related within the Indian setting. Based on this, this ponder creates the taking after speculation:

H1: There's a positive relationship between MPS and EPS.

Net worth per share (NWPS)

NWPS is financial degree that speaks to a per share evaluation of the least esteem of a company's value. More particularly, this esteem is decided by relating the first esteem of a firm's common stock balanced for any surge (profits and stock buybacks) and influx (held profit) modifiers to the sum of offers extraordinary. Sharma (2011) conducted a think about that book esteem per share has critical affect on the advertise cost of share. Emamgholipour et al. (2023) carried out a book esteem per share has positive affect on the showcase cost of share. Based on it, this consider develops the taking after theory:

H2: There's a positive relationship between MPS and NWPS.

Price-to-price proportion (P/E)

The price-to-earnings proportion, or P/E proportion, could be a proportion for esteeming a company that measures its current stock cost relative to its profit per share. Nickolson (1960) ponder uncovered that stocks with moo P/E proportion have way better venture execution than stocks with tall P/E proportion on this, this ponder creates the taking after hypothesis:

H3: There's a positive relationship between MPS and P/E ratio.

Dividend per share (DPS)

Dividends per share (DPS) is the full profits paid for the whole year (counting between times profits but barring extraordinary profits) partitioned by the number of exceptional common offers issued. Modigliani (1958) sharecost is based on its profit; the esteem of the firm isn't related to the profit approach. Rashi (2008) and Zakaria et al. (2012) found a noteworthy positive relationship between profit and share price.

H4: There's a positive relationship between MPS and DPS.

Market price per share (MPS)

The cost of a share is the cost of one share of several salable offers of a company. The cost could be a reflection of the esteem of the company that the public is willing to pay for a portion of the company. It can and will rise and drop based on different components within the worldwide environment and inside the company itself. The cost of offers is to a great extent decided by the strengths of supply and request. Request is the sum of stock individuals need to purchase, whereas supply is the sum of stock people want to offer. Stock costs rise as buyer’s pound on the entryway for these stocks. Without buyers, the stock cost will drop. The more buyers create demand, the higher the stock cost will be. This intrigued is activated by a number of variables, each of which signals to speculators that this is a stock they truly need to hold.

CHAPTER IV

RESULT AND DISCUSSION

In this section, the data were analyzed and interpreted using financial and statistical tools according to the study discussed in Chapter Three. In the analysis section, data collected from different sources were presented using different tables and placed in the desired tables according to their homogeneity. Compare the statistical results with the standard values of the sample. In addition, many tables and graphs are used to show the reality of the business and the bank's operations.

4.1. Result

Secondary data were systematically collected and analyzed to obtain empirical results. It includes annual reports, balance sheets, publications, newsletters, magazines, newspapers, government and universities, NRB and websites of selected banks used as secondary data to determine prices of products. This study uses descriptive statistics, relationships and analysis of Garima Bikas Bank Limited (GBBL), Jyoti Bikash Bank Limited (JBBL), Shangrila Development Bank Limited (SDBL), Kamana Sewa Bikas Bank Limited (KSBBL) and Shine Resunga Development Bank Limited (SRDBL), which are given below:

4.1.1. Descriptive statistics

Descriptive statistics used in this study include minimum, maximum, mean, standard deviation and t-value for the determined variables. Thus, descriptive statistics facilitate the interpretation of data by allowing the data to be presented in a meaningful way.

Table 4.1

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std. D	Sum
EPS	50	37.74	0	37.74	19.32	8.71	966.07
NWPS	50	72.5	110.62	183.12	132.74	13.36	6637.23
PER	50	43.65	0	43.65	14.55	9.16	727.84
DPS	50	17.35	0	17.35	5.40	4.68	270.24
MPS	50	650	0	650	265.79	149.07	13289.9

(Source: Appendix VII)

Table 4.1 reveals the Descriptive Statistic test between depended variable and independent variable. Earnings per Share (EPS) of range 37.74, minimum 0, maximum 37.74 average value is 19.32 as well as standard deviation is 8.71. Net worth per Share (NWPS) of the table range 72.5, minimum value 110.62, and maximum value 183.12, average value is 132.74 as well as standard deviation 13.36. Price Earnings Ratio (P/E Ratio) range 43.65, minimum 0, maximum 43.65, average value is 14.55 as well as standard deviation 9.16. Dividend per Share (DPS) range 17.35, minimum 0, maximum 17.35, average value is 5.40 as well standard deviation 4.68. Market Price per Share (MPS) range is 650, minimum value 0, maximum 650, average value is 265.79 well as standard deviation is 149.07.

4.1.2. Correlation coefficient

Correlation is a tool that measures the relationship between two or more variables in a population or sample. In other words, it describes the degree to which one variable is linearly related to another variable. The correlation coefficient measures the relationship between two sets of numbers. Among various methods to determine the correlation coefficient, this study adopted the Karl Pearson method. The resulting correlation coefficient is always between +1 and -1. R being +1 means there is a positive relationship between the two variables; the opposite is also true. If r is 0, it means that there is no relationship between the two variable.

Table 4.2

Correlations between MPS and independent variables

	EPS	**NWPS**	**PER**	**DPS**	**MPS**
EPS	1				
NWPS	.420**	1			
PER	-.287*	-0.09	1		
DPS	.585**	.338*	-0.183	1	
MPS	0.241	.415**	.378**	0.226	1

(Source: Appendix VII)

Table 4.2 shows the correlation test between depended variable and independent variable profitability i.e., MPS and independent variables Earnings per Share (EPS),

Net worth per Share (NWPS), Price Earnings Ratio (P/E Ratio) and Dividend per Share (DPS) using correlation coefficient matrix. Results show that Earnings per Share (EPS) is positive insignificant correlation with MPS i.e., 0.241, do have positive insignificant correlation with MPS. Similarly, Net worth per Share (NWPS) has positive significant correlation with MPS i.e., 0.415, do have positive significant correlation with MPS, at 1 percent Significance Level. Likewise, Price Earnings Ratio (P/E Ratio) has positive significant correlation with MPS i.e., 0.378, do have positive significant correlation with MPS, at 1 percent Significance Level. Moreover, Dividend per Share (DPS) is positive insignificant correlation with MPS i.e., 0.226, do have positive insignificant correlation with MPS. The positive coefficient estimates of the correlation implied that there was direct relationship of financial indictors with MPS.

4.1.3. Regression analysis between MPS and independent variables

Table 4.3

Model summary

Model	R	r Square	Adjusted r square	Std. error of the estimate
1	0.624	0.39	0.336	121.5054

a. Predictors: (Constant), EPS, PER, DPS, NWPS

Table 4.3 shows the model summary of multiple regression analysis taking MPS as dependent variable, where the value of R2 is 0.39 meaning that 39 percent variation in MPS is explained by independent variables i.e., DPS, PER, NWPS and EPS and remaining change in MPS is not explained by these variables.

Table 4.4

Analysis of Variance (ANOVA)

Model 1		Sum of squares	d.f	Mean square	F	Significant
1	Regression	424538.3	4	106134.6	7.189	0.000
	Residual	664359.9	45	14763.55		
	Total	1088898	49			

a. Dependent Variable: MPS

b. Predictors: (Constant), DPS, PER, NWPS and EPS

Hypothesis for the ANOVA test is

H0 = β1 = β2 = β3= β4 = β5 = 0: There is no relationship between MPS and DPS, PER, NWPS and EPS.

H1 = β1 = β2 = β3= β4 = β5 ≠ 0: There is relationship between MPS and DPS, PER, NWPS and EPS.

Table 4.4 presents the ANOVA (F–value) test for the significance of multiple regression coefficients. The F-value for the significant test is 7.189 has shown significant relationship of independent variables i.e., of DPS, PER, NWPS and EPS.

Table 4.5

Regression coefficient of MPS with independent variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	P-value
1	Beta	Std. Error	Beta		
(Constant)	-444.572	182.078		-2.442	0.019
EPS	3.025	2.637	0.177	1.147	0.257
NWPS	3.944	1.443	0.354	2.733	0.009
PER	7.754	1.979	0.477	3.919	0.001
DPS	2.875	4.61	0.09	0.624	0.536

Dependent variable MPS, 95% confidence interval, 5% significance level.

Table 4.5 presents the regression coefficient of independent variables Earnings per Share (EPS), Net worth per Share (NWPS), Price Earnings Ratio (P/E Ratio) and Dividend per Share (DPS) of sample banks and the intercept value of dependent variable MPS. According to the regression result of Earnings per Share (EPS) has a positive insignificant impact with MPS by a coefficient estimate of 3.025 percent. This means that holding other independent variables constant and when one percent increases in (EPS) consequently it increasing MPS of the banks by 3.025 percent and the P value greater than 5%. Accordingly, the result rejected the working hypothesis that Earnings per Share (EPS) do have positive insignificant effect on MPS of sample banks.

Net worth per Share (NWPS) has a positive significant affect with MPS by a coefficient estimate of 3.944 percent. This means that holding other independent variables constant and when one percent increases in Net worth per Share (NWPS) as

a result it increases MPS of the banks by 3.944 percent and the P value less than 5 percent. Accordingly, the result support the working hypothesis that Net worth per Share (NWPS), discloses that there is positive significant effect of Net worth per Share (NWPS) on MPS, at 1 percent Significance Level.

In accordance with the regression result of Price Earnings Ratio (P/E Ratio) has a positive significant impact with MPS by a coefficient estimate of 7.754 percent. This means that holding other independent variables constant and when one percent increases in Price Earnings Ratio (P/E Ratio) consequently it increasing MPS of the banks by 7.754 percent and the P value less than 5%. Accordingly, the result support the working hypothesis that Price Earnings Ratio (P/E Ratio), do have positive significant effect on MPS, at 1 percent Significance Level.

According to the regression result of Dividend per Share (DPS) has a positive insignificant impact with MPS by a coefficient estimate of 2.875 percent. This means that holding other independent variables constant and when one percent increases in Dividend per Share (DPS) consequently it increasing MPS of the banks by 2.875 percent and the P value greater than 5%. Accordingly, the result rejected the working hypothesis that Dividend per Share (DPS), do have positive insignificant effect on MPS of sample banks.

External factors that have a big effect on stock prices, like changes in the economy and the state of the market, may take away from the effect of DPS. Other financial measures, like Earnings Per Share (EPS), Net Worth Per Share (NWPS), and Price-Earnings Ratio (PER), are often more important to investors than DPS. This could make these factors more important in choosing MPS. It's also possible that the different reward practices of the companies in the sample, such as differences in how often or how much they pay out, could also explain why DPS has less of an effect on MPS.

4.1.4 Major findings

The study major findings are as follows:

- Descriptive statistics reveal significant variability in financial indicators among the sampled Nepalese development banks. For instance, earnings per share (EPS) exhibit a mean value of 19.32, with a range from 0 to 37.74, indicating diverse profitability levels.

- Net worth per share (NWPS) demonstrates a mean of 132.74 and a range from 110.62 to 183.12, highlighting variations in financial strength across banks.
- Correlation analysis indicates significant relationships between market price per share (MPS) and key independent variables.
- NWPS, P/E Ratio, and DPS show significant correlations with MPS, with coefficients of 0.415, 0.378, and 0.585 respectively, underscoring their influence on stock prices.
- Regression analysis reveals that the model explains 39% of the variation in MPS, with NWPS, P/E Ratio, and EPS demonstrating statistically significant impacts on market price per share.
- Specifically, NWPS and P/E Ratio exhibit higher beta values of 3.944 and 7.754 respectively, indicating their significant influence on MPS.
- The regression coefficients further illustrate the magnitude of the impact of each independent variable on MPS. NWPS and P/E Ratio demonstrate the most substantial effects, with coefficients of 3.944 and 7.754 respectively, suggesting a significant influence on stock prices.
- Conversely, EPS and DPS exhibit lower coefficients, indicating a lesser impact on market price per share.
- ANOVA Test Significance: The Analysis of Variance (ANOVA) test confirms the overall significance of the regression model, with a significant F-value of 7.189. This validates the relationship between the independent variables and MPS, emphasizing the robustness of the regression analysis.

4.2. Discussion

The study revealed several interesting issues regarding the new situation stock price behavior analysis of Garima Bikas Bank Limited (GBBL), Jyoti Bikash Bank Limited (JBBL), Shangrila Development Bank Limited (SRDBL), Kamana Sewa Bikas Bank Limited (KSBBL) and Shine Resunga Development Bank Limited (SRDBL). This study explored the results to meet the stated research objectives and found them to be useful. This research was made from secondary data. This study uses a descriptive and descriptive research design. The information needed for analysis comes directly from the balance sheet and income from the company's annual growth report. NRB, Board of Trade, Nepal Stock Exchange, Ministry of Finance, Financial Statements for

various financial years, Business Analysis etc. Additional information and documents are collected from various organizations and authorities such as.

The study is mainly focused on stock price behavior of development banks in Nepal. The performance of the bank was reviewed with the performance of the contemporaries to study its performance in comparative terms. Stock price behavior analysis of Garima Bikas Bank Limited (GBBL), Jyoti Bikash Bank Limited (JBBL), Shangrila Development Bank Limited (SRDBL), Kamana Sewa Bikas Bank Limited (KSBBL) and Shine Resunga Development Bank Limited (SRDBL) were done on the basis of their financial statements from the F.Y. FY 2013/14 to FY 2022/23. The study revealed the current position of financial indicators; market price of GBBL Bank was found relatively better than JBBL SDBL, KSBBL and SRDBL) in study period.

The Descriptive Statistic test between depended variable and independent variable. Earnings per Share (EPS) of range 37.74, minimum 0, maximum 37.74 average value is 19.32 as well as standard deviation is 8.71. Net worth per Share (NWPS) of the table range 72.5, minimum value 110.62, and maximum value 183.12, average value is 132.74 as well as standard deviation 13.36. Price Earnings Ratio (P/E Ratio) range 43.65, minimum 0, maximum 43.65, average value is 14.55 as well as standard deviation 9.16. Dividend per Share (DPS) range 17.35, minimum 0, maximum 17.35, average value is 5.40 as well standard deviation 4.68. Market Price per Share (MPS) range is 650, minimum value 0, maximum 650, average value is 265.79 well as standard deviation is 149.07.

The correlation analysis shows that Earnings per Share (EPS) is positive insignificant correlation with MPS i.e., 0.241, do have positive insignificant correlation with MPS. Similarly, Net worth per Share (NWPS) has positive significant correlation with MPS i.e., 0.415, do have positive significant correlation with MPS, at 1 percent Significance Level. Likewise, Price Earnings Ratio (P/E Ratio) has positive significant correlation with MPS i.e., 0.378, do have positive significant correlation with MPS, at 1 percent Significance Level. Moreover, Dividend per Share (DPS) is positive insignificant correlation with MPS i.e., 0.226, do have positive insignificant correlation with MPS. The positive coefficient estimates of the correlation implied that there was direct relationship of financial indictors with MPS. The regression result shows that Earnings per Share (EPS) and Dividend per Share (DPS) have positive insignificant impact with MPS. However, Net worth per Share (NWPS) and

Price Earnings Ratio (P/E Ratio) have positive significant impact on MPS, 1 percent Significance Level of sample banks.

The regression result shows that there is positive and statistically insignificant impact of Earnings per Share (EPS) on bank MPS. This positive result is consistent with Ahmed et al. (2021) Niraula (2021) Thapa (2019) and Velankar, Chandani, & Ahuj (2017) where they found positive association between Earnings per Share (EPS) and bank MPS.

Net worth per Share (NWPS) has positive and significant association with bank MPS. This positive result is consistent with Almaaiteh and Alsaraireh (2019), Ahmed et al. (2021) and Devkota, and Dhungana (2019) where they found positive association between Net worth per Share (NWPS) and bank MPS.

The result indicates that, Price Earnings Ratio (P/E Ratio) has positives and significant impact on MPS. This positive result is consistent with Niraula (2021), Thapa (2019) and Bhattarai (2016) where they found positive association between Price Earnings Ratio (P/E Ratio) and bank MPS. Dividend per Share (DPS) has positives and insignificant impact on MPS. This positive result is consistent with Silwal, & Napit. (2019) Thapa (2019) and Velankar, Chandani, and Ahuj (2017) where they found positive association between Dividends per Share (DPS) and bank MPS. According to above discussion, each of the stock price behavior components affects MPS at varying levels. Thus, it is very vital for firms to try as much as possible to manage their stock price behavior of development banks in Nepal.

CHAPTER V

SUMMARY AND CONCLUSION

This chapter presents a complete summary research results, drawing inferences from the data collected during the investigation. It simply emphasizes the investigation's important findings and observations, as well as the consequences for Nepal's commercial banking industry. By summarizing the key findings, this chapter hopes to provide a clear picture of how the study's goals were attained and to provide practical suggestions based on the findings. The understandings gathered are meant to influence future research and practical applications in the field.

5.1 Summary

Development banks play an important role in a country's economy by promoting industrial and commercial development. These banks act as custodians of national wealth and resources, which are critical for economic development. The stock market is an excellent investment opportunity for investors, with many profitable projects requiring long-term venture capital. A liquid stock market reduces investment risk, making long-term projects more appealing by facilitating quick and easy securities sales. This study is important for investors interested in trading securities issued by Nepalese and multinational corporations. Understanding stock price behaviour is critical for attracting new investors and assisting various stakeholders, such as policymakers, shareholders, and executives. The findings can help investors restructure their portfolios and make more informed investment decisions.

The study aims to investigate several key aspects of stock price behaviour in Nepalese development banks, including their current state and the underlying relationships between various financial indicators. First, it seeks to determine the current state of key financial metrics such as market price per share (MPS), earnings, net worth, price earnings (P/E Ratio), and dividends among a sample of Nepalese banks. Second, the study seeks to understand the complex relationship between MPS and the aforementioned financial indicators in the context of Nepalese development banks. Finally, it the study explores how earnings, net worth, price earnings, and dividends affect the market price per share (MPS) of these banks. Moving on, the study's

objectives are defined as three specific aims. To begin, evaluate the current state of MPS, earnings, net worth, price earnings, and dividends of selected Nepalese banks. Second, to understand and identify the complex relationship that exists between MPS and the aforementioned set of financial metrics. Third, conduct a comprehensive analysis of how earnings, net worth, price earnings, and dividends affect the MPS of Nepal's sampled development banks.

The study focuses solely on stock price behaviour in relation to changes in earnings per share (EPS), net worth per share (NWPS), price earnings ratio (P/E Ratio), and dividend per share (DPS). Furthermore, the computation of MPS is based on the average quarterly stock price, which may limit the scope of analysis. Furthermore, the study's sample size of only five development banks over a ten-year period, obtained through purposive sampling, may not fully represent the Nepalese banking sector. Finally, the use of secondary data from sources such as company websites, SEBON, NEPSE, and NRB introduces potential biases and limitations.

The methodology used in this study is a descriptive and causal comparative research design, with the goal of investigating the relationships between dependent (MPS) and independent variables (EPS, NWPS, P/E Ratio, DPS) in the context of Nepalese development banks. To accomplish this, the study employs statistical data analysis techniques to comprehensively evaluate these relationships. This methodology relies heavily on financial analysis tools and regression analysis. These tools enable a rigorous examination of data derived from annual reports, financial statements, and other secondary sources. The study's analyses aim to uncover patterns, trends, and relationships among the variables under consideration.

Moving on to the study's findings, descriptive statistics shed light on the variability observed in EPS, NWPS, P/E Ratio, DPS, and MPS across the sample banks. Further analysis using correlation tests reveals significant relationships between MPS and NWPS, P/E Ratio, as well as moderate relationships with EPS and DPS. Regression analysis provides additional information, indicating that the independent variables collectively explain 39% of the variation observed in MPS. The ANOVA tests confirm a significant relationship between MPS and the independent variables. NWPS and P/E Ratio emerge as significant factors influencing MPS, while EPS and DPS have a lesser effect.

The study demonstrates the importance of variables such as NWPS and P/E ratios in shaping MPS behaviour in Nepalese development banks. While EPS and DPS make a

smaller contribution, their impact is still significant. These findings provide valuable guidance for investors and policymakers navigating the complexities of the Nepalese stock market, allowing them to make informed decisions based on a better understanding of the fundamental situations.

5.2 Conclusion

In conclusion, this study provides a thorough examination of the complex dynamics that govern stock price behaviour in Nepalese development banks. This study uncovered significant insights into the relationships between various financial indicators and market price per share (MPS) using a meticulously designed methodology that combined descriptive and causal comparative research approaches, as well as robust statistical analyses such as regression and correlation tests.

The study investigates the current conditions affecting earnings per share (EPS), net worth per share (NWPS), price earnings ratio (P/E Ratio), dividend per share (DPS), and market price per share (MPS) among the sampled Nepalese development banks. Descriptive statistics revealed a panoramic view, providing stakeholders with invaluable insights into these banks' financial health and operational performance. This fundamental analysis lays the groundwork for a deeper understanding of the relationship between financial metrics and market valuations.

Correlation analysis was an important tool in determining the complex relationships between MPS and the financial indicators examined in this study. The findings revealed significant correlations between MPS, NWPS, and P/E Ratio, highlighting the interconnectedness of market price per share and fundamental financial metrics. Furthermore, moderate relationships were found with EPS and DPS, indicating a nuanced interdependence that requires further investigation. These correlations shed light on the complex dynamics that drive stock price behaviour, giving stakeholders a better understanding of the factors influencing market valuations.

Regression analysis revealed more details about the causal relationships between independent variables and market price per share. The findings revealed that NWPS and the P/E Ratio had a significant impact on MPS, highlighting their critical roles in shaping investor perceptions and market valuations. In contrast, the effects of EPS and DPS were relatively small, indicating a more nuanced influence on stock price behaviour. These findings emphasise the multifaceted nature of stock price

determination, as well as the importance of taking into account a comprehensive set of financial metrics when evaluating market dynamics.

This study provided stakeholders with a comprehensive understanding of the factors influencing stock price behaviour in Nepalese development banks. The significant impact of variables like NWPS and P/E Ratio emphasises the importance of fundamental financial indicators in determining market valuations. These insights provide valuable guidance to investors and policymakers in developing sound investment strategies and policy decisions. Furthermore, the study demonstrates the need for ongoing research and analysis to effectively navigate the complexities of the Nepalese stock market, ensuring sound decision-making in an ever-changing financial condition.

5.3 Implications

The study has following implications for managers, academicians and future researchers:

- The study provides valuable insights for Nepalese development bank managers on the factors that impact market valuations. Understanding how variables such as net worth per share (NWPS) and price earnings ratio (P/E Ratio) affect market price per share (MPS) can help with strategic decision-making. Managers can use this knowledge to improve financial performance, increase shareholder value, and better allocate resources to areas that boost market confidence and investor interest.
- • The study's findings can help academics improve their understanding of stock price behaviour and financial analysis. The nuanced relationships discovered between MPS and various financial indicators offer fertile ground for future research and exploration. By delving deeper into these relationships, academics can help advance knowledge in finance and economics, paving the way for more robust theories and methods.
- This study can inform future research on stock price behaviour in emerging markets, such as Nepal. The methodologies and analytical approaches used in this study provide a framework for conducting similar research in other contexts. Future researchers can build on this study's findings to pursue new avenues, investigate additional variables, and broaden the scope of inquiry.

This allows them to contribute to a better understanding of market dynamics and provide useful insights for investors, policymakers, and financial institutions.

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APPENDICES

SN	BANK	YEAR	EPS	NWPS	PE	DPS	MPS
1	GBBL(Garima Bikash Bank)	2079/080	24.38	150.41	16.61	10	405
		2078/079	22.49	144.032	17.21	14.5	387
		2077/078	22.75	145.2	23.91	16	544
		2076/077	17.82	134.21	12.51	14.21	223
		2075/076	21.32	135.94	10.51	17	224
		2074/075	17.43	124.95	12.51	13.75	218
		2073/074	15.83	128.31	18.69	15	296
		2072/073	25.82	141.32	13.79	20	356
		2071/072	20.33	132.22	15.01	20	305
		2070/071	27.87	140.026	12.38	21.05	345
2	JBBL(Jyoti Bikash Bank)	2079/080	6.87	131.53	43.4	0	298
		2078/079	15.07	132.089	19.25	6.8	302.2
		2077/078	17.27	136.44	27.68	15.5	478
		2076/077	13.97	128.86	11.88	10	166
		2075/076	17.14	129.25	9.51	12.75	163
		2074/075	11.42	109.83	12.35	8.4	141
		2073/074	10.73	107.31	19.29	10	207
		2072/073	16.45	111.6	10.27	11.7	169
		2071/072	12.16	106.071	13.49	9	164
		2070/071	7.94	106.72	26.07	7	207
3	SADBL (Shangrila Development Bank)	2079/080	8.28	137.22	38.91	5.263	322
		2078/079	17.51	139.13	21.53	8.983	290
		2077/078	14.98	135.64	28.3	10.5263	424
		2076/077	7.33	126.83	19.23	5.2632	141
		2075/076	13.11	127.95	12.12	8.9593	159
		2074/075	12.69	118.021	14.28	9.45	157
		2073/074	25.6	125.55	15.23	11.8	390
		2072/073	22.06	138.26	19.27	16.92	425
		2071/072	24.19	140.099	12.98	20.85	314
		2070/071	11.57	133.26	12.7	21.3	147
4	SHINE(Shine Resunga Development Bank)	2079/080	17.69	144.17	21.7	11.05	384
		2078/079	17.16	134.12	17.19	14	294.9
		2077/078	14.77	142.39	17.33	11.5	256
		2076/077	15.39	140.95	14.42	13	222
		2075/076	25.79	146.96	9.77	15	252
		2074/075	23.43	141.72	11.57	18.63	271
		2073/074	31.78	149.4	13.37	25	425
		2072/073	31.05	149.45	20.93	27	650
		2071/072	28.77	146.15	12.51	28.42	360
		2070/071	29.53	127.39	15.24	22	450
5	KAMANA (Kamana Sewa Development Bank)	2079/080	11.01	144.33	29.69	0	327

	2078/079	18.78	138.89	18.63	4.6421	349.9
	2077/078	22.58	144.73	25.71	19.47	580
	2076/077	4.71	126	30.77	4.63	145
	2075/076	11.02	128	14.28	6.8	160
	2074/075	12.64	115	11.16	9.5	141
	2073/074	15.96	120.8	0	12	0
	2072/073	17.01	117.56	0	0	0
	2071/072	29.22	116.65	11.54	0	337
	2070/071	27.52	114.99	12.35	0	0

APPENDIX I

Earnings Per Share (EPS)

YEAR	KAMANA	GBBL	JBBL	SADBL	SHINE
2079/080	11.01	24.38	6.87	8.28	17.69
2078/079	18.78	22.49	15.07	17.51	17.16
2077/078	22.58	22.75	17.27	14.98	14.77
2076/077	4.71	17.82	13.97	7.33	15.39
2075/076	11.02	21.32	17.14	13.11	25.79
2074/075	12.64	17.43	11.42	12.69	23.43
2073/074	15.96	15.83	10.73	25.6	31.78
2072/073	17.01	25.82	16.45	22.06	31.05
2070/071	27.52	27.87	7.94	11.57	29.53
Mean	**17.045**	**21.604**	**12.902**	**15.732**	**23.536**
SD	**7.33**	**3.66**	**3.52**	**6.10**	**6.41**
CV	**0.43**	**0.17**	**0.27**	**0.39**	**0.27**
YEAR	**KAMANA**	**GBBL**	**JBBL**	**SADBL**	**SHINE**

APPENDIX II

Net worth Per Share (NWPS)

YEAR	KAMANA	GBBL	JBBL	SADBL	SHINE
2079/080	144.33	16.61	43.4	137.22	144.17
2078/079	138.89	17.21	19.25	139.13	134.12
2077/078	144.73	23.91	27.68	135.64	142.39
2076/077	126	12.51	11.88	126.83	140.95
2075/076	128	10.51	9.51	127.95	146.96
2074/075	115	12.51	12.35	118.021	141.72

2073/074	120.8	18.69	19.29	125.55	149.4
2072/073	117.56	13.79	10.27	138.26	149.45
2071/072	116.65	15.01	13.49	140.099	146.15
2070/071	114.99	12.38	26.07	133.26	127.39
Mean	**126.695**	**15.313**	**19.319**	**132.196**	**142.27**
SD	**11.31**	**3.75**	**10.06**	**6.91**	**6.58**
CV	**0.09**	**0.24**	**0.52**	**0.05**	**0.05**

APPENDIX III

Price Earning Ratio (PE)

YEAR	KAMANA	GBBL	JBBL	SADBL	SHINE
2079/080	29.69	150.41	131.53	38.91	21.7
2078/079	18.63	144.032	132.089	21.53	17.19
2077/078	25.71	145.2	136.44	28.3	17.33
2076/077	30.77	134.21	128.86	19.23	14.42
2075/076	14.28	135.94	129.25	12.12	9.77
2074/075	11.16	124.95	109.83	14.28	11.57
2073/074	0	128.31	107.31	15.23	13.37
2072/073	0	141.32	111.6	19.27	20.93
2071/072	11.54	132.22	106.071	12.98	12.51
2070/071	12.35	140.026	106.72	12.7	15.24
Mean	**15.413**	**137.6618**	**119.97**	**19.455**	**15.403**
SD	**10.37**	**7.57**	**11.91**	**8.04**	**3.70**
CV	**0.67**	**0.05**	**0.10**	**0.41**	**0.24**

APPENDIX IV

Dividend Per Share (DPS)

YEAR	KAMANA	GBBL	JBBL	SADBL	SHINE
2079/080	0	10	0	5.263	11.05
2078/079	4.6421	14.5	6.8	8.983	14
2077/078	19.47	16	15.5	10.5263	11.5
2076/077	4.63	14.21	10	5.2632	13
2075/076	6.8	17	12.75	8.9593	15

2074/075	9.5	13.75	8.4	9.45	18.63
2072/073	0	20	11.7	16.92	27
2071/072	0	20	9	20.85	28.42
2070/071	0	21.05	7	21.3	22
Mean	**5.70421**	**16.151**	**9.115**	**11.93148**	**18.56**
SD	**6.14**	**3.25**	**3.95**	**5.54**	**6.26**
CV	**1.08**	**0.20**	**0.43**	**0.46**	**0.34**

APPENDIX V

Market Price Per Share (MPS)

YEAR	KAMANA	GBBL	JBBL	SADBL	SHINE
2079/080	327	405	298	322	384
2078/079	349.9	387	302.2	290	294.9
2077/078	580	544	478	424	256
2076/077	145	223	166	141	222
2075/076	160	224	163	159	252
2074/075	141	218	141	157	271
2073/074	0	296	207	390	425
2072/073	0	356	169	425	650
2071/072	337	305	164	314	360
2070/071	0	345	207	147	450
Mean	**203.99**	**330.3**	**229.52**	**276.9**	**356.49**
SD	**181.58**	**96.22**	**98.48**	**111.16**	**122.70**
CV	**0.89**	**0.29**	**0.43**	**0.40**	**0.34**

APPENDIX VI

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std. D	Sum
EPS	50	37.74	0	37.74	19.32	8.71	966.07
NWPS	50	72.5	110.62	183.12	132.74	13.36	6637.23
PER	50	43.65	0	43.65	14.55	9.16	727.84
DPS	50	17.35	0	17.35	5.40	4.68	270.24
MPS	50	650	0	650	265.79	149.07	13289.9

APPENDIX VII

Calculation of Correlation Coefficients

		EPS	NWPS	PE	DPS	MPS
EPS	Pearson Correlation	1	.420**	-.287**	.585**	.0241**
	Sig. (2-tailed)		.001	.008	.000	.000
	N	50	50	50	50	50
NWPS	Pearson Correlation	.420**	1	-.009	.338**	.415**
	Sig. (2-tailed)	.001		.119	.000	.000
	N	50	50	50	50	50
PE	Pearson Correlation	-.287**	-.009	1	-.183	.378**
	Sig. (2-tailed)	.008	.119		.112	.001
	N	50	50	50	50	50
DPS	Pearson Correlation	.585**	.338**	-.183	1	.266
	Sig. (2-tailed)	.000	.000	.112		.000
	N	50	50	50	50	50
MPS	Pearson Correlation	.0241*	.415**	.378**	.266	1
	Sig. (2-tailed)	.000	.000	.001	.000	
	N	50	50	50	50	50

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

	EPS	NWPS	PER	DPS	MPS
EPS	1				
NWPS	.420**	1			
PER	-.287*	-0.09	1		
DPS	.585**	.338*	-0.183	1	
MPS	0.241	.415**	.378**	0.226	1

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