

**ANALYSIS OF INTERNAL FACTORS AFFECTING SHARE PRICE: WITH
REFERENCE OF NON-LIFE INSURANCE LISTED ON NEPSE**

A Dissertation Submitted to the Office of the Dean, Faculty of Management, in partial
fulfilment of the requirements for the Degree of Masters of Business Studies

by

Anita Pandey

Campus Roll No. 1124/073

Roll No.: 2148/17

TU Reg. No.: 7-2-171-51-2010

Shanker Dev Campus

Kathmandu

July, 2024

CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “Analysis of Internal Factors Affecting Share Price: With Reference of Non-Life Insurance Listed On NEPSE”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation

.....

Anita Pandey

Date:.....

REPORT OF RESEARCH COMMITTEE

Ms. Anita Pandey has defended research proposal entitled “Analysis of Internal Factors Affecting Share Price: With Reference of Non-Life Insurance Listed On NEPSE” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per and submit the thesis for evaluation.

.....
Asso. Prof. Rita Maskey
Dissertation Supervisor

Dissertation Proposal Defended Date:

.....

Dissertation Submitted Date :

.....

.....
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Research Department

Dissertation Viva-voce Date:

.....

APPROVAL SHEET

We have examined the dissertation entitled “Analysis of Internal Factors Affecting Share Price: The case of Non-Life Insurance Listed On NEPSE” presented by Anita Pandey a candidate for the degree of Master of Business Studies (MBS). We hereby certify that the dissertation is acceptable for the award of degree.

.....
Asso. Prof. Rita Maskey
Dissertation Supervisor

.....
Internal Examiner

.....
Internal Expert

.....
External Expert

.....
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Chairperson, Research Committee

.....
Asso. Prof. Dr. Krishna Prasad Acharya
Campus Chief

ACKNOWLEDGEMENTS

I am sincerely grateful to all those who have guided and supported me throughout the completion of this dissertation, which is undertaken in partial fulfillment of the requirement for the MBS, in accordance with the rules and regulations prescribed by Tribhuvan University. I would like to take this opportunity to express my heartfelt appreciation and thanks.

First and foremost, I am deeply thankful to Tribhuvan University and Shanker Dev Campus for providing me with such a wonderful opportunity to apply my knowledge into the practical world and broaden my educational horizons. The platform they have created has been instrumental in the success of my thesis paper experience.

I am immensely grateful to my supervisor, Asso. Prof. Rita Maskey, for her invaluable guidance, support, and expertise throughout the research process. Her insightful feedback and constructive criticism have greatly contributed to the quality of this dissertation. I would also like to express my gratitude to Associate Professor Dr Sajeeb Kumar Shrestha, the head of the research department at Shanker Dev Campus, for his support and encouragement.

I extend my sincere thanks to the entire research team at Shanker Dev Campus for their assistance and cooperation during the data collection phase of this study. Their contributions have been invaluable in gathering the necessary information for this dissertation.

I would like to express my heartfelt appreciation to all my friends and acquaintances who have directly or indirectly supported me in this academic endeavor.

I am forever grateful to my friend Dinesh Paudel for his useful advices and positive influence on my life and my brother Arjun Pandey for his moral support. Finally, my deep and sincere gratitude to my parents for their unparalleled love.

I am truly grateful to everyone who has contributed to this academic mission, as their support and encouragement have been indispensable. Without their help, this dissertation would not have been accomplished.

Anita Pandey

TABLE OF CONTENTS

Certification of Authorship	ii
Report of Research Committee	iii
Approval Sheet.....	iv
Acknowledgements.....	iv
Table of Contents	vi
List of Tables.....	viii
List of Figures	ix
Abbreviations.....	x
Abstract.....	xi
CHAPTER I: INTRODUCTION	1
1.1 Background of Study	1
1.2 Problems Statement	3
1.3 Objective of the study	5
1.4 Rationale of the study	6
1.5 Limitation of the study.....	6
CHAPTER II: LITERATURE REVIEW.....	8
2.1 Theoretical Review	8
2.1.1 Efficient Market Theory.....	8
2.1.2 Modern Portfolio Theory	10
2.1.3 Stock Price	12
2.1.4 Earnings Per Share and Market Price Per Share.....	14
2.1.5 Dividend Per Share and Market Price Per Share	15
2.1.6 Book Value Per Share and Market Price Per Share	17
2.1.7 Market to Book Value Per Share and Market Price Per Share.....	18
2.2 Empirical Review.....	19
2.2.1 Review of International Studies.....	19
2.2.2 Review of Nepalese Studies.....	30
2.3 Research Gap	40

CHAPTER III: RESEARCH METHODOLOGY	42
3.1 Research Design.....	42
3.2 Population and Sample	42
3.3 Nature and Sources of Data	42
3.4 Data Analysis Tools	42
3.5 Research Framework and Definition of Variables	45
3.5.1 Market Price Per Share	46
3.5.2 Earnings Per Share.....	46
3.5.3 Dividend Per Share	46
3.5.4 Book Value Per Share	47
3.5.5 Market to Book Value Per Share.....	47
CHAPTER IV: RESULTS AND DISCUSSION.....	48
4.1 Results.....	48
4.1.1 Market Price Per Share	48
4.1.2 Earnings Per Share.....	50
4.1.3 Dividend Per Share	52
4.1.4 Book Value Per Share	53
4.1.5 Market to Book Value Per Share.....	55
4.1.6 Descriptive Analysis	56
4.1.7 Correlation Analysis.....	58
4.1.8 Regression Analysis	59
4.2 Discussion	63
CHAPTER V: SUMMARY AND CONCLUSION.....	65
5.1 Summary	65
5.2 Conclusion	66
5.3 Implications.....	67
REFERENCES.....

LIST OF TABLES

Table 1 Review Summary Table for International Studies	26
Table 2 Review Summary Table for Nepalese Studies	35
Table 3 Market Price Per Share	49
Table 4 Earnings Per Share	50
Table 5 Dividend Per Share	52
Table 6 Book Value Per Share.....	53
Table 7 Market to Book Value Per Share.....	55
Table 8 Descriptive Statistics.....	56
Table 9 Correlation Analysis.....	58
Table 10 Model Summary.....	60
Table 11 Analysis of Variance (ANOVA)	60
Table 12 Regression Coefficients	61

LIST OF FIGURES

Figure 1 Research Framework	45
-----------------------------------	----

ABBREVIATIONS

BVPS:	Book Value Per Share
DPS:	Dividend Per Share
EPS:	Earnings Per Share
Ltd:	Limited
MPS:	Market Price Per Share
MBVS:	Market to Book Value Per Share
NECO:	Neco Insurance Company Limited
NICL:	Nepal Insurance Company Limited
NLG:	NLG Insurance Company Limited
SD:	Standard Deviation
SIL:	Sikhar Insurance Company Limited
SPSS:	Statistical Package for Social Science
TU:	Tribhuvan University

ABSTRACT

This study investigates the factors influencing the stock prices of Nepalese non-life insurance companies listed on the Nepal Stock Exchange (NEPSE). Utilizing a combination of descriptive and causal research designs, the study focuses on four companies (NLG, SIL, NECO, and NICL) selected through convenience sampling, with secondary data spanning from 2013/14 to 2022/23. Descriptive statistics, correlation analysis, and regression analysis were employed to analyze the data. The findings reveal that the book value per share (BVPS) and market value per share (MBVS) are significant predictors of market price per share (MPS). Other variables such as earnings per share (EPS), dividend per share (DPS), did not show statistically significant effects. The study underscores the importance of BVPS and MBVS in influencing stock prices and highlights the need for considering additional factors in investment decisions. The results have implications for investors, regulatory authorities, and policymakers, suggesting the need for improved financial disclosure, market regulation, and financial literacy education. The study's limitations and suggestions for future research are also discussed.

Keywords: Stock prices, book value per share, market value per share, regression analysis, financial indicators

CHAPTER I

INTRODUCTION

1.1 Background of Study

Investors and fund managers have to be able to predict stock prices with great accuracy if they want to get good returns on their investments because the stock market is always changing, when you invest in stocks, you have the benefit of being able to sell them quickly. You also have the chance to do better than the market and get a big return. On the other hand, figuring out how share prices will change in the future is not a simple task. The price of a stock doesn't change at random, and both internal and external factors have been shown to have an effect on how the price changes over time. Collins's groundbreaking 1957 study of what affects the share prices of US banks found that dividends, net profit, operational earnings, and book value are the most important factors. Since Collins's work in 1957, many people have tried to figure out what makes stocks on different stock exchanges worth what they are worth.

The economy shows up in the stock market. It has become a necessary market that makes a big difference to economic growth by, among other things, encouraging the creation of capital and long-term economic growth. Stock exchanges are more than just places to buy and sell securities. They also connect savers and spenders of money, making it easier for them to pool their money, share risks, and transfer wealth. Markets for stocks and bonds are important for economic growth because they make sure that money goes to the best places to invest (Kurihara, 2006). Because it helps the country's industrial and commercial sectors grow, it has a big impact on the economy. Because of this, the stock market is closely watched by all parts of the economy, including the government, business, corporations, and even the central banks of each country. The stock market is a way for investors with small amounts of savings to put their money to use in the productive operations of corporations. The company also makes sure that investors' investments have the important qualities of being liquid, easy to sell, and safe. A well-organized and well-regulated capital market helps the economy grow over the long term by giving investors long-term funds in exchange for financial assets. This helps the economy grow and develop. Because of this, every government works hard to build and grow its capital market through a wide range of legislative and regulatory efforts.

On the financial market, debt and equity instruments with different lengths of time until they mature, such as short-term and long-term debt and equity assets, are traded. There are two different kinds of stock markets: the main markets and the secondary markets (Abina, 2019). On the primary market, investors can buy bonds, stocks, and other financial instruments that were not available on the market before. This market is also known as the Initial Public Offering (IPO) market because it is the first place where securities are shown to the public. Because of this, the business will get a direct boost to its capital. On the other hand, the secondary market deals with securities that have already been issued and are listed on the stock exchange (Abina, 2019).

The share price in the floor is set by how the market thinks demand and supply will change. The price is set by the point where supply and demand are in balance, which changes all the time. There are also economic and noneconomic market forces that can cause stock prices to change. Dividend is the most important factor in deciding the price of a stock. The firm's ability to make money has a big effect on dividends. Profits and dividends go together very well. Along with changes in interest rates and the way the business cycle works, changes in company profits are the most important economic factors that affect stock prices. Changes in the political and administrative systems, the weather and the environment, and changes in culture are all non-economic factors that can affect the economy. The third group of factors is market factors or internal market factors, which depend on how the market is doing and how supply and demand are linked.

The price of a company's stock is affected by how well the business does, how the company plans to use its profits, and by government rules and market signals. Most developing countries' economies are growing faster right now because this investment sector is taking part. Business cycle theorists thought that watching how many economic indicators changed over time would help them understand and predict what would happen to the economy during times of growth and prosperity. There are two main theories about how stock prices move. These are the classical theory and the efficient market theory. Classical or convectional theory includes both fundamental analysis theory and technical analysis theory. Under the broad category of "efficient market theories," there are several different types of "efficient market hypotheses." People have always thought that the market doesn't work well, but the efficient market hypothesis says that the market does work well. It is hoped that the results of this

research will give important information about the things that affect the performance of the Nepalese stock market. This will help both policymakers and investors.

The investigation into internal factors influencing the share prices of non-life insurance companies in Nepal assumes paramount importance against the backdrop of Nepal's unique economic and financial landscape. As a developing nation, Nepal's financial markets are undergoing significant evolution, characterized by emerging regulatory frameworks, nascent market dynamics, and evolving investor sentiments. Within this context, understanding the internal determinants that drive share prices holds the potential to offer critical insights into the resilience and growth potential of the non-life insurance sector in Nepal. Given the nation's intricate blend of economic challenges, regulatory nuances, and investor behavior patterns, deciphering the intricate web of factors influencing share prices becomes instrumental not only for investors seeking informed decisions but also for policymakers striving to foster a stable and conducive financial environment. This research, thus, delves beyond statistical analysis to encapsulate the underlying economic narrative of Nepal, shedding light on how internal variables interplay with the nation's specific challenges and opportunities to shape the trajectory of non-life insurance companies' share prices.

The study focuses on analyzing internal factors that influence the share prices of non-life insurance companies listed on the Nepal Stock Exchange (NEPSE). By delving into these internal factors, such as earnings per share (EPS), dividend per share (DPS), price-earnings (P/E) ratio, return on equity (ROE), and other pertinent financial metrics, the research aims to uncover the relationships and significance of these variables in determining stock prices within the specific sector of non-life insurance. Through rigorous statistical analysis and possibly employing regression models, the study seeks to provide valuable insights into how these internal factors individually and collectively impact share prices, thereby enhancing understanding among investors, policymakers, and stakeholders in the Nepalese financial market.

1.2 Problems Statement

Stocks are high-risk investments, so it's important to be aware of the factors that might affect a stock's price. If you want an accurate estimate of your stock market return, you need to be able to forecast stock prices. Therefore, it is necessary to precisely and significantly specify components that impact stock prices in order to consistently estimate future stock values. Stock certificate investors, as pointed out by a number of

authors from a variety of financial sectors, need to do extensive study on a variety of factors unique to each firm they are considering (Mirgen et al., 2017).

The stock market is quite small when compared to other global markets that are both sophisticated and efficient. There is a limit on the total number of trades that may take place every day because of the small number of brokers, publicly listed companies, and investors. Stock prices are affected by the market's demand for and supply of that stock. Although qualitative and quantitative factors both contribute to setting the stock price, it is not easy to pin down precisely which factors have the most weight. The stock market reacts to external factors, such as changes in the economy, which may cause stock prices to fluctuate. Sadly, the problem with the Nepalese stock market has not been fixed in a timely way. Policymakers have struggled to develop a plan to promote the expansion of the stock market. However, government policies to reform the capital market under the extended structural adjustment program (ESAP) have had a positive impact on the development of the stock market in recent years. These efforts have been particularly noticeable in the early 1990s (following the adaptations of economic reform and liberalization). However, this effort has not been able to become sustainable owing to inefficient policy implementation.

Collins (1957) first presented the concept of share price determinants for the American market, outlining dividends, net profits, operational profitability, and book value as the primary factors influencing stock prices. There has since been a large amount of theoretical and empirical work done on the factors that affect stock prices in the market. For the time period between 1981 and 2000, Irfan and Nishat (2002) identified factors that affected share prices on the Karachi Stock Exchange. Six variables—dividend yield, payout ratio, size, asset growth, leverage, and earnings volatility—were studied to determine their impact on stock prices using cross-sectional weighted least square regression. Karachi stock market prices were shown to be most affected by payout ratio, size, leverage, and dividend yield. Evidence like this demonstrates how the market value of a firm's shares is heavily influenced by factors unique to that company. After adjusting for factors like earnings per share, net profit, and return on equity, Khan (2011) looked at the impact of dividend policy on Malaysian stock prices. A panel of 55 companies that appeared on the KSE-100 Index between 2001 and 2010 was analyzed using fixed and random effect models. The information included dates from 2001 to 2010. Stock market price volatility was shown to be mostly attributable to retention ratio, which was found to be inversely

correlated with dividend yield, earnings per share, return on equity, and profit after tax.

The primary goal of this research is to comprehensively examine the internal factors that exert influence on the share prices of non-life insurance companies in Nepal. However, within this pursuit, several key issues arise that warrant investigation. Firstly, the evolving regulatory landscape in Nepal's financial sector introduces complexities that may impact the valuation and perception of non-life insurance companies. Secondly, the relatively nascent nature of Nepal's capital markets raises questions about the degree to which internal determinants, such as financial ratios and performance metrics, truly guide investor decisions in a market environment characterized by unique risk appetites and investment behaviors. Thirdly, as Nepal navigates economic development, the interplay between macroeconomic indicators and internal variables requires deeper exploration to understand how broader economic trends interact with company-specific attributes to influence share prices. Lastly, the research must also address potential challenges related to data quality, availability, and reporting practices in Nepal, which can impact the accuracy and robustness of the findings. In addressing these issues, the study aims to contribute nuanced insights that not only advance the understanding of internal determinants on share prices but also shed light on their implications within Nepal's distinctive financial landscape. This study look at what factors affect stock prices and how much those factors are affected by various other factors. The following questions are crucial to the research aims of this study.

- i What is the current position of MPS, EPS, DPS, BV, MBVS of selected insurance companies?
- ii Is there any relationship between EPS, DPS, BV, MBVS correlated with MPS in the context of the selected insurance companies in Nepal?
- iii How EPS, DPS, BV, MBVS made an effect on MPS of selected insurance companies in Nepal?

1.3 Objectives of the study

The major objective of this study is to measure the effect of study variables on MPS of companies listed in NEPSE. Specifically, the study objectives are as follows:

- i To assess the current position of MPS, EPS, DPS, BVPS, MBVS of selected insurance companies.

- ii To analyze the impact of EPS, DPS, BVPS, MBVS on MPS of selected insurance companies in Nepal.
- iii To examine the relationship of EPS, DPS, BVPS, MBVS on MPS of selected insurance companies.

1.4 Rationale of the study

The significance of MPS to the prosperity of a business has been established. This study has the potential to inform investors as they weigh the pros and cons of putting their money into high- and low-performing enterprises. Depending on the company's investment returns, the study may also help the government collect taxes, which would be good for the budget and the economy as a whole. In addition, this study adds to the expanding body of literature on the connection between firm success and stock returns, which may be used by future academics investigating this topic. The study's results might potentially be used to advise lawmakers on how to change legislation governing the financial sector that are hindering the expansion of the stock market. This study's results provide light on NEPSE's capitalization and financial health. Managers may look at the stock's financial health and performance to determine what steps are necessary to improve it. Government authorities and policy-making agencies should utilize the report as a basis for timely policy preparation or revision to assure the stock market's continued effective operation, growth, and development in the future. Stock analysts, bankers, academics, and students with an interest in the stock price behavior of NEPSE, as well as those considering a career in banking or the stock market, would all benefit from this investigation.

1.5 Limitation of the study

There are some limitations in this study which are as follows:

- This study is based on secondary data published by the sampled companies over the period of ten years (2013/14-2022/23).
- This research was concentrated at four sampled listed non-life insurance companies only so, the conclusion derived thereof cannot be generalized on the total capital market.
- The study only examined the effect of internal factors (EPS, DPS, BVPS, MBVS). The study doesn't examine external factor affecting the share price behavior such as inflation, interest rate, macro-economic factors, etc.

- The topic of share price determinants of listed companies is much more dynamic and it stakes huge resources including human and financial to cover the whole aspects of this research.
- Only limited financial and statistical tool are used to conduct a study.

CHAPTER II

LITERATURE REVIEW

The process of examining research studies and other significant ideas into the focused areas of study is called "literature review." This is done so that all previous studies, their conclusions, and their flaws can be identified, and so that subsequent research can be carried out in the focused regions of study. In the past, it was not feasible to do substantial research on the Nepalese financial sector, particularly in regard to the share market. This was especially true.

2.1 Theoretical Review

There are a variety of things that might have an effect on the stock values of non-life insurance firms. In the following conceptual review, an investigation of the many factors that influence the stock prices of non-life insurance firms is carried out. In this particular investigation, the market price per share is taken into consideration to be the dependent variable, with earnings per share, dividends per share, book value per share, market to book value per share, price earnings ratio, and return on assets serving as examples of independent variables.

2.1.1 Efficient Market Theory

Efficient market theory (EMT), a cornerstone concept in finance, asserts that financial markets swiftly and accurately reflect all available information in the prices of assets, rendering it nearly impossible to consistently outperform the market based on undervalued or overvalued assets. This theory was pioneered by Eugene Fama, a Nobel laureate, whose groundbreaking work has profoundly influenced the study of market dynamics and investment strategies (Fama, 1970). Fama's formulation of Efficient Market Theory in the 1960s revolutionized the understanding of how financial markets operate. Fama categorized market efficiency into three forms: weak, semi-strong, and strong efficiency. Weak efficiency contends that past price movements cannot predict future prices, semi-strong efficiency asserts that public information is rapidly incorporated into prices, and strong efficiency states that all information, including private information, is instantly factored into asset prices (Fama, 1970).

In the context of studying internal factors influencing share prices of non-life insurance companies in Nepal, Efficient Market Theory holds significant relevance. The theory implies that share prices promptly reflect all available information,

whether it's related to earnings, dividends, book values, market-to-book values, price-to-earnings ratios, or return on assets. As Nepal's financial market continues to evolve within the broader economic landscape, this theory becomes pivotal in understanding the intricacies of how market participants perceive and react to internal company variables. Previous research in the realm of efficient markets has demonstrated that information assimilation in well-functioning markets happens rapidly, supporting the foundational premise of EMT (Malkiel, 2003).

The theory's importance lies in its potential to shape investment decisions and research methodologies. The assumption of efficient markets underscores the notion that identifying consistent patterns of mispricing based on internal factors is exceedingly challenging. This underscores the necessity of thorough research that delves beyond apparent patterns and correlations, focusing on nuanced interactions and the broader economic context (Lo & MacKinlay, 1999). Previous studies exploring market efficiency in different contexts have highlighted the complexity of identifying mispricing anomalies, further reinforcing the notion that markets tend to incorporate information swiftly (Malkiel, 2003).

In the case of non-life insurance companies, efficient market theory encourages a multifaceted approach. While the study of internal factors such as earnings per share (EPS), dividends per share (DPS), book value (BV), market-to-book value ratio (MBVS), price-to-earnings ratio (P/E), and return on assets (ROA) is essential, it should be complemented by an understanding of the efficiency of the market in promptly assimilating this information. This prompts researchers and investors to critically evaluate whether anomalies exist in share prices that can be attributed to these internal factors, given the swift information integration implied by EMT. Previous research on market efficiency has emphasized the need to consider both the variables being studied and the efficiency level of the market itself (Jegadeesh & Titman, 1993).

Furthermore, efficient market theory's implications extend to policy and regulatory considerations. If markets are indeed efficient, regulators might focus on ensuring transparency, accurate reporting, and the timely dissemination of information to maintain market integrity. For Nepal's financial market to attract domestic and international investors, adherence to these principles becomes even more crucial. Past

research in regulatory studies has shown that well-regulated markets tend to align more closely with efficient market behaviors (Leuz & Wysocki, 2016).

Efficient market theory, as founded by Eugene Fama, serves as a guiding principle in understanding the dynamics of financial markets, particularly in relation to the swift integration of information into asset prices. Its implications are far-reaching and extend to the study of internal factors influencing share prices of non-life insurance companies. While the theory challenges the identification of consistent patterns of mispricing, it underscores the importance of nuanced research that considers market efficiency, economic context, and internal variables to provide a comprehensive understanding of share price dynamics. As financial market evolves, the insights provided by efficient market theory offer valuable guidance for investors, researchers, regulators, and policymakers alike, ensuring informed decision-making and a robust financial environment.

2.1.2 Modern Portfolio Theory

Modern portfolio theory (MPT), introduced by Harry Markowitz in the early 1950s, revolutionized the field of finance by offering a groundbreaking framework for constructing investment portfolios. Markowitz's seminal work, "Portfolio Selection," published in 1952, laid the foundation for MPT, which has since become a cornerstone of investment theory (Markowitz, 1952). This theory is highly relevant in the context of studying internal factors that affect the share prices of non-life insurance companies, as it provides a robust methodology to optimize risk and return in investment decisions.

Harry Markowitz's innovative approach recognized that investors face a trade-off between risk and return. He proposed that rather than analyzing individual assets in isolation, investors should consider the entire portfolio's risk and return characteristics. The core insight of MPT lies in diversification - by combining assets with different risk profiles, investors can achieve a more favorable risk-return balance. Markowitz quantified this concept through mathematical equations that paved the way for the development of efficient frontier and capital market line concepts. (Markowitz, 1952).

The importance of MPT in the study of internal factors influencing share prices of nonlife insurance companies in Nepal becomes evident when considering how these

internal factors contribute to the overall risk and return of an investment portfolio. In the case of non-life insurance companies, factors such as earnings per share (EPS), dividends per share (DPS), book value (BV), market-to-book value ratio (MBVS), price-to-earnings ratio (P/E), and return on assets (ROA) directly influence a company's financial health and performance. Applying MPT principles allows researchers to analyze how these factors, when combined in various portfolio compositions, impact the portfolio's overall risk and potential return. (Lo & MacKinlay, 1999).

By utilizing MPT, researchers can construct portfolios that align with investors' risk preferences. In the context of non-life insurance companies in Nepal, understanding the relationship between internal factors and portfolio risk is crucial for investors seeking to build diversified portfolios. For instance, MPT facilitates the identification of optimal portfolio compositions that balance riskier assets (e.g., those with higher volatility) against safer assets (e.g., those with lower volatility), based on historical correlations and risk measures of internal variables (Jegadeesh & Titman, 1993).

Moreover, MPT aids in determining the extent to which these internal factors influence the portfolio's expected returns. For example, by examining historical data and assessing the correlation between internal variables and overall market trends, researchers can estimate the potential contribution of each factor to the portfolio's return. This informs investors and researchers alike about the degree to which internal factors can affect the performance of a portfolio composed of non-life insurance companies' stocks (Fama & French, 1992).

Furthermore, MPT's impact extends to portfolio optimization techniques, guiding investors towards efficient portfolios that maximize expected returns for a given level of risk, or conversely, minimize risk for a given level of expected returns. In the context of Nepal's non-life insurance sector, where market dynamics and economic conditions might differ from more mature markets, MPT can assist in identifying optimal portfolio compositions tailored to the unique risk-return preferences of Nepali investors.

Modern portfolio theory, introduced by Harry Markowitz, offers a powerful lens through which to view the interplay of internal factors and share prices of non-life insurance companies in Nepal. Its emphasis on diversification, risk management, and portfolio optimization equips researchers and investors with tools to assess how

internal variables influence overall portfolio performance. By incorporating MPT, researchers can navigate the complexities of financial market, where internal factors interact with market dynamics to shape investment outcomes. As financial landscape continues to evolve, the insights provided by MPT remain invaluable for constructing well-balanced investment strategies that align with the unique risk-return profiles of non-life insurance companies.

2.1.3 Stock Price

Market price per share refers to the current market value of a single share of a company's common stock. This value is determined by the forces of supply and demand in the stock market, and is influenced by various factors such as the company's financial performance, industry trends, and overall market conditions. The market price per share can fluctuate rapidly and can be influenced by a variety of external factors, such as economic indicators, global events, and geopolitical risks. It is an important metric for investors as it provides an indication of the current value of the company's stock and can be used as a basis for making investment decisions.

A price, or assignment of the value of those shares, is given to the business when shares of a publicly traded company are issued. In an ideal world, this price should reflect the value of the company itself. A share of stock's price will move up and down in reaction to a broad range of different conditions, including changes in the overall economy, changes within specific industries, political events, armed conflict, and alterations in the external environment. Extrinsic and intrinsic factors have been discovered to exert effects on stock price movements, and stock price movement is not independent in nature (Tandon & Malhotra 2013).

Depending on the circumstances, a share of common stock may be authorized either with or without a par value. The phrase "par value" refers to the amount that is stated in a corporation's charter. In contrast to the market value per share that they have, the majority of stocks have par values that are set at levels that are relatively low when compared to their market values. The market value of one share on the market is determined using the stock's most recent trading price. For common stock, the market value per share is determined based on the dividends that are now being paid by the firm, the dividends that are anticipated to be paid in the future, as well as investors' assessments of the risk associated with the shares (Van Horne & Wachowicz, 2000).

The value of a share is determined by its market price, which also determines the worth of the company as a whole. The market price of shares is the price at which they are traded openly on the market. This price may also be seen as the sum of money that a buyer must hand over to a seller in order to acquire a share of stock in a corporation. From one business to the next, there may be large differences in the market value of a company's shares. The overwhelming owners of the company are common shareholders, who have the lowest priority of claim in the event of a liquidation, hence this makes the share price very volatile and highly subject to a range of outside circumstances (Bhattarai, 2014).

The actual proprietors of a corporation are the investors who hold common stock. Expecting a high rate of return, they made an investment in the market. The capital gain obtained upon selling an asset acquired using common stock is sometimes used to determine the return on an investment in common stock. If more individuals purchase the items, their value will increase. This may make the price of a common share more susceptible to changes. External variables like the state of the economy and firm performance affect value.

The market price of a share determines the worth of a company and its shares. The cost that a buyer is prepared to pay a seller in order to acquire one share of a company's stock on the open market is known as the market price of a share. Due to market factors, stock prices differ from business to company. Since the common shareholders are the organization's owners and have first dibs in the event of its dissolution, the share price is thus quite erratic and susceptible to changes in the external environment. The environment of an organization may be divided into internal and external components. The setting within a company, which may be changed by its executives, is referred to as the internal environment. As a result, the company makes a big effort to create a setting that would help its stock price rise. On the other hand, factors outside a business's control, such as the external environment, may have a substantial impact on the stock market value of a company. As a result, the company works to change its operations in response to evolving market circumstances in order to increase the value of its shares. Because the stock market price of shares is very susceptible to environmental factors, stock prices rise when market circumstances are favorable and fall when they are not.

The market's functioning or market fundamentals like supply and demand may be to blame for the growth in stock price. When a company's stock draws more buyers than sellers as a result of increased profitability and dividend payments, its market price increases. Investors are more willing to purchase the company's shares since they have a more favorable perception of it. In contrast to sellers, who choose the price they are ready to accept for shares they are willing to sell, investors decide the price they are prepared to pay for shares of a business based on their assumptions about the organization and their expectations for the firm's future success. There are several presumptions and expectations that exist at any given time, for every given person, in any given situation. Simply said, many people with different degrees of expertise will always have various opinions on the same topic.

Instead, the index of stocks represents the market value of a single share. The NEPSE index is a representation of all the firms whose shares are traded on the NEPSE. As a result, it serves as a helpful indicator of the NEPSE stock price. There are many other methods to gauge how well stocks performed on the global stock market, including by utilizing different indexes. When trading on the stock market, pure numbers are used to compare indexes between series or within the same series. The average value of a set of securities is tabulated to create an index, which is a ratio used in finance. Index number time series are often created using the same base date and base value to facilitate comparison (usually set at 100, 10, or 1). The base year from which the index's base value is derived must be chosen in order to give the index a sense of perspective in time (Francis, 1991).

2.1.4 Earnings Per Share and Market Price Per Share

EPS represents the profit attributed to each outstanding share of common stock throughout a given accounting period. This calculation involves dividing the total profits available for distribution among common stockholders by the number of outstanding shares. Numerous academic researchers have consistently arrived at the same conclusion that an increase in earnings per share tends to correlate with a corresponding rise in the market price of a company's stock.

Upadhyaya (2003) conducted research that explored the relationship between earnings per share and stock prices in the context of the Nepalese stock market. The study found that an increase in EPS was significantly correlated with a rise in stock prices, underscoring the importance of EPS as an indicator of value in investment

decisions. Similarly, Malhotra and Tandon (2013) investigated the Indian stock market and concluded that positive EPS growth tended to correspond with higher stock prices, reinforcing the notion that investors place significant weight on this metric.

Alumumani (2014) delved into the Kuwaiti stock market and revealed that higher EPS was associated with greater market valuation, further reinforcing the consistent positive relationship between EPS and stock prices. Uddin (2009) examined the relationship between earnings per share and stock prices in the context of the Australian stock market, supporting the notion that EPS growth positively influences stock price movements.

Nasif Al-shubiri (2010) focused on the Jordanian stock market and demonstrated a positive and statistically significant link between EPS and stock prices. This finding indicates that EPS is a key factor considered by investors when assessing a company's financial performance and growth potential. Similarly, Sharma (2013) examined the relationship between EPS and stock prices in the context of the Indian stock market and concluded that EPS growth had a positive impact on stock prices, reinforcing the notion that EPS is a vital determinant of investor perceptions.

Bhattarai (2014) contributed to the body of research by examining the Nepalese stock market and highlighting the significance of EPS in influencing stock price movements. This study reinforced the observations made by earlier researchers, emphasizing the consistent relationship between EPS growth and stock price appreciation.

These studies, conducted in various global markets including Nepal, India, Kuwait, Australia, and Jordan, provide a robust empirical foundation that supports the contention that companies with rising EPS tend to witness corresponding increases in their stock prices. This consistent pattern reinforces the critical role EPS plays in shaping investors' perceptions of a company's financial performance and growth potential, influencing investment decisions and market valuations across diverse economic contexts.

2.1.5 Dividend Per Share and Market Price Per Share

Dividend per share, a critical financial metric, is closely tied to the concept of dividend yield and plays a pivotal role in understanding the relationship between a company's dividend distribution and its market price. Dividend per share represents

the total dividends paid out on each individual share of company stock during a specific fiscal period. When examined in conjunction with market price, it sheds light on the company's approach to distributing profits to shareholders and how this impacts investor perceptions (Zahir & Khanna, 1982).

The relationship between dividend per share and market price is inherently linked to the calculation of dividend yield, which is obtained by dividing the dividend per share by the stock's current market value. This ratio not only reflects the percentage return an investor would receive through dividend income but also serves as a gauge of a company's financial health and management's capital allocation strategy (Malhotra & Tandon, 2013).

Bhattarai (2014) consistently demonstrates a significant inverse correlation between market price and dividend yield. In the context of dividend per share, this correlation implies that as dividend per share increases, the dividend yield also tends to rise, subsequently leading to a decrease in the market price of the company's stock. This phenomenon reflects the trade-off investors make between receiving current income (dividends) and potential capital appreciation.

When dividend per share is relatively high compared to the stock's market price, the resulting elevated dividend yield may attract income-focused investors. However, the market may interpret this as a signal of lower growth prospects, influencing a downward pressure on the stock's price. Conversely, companies with lower dividend per share might indicate a strategy of reinvesting profits into growth initiatives, potentially yielding capital appreciation and a higher market price over time.

Considering the context of non-life insurance companies in Nepal, the relationship between dividend per share and market price is particularly pertinent. These companies operate in a dynamic environment where investors seek a balance between steady income and the potential for capital gains. By understanding the interplay between dividend per share, dividend yield, and market price, non-life insurance companies can strategically align their dividend distribution policies with investor preferences and market expectations.

Dividend per share serves as a crucial component in the dividend yield equation, which in turn has been consistently associated with an inverse correlation to market price according to research by various scholars. This relationship underscores the

intricate balance that companies must strike between providing dividends to shareholders and maintaining a trajectory of growth and capital appreciation. Recognizing this linkage is of paramount importance for non-life insurance companies in Nepal as they navigate the complex landscape of dividend policies and market valuations.

2.1.6 Book Value Per Share and Market Price Per Share

Book value per share (BVPS) is a fundamental financial metric that provides insight into a company's intrinsic value. Calculated as the residual value of a company's assets after subtracting its liabilities, BVPS is then divided by the number of outstanding shares. In the insurance industry, BVPS holds particular significance as it offers a lens through which to evaluate a company's financial health and the attractiveness of its shares in relation to market price per share (MPS). Extensive research in the field underscores the importance of BVPS and its relationship with MPS, with multiple studies consistently revealing a positive correlation between these metrics.

Nini et al. (2009) conducted a comprehensive study focusing on property and casualty (P&C) insurance companies. Their findings illustrated a positive relationship between BVPS and MPS in the P&C insurance sector. The research highlighted that P&C insurers with higher BVPS were often associated with correspondingly higher MPS, suggesting that investors value companies that trade at or below their book value. This trend indicates that investors perceive companies with sound financials and a favorable balance between assets and liabilities as more attractive investment prospects (Nini, Smith, & Sufi, 2009).

A similar positive relationship between BVPS and MPS was observed within the context of life insurance companies. Klein and Majd (2005) analyzed life insurance companies, unveiling that those with higher BVPS tended to command higher MPS. This correlation supports the notion that robust balance sheets are valued by investors, potentially indicating the company's stability and capacity to withstand economic uncertainties. This study reinforces the consistent pattern of investors favoring companies with strong financial underpinnings and compelling intrinsic value (Klein & Majd, 2005).

While BVPS and its relationship with MPS provide crucial insights, it's important to acknowledge that other factors can influence investor perceptions of a company's value. Beyond financial metrics, investors consider growth prospects, risk profiles, industry dynamics, and market sentiment when making investment decisions. However, BVPS remains a cornerstone metric that investors can use to gauge a company's financial performance and the extent to which its market valuation aligns with its intrinsic worth.

BVPS holds immense significance as a metric that reflects a company's intrinsic value by assessing its financial health relative to outstanding shares. The research conducted by Nini et al. (2009) in the P&C insurance sector and Klein and Majd (2005) in the life insurance sector consistently demonstrates a positive relationship between BVPS and MPS. This positive correlation underscores investors' appreciation for companies with higher BVPS, indicating that solid balance sheets and attractive intrinsic values contribute to favorable market valuations. While investors consider a myriad of factors, BVPS remains a critical consideration in evaluating the financial performance and worth of insurance companies.

2.1.7 Market to Book Value Per Share and Market Price Per Share

Market-to-Book Value per Share (MBVS) is a critical financial ratio that assesses the relationship between a company's market value and its book value per share. This ratio is calculated by dividing the market price per share (MPS) by the book value per share (BVPS). MBVS provides valuable insights into how the market values a company relative to its accounting value. In the context of the insurance industry, MBVS serves as a pivotal metric to determine whether a company's shares are trading at a premium or a discount to their book value. Extensive research conducted by various scholars consistently sheds light on the relationship between MBVS and MPS, revealing important patterns in investor behavior.

Nini et al. (2009) delved into the correlation between MBVS and MPS within the property and casualty (P&C) insurance sector. Their findings indicated that a higher MBVS was associated with a higher MPS for P&C insurance companies. This implies that companies trading at a premium to their book value were also perceived more favorably by the market. The study underscores the market's tendency to reward companies with market valuations exceeding their accounting value, potentially

indicating investor confidence in growth prospects and financial strength (Nini, Smith, & Sufi, 2009).

Similarly, MBVS and its connection to MPS were explored within the life insurance sector. Bhattarai (2014) conducted research on Nepalese insurance companies and identified a positive relationship between MBVS and MPS. The findings indicated that companies with higher MBVS had correspondingly higher MPS. This pattern suggests that investors may be willing to pay a premium for companies perceived to have strong growth potential, leading to a market valuation that surpasses their book value. This behavior underscores the nuanced interplay between market sentiment, perceived value, and intrinsic worth (Bhattarai, 2014).

It's crucial to recognize that while MBVS offers insights into the market's valuation of a company relative to its book value, other factors also contribute to investors' perceptions. The decision-making process involves a holistic evaluation that considers industry trends, growth prospects, risk profiles, and macroeconomic conditions. While MBVS is an informative metric, it's part of a broader mosaic that investors use to make informed decisions about their investments.

Market-to-book value per share (MBVS) serves as a vital indicator of how the market values a company compared to its accounting worth. The research conducted by Nini et al. (2009) in the P&C insurance sector and Bhattarai (2014) in the life insurance sector consistently highlights the positive relationship between MBVS and MPS. This pattern indicates that companies with higher MBVS tend to command higher market valuations relative to their book value. However, it's important to remember that the investment landscape is multifaceted, with various factors influencing investors' perceptions of a company's value.

2.2 Empirical Review

2.2.1 Review of International Studies

Donkor (2023) examined the impact of financial variables on stock price determinants of listed companies in Ghana. Twenty-eight companies were sampled through convenience sampling technique, and stock price (price earnings ratios), core liquid asset to short-term liabilities, core liquid asset to total assets, and non-performing loans. Data is obtained from the bank of Ghana database spanning 2006 to 2021, with vector error correction model as the statistical technique to determine the short and

long run effects. The study found that, there are both short and long run effects between the dependent and independent variables and further recommended that policy makers should focus attention designing and implementing the necessary measures to improve stock prices.

Abdallah et al (2022) investigate the financial determinants of the market stock price in Jordan, which is an emerging market. It gives empirical evidence from the industrial companies listed on the Amman Stock Exchange. This research was carried out over nine years with a panel data analysis of industrial companies used during the period. The findings of the study reveal that the ratio of assets turnover, long-term debt-to-total assets ratio, earnings per share, return on assets, inventory-to-total current assets ratio, total current assets-to-total assets ratio, and total assets significantly affect the market stock price of Jordanian industrial companies; while the equity-to-total assets ratio and working capital ratio have no significant effect. These results are compatible with the pecking order theory and signalling theory. Besides, the shift in the market stock prices of Jordanian industrial companies is governed by financial indicators at a relatively high level. As a final point, these results can be used by financial analysts, investors, and other strategic decision-makers to boost the effectiveness and efficiency of the Jordanian financial market.

Ajao and Robinson (2022) investigated the impact of dividend policy determinants on stock price volatility in Sub-Saharan Africa, focusing on three economies: Nigeria, Kenya, and South Africa. Spanning a nine-year period, the research employed econometric analyses, utilizing the Generalized Autoregressive Conditional Heteroskedasticity (GARCH) to assess stock price volatility and the panel Autoregressive Distributed Lag (ARDL) technique to establish the relationship between dividend policy determinants and stock price volatility. The study's independent variables included leverage (LEV), firm size (FSIZE), dividend yield (DY), earnings per share (EPS), and dividend payout (DPO), while stock price volatility (SPV) served as the dependent variable. The findings indicated varying degrees of relationships between the analyzed variables and stock price volatility in both the long and short run across the three countries. The pooled results highlighted significant relationships in the long run for DPO, LEV, FSIZE, DY, and EPS, but no confirmed short-run relationship for the combined samples. The study concluded that dividend payout, dividend yield, and earnings per share play a significant role in predicting volatile movements in stock prices in African stock markets. To mitigate

volatility, the study recommended consistent and smoothed dividend payments, emphasizing the importance of dividend policy in managing stock price volatility.

Alev (2022) identified the factors that affect the share prices of Russian companies. The author uses content, logical, and comparative analyses as the methods for the study. The results of the analysis describe the factors that influence the price of a company's shares, which are not always directly related to its management and operations. The article concludes that there is a lack of scientific works confirming or refuting the applicability of fundamental indicators in predicting changes in stock prices in the Russian market, especially considering the high volatility of financial markets and increased uncertainty due to political events. The author suggests that the significance of fundamental indicators should be checked in conjunction with external factors to assess the appropriateness of applying fundamental analysis in modern realities. The implication of the study is that understanding the relationship between fundamental indicators and external factors is crucial for analyzing and predicting stock prices in the Russian market.

Azmeh and Hamada (2022) examined the impact of seven of most important internal factors on stock prices for all listed banks in Dubai and Abu Dhabi stock markets. Pooled Least Square, Fixed Effects (FE), and Random Effects (RE) models have been used to carry out the analysis. The results give evidence of positive and significant impact of Earnings Per Share (EPS) and Dividend Per Share (DPS) on market price for shares, in all markets for the former and only in Abu Dhabi stock market for the later. By contrast, the study reveals a negative impact of Return on Equity (RoE), Dividend Yield (DY), and Price Earnings (P_E) on market price for shares. Even more important, the study gives evidence of differentiated impact of variables representing dividend policies, on market price for shares, between the two markets investigated in United Arab Emirates.

Prowanta and Siswanti (2021) analyzed the impact of the claim expense ratio and the technical reserve ratio on Stock Prices, with the Solvency Ratio acting as an intervening variable in insurance companies listed on the IDX. The research encompassed all 12 insurance companies in Indonesia as the population, with a purposive sampling approach leading to the selection of 8 companies meeting the criteria of being listed on the Indonesia Stock Exchange and consistently publishing quarterly financial reports from 2017 to 2018. Path Analysis was utilized for data

processing and analysis. The study's findings revealed that the claim expense ratio significantly and positively affected the solvency ratio, while the technical reserve ratio had no impact on the solvency ratio. Moreover, the claim expense ratio had a notable positive effect on stock prices, while the technical reserve ratio exhibited a significant negative influence on stock prices. The solvency ratio was found to not mediate the relationship between the claim expense ratio and stock prices, but it did mediate the impact of the technical reserve ratio on stock prices. These results contribute to understanding the intricate relationships between claim expense, technical reserves, solvency, and stock prices within Indonesian insurance companies, offering valuable insights for investors and regulators in the insurance sector.

Ramij and Das (2021) examined the financial factors driving the fluctuations in market stock prices of insurance companies listed on the Dhaka Stock Exchange. The study utilized panel data spanning a decade, involving insurance companies. Employing econometric modeling techniques including Pooled Ordinary Least Squares (OLS) regression and the Random-effect and Fixed-effect models, the research developed and tested hypotheses relating to financial factors' influence on stock prices. The independent variables consisted of Return on Assets (ROA), Book Value Per Share (BVPS), Earnings Per Share (EPS), Price-Earnings ratio (P/E), and Firm's Size (SZ). The pooled OLS regression results demonstrated that ROA, BVPS, EPS, and P/E ratio had significant positive impacts on market stock prices. The Fixed-effect model indicated that ROA and P/E ratio had significant positive effects, while firm size had a negative impact on market stock prices. The study's findings offer practical implications for shareholders, providing insights into the factors driving stock price growth within the insurance sector. Additionally, the findings hold relevance for regulators and stakeholders, supporting efforts to ensure the sustainable development of the capital market through informed monitoring of stock market dynamics.

Sun et al. (2021) investigated which stock characteristics and corporate governance variables affect stock price overreaction and volatility during the COVID-19 pandemic period. A set of stock characteristics and corporate governance variables which may affect price overreaction and volatility were identified following a review of the literature. A dummy variable was created for the cross-sectional analysis to take into account the unique sector effect in the consumer staples sector. Out of sample

analysis was conducted to confirm the robustness of the main results. The empirical results consistently show that size, dividend and trading volume determine the stock price reactions when the market is in turmoil during the pandemic period. Board size and average board tenure exhibit moderate effects on reducing the stock price reactions, but the effects become insignificant while controlling for the firm characteristics in the regressions. The results remain robust when tested out of the sample. More interestingly, a consumer staples sector effect is identified and tested. The test results show that the consumer staples sector effect mitigates the stock price reactions.

Arumsari et al. (2020) assessed the impact of profitability, leverage, and company size on stock prices within the context of insurance companies listed on the IDX. Employing a quantitative approach, the research employed purposive sampling to select a sample of 9 companies from the population. The study utilized multiple linear regression, Ftest, and T-test for analysis. The findings indicated that collectively, profitability, leverage, and firm size significantly influenced stock prices. On a partial level, profitability exhibited no significant impact on stock prices, while leverage displayed a significant negative effect and firm size had a notable positive effect on stock prices. The Determination Coefficient (Adjusted R²) indicated that these variables collectively accounted for 26.6% of the variation in stock prices, with the remaining 73.4% influenced by other factors. The study contributes to the field of financial accounting by offering insights into the relationships between these variables and stock prices, thus providing valuable information for researchers seeking to expand their understanding in this domain.

Gormsen and Kojen (2020) analyzed the impact of corona on stock market and its expectation on growth of different countries. Researcher used data from aggregate stock and dividend futures markets to quantify how investors' expectations about economic growth evolved across horizons following the outbreak of the novel coronavirus (COVID-19) and subsequent policy responses until July 2020. Dividend futures, which are claims to dividends on the aggregate stock market in a particular year, can be used to directly compute a lower bound on growth expectations across maturities or to estimate expected growth using a forecasting model. Researcher show how the actual forecast and the bound evolve over time. As of July 20th, our forecast of annual growth in dividends points to a decline of 8% in both the United States and Japan and a 14% decline in the European Union compared to January 1. Researchers

forecast of GDP growth points to a decline of 2% in the United States and Japan and 3% in the European Union. The lower bound on the change in expected dividends is -17% in the United States and Japan and -28% in the European Union at the 2-year horizon. News about U.S. monetary policy and the fiscal stimulus bill around March 24 boosted the stock market and long-term growth but did little to increase short-term growth expectations. Expected dividend growth has improved since April 1 in all geographies.

Nautiyal and Kavidayal (2018) identified the impact of financial factors on companies listed in the NIFTY 50 Index. The sample comprised a balanced panel of actively traded companies that served as representatives of the index. The research employed a variety of econometric models and estimators, ranging from straightforward to more complex dynamic panel analyses, to address relevant econometric considerations. The findings revealed that increasing debt in the capital structure did not establish a significant relationship with stock prices. Earnings per share (EPS) exhibited a weak explanation of price variation. Economic value added (EVA) showed a positive association with both current and previous year's stock price performance. Conversely, dividend payout (DIVP) and dividend per share (DPS) demonstrated a moderately significant negative relationship. The study underscores the significance of evaluating fundamental ratios to assist investors and analysts in assessing stocks across different industry groups.

Enow and Brijlal (2016) explored the determinants of share prices in the context of equity investments and their significant returns for investors. The research focused on fourteen companies listed on the Johannesburg Stock Exchange. The primary objective was to identify the factors influencing share prices. Employing multiple regression analysis, the findings indicated that dividend per share, earnings per share, and price earnings ratio collectively accounted for 57.8% of the movements in share prices. Notably, earnings per share and price-earnings ratio exhibited a significant positive correlation with share prices, while dividend per share did not show a significant correlation. This suggests that managers can enhance shareholder value by increasing dividend per share, earnings per share, and price-earnings ratio. The study highlights actionable insights for managers aiming to optimize shareholder value through these determinants.

Adekunle et al. (2015) examined both company-specific factors, such as earnings per share and return on assets, and macroeconomic factors, including inflation rate and gross domestic product, that impact share prices in this sector. The study selected five insurance firms for analysis, utilizing data from their annual reports and the Central Bank of Nigeria's statistical bulletin. Employing a panel data multiple regression model, the findings indicated that earnings per share and inflation rate significantly influenced share price behavior in the Nigerian insurance industry. Conversely, return on assets and gross domestic product did not exhibit significant predictive power for share prices. The study's implications suggest that industry investors should consider profitability measures, particularly earnings per share, as guidance, and policymakers should focus on policies to enhance income levels and control price levels for overall economic improvement.

Islam and Dooty (2015) examined the relationship between stock price, dividend, and retained earnings among listed banks on the Chittagong Stock Exchange during the post-crash period. Cross-sectional data were collected from secondary sources. Employing the linear regression method, the study revealed that both dividend and retained earnings of the sample banks significantly influenced stock prices, although these variables had a moderate explanatory power. The study's conclusion highlighted that both dividend and retained earnings emerged as robust determinants of stock prices at a significant level. These findings offer insights into the dynamics of stock pricing in the aftermath of a market crash and underscore the significance of dividend and retained earnings as drivers of stock price movements, contributing to a deeper understanding of stock market behavior in Bangladesh.

Sharif et al. (2015) analyzed a panel data set comprising forty one companies listed on the Bahrain stock exchange, excluding the post-2010 period due to market turbulence. Employing pooled OLS regression with robust standard errors, fixed effects, and random effects models, the study examined eight firm-specific variables, including return on equity, book value per share, earnings per share, dividend per share, dividend yield, price earnings, debt to assets, and firm size. The findings revealed that return on equity, book value per share, dividend per share, dividend yield, price earnings, and firm size are significant determinants of share prices in the Bahrain market. A high R^2 value of 0.80 demonstrated the substantial impact of these variables on share prices, suggesting that investors can make informed

investment decisions and achieve fair returns by considering these significant determinants in Bahrain's stock market.

Table 1

Review Summary Table in International Studies

S.N.	Year	Article	Writer(s)	Objective	Methodologies	Major Findings
1	2023	The impact of financial variables on stock price determinants of listed companies in ghana	Donkor	Examine the impact of financial variables on stock price determinants of listed companies in Ghana	Convenience sampling of 28 companies, vector error correction model	Significant short and long run effects between dependent and independent variables
2	2022	Determinants of Market Stock Price: New Evidence from an Emerging Market	Abdallah et al.	Investigate financial determinants of market stock price in Jordan	Panel data analysis of industrial companies listed on the Amman Stock Exchange	Assets turnover, long-term debt-to-total assets ratio, EPS, and ROA, several other ratios significantly affect stock prices
3	2022	Dividend Policy Determinants and Stock Price Volatility in Selected African Stock Markets	Ajao and Robinson	Investigate impact of dividend policy determinants on stock price volatility in Sub-Saharan Africa	GARCH for stock price volatility, panel ARDL technique	Dividend payout, dividend yield, and EPS significantly predict volatile stock price movements

4	2022 Stock pricing factors	Alev	To identify the factors that affect the share prices of Russian companies	Content analysis, logical analysis, comparative analysis	Highlights the lack of scientific works on the applicability of fundamental indicators in predicting stock prices in the Russian market, especially under high volatility and political uncertainty.
5	2022 Internal financial determinants of stock prices in the banking sector: Comparative evidence from Dubai and Abu Dhabi Stock markets	Azmeh and Hamada	Examine impact of internal factors on stock prices for listed banks in Dubai and Abu Dhabi	Pooled Least Square, Fixed Effects (FE), Random Effects (RE) models	EPS and DPS positively impact stock prices; RoE, DY, and P/E ratio have negative impacts
6	2021 Determinant of stock price insurance company in Indonesia	Prowanta and Siswanti	Analyze impact of claim expense ratio and technical reserve ratio on stock prices in Indonesian insurance	Path Analysis	Claim expense ratio positively affects stock prices; technical reserve ratio negatively affects stock prices

companies							
7	2021	An Empirical Study on Microeconomic Factors Affecting Stock Price: A Study on Insurance Companies Listed in Dhaka Stock Exchange	Ramij and Das	Examine financial factors driving fluctuations in market stock prices of insurance companies in Bangladesh	Panel data, Pooled OLS regression, Random-effect and Fixed-effect models	ROA, EPS, and ratio significantly positively impact stock prices	BVPS, P/E
8	2021	The determinants of the COVID-19 related stock price overreaction and volatility	Sun et al.	Investigate stock characteristics and corporate governance variables affecting stock price reactions during COVID-19	Cross-sectional analysis, out of sample analysis	Size, dividend, and trading volume significantly determine stock price reactions during the pandemic	
9	2020	Factors affecting stock prices in insurance companies listed on be	Arumsari et al.	Assess impact of profitability, leverage, and company size on stock prices of insurance companies in Indonesia	Multiple linear regression, F-test, T-test	Leverage negatively affects stock prices, firm size positively affects stock prices	
10	2020	Coronavirus:	Gormsen	Analyze impact	Analysis of	Decline	in

		Impact on Stock and Prices and Growth Expectations	Koijen	of COVID-19 on stock market and growth expectations in different countries	aggregate stock and dividend futures markets	expected dividend growth and GDP growth in the US, Japan, and EU; policy responses affect long-term growth
11	2018	Analysis of Institutional Factors Affecting Share Prices: The Case of National Stock Exchange	Nautiyal and Kavidayal	Identify impact of financial factors on companies listed in NIFTY 50 Index	Various econometric models and estimators, dynamic panel analyses	Debt shows no significant relationship; EPS weakly explains price variation; EVA positively associated with stock prices
12	2016	Determinants of share prices: The case of listed firms on Johannesburg Stock Exchange.	Enow and Brijlal	Explore determinants of share prices in the context of equity investments on the Johannesburg Stock Exchange	Multiple regression analysis	EPS and P/E ratio significantly positively correlate with share prices; DPS does not
13	2015	Factors influencing share prices in the Nigerian insurance	Adekunle et al.	Examine impact of company-specific and macroeconomic	Panel data multiple regression model	EPS and inflation rate significantly influence share price; ROA and

	industry		factors on share prices in Nigerian insurance industry		GDP do not
14	2015 Determinants of Islam and Stock Price Movements: Evidence from Chittagong Stock Exchange, Bangladesh	Dooty	Examine relationship between stock price, dividend, and retained earnings in banks on the Chittagong Stock Exchange	Linear regression method	Dividend and retained earnings significantly influence stock prices
15	2015 Analysis of Factors Affecting Share Prices: The Case of Baharin Stock Exchange	Sharif et al.	Analyze determinants of share prices in Bahrain's stock market	Pooled OLS regression, Fixed effects, Random effects models	RoE, BVPS, DPS, DY, P/E ratio, and firm size significantly determine share prices in Bahrain

2.2.2 Review of Nepalese Studies

Maskey (2023) explored the relationship between various factors influencing the market price of stocks in the context of life insurance companies listed on the Nepal Stock Exchange (NEPSE). The research utilized panel data including all listed life insurance firms. Employing a combination of descriptive and inferential statistics, the study employed a multiple regression model to test hypotheses. The findings indicated that earnings per share, dividend per share, price-earnings ratio, company age, and dividend yield exert significant influence on share prices. Notably, dividends emerged as a key determinant for investment decisions among Nepalese investors, underscoring the pivotal role of dividend policy in shaping investor choices within

Nepal's market. These insights highlight the importance of dividends and their associated policies in influencing stock prices and investment decisions within the Nepalese life insurance sector, thereby contributing to a deeper understanding of market dynamics and aiding investors in their decision-making processes.

Gyawali (2022) assessed the impact of influencing factors on the stock price of Nepalese commercial banks. Using market price per share (MPS) as the dependent variable and variables including DPS, EPS, P/E ratio, ROA, GDP, and inflation rate as independents, the research collected secondary data from annual reports of selected commercial banks over a five-year study period. Employing a descriptive and causal comparative research design and SPSS version 23 for analysis, the study sampled ten commercial banks out of 27 through convenience sampling. Multiple linear regression models were applied to showcase the influence of independent variables on the dependent variable. The findings indicated a positive and statistically significant impact of DPS, EPS, and P/E ratio on stock price. While ROA and GDP exhibited positive effects on stock price, they were not statistically significant. Conversely, the inflation rate displayed a negative and insignificant effect on stock price. These results provide valuable insights for investors, policymakers, and financial professionals, aiding in understanding the dynamics of stock prices within Nepalese commercial banks and guiding investment strategies and decisions.

Lamichhane and Rai (2021) investigated the intricate relationships among dividends, earnings, and stock prices within the context of Nepalese insurance companies. The research utilized secondary data from fifteen insurance firms, sourced from annual reports. The study employed regression models to analyze the significance and impact of various variables on market price per share and stock returns. The findings highlighted several significant relationships: positive impacts of earning per share, PE ratio, and return on equity on market price per share and stock returns, emphasizing that higher values in these factors lead to corresponding increases. Moreover, dividend per share and dividend payout ratio were found to positively influence market price per share, while return on assets positively affected stock returns. However, the study also revealed some negative impacts, notably that higher dividend payout ratios and dividend per share were associated with lower stock returns, and higher return on assets led to lower market price per share. These insights shed light on the interplay between dividends, earnings, and stock prices within Nepalese insurance companies, offering valuable guidance for investors and policymakers alike.

Niroula (2021) investigated stock price behavior in Nepalese commercial banks. The study employed the market price per share (MPS) as the dependent variable and considered explanatory variables such as EPS, PE Ratio, DY ratio, Size, ROE, BV per share, and ROA. Secondary data from the annual reports of commercial banks over a five-year period was collected. Utilizing a descriptive and analytical research design, the study employed SPSS version 23 for data analysis. The research utilized a multiple linear regression model to assess the impact of independent variables on MPS. The findings highlighted that EPS, PE ratio, and the size of banks had a positive and statistically significant effect on MPS, while other variables exhibited negligible effects. These results contribute valuable insights for investors and stakeholders, aiding in understanding the dynamics of stock prices in Nepalese commercial banks and informing investment strategies and decisions.

Rana (2021) investigated the impact of earnings, size, and book-to-market equity on common stock returns within the banking sector in Nepal. Utilizing a sample commercial bank, the research employed panel data fixed-effect estimation with AR (1) disturbances. The study's findings revealed several significant relationships: both earnings and size had positive and significant effects on common stock returns within the Nepalese banking sector, indicating that banks with higher earnings yields and larger sizes experienced higher stock returns. Conversely, the study uncovered a significant negative effect of book-to-market equity on cross-sectional banking stock returns in Nepal, implying that banks with lower value creation had correspondingly lower stock returns. These insights offer valuable implications for investors, suggesting the importance of earnings and size factors in assessing stock performance within the Nepalese banking sector, and highlighting the influence of book-to-market equity on stock returns.

Wagle (2021) addressed the challenges posed by stock price volatility, which impacts investors, policymakers, and government authorities. The study employed a descriptive and causal-comparative research design, utilizing mean, standard deviation, correlation, and regression analysis techniques. Data was collected from all commercial banks in Nepal, sourced from annual reports. The results of the analysis highlighted significant positive associations between Market to Book ratio (M/B), Price-earnings ratio (P/E), and Earning Yield ratio (E/Y) with stock market prices. Conversely, the Dividend Yield ratio (D/Y) exhibited a positive yet insignificant impact on stock market prices. These findings offer valuable insights for investors,

bankers, academics, and government authorities, enhancing their understanding of stock market returns and prospects in the country.

Dangol and Acharya (2020) investigated the impact of firm-specific fundamental variables on stock returns within the context of Nepali banks. Utilizing cross-sectional panel data from twelve banks over a ten-year period, the study examined the relationships between stock returns (total yield) and various variables. The findings revealed a negative correlation between stock returns and firm size, suggesting that larger banks experienced lower stock returns. Similarly, the study highlighted a negative relationship between stock returns and book-to-market equity, indicating that banks with lower value relative to market price had correspondingly reduced stock returns. However, the relationships of earnings yield and cash flow yield with stock returns contradicted previous studies, offering a nuanced perspective. These insights hold implications for investors, guiding their understanding of the influences of fundamental variables on stock performance within the Nepali banking sector and informing investment decisions.

Gautam and Bista (2019) analyzed the factors influencing share prices of non-life insurance companies in Nepal. Utilizing secondary data from non-life insurance companies, the research sought to shed light on determinants affecting share prices within an emerging economy context. Descriptive and causal research design was adopted. The study's findings revealed several key relationships: a positive correlation between firm size and market share price as well as price-earnings ratio, indicating that larger firms tend to experience higher share prices and price-earnings ratios. However, inflation displayed a negative relationship with both market share price and price earnings ratio. Additionally, dividend per share and return on assets exhibited negative correlations with market share price and price-earnings ratio, while earnings per share showed a negative association with these factors as well. Notably, the study concluded that return on assets and earnings per share did not account for variations in stock prices within Nepalese non-life insurance companies. The findings hold significance for potential investors, offering insights into key determinants affecting share prices and aiding in the optimization of investment strategies. Furthermore, this knowledge has the potential to guide investors' decision-making and enhance firms' market value by facilitating informed investment choices.

Thapa (2019) explored the influencing factors of stock prices in Nepalese commercial banks listed on the Nepal Stock Exchange Ltd. The data were collected from questionnaires and financial statements of the relevant organizations. The analysis employed a simple linear regression model. The study's findings revealed significant positive associations between stock price and variables like earning per share (EPS), dividend per share (DPS), effective rules and regulations, market whims and rumors, and company profiles, while factors such as interest rate (IR) and price-to-earnings ratio (PER) displayed significant inverse associations with share price. Additionally, liquidity accessibility and both fundamental and technical analysis were found to enhance the performance of the Nepalese stock market. Importantly, the study underscored the substantial impact of changes in dividends and interest rates on the stock market's response. These findings contribute valuable insights for investors, policymakers, and financial professionals, providing a deeper understanding of the factors driving stock prices in the Nepalese commercial banking sector and guiding investment strategies and market regulation.

Ghimire and Mishra (2018) examined the relationship between stock price and several explanatory variables, including DPS, EPS, P-E ratio, BV, and Market to BV. Employing simple and multiple regression analysis alongside descriptive statistics, the research aimed to discern the factors influencing stock prices. The study's findings, based on a sample of financial and nonfinancial firms in Nepal, revealed significant relationships: Market to BV and P-E ratio emerged as significant determinants directly impacting stock prices. Additionally, DPS and BV exhibited positive and significant influences on stock prices, while EPS exerted a comparatively lesser influence. These results provide valuable insights into the determinants of stock prices and hold implications for investors and businesses, guiding their understanding of the factors that contribute to stock price fluctuations and aiding in informed investment decisions.

Shrestha (2014) analyzed the determinants of the stock index (NEPSE) in Nepal, utilizing monthly data. The research incorporated two dummy variables to account for significant political changes and shifts in the policy of the Nepal Rastra Bank (NRB) regarding lending against share collateral. The study's correlation analysis highlighted a significant relationship between the NEPSE index and chosen macro variables, including consumer price index, broad money, and treasury bill rate. Time series properties of variables were also assessed. Through Ordinary Least Squares (OLS) estimations, the empirical results revealed that the NEPSE index positively responded

to inflation and broad money growth while negatively responding to the treasury bill rate. This suggests that in Nepal, equities are perceived by investors as a hedge against inflation, and stocks are considered an alternative financial instrument. Additionally, lower borrowing costs were found to stimulate investment in the Nepalese stock market. Importantly, the study underscored that changes in the political environment and NRB's policy significantly influenced the stock market, implying that these factors play a crucial role in shaping stock market dynamics in Nepal.

Table 2

Review Summary Table in Nepalese Studies

S.N.	Year	Title	Author(s)	Objective	Methodologies	Major Findings
1	2023	Specific Determinants of Share Prices: A Case Study of Listed Life Insurance Companies in Nepal Stock Exchange	Maskey	To explore the relationship between factors influencing stock prices in Nepalese life insurance companies	Panel data, descriptive and inferential statistics, multiple regression model	EPS, DPS, P/E ratio, company age, and dividend yield significantly influence share prices. Dividends are key for investment decisions, emphasizing the importance of dividend policy in Nepal's market.
2	2022	Factors Influencing The Stock Price of Nepalese Commercial Banks	Gyawali	To assess the impact of various factors on stock prices of Nepalese commercial banks	Secondary data from annual reports, descriptive and causal comparative research design, multiple linear regression	DPS, EPS, and P/E ratio have a positive and statistically significant impact on stock price. ROA and GDP have positive but not significant effects, while

				models	inflation has a negative and insignificant effect.
3	2021 Dividends, earnings and stock prices: A case of Nepalese insurance companies	Lamichhane and Rai	To investigate relationships among dividends, earnings, and stock prices in Nepalese insurance companies	Secondary data from annual reports of 15 insurance firms, regression models	EPS, P/E ratio, and ROE positively impact market price per share and stock returns. DPS and dividend payout ratio positively influence market price per share, while higher dividend payout ratios and DPS are associated with lower stock returns. Higher ROA leads to lower market price per share.
4	2021 Stock Price Behavior of Commercial Banks in Nepal	Niroula	To investigate stock price behavior in Nepalese commercial banks	Secondary data from annual reports, descriptive and analytical research design, multiple linear regression model	EPS, P/E ratio, and size of banks positively and significantly affect MPS, while other variables have negligible effects.

5	2021 Earnings, Size, and Book-to-Market Effects on Banking Stock Returns in Nepal	Rana	To investigate the impact of earnings, size, and book-to-market equity on stock returns in Nepalese banks	Panel data fixed-effect estimation with AR (1) disturbances	Earnings and size have positive and significant effects on stock returns, while book-to-market equity has a significant negative effect.
6	2021	Wagle	To address the challenges of stock price volatility in Nepal	Descriptive and causal-comparative research design, mean, standard deviation, correlation, and regression analysis techniques	Significant positive associations between M/B ratio, P/E ratio, and E/Y ratio with stock market prices. D/Y ratio has a positive yet insignificant impact.
7	2020 The effect of firm specific variables on stock returns of Nepalese banks	Dangol and Acharya	To investigate the impact of firm-specific fundamental variables on stock returns in Nepali banks	Cross-sectional panel data from 12 banks over 10 years	Negative correlation between stock returns and firm size, and between stock returns and book-to-market equity. Relationships of earnings yield and cash flow yield

					with stock returns offer a nuanced perspective.
8	2019 Factors affecting share price of Nepalese non-life insurance companies	Gautam and Bista	To analyze the factors influencing share prices of non-life insurance companies in Nepal	Secondary data from non-life insurance companies, descriptive and causal research design	Positive correlation between firm size and market share price, and between P/E ratio and market share price. Inflation negatively correlates with market share price and P/E ratio. DPS and ROA negatively correlate with market share price and P/E ratio. EPS negatively associated with these factors. Return on assets and EPS do not account for variations in stock prices in non-life insurance companies.
9	2019 Influencing factors of stock price in	Thapa	To explore influencing factors of	Questionnaires and financial statements,	Significant positive associations

Nepal	stock prices in Nepalese commercial banks	simple linear regression model	between stock price and EPS, DPS, effective rules and regulations, market whims and rumors, and company profiles. Interest rate and P/E ratio have significant inverse associations with share price. Liquidity accessibility and fundamental and technical analysis enhance stock market performance. Dividends and interest rates substantially impact the stock market's response.		
10	2018 Determinants of Stock Price in Nepalese Market	Ghimire and Mishra	To examine the relationship between stock price and various explanatory variables in	Simple and multiple regression analysis, descriptive statistics	Market to BV and P/E ratio are significant determinants directly impacting stock prices. DPS and BV positively and significantly

			Nepal		influence stock prices, while EPS has a lesser influence.
11	2014 Empirical Examination of Determinants of Stock Index in Nepal	Shrestha	To analyze the determinants of the NEPSE index in Nepal	Monthly data, correlation analysis, OLS estimations, time series properties assessment	NEPSE index positively responds to inflation and broad money growth, negatively to the treasury bill rate. Equities perceived as a hedge against inflation and an alternative financial instrument. Political environment changes and NRB policy shifts significantly influence the stock market. Lower borrowing costs stimulate investment in the stock market.

2.3 Research Gap

In earlier studies and research, there has been a focus on patterns that can be shown in a basic way. This is because such patterns are easier to comprehend. The researcher's

earlier work suggested that very little study had been done based on the firms that the researcher had chosen to investigate further. This was evidenced by the fact that the researcher had picked these businesses for additional investigation. As a consequence of this, the researchers have arrived at the realization that this study will satisfy the requirement that was determined by researchers who came before them. Because the researcher feels this will provide him with a more accurate assessment of how volatile stock prices are, he has limited the sample to include just non-life insurance businesses rather than all insurance companies together. The information gathered from individual investors, stock brokers, and market analysts served as major sources of data for the researcher's investigation into the pricing behavior of the stock market. In addition, the researcher placed a significant amount of reliance on the information. Information and the impact it has on markets are collectively referred to as "signaling effects," and they play a crucial part in the process by which prices are determined. Researchers have shown that macroeconomic issues, such as political instability, unstable administration, a lack of long-term objectives, and other elements similar to these, have a substantial influence on the increase of share prices as well as price variations. Despite the fact that Nepalese investors have a limited understanding of how the stock market works, the expansion of the capital market in Nepal has been slow, and dividend payment rates are greater in comparison to other sectors of the listed businesses. This is the case despite the fact that Insurance companies are the only kind of company that attracts investors due to the fact that they have superior management and operations in comparison to other types of businesses; as a consequence, insurance companies have high dividend rates. Due to the fact that insurance firms provide larger dividends, investors perceive it to be an appealing opportunity.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

A research design is the arrangement of conditions for collection and analysis data in a manner that aims to combine relevant to the research purpose with economy in procedure. Research design is the conceptual structure within which the research is conducted. This research study was applied descriptive and causal design. The research adapted for this purpose of the study will be descriptive research design. To determine the effect of internal variables on stock price descriptive and causal research design was carried out along with correlation and regression analysis.

3.2 Population and Sample, and Sampling Design

This study examined the firm specific determinants of share price of non-life insurance companies in Nepal. This study adopts descriptive and causal research design. Out of total 35 insurance companies 14 are non-life insurance companies in Nepal as on December, 2023 and only four non-life insurance companies namely, NLG Insurance (NLG), Sikhar Insurance Company Limited (SIL), Neco Insurance Company Limited (NECO) and Nepal Insurance Company Limited (NICL) were selected as sample using convenience sampling method for study.

3.3 Nature and Sources of Data

This study is totally base on secondary data. The quantitative data were extracted from secondary sources. Company's annual financial statements have served the data required to capture the stock price of the firm. Company's balance sheet, income statement, financial ratio providing, information like dividend, earning, book value and market price etc. were excessively employed as a secondary source of data. Secondary data are collected from annual reports of the selected insurance companies for the years 2013/14 to 2022/23.

3.4 Data Analysis Tools

The secondary data are collected from various sources which was led to the logical conclusion-only if the appropriate tools and techniques was adapted. To analyses the data, the following statistical and financial tools were adopted.

Mean

An average (mean) is a single valued related from a group of values to represent them in some way, a value, which is supposed to stand for whole group of which it is part, as typical of all the values in the group. There are various types of averages; Arithmetic mean (AM, simple and weighted), median, mode, geometric mean, harmonic mean, are the major types of averages. The most and widely used measure representing the entire data by one valued is the AM. The value of AM is obtained by adding together all the items and dividing this total by the number of items. Mean is calculated by:

$$\bar{X} = \frac{\Sigma X}{n}$$

\bar{X} = Arithmetic Mean return

$x_1, x_2, x_3, x_4 \dots \dots \dots x_n$ = Set of Observation

ΣX = Sum of given Observation

n = Total number of Observations

Standard Deviation

The standard deviation measures the absolute dispersion. The greater the standard deviation, greater will be the magnitude of the deviation of the values from their mean. A small standard deviation means a high degree of uniformity of the observations as well as homogeneity of a series and vice versa. The formula for standard deviation is:

$$\text{Standard Deviation (S.D.)} = \sqrt{\frac{\Sigma(X - \bar{X})^2}{n}}$$

Where,

X = number of observations in the sample

\bar{X} = mean of number of observations in the sample

n = number of years

$\Sigma(X - \bar{X})^2$ = Sum of Total number of observations deviation from mean in the sample.

Coefficient of Variation

The standard deviation is absolute measures of dispersion; whereas the coefficient of variation (CV) is a relative measure. To compare the variability between two or more series, CV is more appropriate statistical tool. The CV formula is:

$$\text{Coefficient of Variation (C.V.)} = \frac{\text{S. D.}}{\bar{X}} \times 100$$

Where,

\bar{X} = Mean

S. D. = Standard Deviation

C.V. = Coefficient of Variation

Correlation Coefficient

Correlation may be defined as the degree of linear relationship existing between two or more variables. Two variables are said to be correlated is accompanied by the change of another variable. If the increase (decrease) in the value of one variable on an average is associated with the increase (decrease) in the value of another variable, positive relationship is said to be existed. The relationship will be negative if increased (decreased) in the variable of one variable is associated with the decreased (increased) in the value of another variable. But the correlation coefficient always remains within the limit of +1 to -1. The correlation coefficient formula is presented as:

$$\text{Correlation Coefficient (r)} = \frac{n\Sigma XY - \Sigma X \Sigma Y}{\sqrt{n\Sigma X^2 - (\Sigma X)^2} \sqrt{n\Sigma Y^2 - (\Sigma Y)^2}}$$

Where,

r = coefficient of correlation

ΣXY = Sum of product of two series.

ΣX^2 = Sum of squared in X series

ΣY^2 = Sum of squared in Y series

n = number of years

Regression Analysis

Correlation coefficient measures the degree of relationship between two variables whereas the regression analysis is used to estimate the likely value of one variable

from the now value of another variable. In regression analysis we establish. In regression analysis we establish a kind of average irreversible functional relationship between two variables. In other words, regression analysis is a mathematical measure of the average relationship between two or more variable in term original unit of data. To achieve this objective a multiple regression model is specified as:

$$MPS_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 DPS_{it} + \beta_3 BVPS_{it} + \beta_4 MBVS_{it} + \varepsilon$$

Where:

MPS_{it} = Market Price Per Share

EPS_{it} = Earnings Per Share

DPS_{it} = Dividend Per Share

$BVPS_{it}$ = Book Value Per Share

$MBVS_{it}$ = Market to Book Value Per Share

β_0 = the intercept

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = regression coefficient for respective variables

ε = error terms

3.5 Research Framework and Definition of Variables

The study framework is derived from the previous empirical study of various researcher. Market price per share is used as dependent variable for the study while earnings per share, dividend per share, book value per share, market to book value per share, price earnings ratio and return on assets are taken as independent variables for the study. The framework for the study is presented in Figure 1:

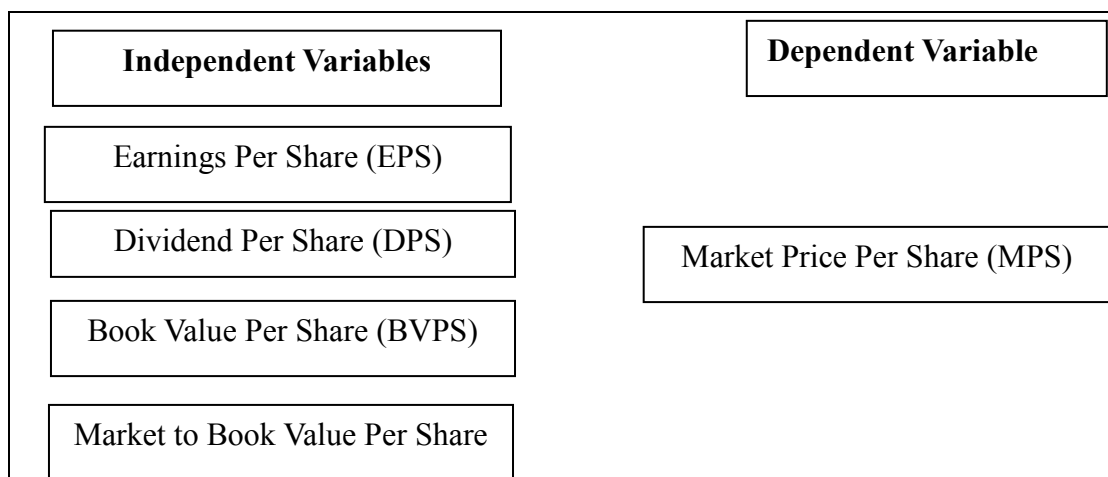


Figure 1 *Research Framework*

(Source: *Almumani 2014, Pradhan and Dahal, 2016 and Gautam & Bista (2019)*)

3.5.1 Market Price Per Share

The market price per share represents the current market value of a single share of a company's common stock, determined by supply and demand forces influenced by factors like financial performance, industry trends, and market conditions (Tandon & Malhotra, 2013). This value can be highly volatile due to external factors such as economic indicators, global events, and geopolitical risks. The market value is distinct from par value, with par values usually lower than market values, and is based on factors like dividends, anticipated future dividends, and investors' risk assessments (Van Horne & Wachowicz, 2000). The market price of shares determines a company's overall worth and can be affected by both internal factors like firm performance and external factors such as economic environment (Bhattarai, 2014). Market conditions can lead to fluctuations in stock prices, with favorable conditions driving price increases due to increased profitability and investor perceptions (Tandon & Malhotra, 2013). Stock market indices, like NEPSE, represent the collective market value of shares and serve as indicators of stock performance (Francis, 1991).

3.5.2 Earnings Per Share

Earnings Per Share (EPS) signifies the profit attributed to each outstanding share of common stock within a specific accounting period, calculated by dividing total profits available for distribution among common stockholders by the number of outstanding shares. Various studies conducted in different global markets, including Nepal (Upadhyaya, 2003), India (Malhotra & Tandon, 2013; Sharma, 2013), Kuwait (Alumumani, 2014), Australia (Uddin, 2009), and Jordan (Nasif Al-shubiri, 2010), consistently establish a positive correlation between EPS growth and stock price increases. These findings underscore the vital role EPS plays in shaping investor perceptions of a company's financial performance and growth potential, influencing investment decisions and market valuations across diverse economic contexts.

3.5.3 Dividend Per Share

Dividend Per Share (DPS) is a vital financial metric that holds a significant relationship with dividend yield and plays a crucial role in understanding the interplay between a company's dividend distribution and its market price. DPS represents the total dividends distributed per individual share during a specific fiscal period, offering insights into the company's dividend strategy and its impact on investor perceptions (Zahir & Khanna, 1982). The correlation between DPS and market price is intricately

linked to the calculation of dividend yield, obtained by dividing DPS by the stock's current market value, which serves as an indicator of financial health and capital allocation strategy (Malhotra & Tandon, 2013). Bhattarai's research (2014) demonstrates an inverse correlation between dividend yield and market price, implying that higher DPS leads to elevated dividend yield and a subsequent reduction in the company's stock price. This phenomenon reflects investors' trade-off between current income and potential capital appreciation, a dynamic of particular relevance for non-life insurance companies in Nepal, enabling them to align dividend policies with investor preferences and market expectations.

3.5.4 Book Value Per Share

Book Value Per Share (BVPS), a fundamental financial metric, reflects a company's intrinsic value by dividing the residual value of its assets after deducting liabilities by the number of outstanding shares. In the insurance sector, BVPS plays a pivotal role in assessing a company's financial health and the attractiveness of its shares relative to Market Price Per Share (MPS). Notably, research by Nini et al. (2009) within the property and casualty insurance sector and Klein and Majd (2005) within the life insurance sector consistently establishes a positive relationship between BVPS and MPS. These studies reveal that higher BVPS tends to correspond with higher MPS, indicating that investors value companies trading at or below their book value, reflecting a preference for firms with strong financial foundations and compelling intrinsic worth.

3.5.5 Market to Book Value Per Share

Market-to-Book Value per Share (MBVS) is a pivotal financial ratio that gauges the relationship between a company's market value and its book value per share, calculated by dividing Market Price per Share (MPS) by Book Value per Share (BVPS). In the insurance industry, MBVS assumes significance as it assesses whether a company's shares trade at a premium or discount to their book value. Research conducted by Nini et al. (2009) in the property and casualty insurance sector and Bhattarai (2014) in the life insurance sector consistently demonstrates a positive correlation between MBVS and MPS. Higher MBVS aligns with higher MPS, revealing the market's inclination to reward companies with market valuations exceeding their accounting worth, potentially reflecting investor confidence in growth potential and financial strength. While MBVS illuminates the market's valuation

perspective, investment decisions remain influenced by an array of factors, requiring a comprehensive evaluation encompassing industry trends, growth prospects, and macroeconomic conditions.

CHAPTER IV

RESULTS AND DISCUSSION

The results and discussions of this study provide a comprehensive understanding of the relationships between internal variables and the stock prices of non-life insurance companies in Nepal. The findings offer insights into the factors that significantly influence share prices within the sector and contribute to the body of knowledge related to investment decisions and financial performance in the insurance industry. Moreover, the methodology employed, including the use of secondary data and analytical tools, enhances the rigor and credibility of the study's outcomes.

4.1 Results

In alignment with the study's objectives, the background of the results is underpinned by a methodological approach encompassing descriptive statistics, correlation analysis, and regression analysis. The first objective, centered on understanding variable positions, was achieved through descriptive statistics, elucidating the distribution and characteristics of market price per share (MPS), earnings per share (EPS), dividend per share (DPS), book value per share (BV), market-to-book value per share (MBVS), among selected non-life insurance companies. Subsequently, correlation analysis explored relationships between MPS and internal variables. Regression analysis, addressing the second and third objectives, quantified the impacts of EPS, DPS, BV, MBVS on MPS, determining both significance and the most influential variable. This comprehensive methodological framework culminated in insights that illuminate the intricate interplay between these variables and the MPS of NEPSE-listed non-life insurance firms.

4.1.1 Market Price Per Share

Market price per share (MPS) in the context of non-life insurance companies refers to the current trading price of a single share of stock of a non-life insurance company in the stock market. It represents the price at which investors are willing to buy or sell

shares of the company's stock on the Nepal Stock Exchange (NEPSE). The MPS is a dynamic and fluctuating value that is influenced by various factors, including the company's financial performance, market sentiment, supply and demand dynamics, industry trends, and macroeconomic conditions. Investors and analysts often monitor MPS to assess the perceived value and market perception of a non-life insurance company's stock. It serves as a key indicator of investor confidence, company valuation, and potential returns on investment. The market price per share of sample insurance companies during the ten years of the study period is presented in Table 3.

Table 3

Market Price Per Share

FY	NLG	SIL	NECO	NICL
2013/14	863	940	770	C
2014/15	559	690	462	389
2015/16	1970	3249	1990	1235
2016/17	1485	1941	1990	1430
2017/18	930	985	981	658
2018/19	930	771	489	354
2019/20	657	1019	607	504
2020/21	1220	1942	1348	1022
2021/22	478	807	694	445.9
2022/23	840	845	735	585
Mean (\bar{X})	993.20	1318.90	1006.60	687.29
S.D. (σ)	431.61	776.39	548.00	381.85
CV	43.46%	58.87%	54.44%	55.56%

Source: Annual Reports of NLG, SIL, NECO and NICL

The mean market price per share of NLG is 993.20, with a standard deviation of 431.61 and a coefficient of variation (CV) of 43.46%. This means that the average market price per share of NLG is 993.20, with a typical variation of 431.46. The CV of 43.46% indicates that the standard deviation is relatively high compared to the mean, meaning that the prices of NLG shares are quite variable.

The mean market price per share of SIL is 1318.90, with a standard deviation of 776.39 and a CV of 58.87%. This means that the average market price per share of SIL is 1318.19, with a typical variation of 776.39. The CV of 58.87% indicates that the standard deviation is relatively high compared to the mean, meaning that the prices of SIL shares are also quite variable.

The mean market price per share of NECO is 1006.60, with a standard deviation of 548.00 and a CV of 54.44%. This means that the average market price per share of NECO is 1006.60, with a typical variation of 548.00. The CV of 54.44.% indicates that the standard deviation is relatively high compared to the mean, meaning that the prices of NECO shares are also quite variable.

The mean market price per share of NICL is 687.29, with a standard deviation of 381.85 and a CV of 55.56%. This means that the average market price per share of NICL is 687.29, with a typical variation of 381.85. The CV of 55.56% indicates that the standard deviation is relatively high compared to the mean, meaning that the prices of NICL shares are also quite variable.

Comparing the four companies, it can be seen that SIL has the highest mean market price per share, followed by NLG, NECO, and NICL. However, SIL also has the highest standard deviation and CV, meaning that its prices are the most variable. NLG and NECO have similar mean market prices per share, but NECO has a higher standard deviation and CV. NICL has the lowest mean market price per share, but also the lowest standard deviation and CV.

4.1.2 Earnings Per Share

Earnings per Share (EPS) is a financial metric that measures the portion of a non-life insurance company's profit attributed to each outstanding share of its stock. It is calculated by dividing the company's net income by the total number of outstanding shares. A higher EPS suggests stronger profitability and potential for distributing dividends, which can positively influence investor sentiment and confidence. As investors often seek companies with robust earnings potential, a favorable EPS can contribute to increased demand for the company's stock, potentially leading to higher demand and, consequently, an upward pressure on the market price per share (MPS) of the non-life insurance company.

Table 4

Earnings Per Share

FY	NLG	SIL	NECO	NICL
2013/14	58	44.04	27.14	10.86
2014/15	45	61.4	32.72	-7.41
2015/16	49.07	60.13	37.352	19.43
2016/17	36.07	44.03	37.52	40.03

2017/18	24.57	37.76	29.25	21.44
2018/19	31.61	38.35	30.16	32.74
2019/20	25.78	38.55	35.53	23.94
2020/21	14.66	17.71	33.16	24.66
2021/22	15.97	14.47	31.13	26.4
2022/23	14.26	8.52	29.85	27.84
Mean (\bar{X})	31.50	36.50	32.38	21.99
S.D. (σ)	14.55	17.10	3.35	12.25
CV	46.19%	46.84%	10.33%	55.70%

Source: Annual Reports of NLG, SIL, NECO and NICL

The mean earnings per share of NLG is 31.50, with a standard deviation of 14.55 and a coefficient of variation (CV) of 46.19%. This means that the average earnings per share of NLG is 31.50, with a typical variation of 14.55. The CV of 46.19% indicates that the standard deviation is relatively high compared to the mean, meaning that the earnings per share of NLG are quite variable.

The mean earnings per share of SIL is 36.50, with a standard deviation of 17.10 and a CV of 46.84%. This means that the average earnings per share of SIL is 36.50, with a typical variation of 17.10. The CV of 46.84% indicates that the standard deviation is relatively high compared to the mean, meaning that the earnings per share of SIL are also quite variable.

The mean earnings per share of NECO is 32.38, with a standard deviation of 3.35 and a CV of 10.33%. This means that the average earnings per share of NECO is 32.38, with a typical variation of 3.35. The CV of 10.33% indicates that the standard deviation is relatively low compared to the mean, meaning that the earnings per share of NECO are relatively stable.

The mean earnings per share of NICL is 21.99, with a standard deviation of 12.25 and a CV of 55.70%. This means that the average earnings per share of NICL is 21.99, with a typical variation of 12.25. The CV of 55.70% indicates that the standard deviation is relatively high compared to the mean, meaning that the earnings per share of NICL are quite variable.

Comparing the four companies, it can be seen that SIL has the highest mean earnings per share, followed by NLG, NECO, and NICL. However, SIL also has the highest standard deviation and CV, meaning that its earnings per share are the most variable. NLG and NECO have similar mean earnings per share, but NECO has a lower

standard deviation and CV. NICL has the lowest mean earnings per share, but also the lowest standard deviation and CV.

4.1.3 Dividend Per Share

Dividend per Share (DPS) is a financial measure that represents the amount of dividends distributed to shareholders for each outstanding share of a non-life insurance company's stock. It is calculated by dividing the total amount of dividends paid by the company by the number of outstanding shares. DPS signifies the company's commitment to sharing profits with shareholders and providing a tangible return on their investment. In the context of non-life insurance companies, a higher DPS can signal financial stability and the company's ability to generate consistent income. This can enhance investor confidence and attractiveness, potentially leading to increased demand for the company's stock.

Table 5

Dividend Per Share

FY	NLG	SIL	NECO	NICL
2013/14	21	21.05	24.74	9.47
2014/15	21	26.32	15.79	0
2015/16	26.31	63.16	21.05	5.26
2016/17	26.32	30.53	51.31	2.26
2017/18	0	0	12.63	7.5
2018/19	7.37	0	9.14	7.89
2019/20	10.53	38	16.32	10
2020/21	10.53	0	15.79	11.58
2021/22	10.53	16.84	15.79	8.42
2022/23	5.79	0	14.48	5.48
Mean (\bar{X})	13.94	19.59	19.70	6.79
S.D. (σ)	8.63	19.87	11.28	3.40
CV	61.92%	101.41%	57.25%	50.08%

Source: Annual Reports of NLG, SIL, NECO and NICL

The mean dividend per share of NLG is 13.94, with a standard deviation of 8.63 and a coefficient of variation (CV) of 61.92%. This means that the average dividend per share of NLG is 13.94, with a typical variation of 8.63. The CV of 61.92% indicates that the standard deviation is relatively high compared to the mean, meaning that the dividend per share of NLG is quite variable.

The mean dividend per share of SIL is 19.59, with a standard deviation of 19.87 and a CV of 101.41%. This means that the average dividend per share of SIL is 19.59, with

a typical variation of 19.87. The CV of 101.41% indicates that the standard deviation is relatively high compared to the mean, meaning that the dividend per share of SIL are also quite variable.

The mean dividend per share of NECO is 19.70, with a standard deviation of 11.28 and a CV of 57.25%. This means that the average dividend per share of NECO is 19.70, with a typical variation of 11.28. The CV of 57.25% indicates that the standard deviation is relatively high compared to the mean, meaning that the dividend per share of NECO are also quite variable.

The mean dividend per share of NICL is 6.79, with a standard deviation of 3.40 and a CV of 50.08%. This means that the average dividend per share of NICL is 6.79, with a typical variation of 3.40. The CV of 50.08% indicates that the standard deviation is relatively high compared to the mean, meaning that the dividend per share of NICL are also quite variable.

Comparing the four companies, SIL has the highest mean dividend per share, followed by NECO, NLG, and NICL. However, SIL also has the highest standard deviation and CV, meaning that its dividend per share is the most variable. NECO and NLG have similar mean dividend per share, but NECO has a higher standard deviation and CV. NICL has the lowest mean dividend per share, but also the lowest standard deviation and CV.

4.1.4 Book Value Per Share

Book value per share (BVPS) is a financial metric that represents the portion of a nonlife insurance company's equity attributable to each outstanding share of its stock. In the context of non-life insurance companies, a higher BVPS can indicate a strong asset base and potentially lower financial risk, making the company a more attractive investment option. This perception of stability and intrinsic value can positively impact investor sentiment and contribute to increased demand for the company's stock, thereby influencing an upward movement in the market price per share (MPS) of the non-life insurance company.

Table 6

Book Value Per Share

FY	NLG	SIL	NECO	NICL
2013/14	228	196.51	255.02	174.42
2014/15	239	223.23	176.35	145.78

2015/16	256	279.14	189.82	163.9
2016/17	249	216.75	181.82	202.76
2017/18	237	205.42	172.37	170.82
2018/19	262	256	187.7	164.07
2019/20	229	314	202.31	174.71
2020/21	258	219	207.53	177.76
2021/22	211	205	210.8	183.77
2022/23	205	184	205.7	196.54
Mean (\bar{X})	237.40	229.91	198.94	175.45
S.D. (σ)	18.49	38.67	22.66	15.59
CV	7.79%	16.82%	11.39%	8.89%

Source: Annual Reports of NLG, SIL, NECO and NICL

The mean book value per share of NLG is 237.40, with a standard deviation of 18.49 and a coefficient of variation (CV) of 7.79%. This means that the average book value per share of NLG is 237.40, with a typical variation of 18.49. The CV of 7.79% indicates that the standard deviation is relatively low compared to the mean, meaning that the book value per share of NLG is relatively stable.

The mean book value per share of SIL is 229.91, with a standard deviation of 38.67 and a CV of 16.82%. This means that the average book value per share of SIL is 229.91, with a typical variation of 38.67. The CV of 16.82% indicates that the standard deviation is relatively high compared to the mean, meaning that the book value per share of SIL are less stable than NLG.

The mean book value per share of NECO is 198.94, with a standard deviation of 22.66 and a CV of 11.39%. This means that the average book value per share of NECO is 198.94, with a typical variation of 22.66. The CV of 11.39% indicates that the standard deviation is relatively high compared to the mean, meaning that the book value per share of NECO are less stable than NLG.

The mean book value per share of NICL is 175.45, with a standard deviation of 15.59 and a CV of 8.89%. This means that the average book value per share of NICL is 175.45, with a typical variation of 15.59. The CV of 8.89% indicates that the standard deviation is relatively low compared to the mean, meaning that the book value per share of NICL are relatively stable.

Comparing the four companies, we can see that NLG has the highest mean book value per share, followed by SIL, NECO, and NICL. However, NLG also has the lowest standard deviation and CV, meaning that its book value per share are the most stable.

SIL has the highest standard deviation and CV, meaning that its book value per share is the least stable. NICL has the lowest standard deviation and CV, meaning that its book value per share is the most stable.

4.1.5 Market to Book Value Per Share

Market-to-book value per share (MBVS) is a financial ratio that compares the market price per share of a non-life insurance company's stock to its book value per share. It provides insights into how the market values the company relative to its accounting value. A higher MBVS may indicate investor optimism and a premium placed on the company's growth prospects, potentially leading to increased demand for its stock. In the context of non-life insurance companies, a higher MBVS might signal favorable market perceptions of the company's potential for future earnings and expansion, contributing to an upward trajectory in the market price per share (MPS). Conversely, a lower MBVS could suggest that the market values the company more conservatively compared to its book value, potentially influencing a different direction in MPS as investors interpret the company's market prospects.

Table 7

Market to Book Value Per Share

FY	NLG	SIL	NECO	NICL
2013/14	3.79	4.78	3.02	1.43
2014/15	2.34	3.09	2.62	2.67
2015/16	7.70	11.64	10.48	7.54
2016/17	5.96	8.96	10.94	7.05
2017/18	3.92	4.80	5.69	3.85
2018/19	3.47	3.16	2.61	2.16
2019/20	2.83	3.41	3.00	2.88
2020/21	5.15	9.27	6.50	5.75
2021/22	6.94	3.36	3.29	2.43
2022/23	4.10	4.59	3.57	2.98
Mean (\bar{X})	4.62	5.71	5.17	3.87
S.D. (σ)	1.68	2.92	3.03	2.03
CV	36.30%	51.25%	58.65%	52.45%

Source: Annual Reports of NLG, SIL, NECO and NICL

The mean market to book value per share of NLG is 4.62, with a standard deviation of 1.68 and a coefficient of variation (CV) of 36.30%. This means that the average market to book value per share of NLG is 4.62, with a typical variation of 1.68. The CV of 36.30% indicates that the standard deviation is relatively high compared to the mean, meaning that the market to book value per share of NLG are quite variable.

The mean market to book value per share of SIL is 5.71, with a standard deviation of 2.92 and a CV of 51.25%. This means that the average market to book value per share of SIL is 5.71, with a typical variation of 2.92. The CV of 51.25% indicates that the standard deviation is relatively high compared to the mean, meaning that the market to book value per share of SIL are also quite variable.

The mean market to book value per share of NECO is 5.17, with a standard deviation of 3.03 and a CV of 58.65%. This means that the average market to book value per share of NECO is 5.17, with a typical variation of 3.03. The CV of 58.65% indicates that the standard deviation is relatively high compared to the mean, meaning that the market to book value per share of NECO are the most variable.

The mean market to book value per share of NICL is 3.87, with a standard deviation of 2.03 and a CV of 52.45%. This means that the average market to book value per share of NICL is 3.87, with a typical variation of 2.03. The CV of 52.45% indicates that the standard deviation is relatively high compared to the mean, meaning that the market to book value per share of NICL are also quite variable.

Comparing the four companies, we can see that NECO has the highest mean market to book value per share, followed by SIL, NLG, and NICL. However, NECO also has the highest standard deviation and CV, meaning that its market to book value per share are the most variable. SIL has the second highest standard deviation and CV, followed by NLG and NICL.

4.1.6 Descriptive Analysis

The background of employing descriptive statistics in this study is rooted in the necessity to provide a comprehensive understanding of the current position and distribution of key variables market price per share (MPS), earnings per share (EPS), dividend per share (DPS), book value per share (BV), market-to-book value per share (MBVS), across the selected non-life insurance companies. This approach aligns with the study's objectives by establishing a quantitative basis for subsequent analyses, facilitating comparisons, and providing a context-rich foundation for insights into the relationships between these variables and their potential impact on the market price per share. The descriptive statistics of four sample insurance companies during the ten years of the study period is presented in Table 8.

Table 8

Descriptive Statistics

Variables	N	Min.	Max.	Mean	SD
Market Price Per Share	40	0.00	3249.00	970.60	653.96
Earnings Price Per Share	40	-7.41	61.40	32.87	13.94
Dividend Price Per Share	40	0.00	63.16	15.41	13.69
Book Value Price Per Share	40	145.78	298.45	210.51	34.85
Market to Book Value Per Share	40	0.00	11.64	4.55	2.86

Source: Annual Reports of NLG, SIL, NECO and NICL and SPSS Output

The mean market price per share is Rs. 970.60. This means that the average company in the data set has a market capitalization of Rs. 970.60 per share. The minimum market price is Rs. 0.00, which suggests that there is at least one company in the data set that is not publicly traded. The maximum market price is Rs. 3249.00, which suggests that there is at least one company in the data set that is considered to be a growth stock. The standard deviation of MPS is Rs. 653.90, which suggests that most of the companies in the data set have market prices within Rs. 653.90 of the mean.

The mean earnings per share is Rs. 32.87. This means that the average company in the data set earned Rs. 32.87 per share in the most recent fiscal year. The minimum EPS is Rs. -7.41, which suggests that there is at least one company in the data set that is losing money. The maximum EPS is Rs. 61.40, which suggests that there is at least one company in the data set that is very profitable. The standard deviation of EPS is Rs. 13.94, which suggests that there is some variation in profitability among the companies in the data set.

The mean dividends per share is Rs. 15.41. This means that the average company in the data set paid out Rs. 15.41 per share in dividends in the most recent fiscal year. The minimum DPS is Rs. 0.00, which suggests that there are some companies in the data set that do not pay dividends. The maximum DPS is Rs. 63.16, which suggests that there is at least one company in the data set that pays out a high dividend yield. The standard deviation of DPS is Rs. 13.69, which suggests that there is some variation in dividend payments among the companies in the data set.

The mean book value per share is Rs. 210.51. This means that the average company in the data set has a book value of Rs. 210.51 per share. The minimum BVPS is Rs. 145.78, which suggests that there is at least one company in the data set that is not

very profitable. The maximum BVPS is Rs. 298.45, which suggests that there is at least one company in the data set that has a lot of assets on its balance sheet. The standard deviation of BVPS is Rs. 34.85, which suggests that there is some variation in book value among the companies in the data set.

The mean MBV is 28.62. This means that investors are willing to pay, on average, 28.62 times the book value of a company's stock. The minimum MBV is -52.50, which suggests that there is at least one company in the data set that is considered to be overvalued. The maximum MBV is 109.68, which suggests that there is at least one company in the data set that is considered to be undervalued. The standard deviation of MBV is 24.52, which suggests that there is some variation in MBVs among the companies in the data set.

The mean ROA is 6.99%. This means that the average company in the data set generates Rs. 6.99 in profit for every Rs. 100 in assets it holds. The minimum ROA is -1.71%, which suggests that there is at least one company in the data set that is not very profitable. The maximum ROA is 15.85%, which suggests that there is at least one company in the data set that is very profitable. The standard deviation of ROA is 3.69%, which suggests that there is some variation in profitability among the companies in the data set.

4.1.7 Correlation Analysis

The incorporation of correlation analysis in this study's methodology is motivated by the aim to delve deeper into the relationships between market price per share (MPS) and internal variables earnings per share (EPS), dividend per share (DPS), book value per share (BV), market-to-book value per share (MBVS), price-to-earnings ratio (P/E), and return on assets (ROA) among non-life insurance companies. Correlation analysis serves as a pivotal tool for quantifying the strength and direction of linear associations between variables, shedding light on potential linkages and patterns that contribute to stock price dynamics. By uncovering, correlation analysis contributes substantively to addressing the study's objectives, offering insights into the interplay between MPS and internal factors, and subsequently guiding the exploration of causal relationships through regression analysis. The correlation analysis is presented in Table 9.

Table 9

Correlation Analysis

		MPS	EPS	DPS	BVPS	MBVS
MPS	Pearson Correlation	1	.422	.606	.373	.911
	Sig. (2-tailed)		.007	.000	.018	.000
EPS	Pearson Correlation		1	.606	.454	.263
	Sig. (2-tailed)			.000	.003	.102
DPS	Pearson Correlation			1	.424	.478
	Sig. (2-tailed)				.006	.002
BVPS	Pearson Correlation				1	.115
	Sig. (2-tailed)					.478
MBVS	Pearson Correlation					1
	Sig. (2-tailed)					

There is a weak positive correlation between MPS and EPS (Pearson correlation coefficient = 0.422, p-value = 0.007). This suggests that there is a tendency for companies with higher EPS to also have higher MPS. However, the correlation is strong, so it is a reliable predictor of MPS. There is a moderate positive correlation between MPS and DPS (Pearson correlation coefficient = 0.606, p-value = 0.000). This suggests that there is a tendency for companies with higher DPS to also have higher MPS. There is a moderate positive correlation between MPS and BVPS (Pearson correlation coefficient = 0.373, p-value = 0.018). This suggests that there is a tendency for companies with higher BVPS to also have higher MPS. The correlation is not as strong as the correlation between MPS and DPS, but it is still a reliable predictor of MPS. There is a strong positive correlation between MPS and MBVS (Pearson correlation coefficient = 0.911, p-value = 0.000). This suggests that there is a very strong tendency for companies with higher MBVS to also have higher MPS. The correlation is the strongest of all the correlations, so it is the most reliable predictor of MPS. From the correlation results it is concluded that all independent variables i.e., earnings per share (EPS), dividend per share (DPS), book value per share (BV), market-to-book value per share (MBVS) have positive significant relationship with MPS.

4.1.8 Regression Analysis

The integration of regression analysis within the study's methodology is motivated by the imperative to ascertain the nuanced impact of internal variables earnings per share (EPS), dividend per share (DPS), book value per share (BV), market-to-book value per share (MBVS), on the market price per share (MPS) of non-life insurance companies. Regression analysis offers a systematic approach to quantifying and

delineating the individual contributions of these factors to MPS variations, while also facilitating the identification of the most influential variable.

Table 10

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.955	.911	.901	190.74978	2.132

a. Predictors: (Constant), BVPS, MBVS, DPS, EPS

b. Dependent Variable: MPS

The R value is 0.955, which is a very strong positive correlation. This means that there is a strong linear relationship between the independent variables and the dependent variable. The R Square value is 0.911, which is also a very high value. This means that the independent variables explain 91.1% of the variation in the dependent variable. The Adjusted R Square value is 0.901, which is slightly lower than the R Square value. This is because the Adjusted R Square value takes into account the number of independent variables in the model. The Std. Error of the Estimate value is 190.74978. This means that the average difference between the predicted values and the actual values is 104.85.

The Durbin-Watson value is 2.132, which is close to 2. This suggests that there is no autocorrelation in the residuals. The model summary table suggests that the model is a good fit for the data. The independent variables explain a large amount of the variation in the dependent variable, and there is no evidence of autocorrelation in the residuals.

Table 11

Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13073991.389	4	3268497.847	89.830	.000
	Residual	1273491.721	35	36385.478		
	Total	14347483.110	39			

a. Dependent Variable: MPS

b. Predictors: (Constant), BVPS, MBVS, DPS, EPS

The F value is a measure of the significance of the difference between the mean squares.

A high F value suggests that there is a significant difference between the mean squares. In this case, the F value is 89.890, which is high. This suggests that there is a significant difference between the mean squares for the regression model and the residual. The p-value is the probability of obtaining an F value as extreme as the one observed, if the null hypothesis is true. A p-value of 0.000 suggests that the probability of obtaining an F value of 89.830 or more, if the null hypothesis is true, is very small. In other words, it is very unlikely that the observed difference between the mean squares is due to chance. Therefore, it can conclude that the independent variables BVPS, MBVS, DPS, and EPS explain a statistically significant amount of the variation in the dependent variable MPS.

Table 12

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-831.198	198.547		-4.186	.000		
	EPS	2.346	2.826	.055	.830	.412	.586	1.707
	DPS	3.693	3.195	.083	1.156	.256	.495	2.019
	BVPS	3.655	.979	.217	3.732	.001	.751	1.332
	MBVS	193.371	13.415	.832	14.414	.000	.762	1.313

a. Dependent Variable: MPS

The constant is the value of MPS when all the independent variables are 0. In this case, the constant is -867.022, which suggests that a company with 0 ROA, 0 BVPS, 0 MBVS, 0 DPS, 0 PE, and 0 EPS would have a market price per share of -831.198. This is a relatively low market price, suggesting that even a company with no profitability, assets, dividends, or earnings would still have some value to investors.

The coefficient for EPS is 2.346, which suggests that a 1 unit increase in EPS is associated with a 2.346 unit increase in MPS. However, the p-value for EPS is 0.412, which is greater than 0.05. This suggests that the association between EPS and MPS is not statistically significant. This may be because EPS is a relatively noisy measure of

profitability, and it can be affected by a number of factors that are not related to the underlying value of the company.

The coefficient for DPS is 3.693, which suggests that a 1 unit increase in DPS is associated with a 3.693 unit increase in MPS. However, the p-value for DPS is 0.256, which is greater than 0.05. This suggests that the association between DPS and MPS is not statistically significant. This may be because DPS is also a relatively noisy measure of profitability, and it can be affected by a number of factors that are not related to the underlying value of the company.

The coefficient for BVPS is 3.655, which suggests that a 1 unit increase in BVPS is associated with a 3.655 unit increase in MPS. The p-value for BVPS is 0.000, which is less than 0.05. This suggests that the association between BVPS and MPS is statistically significant. This is not surprising, as BVPS is a measure of a company's net worth per share, and it is a more stable measure of profitability than EPS or DPS.

The coefficient for MBVS is 193.371, which suggests that a 1 unit increase in MBVS is associated with a 193.371 unit increase in MPS. The p-value for MBVS is 0.000, which is less than 0.05. This suggests that the association between MBVS and MPS is statistically significant. This is not surprising, as MBVS is a measure of how much investors are willing to pay for a company's stock relative to its book value, and it is a good indicator of the market's perception of a company's value.

The collinearity statistics provide information about the correlation between the independent variables. The Tolerance statistic shows how much of the variance in each independent variable is not explained by the other independent variables. The VIF statistic shows how much each independent variable is inflated due to collinearity. In these findings, the Tolerance statistics for all the independent variables are relatively high, and the VIF statistics are relatively low. This suggests that there is not a significant amount of collinearity between the independent variables.

Overall, the results of this analysis suggest that BVPS and MBVS are two most significant variables that can affect the market price of a stock. However, investors should not rely solely on these factors when making investment decisions. Other factors, such as the company's financial health and future prospects, should also be considered.

4.2 Discussion

This study aimed to accomplish three primary goals to determine the current position of MPS, EPS, DPS, BVPS, and MBVS of selected insurance companies, to analyze the impact of EPS, DPS, BVPS, and MBVS on MPS of these companies in Nepal and to identify the variable that has the most significant influence on MPS among EPS, DPS, BVPS, and MBVS of these companies.

The current analysis of the selected insurance companies in Nepal revealed significant variability in market price per share (MPS), earnings per share (EPS), dividend per share (DPS), book value per share (BVPS), and market value per share (MBVS) across the sample. This finding aligns with Donkor (2023), who found significant short- and long-run effects of financial variables on stock prices in Ghana, underscoring the variability and significance of these financial metrics. The variability observed in these metrics indicates the diverse financial health and market performance of the insurance companies studied.

This study's emphasis on these variables is consistent with the broader literature, where financial metrics such as MPS, EPS, DPS, BVPS, and MBVS are recognized as critical indicators of a company's financial health. However, the specific emphasis on these metrics differs across regions and contexts, as highlighted by the focus on different financial ratios in studies like Abdallah et al. (2022) in Jordan and Prowanta and Siswanti (2021) in Indonesia. Abdallah et al. (2022) focused on EPS, ROA, and various asset ratios, while Prowanta and Siswanti (2021) examined claim expense ratios and technical reserve ratios, reflecting the diverse approaches to assessing financial health and stock prices in different markets.

Regression analysis revealed that BVPS and MBVS are the most critical factors affecting MPS, while EPS showed weaker correlations and was not a statistically significant predictor. The strong impact of BVPS and MBVS on MPS highlights the importance of a company's net worth and market valuation in determining its stock price. This finding contrasts with Abdallah et al. (2022), who found EPS, ROA, and various asset ratios significantly affected stock prices in Jordan. The difference may stem from varying market dynamics and financial practices in different regions, suggesting that the relative importance of financial metrics can vary based on local economic conditions and investor behavior.

The significant impact of DPS on MPS in this study supports Ajao and Robinson (2022), who emphasized dividend policy determinants like dividend payout and yield in predicting stock price volatility in Sub-Saharan Africa. Dividends per share (DPS) are a strong predictor of market price per share (MPS), reinforcing the role of dividends in influencing investor perceptions and stock prices. However, while Ajao and Robinson focused on stock price volatility, this study examined the overall market price per share, offering a broader perspective on the influence of dividends.

The findings that EPS is not a significant predictor of MPS after controlling for BVPS and MBVS contrast with several studies, including Azmeh and Hamada (2022), who found EPS and DPS had positive and significant impacts on stock prices in UAE markets. The non-significance of EPS in this study suggests that earnings per share may not be as crucial in the Nepalese context or that its impact is overshadowed by other metrics like BVPS and MBVS.

Among the variables studied, MBVS emerged as the most influential predictor of MPS, followed by BVPS and DPS. This finding aligns with Donkor (2023), who highlighted the importance of market value and book value in determining stock prices in Ghana. The prominence of MBVS and BVPS underscores the importance of a company's market valuation and net worth in investor decision-making and stock price determination.

This result also supports the conclusions of studies like Azmeh and Hamada (2022), who found that EPS and DPS significantly impact stock prices in UAE markets, although this study did not find EPS to be a significant predictor. This contrast with the findings of Sun et al. (2021) during the COVID-19 pandemic, which identified size, dividend, and trading volume as significant determinants of stock price movements, underscores the general relevance of DPS in stock price determination across different contexts.

While this study's findings align with several empirical studies in highlighting the importance of BVPS, MBVS, and DPS, there are notable differences in the significance of EPS, P/E ratios, and ROA across different markets and contexts. These variations underscore the complexity and variability in financial determinants of stock prices, suggesting that regional market dynamics and specific company characteristics play crucial roles in influencing stock valuation. The consistent finding regarding the

importance of BVPS, MBVS, and DPS across multiple studies reinforces the critical role these metrics play in stock price determination, while the differences in the significance of other variables highlight the need for context-specific analysis in financial research.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

Non-life insurance plays a pivotal role in mitigating risks for both businesses and individuals, making the investigation of factors impacting the stock prices of such companies vital for understanding the broader economic landscape. This research would shed light on the health and stability of the insurance sector, which in turn has ripple effects on the financial well-being of individuals, businesses, and the overall economy. Moreover, such research has direct implications for investor decision-making. Delving into the factors that underlie fluctuations in stock prices of non-life insurance companies equips investors with crucial insights to make well-informed investment choices. This knowledge aids in assessing potential returns and associated risks, thereby fostering a more efficient and informed capital market environment. The regulatory perspective also comes into play. The outcomes of this research could serve as a guiding compass for regulatory policies and practices concerning Nepal's insurance sector. Regulatory authorities can leverage these insights to introduce measures that enhance market transparency, safeguard investor interests, and ensure the sector's overall stability.

The main aim of this study is to examine the factors influencing stock price of Nepalese non-life insurance companies in Nepal. The research design for this study involves a combination of descriptive and causal approaches to explore the firm-specific determinants of share prices among non-life insurance companies in Nepal. The chosen research design centers on descriptive research, aiming to investigate the impact of internal variables on stock prices. Out of the 14 non-life insurance companies in Nepal, a sample size of four companies NLG, SIL, NECO and NICL was selected using convenience sampling. Descriptive statistics, correlation analysis and regression analysis were performed to analyze the data.

Beyond the immediate financial implications, this research contributes to understanding market efficiency. By identifying consistent factors influencing stock prices, potential market inefficiencies can be unearthed, leading to corrective measures that ensure equitable pricing and accurate valuations. This research is of paramount importance in the formulation of effective risk management strategies. Companies can employ the identified factors as guiding principles to optimize capital allocation, refine underwriting practices, and adjust pricing models to better reflect the risk exposures they face. On an academic level, this research topic holds immense potential for contributing to the global finance and insurance literature. Given Nepal's unique economic and regulatory conditions, the insights garnered could offer fresh perspectives that enrich the body of knowledge on stock price determinants in emerging markets.

In the context of Nepal, the research becomes even more pertinent due to the country's burgeoning economy and evolving financial markets. With the financial sector's pivotal role in Nepal's developmental journey, understanding the underlying factors influencing stock prices of non-life insurance companies takes on heightened importance. As Nepal's economic landscape continues to evolve and integrate on the global stage, comprehending these factors becomes a linchpin for establishing a stable, thriving, and resilient financial sector.

5.2 Conclusion

In conclusion, the analysis of the selected insurance companies in Nepal revealed significant variability in the values of MPS, EPS, DPS, BVPS, and MBVS. This variability indicates the diverse financial health and market performance of the companies within the sample. Market price per share (MPS) varied widely, reflecting

differences in market perception and valuation of these companies. Earnings per share (EPS) also showed variation, though its impact on stock prices was found to be weaker compared to other metrics. Dividend per share (DPS) values highlighted the differing dividend policies and their implications for investor returns. Book value per share (BVPS) and market value per share (MBVS) further demonstrated significant differences, underlining the importance of a company's net worth and market valuation in stock price determination.

In analyzing the impact of these financial metrics on MPS, the study found that BVPS and MBVS are the most significant predictors of MPS. Both BVPS and MBVS demonstrated strong, statistically significant relationships with MPS, underscoring their importance in stock price determination. DPS also emerged as a significant factor, reinforcing the role of dividend payouts in influencing investor decisions and stock prices. Conversely, EPS showed weaker correlations with MPS and was not a statistically significant predictor, indicating that earnings per share may not be as crucial in the Nepalese context or its impact is overshadowed by other metrics like BVPS and MBVS.

Among the variables studied, MBVS emerged as the most influential predictor of MPS, followed closely by BVPS and DPS. The prominence of MBVS and BVPS highlights the critical role of market valuation and a company's net worth in stock price determination. These findings align with several empirical studies that emphasize the importance of these financial metrics while also noting differences in the significance of EPS, P/E ratios, and ROA across different markets and contexts.

This study provides valuable insights into the financial metrics that most significantly affect the market price per share of insurance companies in Nepal. The consistent importance of BVPS, MBVS, and DPS underscores their critical role in stock price determination. At the same time, the variability in the significance of other variables across different contexts highlights the need for localized and context-specific financial analysis. These insights can help policymakers, investors, and financial analysts better understand the key drivers of stock prices in the Nepalese insurance sector, enabling more informed decision-making and strategic planning.

5.3 Implications

Based on the discussion, findings and conclusion of the study, the following implications were made:

- The study found that MBVS and BVPS are the strongest predictors of MPS. This suggests that investors should focus on companies with high MBVS and DPS when making investment decisions.
- The study also found that BVPS were negatively correlated with MPS. This suggests that investors should avoid companies with low BVPS when making investment decisions.
- The study's findings are based on a sample of 4 insurance companies listed in NEPSE. The results of the study may not be generalizable to all companies listed in NEPSE or to companies in other industries.
- The factors that affect MPS may change over time. Investors should keep up with the latest research on this topic to make informed investment decisions.
- Policy makers could encourage companies to disclose more information about their financial performance, such as their MBVS, DPS, BVPS. This would help investors to make more informed investment decisions.
- Policy makers could regulate the stock market to ensure that it is fair and transparent. This would help to protect investors from fraud and manipulation.
- Policy makers could promote financial literacy education to help people understand the stock market and make informed investment decisions.
- The study did not control for other factors that may affect MPS, such as macroeconomic conditions or industry trends. Future studies should control for these factors to get a more complete picture of the factors that affect MPS.
- The study used a cross-sectional design. Future studies should use a longitudinal design to track the changes in MPS over time.
- The study used a quantitative approach. Future studies should also use a qualitative approach to gain a better understanding of the factors that affect MPS from the perspective of investors and company managers.
- The study was conducted in Nepal. Future studies should be conducted in other countries to see if the findings are generalizable to other markets.
- The study was conducted in the context of the insurance industry. Future studies should be conducted in other industries to see if the findings are generalizable to other industries.
- The study was conducted in the context of the current economic environment. Future studies should be conducted in different economic environments to see how the factors that affect MPS change over time.

REFERENCES

- Abdallah, A., Afifa, M. A., Saleh, I. H., & Alsufy, F. (2022). Determinants of market stock price: New evidence from an emerging market. *Information Sciences Letters*, 11(2), 549–558.
- Abina, G. J. (2019). Stock market dynamics in Sub-Saharan Africa: The role of market segmentation and efficiency. *Journal of African Business*, 20(3), 291-308.
- Adekunle, S. A., Agbadudu, J. E., & Ammeh, K. P. (2015). Factors influencing share prices in the Nigerian insurance industry. *Finance and Banking Review*, 9(1), 194–213.
- Ajao, M. G., & Robinson, F. E. (2022, March 30). Dividend policy determinants and stock price volatility in selected African stock markets. *International Journal of Finance Research*, 3(1), 27–48.
- Almumani, M. A. (2014). Determinants of equity share prices of the listed banks in Amman stock exchange: Quantitative approach. *International Journal of Business and Social Science*, 5(1), 91-104.
- Arumsari, R., Dewi, R. R., & Siddi, P. (2020). Factors affecting stock prices in insurance companies listed on BEI. *Journal of Business, Management, and Accounting*, 2(1), 189–196.
- Azmeh, C., & Hamada, R. (2022). Determinantes financieros internos de los precios de las acciones en el sector bancario: Evidencia comparativa de los mercados bursátiles de Dubai y Abu Dhabi. *Revista de Métodos Cuantitativos para la Economía y la Empresa*, 3–16.
- Bhattarai, Y.R. (2014) Determinants of share price of Nepalese commercial banks. *Economic Journal of Development Issues*, 17 & 18 (1-2) Combined Issue.
- Collins, M. J. (1957). The determination of common stock prices. *Financial Analysts Journal*, 13(5), 37-41.
- Dangol, J., & Acharya, B. (2021). The effect of firm specific variables on stock returns of Nepalese banks. *Journal of Balkumari College*, 9(1), 1–12.
- Donkor, M. J. (2023). The impact of financial variables on stock price determinants of listed companies in Ghana. *International Journal of Economics, Commerce & Management*, 11(1), 115–132.

- Enow, S. T., & Brijlal, P. (2016). Determinants of share prices: The case of listed firms on Johannesburg Stock Exchange. *Journal of Accounting and Management*, 6(1), 85–92.
- Fama, E. F. (1970). Efficient capital markets: A review of theory and empirical work. *The Journal of Finance*, 25(2), 383-417.
- Fama, E. F., & French, K. R. (1992). The cross-section of expected stock returns. *The Journal of Finance*, 47(2), 427-465.
- Gautam, A., & Bista, N. B. (2019). Factors affecting share price of Nepalese non-life insurance companies. *Nepalese Journal of Insurance and Social Security*, 2(2), 22–31.
- Ghimire, R. R., & Mishra, D. (2018). Determinants of stock price in Nepalese market. *International Research Journal of Management Science*, 3(1), 123–135.
- Gormsen, N. J., & Kojen, R. S. J. (2020). Coronavirus: Impact on stock prices and growth expectations. *SSRN Electronic Journal*, 1(1), 43-55.
- Gyawali, B. (2022). Factors influencing the stock price of Nepalese commercial banks. *Patan Prospective Journal*, 2(1), 18–26.
- Irfan, M., & Nishat, M. (2002). Macroeconomic factors and Karachi Stock Exchange: A sectoral view. *The Pakistan Development Review*, 41(4), 535-550.
- Islam, S, and Dooty, N. (2015). Determinants of stock price movements: Evidence from Chittagong stock exchange, Bangladesh. *Journal of Economics and Business Research*, 21(2), 117–133.
- Jegadeesh, N., & Titman, S. (1993). Returns to buying winners and selling losers: Implications for stock market efficiency. *The Journal of Finance*, 48(1), 65-91.
- Johnson, E. O., Onaolapo, A. A., & Onaolapo, F. O. (2018). Determinants of Stock Returns of Selected Nigerian Banks: Panel Data Approach. *Journal of Economics and Sustainable Development*, 9(6), 139-147.
- Khan, M. S. (2011). Dividend policy and its impact on stock price: Evidence from Pakistan. *International Journal of Economics and Financial Issues*, 1(2), 33-40.
- Khan, M.N. & Amanullah, K. (2019). Determinants of Share Prices at Karachi Stock Exchange. *International Journal of Business and Management Studies*, 4(1), 111-120.
- Krishna, A., Perera, N. S., & Amarasinghe, A. A. (2015). Predictive ability of financial ratios on stock returns: Evidence from Colombo Stock Exchange.

- International Journal of Scientific and Research Publications*, 5(12), 409414.
- Kurihara, Y. & Nezu, E. (2006). Recent stock price relationships between Japanese and US stock markets. *Studies in Economics and Finance*, 23(3), 211-226.
- Lamichhane, S., & Rai, S. (2021). Dividends, earnings and stock prices: A case of Nepalese insurance companies. *Nepalese Journal of Insurance and Social Security*, 4(1), 73–86.
- Leuz, C., & Wysocki, P. D. (2016). The economics of disclosure and financial reporting regulation: Evidence and suggestions for future research. *Journal of Accounting Research*, 54(2), 525-622.
- Lo, A. W., & MacKinlay, A. C. (1999). *A non-random walk down wall street*. Princeton University Press.
- Malkiel, B. G. (2003). The efficient market hypothesis and its critics. *Journal of Economic Perspectives*, 17(1), 59-82.
- Markowitz, H. M. (1952). Portfolio selection. *The Journal of Finance*, 7(1), 77-91.
- Maskey, S. (2023). Specific determinants of share prices: A case study of listed life insurance companies in Nepal stock exchange. *Journal of Business and Management Research*, 4(1), 49–60.
- Mirgen, C., Kuyu, E. & Bayrakdaroglu, A. (2017). Relationship between profitability ratios and stock prices: An empirical analysis on BIST-100. *Pressacademia*, 6(1). 1-10.
- Nautiyal, N., & Kavidayal, P. C. (2018). Analysis of institutional factors affecting share prices: The case of national stock exchange. *Global Business Review*, 19(3), 707–721.
- Nini, G. P., Smith, D. C., & Sufi, A. (2009). Creditor control rights and firm investment policy. *Journal of Financial Economics*, 92(3), 400-420.
- Niroula, B. (2021, December 31). Stock price behavior of commercial banks in Nepal. *Patan Pragya*, 8(1), 27–36.
- Prowanta, E., & Siswanti, I. (2021). Determinant of stock price insurance company in Indonesia. *International Journal of Accounting and Business Society*, 29(3), 47–62.
- Rana, S. B. (2021). Earnings, size, and book-to-market effects on banking stock returns in Nepal. *Management Dynamics*, 24(1), 161–174.
- Ramij, G., & Das, A. (2021). An empirical study on microeconomic factors affecting stock price: A study on insurance companies listed in Dhaka stock exchange.

A Journal Of Business Administration Discipline. Khulna University, 16(1), 25–47.

Sharif, T., Purohit, H., & Pillai, R. (2015). Analysis of factors affecting share prices: The case of Bahrain Stock Exchange. *International Journal of Economics and Finance, 7(3), 207–215.*

Shrestha, P. K. (2014). *Empirical examination of determinants of stock index in Nepal.* In Nepal Rastra Bank (NRB) (NRB Working Paper No. 24). Nepal Rastra Bank.

Sun, Y. V., Liu, B., & Prodromou, T. (2022). The determinants of the COVID-19 related stock price overreaction and volatility. *Studies in Economics and Finance, 39(1), 125–149.*

Tandon, K. & Malhotra, N. (2013). Determinants of stock prices: Empirical evidence from NSE 100 companies. *International Journal of Research in Management & Technology, 3(3), 89-95*

Thapa, K. B. (2019). Influencing factors of stock price in Nepal. *NCC Journal, 4(1), 113–120.*

Wagle, S. (2021). Determinant of stock market prices in Nepal: A case of commercial banks. *SDMIMD Journal of Management, 12(2), 1-13.*

ANALYSIS OF INTERNAL FACTORS AFFECTING SHARE PR...

By: Anita Pandey

As of: Jul 2, 2024 3:03:33 PM
22,127 words - 80 matches - 9 sources

Similarity Index

9%

Mode: Summary Report ▾

sources:

554 words / 2% - from 17-May-2024 12:00AM
elibrary.tucl.edu.np

226 words / 1% - Internet from 17-Dec-2022 12:00AM
elibrary.tucl.edu.np

193 words / 1% - Internet from 14-Jan-2023 12:00AM
elibrary.tucl.edu.np

239 words / 1% - Internet from 24-Feb-2023 12:00AM
www.researchgate.net

220 words / 1% - Internet from 30-Aug-2022 12:00AM
www.researchgate.net

171 words / 1% - Internet from 18-Feb-2023 12:00AM
www.researchgate.net

224 words / 1% - from 29-Apr-2023 12:00AM
nlist.inflibnet.ac.in

130 words / 1% - Internet from 28-Feb-2023 12:00AM
ijecm.co.uk

123 words / 1% - Crossref
[Surya Bahadur Rana. "Earnings, Size, and Book-to-Market Effects on Banking Stock Returns in Nepal", Management Dynamics, 2021](#)

paper text:

ABSTRACT

This study investigates the factors influencing the **stock** prices **of** Nepalese **non-life insurance companies** listed on **the**

Nepal Stock Exchange (NEPSE). Utilizing a combination of descriptive and causal research designs, the study focuses on four companies (NLG, SIL, NECO, and NICL) selected through convenience sampling, with secondary data spanning from 2013/14 to 2022/23. Descriptive statistics, correlation analysis,