SHARE PRICE BEHAVIOUR OF NEPALESE COMMERCIAL BANKS

A Dissertation Submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the requirements for the Master of Business Studies (MBS)

by

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **"Share Price Behaviour of Nepalese Commercial Banks"**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of this dissertation.

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Date:

REPORT OF RESEARCH COMMITTEE

Ms. Kalpana Khadka has defended research proposal entitled **"Share Price Behaviour of Nepalese Commercial Banks"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Srijana Khadka submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"Share Price Behaviour of Nepalese Commercial Banks"** presented Kalpana Khadka, a candidate for the degree of master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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ABBREVIATIONS

ADBL	:	Agricultural Development Bank
AMEX	:	American Stock Exchange
BVPS	:	Book Value Per Share
CBT	:	Chicago Board of Trade
DPR	:	Dividend Per Ratio
DY	:	Dividend Yeild
DY	:	Dividend Yield
EBL	:	Everest bank Limited
EMH	:	Efficient Market Hypothesis
EPS	:	Earnings per Share
MBL	:	Machhapuchchhre Bank Limited
MPS	:	Market Price Per Share
NEPSE	:	Nepal Stock Exchange
NMBL	:	NMB Bank Limited
No.	:	Number
NPA	:	Non Performing Assets
NRB	:	Nepal Rastra Bank
NYSE	:	New York Stock Exchang
OTC	:	Over-The-Counter
P/E Ratio	:	Price Earning Ratio
ROA	:	Return on Assets
ROE	:	Return On Equity
SBI	:	State Bank of India
SPSS	:	Statistical Package For the Social Sciences

ABSTRACT

This study aims to analyze Stock Price Behaviour of Nepalese Commercial Banks. In this study, Bivariate Correlation and a linear multiple regression models are selected to measure the effects of explanatory variables on the dependent variables. The data are taken from the annual reports of selected commercial banks, report of Nepal Rastra Bank and other official and unofficial publications. Data are analyzed by using appropriate financial and statistical tools and the descriptive research design is used. The study is based on data collected from 5 commercial banks listed in Nepalese Commercial Banks for the period of FY 2012/13 to FY 2021/2022 is used within the framework of descriptive and casual research design.

In this study, MPS and P/E Ratio is taken as the dependent variable and EPS, ROA, P/E ratio and BVPS on selected commercial banks. This paper investigate the relationship between EPS, ROA,P/E ratio and BVPS on market price of selected commercial banks. The study reveals that earning per share, book value per share and price earning ratio have positive relationship and return on assets has inverse relationship with Market price per share. The Multiple regression model reveals that earnings per share and price earning ratio have positive significant relationship impact on market price. Return on assets and book value per share has negative relationship and is statistically insignificant with market price of Nepalese Commercial Banks.

Key words: Market price per share, Earning per share, Book value per share, price earnings ratio, Return on assets.

CHAPTER-I
INTRODUCTION

1.1 Background of the Study

Stock price is the value of the firm divided by the number of shares outstanding (Weston, 1989). It is the price of a single share of a number of saleable stocks of a company or financial institution, derivative or other financial asset. The stock price is the highest amount someone is willing to pay for the stock or the lowest amount that it can be bought for. Stocks are equities that allow investors to put their money into a company with hope of achieving a higher return than that of a saving account or bonds. Stock markets operate as an intermediary between savers and users of capital by means of pooling funds, sharing risk, and transferring wealth (Almumani, 2014). The stock exchange plays pivotal roles in the economy. Stock exchange provides a critical link between companies that need funds to set up new businesses or to expand their current operations and investors that have excess funds to invest in such companies and it provides a regulated market place for buying and selling of stock at prices determined by supply and demand, notwithstanding other macroeconomic fundamentals such as interest and inflation rates (Sanderson, 2009).

Pesik and Pochazkova (2022) found that net profit and retained earnings plays the key role for stock price. Darami et al. (2022) found that stock price variability is affected by intrinsic and extrinsic factors of the organization and market price of stock is not influence by dividend payout ratio of the firm. Raza et al. (2021) explained stock market performance is considered the most important area of financial research by investors, managers, financial analysts and the government. The stock market is critical to economic growth because it facilitates cash transfers between the government, investors, and other stakeholders. The goal of this study was to see how book value per share, earnings per share (EPS), market price per share (MPS), PE ratio, and return on equity (ROE) affect the market price per share in Nepalese commercial banks.

Technical factors, fundamental factors, and market sentiments are three important categories influencing the increase or reduction in stock price, stock demand and supply. The factors influencing share prices can also be divided into internal and external determinants. Internal determinants include net asset value per share, interest rate, dividend per share, book-to-market ratio, price-earnings ratio (P/E ratio), leverage, earning per share, return on equity

(ROE), total number of shares outstanding, book value per share, firm size, and age. External factors include gross domestic product and other macroeconomic variables (Wadud, 2017).

The stock market plays an important role in economic development by promoting capital formation and raising economic growth. Trading of securities in this market facilitates savers and users of capital by fund pooling, risk sharing, and transferring wealth. Economic activities can be created by flow of reserves to the most productive investment. Investors take decisions to invest in particular shares of companies, keeping in view their share prices. Theories suggest that there is an association between changes in share prices and changes in financial fundamental variables (Nisa & Nishat, 2011).

Equity markets enhance corporate efficiency, spur innovation, and provide a valuable source of capital for long-term economic development. They also provide a useful mechanism for governments to raise capital through the sale of state-owned Enterprises. Moreover, equity market investments constitute an important element of individuals‟ assets, particularly as governments shift their pension systems toward theprivate sector. In short, it is clear that equities constitute an increasingly important capital market in the world economy (Mosley & Singer, 2008).

The stock market has become an essential market playing a vital role in economic prosperity that fostering capital formation and sustaining economic growth. Stock markets are more than a place to trade securities; they operate as a facilitator between savers and users of capital by means of pooling of funds, sharing risk, and transferring wealth. Stock markets are essential for economic growth as they insure the flow of resources to the most productive investment opportunities. In essence, a large number of economic variables like gross domestic product, interest rates, current account, monthly supply, employment, their information etc. have an impact on daily stock prices (Kurihara, 2006).

Supply and demand dynamics cause stock prices to fluctuate, but no infallible or perfect system can anticipate the precise movement of stock prices (Bhattarai, 2014). It is often assumed that investors are risk averse and that the volatility of their investments, which is a measure of the level of risk they face, is a source of great anxiety for them. However, to make the optimal investment decision, an investor must have knowledge and awareness of the elements that influence share price (Sharif, Purohit, & Pillai, 2015). The movement of stock prices is not self-contained, and both intrinsic and extrinsic factors have been recognized as

influencing stock price movements. Because share prices inform the public about a company's current and future performance, executives need to pay close attention to the factors that influence share prices (Adhikari, 2019).

The stock market is all about dynamism, which is why investors and fund managers have been faced with the difficulty of precisely anticipating stock prices to earn acceptable returns time and time again. Shares provide liquidity as well as the possibility to outperform the market and make high profits. Predicting share prices, on the other hand, is not an easy task. Share price movement is not self-contained, and both intrinsic and extrinsic factors have been identified as having an impact on stock price changes (Malhotra, & Tandon, 2013).

Normally, a country's stock market index is used as an economic barometer. Growth in the stock index is usually regarded as a positive indicator because it indicates that investors are optimistic about the economy's prospects. A drop in the stock index is regarded as a negative indicator since it suggests that investors are pessimistic about the economy's prospects. Various macroeconomic and microeconomic elements in the economy cause the index to grow and fall (Shrestha, & Subedi, 2015).

The law of demand and supply of the market, in general, determines the price of a share. However, there are additional qualitative and quantitative factors that influence the stock's price. Earnings per share (EPS) of the company, dividend payout ratio or dividend per share (DPR or DPS), price-earnings ratio (PE ratio), book value per share, firm size, NRB policy, monetary policy, fiscal policy, corporate governance, interest rate, political conditions, Gross Domestic Product (GDP), news, rumours, and many other factors are all major determinants of the share price. Knowledge of such issues and their potential impact on share prices is extremely valuable since it allows investors to make better investment decisions and companies to increase their market value. Shiller (1985) found that stock prices are not stable and fluctuate excessively about the news about fundamentals, such as dividends and bonuses, due to the irrational investors in the market. Thus, investors will benefit greatly from understanding the impact of numerous fundamental elements on stock price because it will assist them in making profitable investing selections.

1.1.1 Profile of sample organization under study

In this study, five commercial banks are taken for analysis. Although there are altogether 20 commercial banks in Nepal, 5 commercial banks are selected which are compromises of all

low-, medium- and high-priced levels and have selected well mixture of private, Government owned banks were taken for study.

1. NMB Bank Limited (NMBL)

NMB Bank, formerly known as Nepal Merchant Banking and Finance Company, was established in October 1995 as the country's first class 'C' financial institution to upgrade to a Class 'A' Commercial Bank. NMB Bank Nepal is a commercial bank headquartered in Kathmandu, Nepal. The bank is regulated by Nepal's central bank, the Nepal Rastra Bank, and operates 201 retail and commercial banking locations around the country. NMB Bank was awarded 'Bank of the Year 2017', 'Bank of the Year 2018', 'Bank of the Year 2020' and 'Bank of the Year 2021'. In the same year in the history of Nepal the bank was awarded the title of 'Bank of the Year 2021 Asia' by The Banker, Financial Times, and London. The bank has been providing banking facilities and services to its customers through 201 branches, 9 extension counters and 138 ATMs across the country. The numbers of branches located in each province are as follows: Province 1 has 30 branches, Madesh Province has 27 branches Bagmati Province has 51 branches Gandaki Province has 38 branches Lumbini Province has 32 branches Karnali Province has 03 branches and Sudur Paschim Province has 20 branches.

Source: www.nmb bank.com.np

2. Agriculture Development Bank Limited(ADBL)

Agriculture Development Bank Limited was established in 1968 under the ADBL Act 1967, as successor to the cooperative bank. Since then, the bank has operated as a public limited company formed under the Companies Act of 2006, and has been regulated by Nepal Rastra Bank as a "A" class financial institution. The main objective is to provide institutional credit for enhancing the production and productivity of agricultural sector in the economy. The bank has 51% share of Government of Nepal and 49% share general public. Most of the shareholder is customers and employees. It has 278 offices dispersed across the country's 7 provinces and 77 districts.

Source: www.adbl bank .np.com

3. Nepal SBI Bank Limited (NSBIL)

Nepal SBI Bank Ltd (NSBL) is a subsidiary of State Bank of India (SBI) having 55% of ownership. Employee Provident Fund, a local partner, owns 15% of the company, while the general public owns 30%. According to the Technical Services Agreement between SBI and the NSBL, the NSBL was founded in July 1993 and has grown to become one of Nepal's leading banks, with 940 skilled and dedicated Nepalese employees working in a total of 123 outlets, including 88 full-fledged branches, 19 extension counters, 7 Province offices, 8 Branchless Banking Outlets, and the Corporate Office (as of Poush end 2078).With presence in 51 districts in Nepal, the bank offers value added services to its customers through its extensive network of 126ATNs (4CDMs), internal banking, mobile wallet, SMS banking, and IRCTC Ticket Online Booking etc. NSBL is one of the fastest growing Commercial Bank of Nepal with more than 1.10 million satisfied deposit customers and over 0.80 million ATM/Debit cardholders.

The bank enjoys leading position in the country in terms of penetration of technology products, viz. Mobile Banking, Internet Banking and Card Services. The bank is making progress in the Nepalese banking industry, with considerable increases in net profit and low nonperforming assets (NPA).

Source: www.Nepal SBI bank .com

4. Everest Bank Limited

Everest Bank Limited (EBL) was established in 1994 in a joint venture with Panjab National Bank Limited of india. The bank was established by a few business persons of Nepal in partnership with the employees of Provident Fund and Habib Bank Limited of Pakistan. The bank commenced its operation in January 1993 A.D. The bank's head office is in Lazimpat, Kathmandu the bank has 127 branches. Twenty six of its branches are located inside the Kathmandu Valley while the rest are spread across the nation. Beside, a branch looking exclusively at electronic card and related products, based in Naxal. The objective of the bank is to be one of the most preferred bank in Nepal, easily recognized as the bank which satisfies and career for its customers through quality service, innovative products, professionalism and using modern technology and good corporate goveranance practices.In the study, the bank is denoted as EBL the trading symbol given by NEPSE. Source: www.ebl bank .com

5. Machhapuchchhre Bank Limited

Machhapuchchhre Bank Limited was registered in 1998 as the first regional commercial bank from the western region of Nepal and started its banking operation from Pokhara since year 2000. The bank provides modern banking facilities such as any Branch Banking, Internet Banking, Mobile Banking safe deposit locker facilities, utility bill payment (Telephone & Mobile), ATM (VISA Debit Cards) to its valued customers. Now, with a paid up capital of over 10.25 Billion rupees, 165 Branch officer, 133 branches less Banking units, 11 extension counters and 203 ATMs spread all across the country it is one of the full fledged national level commercial banks operating in Nepal. The objective of machhapuchchhre bank is one of the most preferred bank in Nepal, easily recognized as the bank which satisfies and cares for its customers through quality services, offering full accuracy of financial services using modern technology and with good corporate governance practices.

Source: www.mbl bank .com

1.2 Problem Statement

In today's context most of the investors are attractive to banking sectors. Many researchers have been conducted in the issue of stock price movement. The stock price fluctuates time to time and stock exchange reacts to the environment changes. The investors couldn't identify the good and bad stocks among many.

Existing economic imbalance, political instability, ineffective implementation of the liberal economic policy of the country have generated negative symbols in the economy. The price of the securities especially common stocks have been randomly fluctuating and declining over the past years. Consequently, some companies were liquidated and some are operating hardly in the market. The problem of Nepal stock market have not been diagnosed and identified. The policy makers are unable to make the appropriate policy for the development of the stock market. Most of the government level efforts for the development of the stock market have poorly contributed.

The investing in securities is one of the key routes of investment that has the potential to generate a significant return to investors. Many Nepalese investors invest their fund in securities. Stock investment is always risky, and investors are hesitant to invest in the stock market. If they know about the exact factors that influencing the stock price, they will invest

in stock confidently. It is unpredictable to specify what factors determine the stock price. Nepalese investors do not consider the external and internal factors before making investment decision (Pradhan & Dahal, 2016).

Investors take decision to invest or not in particular securities of company, keeping in view their stock price. But only few investors of Nepalese share market are aware of the causing factors of share price. It indicated that most of the investors unknown about the factors that affect the share price of company. Lack of investment, lack of information, poor knowledge investor, reliability, consistent and qualitative returns, low trading volume and limited knowledge among the people in security trading has affected the interest of investors. Rjoubet. Al., (2017) investigated that assets quality, management quality, earnings, size, money supply and interest rate significantly related to stock price. Also bidirectional casualty found between bank size, assets quality, money supply and stock price. In this context, this study will try to identify the determinants of stock price and find out the degree of affection of those determinants and to know about stock price behavior.

Furthermore, the price of a stock is controlled by supply and demand. Determining which elements are responsible for determining the stock price is a contentious and unexpected subject. The stock price fluctuates from time to time, and the stock exchange reacts to changes in the environment. The purpose of this study was to determine the factors of stock price and the degree of attachment for those determinants.

a. What is the current status of EPS, ROA, P/E ratio, BVPS and MPS of the sample banks?
b. Is there any relationship between MPS with EPS, ROA, P/E ratio and BVPS of Nepalese commercial banks?
c. How do EPS, ROA, P/E ratio, BVPS effects MPS of Nepalese commercial banks?

1.3 Objectives of the Study

The general objective of the study is to investigate, analyze and interpret the movement of stock market price of Nepalese Commercial Banks. The specific objectives of this study are:

a. To assess the current status of EPS, ROA, P/E ratio, BVPS and MPS of the sample banks.
b. To examine the relationship of MPS with EPS, ROA, P/E ratio, and BVPS of selected Nepalese Commercial Banks.

c. To analyze the impact of EPS, ROA, P/E ratio, BVPS on MPS of Nepalese Commercial Banks.

1.4 Rationale of the Study

Stock price movement analysis of the Nepalese Commercial Banks focuses on stock price fluctuation and determinant factors that changes price of share in the secondary market in Nepal. This study helps for future research on the area of stock price behaviour of commercial banks by providing relevant and pertinent literature. This study makes aware to the investors before investing in stock of any banks. The listed banks can be aware about them and will take necessary steps for improvement. Those who are engaged in the field of financial management like shareholders, promoters, analysis, investors, policy makers, academicians, students etc, can be benefited from this research study.

Hence, this study may benefit as empirical evidence for those difference kind of person who able to access to the study with the same intention or same sector person who need same information which this study can able provide.

1.5 Limitations of the Study

Despite the ample efforts on the part of the research, this study cannot be exceptional and free from limitations. The accuracy of this study largely depends upon the data and statements provided by the sample Commercial Banks. The major limitations of the study are presented below:

a. Out of the 20 Commercial Banks as of date only five banks named NMB Bank Ltd, Agricultural Development Bank Ltd, Nepal SBI Bank Ltd, Everest Bank Ltd, Machhapuchchhre Bank Ltd, are taken for the study.
b. This study covers only the relevant data of ten years i.e. from fiscal year 2012/13 to 2021/22.
c. The study is based on secondary data. Thus, the validity and reliability of the data depends upon their sources.
d. The study has been designed to concentrate on stock price volatility of the banking sector, which is a part of total capital market. Hence, the conclusion cannot be generalized on the total capital market.
e. This study has been based on only bank specific factors (like EPS, ROA, P/E ratio, BVPS) affecting the stock price.
f. Only limited financial and statistical tools are used for study.

CHAPTER II

LITERATURE REVIEW

Review of literature means reviewing research studies of other relevant propositions in the related area of the study so that all the past studies, their conclusions and deficiencies may be known and further research can be conducted. This part of the study highlights available literature related to this research which makes base of knowledge for the study. Review of literature is stock thinking of available literature in one's field of research. A short glance of past studies in stock price movement is presented in this chapter. Different studies carried over different time periods across different markets have given varying results. In the context of Nepalese financial market, no sufficient studies have been made in the area of stock market. However, some articles and journals which are related to stock market are consulted and reviewed.

2.1. Theoretical Review

2.1.1. Equity Shares/ Common Stock

The most fundamental kind of ownership in a firm is common stock. People who own ordinary stock have a claim on a company's assets after those who own preferred stock and bonds (www.greekshares.com).

As a result, the return on investment of a stockholder is less certain than that of a loan or a preferred stockholder. A common stockholder's return, on the other hand, is not bounded on the upside like the others. A common equity share can have a par value or not have one. The stock par value is a figure that appears in the corporate chapter but has no economic significance. Stockholders who bought shares at a discount to their par value will lose money if the company issues stock at a discount to its par value (Horne, 2001).

The company's earnings and assets are subject to a residual claim by common investors. This means that the law requires the company to pay employees' wages, suppliers' bills, and loan holders' interest first, and then common stockholders' share in any remaining revenues or losses after all other bills have been paid. Furthermore, if the company files for bankruptcy, the law mandates that all bills be paid before ordinary stockholders are allowed to distribute any remaining assets.

A) Common stock values

(I) Par value:

The face value of a stock is its par value. It was created to ensure that the corporation is paid a fair price for the value of the company represented by a share of stock. Another reason for par values was to prevent stockholders with friends in the company from acquiring shares at a discount while other buyers of identical shares had to pay more. Price discrimination against a potential investor by selling shares at a discount to friends (Francis, 1483).

The par value of the stock does not change without a stock split or other action by the board of directors because the face value is determined at the moment the stock is first issued. The company act of 1993 dictates that the par value of a new issue be Rs.100 (Chenney, & Mosses, 2022).

(II) Book value:

The book value per share is computed by multiplying the total value of the common stock (or par value + paid-in surplus plus retained earnings accounts) by the number of shares of common stock outstanding in the net worth part of the balance sheet. The book value of a company's assets presents a picture of the company's assets, but it has no bearing on stock prices. Companies may discover that their common stock is selling for less than its book value (Francis, 1483).

(III) Market value:

The secondary market's market value is driven by demand and supply considerations, and it reflects the consensus opinion of investors and traders on the stock's "worth." Many factors influence market value, including economic and industry conditions, predicted earnings, dividends, as well as market and company risk (Chenney, & Mosses, 1995).

B) Classification of the common stock on the basis of their features

(i) Blue Chip Stock:

Blue-chip stocks are equities of very large, well-established corporations with excellent balance sheets and market capitalization. For example, foreign companies like General Motors, IBM and Xerox are often referred as to blue chips.

(ii) Growth Stocks:

Stocks whose price rises in line with corporate earnings and dividends, with a higher rate of increase than the average price increase.

(iii) Income Stock:

Stocks having stable cash dividend records are often called income stocks.

(iv) Cyclical and Defensive Stocks:

Cyclical stocks are those that are impacted by economic and industrial cycles, whereas defensive stocks are those that are less vulnerable to economic and industrial cycles.

v) Speculative Stocks:

Speculative stocks are equities that investors are interested in for speculative reasons.

(vi) Small Stocks:

Stocks depending upon the capitalization norms are generally known as small or even blue chip stocks are small stocks.

(vii) Treasury Stocks:

If a corporation decides to buy back its own stock, the acquired stocks are called treasury stocks.

2.1.2. Securities Market

The Securities Market is critical for obtaining funding from stock offerings. A securities market (also known as a financial market) is a trading platform that links buyers and sellers of financial assets. A securities market, on the other hand, is a location or locations where securities are bought and sold, as well as the facilities and people involved in such transactions, as well as the demand for and availability of securities to be traded, as well as buyers' and sellers' willingness to reach a sales agreement. The over-the-counter market (OTC), the New York Stock Exchange (NYSE), the Chicago Board of Trade (CBT), the American Stock Exchange (AMEX), and the Nepal Stock Exchange are all examples of securities markets (NEPSE). “Securities Market is one of the constituents of the capital

market. It has a wide embracing for the buying and selling securities and all these agencies and institution which access the sale and resale of corporate securities" (Gitman, 2000).

Securities Exchange Act 2063 (2007) defined securities as "any shares, stocks, bonds, debentures, debenture stocks or collective investment scheme certificate issued by a body corporate or treasury bonds, saving bonds or bonds issued by the Government of Nepal or by a body corporate against the guarantee of the of the Government of Nepal, and this term also includes such other securities as may be specified by the Board to be transacted or transferable through the stock exchange or the instrument to purchase, sell or exchange such securities."

The security market can be divided into several categories. Money and capital markets, for example, can be categorized according to the duration of the securities traded; financial claims, such as debt and equity markets; or economic purposes, such as primary and secondary markets. The most prevalent classification is one based on economic function. So, it has been explained briefly below:

A. Primary Market

Newly issued securities are traded on the primary market. It's possible that the issuer is a brand-new company or one that has been operational for a long time. The market for an issuer's initial public offering of securities is referred to as the "primary market." The number of new issues in the primary market, particularly ordinary stock, is directly influenced by market circumstances. When the market is high or increasing, the number of new issues available to the public rises; when the market is low or falling, the number falls (Cheney, & Moses, 1995).

The investment banking house is the major market's dominant institution. It is a conventional primary market middleman. When a firm seeks to raise fresh capital from the outside, it typically uses the services of investment bankers in developed countries to facilitate the process. The primary function of an investment banker is to bring sellers and buyers together in the market. They specialize in the introduction of new securities to the market. They provide security design advice to businesses. Despite the fact that there are a variety of options, the investment banking firm underwrites a fresh issue of securities. Investment bankers agree to buy securities from the issuing firm and then sell them to the general public under an underwriting agreement (Dhakal, 2018).

Many corporations also engage in the private placement of securities, which is done without the involvement of investment bankers. In a private placement, the issuer of the securities sells securities directly to investors without the need for investment bankers' underwriting services. This strategy is less expensive and eliminates the need for underwriting (Baron, 1980).

B. Secondary Market

The secondary market is where previously issued securities are traded. The secondary market accounts for the vast bulk of all capital market transactions. The proceeds from the selling of securities on the secondary market go to the owners of the securities, not the original issuer. In other words, securities are traded between individual and institutional investors. The function of the secondary market is to provide liquidity for securities purchased in the primary markets. Investors need a place to sell their securities in the secondary market after purchasing them in the primary market.

Secondary markets are divided into:

1. The over-the-counter market
2. The organized stock exchanges

i. The Over-the-Counter Market

The over-the-counter market (OTC) is where securities that are not listed on stock exchanges are traded. When a corporation initially sells its securities to the public, they are traded on the over-the-counter market (OTC). It encompasses all securities transactions other than those conducted on stock exchanges. In reality, however, the word is usually limited to the activities of unlisted securities dealers and brokers. The OTC market has relatively low entrance barriers, and traders can range in size from very large worldwide corporations to single individuals or small businesses that solely trade in local marketplaces (Murphy, 2019).

ii. The Organized Stock Exchange

The organized stock exchanges are voluntary association of members who come together for the purpose of buying and selling, for the general public, the securities of great companies. Only listed securities are traded in the exchange and are bought and sold by auction.

2.1.3. Theory of Stock Price Behaviors

Market prices are the functions of various factors, these factors affect the market prices of security. Thus, market prices fluctuate and it is not for a short period but over a century. The stock market price is determined by the interaction of demand and supply forces. When demand is high and supply is low, stock prices rise, and vice versa. To explain stock price behaviour, there are essentially two schools of thinking (Gyawali, 2010). They are as follows:

i. Inefficient market theory

ii. Efficient market theory

- Inefficient Market Theory

This theory's central claim is that the security market is inefficient. The standard approach to securities price analysis is another name for this idea. It includes technical analysis theory and fundamental analysis theory, because "Prior to the development of efficient market theory, investors were generally divided into two groups: Fundamentalists and Technicians" (Reilly, 1986). The two groups are explained as follows:

1. Technical analysis

The technical analysis theory of share price behaviours is based on past market information. The technical analysis seeks to identify price patterns and trends in financial markets and attempts to exploit those patterns. While technical use various methods and tools, the study of price charts is primary. This theory includes the study of the past price and value date of stocks to forecast future price movement.

Technical analysis has some assumptions. They are:

i. Market value is determined by the interaction of demand and supply.
ii. Supply and demand are governed by numerous factors, both rational and irrational.
iii. Security prices tend to move in trends that persist for an appreciable length of time, despite minor fluctuations in the market.
iv. Changes in supply and demand, no matter why they occur, can be defected sooner or later in charts of market transactions.

v. Some chart pattern trends repeat themselves (Francis, 1986).

Over the last few years, technical analysis has grown in popularity as more individuals feel that a stock's historical performance is a good predictor of future performance. In recent decades, many additional technical tools and theories have been developed and improved, with a growing emphasis on computer-assisted techniques. According to technical analysis, monitoring the historical movement of stock prices might provide crucial information regarding future stock price fluctuations. Financial data is documented on graph paper and examined for repeating patterns. Technical analysts use charts to make their buy and sell decisions (Aryal, 1995).

Technical analysts are frequently referred to as chartists since they focus much of their attention on charts of securities market prices and related statistics regarding security transactions. In order to forecast asset prices, most technical analysis develops and studies charts of many financial indicators (Brock, 1992). However, the existence of technical analysis in Nepal remains a question. Technical analysis is based on the notion that history tends to repeat itself on the stock exchange. If a specific pattern of action has produced a certain result nine times out of ten in the past, there is a substantial possibility that it will create the same result in the future. However, it should be noted that a substantial portion of the technical analysis approach lacks a formal logical justification.

2. Fundamental Analysis

Fundamental analysis is a method of measuring a security's intrinsic value by examining related economic and financial factors. Fundamental analysts look at everything that can affect the value of a security, from macroeconomic issues like the state of the economy and industry circumstances to microeconomic elements like the effectiveness of the security's management. The ultimate goal is to arrive at a number that can be compared to the current price of a security to determine whether it is undervalued or overvalued. Technical analysis, which forecasts the direction of prices by analyzing historical market data such as price and volume, is considered to be in contrast to this method of stock analysis (Segal, 2021).

i. Fundamental analysis is a method of determining a stock's real or "fair market" value.
ii. Fundamental analysts search for stocks that are currently trading at prices that are higher or lower than their real value.

iii. If the fair market value is higher than the market price, the stock is deemed to be undervalued and a buy recommendation is given.
iv. In contrast, technical analysts ignore the fundamentals in favour of studying the historical price trends of the stock (Segal, 2021).

- Random Walk/Efficient Market Theory

Random walk theory suggests that changes in stock prices have the same distribution and are independent of each other. Therefore, it assumes the past movement or trend of a stock price or market cannot be used to predict its future movement. In short, the random walk theory proclaims that stocks take a random and unpredictable path that makes all methods of predicting stock prices futile in the long run (Smith, 2020).

Random Walk has some assumptions; they are:

i. Random walk theory suggests that changes in stock prices have the same distribution and are independent of each other.
ii. Random walk theory infers that the past movement or trend of a stock price or market cannot be used to predict its future movement. Random walk theory believes it's impossible to outperform the market without assuming additional risk.
iii. Random walk theory considers technical analysis undependable because it results in chartists only buying or selling security after a move has occurred.
iv. Random walk theory considers fundamental analysis undependable due to the often poor quality of information collected and its ability to be misinterpreted (Smith, 2020).

All financial economists embraced the Efficient Market Hypothesis (EMH) idea decades ago. If the present stock price in the market fully reflects the information available in the market about the firm's value and the true economic situation, the market is considered to be efficient ((Fama, 1970). In a well-functioning market, there is no way to make excessive profits by utilizing the available data. All investors in the capital market hope for a well functioning market; if the market is well-functioning, it will be easier for investors to decide how to act in order to obtain abnormal returns (Sikora, 2018).

According to Fama (1970), there are three categories of the Efficient Market Hypothesis. These are categorized based on the amount of information available. Here is the explanation of each category:

a. Weak Form Efficiency

The stock price fully reflects previous information, such as historical price, trading volume, and the short-term interest rate, according to the weak form of the efficient market hypothesis. Analyzing historical data alone will not enable others to spot mispriced assets and "beat" the market. On the other side, many investors presently try to predict the price using previous prices and trade volumes, a practice known as technical analysis.

b. Semi-strong Form Efficiency

The semi-strong form efficiency means that the stock price fully reflects all publicly available information. All publicly available information includes not only historical price, trading volume, and interest rate, but also financial statement data (annual reports, income statements, etc.), earnings and dividend announcements, announced merger plans, the financial situation of a company's competitors, and macroeconomic factors such as inflation, unemployment rate, and others. It will be easier to anticipate the price if investors have all of the information. The experienced market analyst must assess the information provided in a semi-strong efficiency market. Furthermore, obtaining public information is complex and expensive.

c. Strong Form Efficiency

The strong form efficiency states that the stock price fully reflects all information, including unreleased information. All investors anticipate a market like this. The strong form of EMH asserts that those who are part of a company's management (insiders) are unable to profit consistently by buying the company's stock as soon as the management decides (but did not publish yet).

The strong form efficiency states that the stock price fully reflects all information, including unreleased information. All investors anticipate a market like this. The strong form of EMH asserts that those who are part of a company's management (insiders) are unable to profit consistently by buying the company's stock as soon as the management decides (but did not publish yet).

2.2 Empirical Review

Review of International Studies

Darami et al. (2022) investigated the study the factors that influence the share price of commercial banks that are publicly traded on the Malaysian Stock Exchange, the Bursa Malaysia, between 2011 until 2020. Data for this study were gathered from the annual reports for the sample banks and these data were examined with the help of regression modeling. The findings demonstrated that earnings per share, dividend payout ratio, dividend yield and the size of the bank all have a statistically significant positive relationship with share price. The key result of the study is that the dividend yield, earning per share, and price earnings ratio are the most important elements in determining the share price of commercial banks listed on the Malaysian stock exchange.

Hossain (2020) examined the fundamental factor of share price volatility in Bangladesh specially the private commercial banks listed in the Dhaka Stock Exchange Ltd. Thus, this study tries to investigate the association of share price with some fundamental factors like earnings per share, dividend per share, assets growth, bank size and two new variables namely capital to risk weighted assets ratio and non performing loan to total loans. Share prices of 18 commercial banks listed in DSE from 20214 to 2018 totaling 90 observations have been considered for analysis. The study applied panel data set in regression model using fixed-effect with Driscoll and Kraay's standard errors to test hypothesis by STATA 13 software. The empirical result of the study presents that earnings per share, dividend per share, bank size and non performing loan to total loans significantly affect the market price of share. This study could be extended further by considering all listed firms of DSE which will give us more insight into share price volatility in Bangladesh.

Chowdhary et al. (2019) investigated the impact of some selected characteristics on the movement of the financial sector's share price in Bangladesh, such as dividend, Price Earnings Ratio (P/E), Net Asset Value (NAV), Earnings per Share (EPS), Dividend Payout Ratio, and size. Banks and non-bank financial institutions made up the financial sector. 30 banks and 18 non-bank financial entities listed on Bangladesh's Dhaka Stock Exchange (DSE) were included in the sample. From 2011 to 2015, secondary data was collected from these businesses. SPSS 20 was utilized to do multiple regression analysis in this investigation. The data revealed that the impact of the variables differs depending on the company. Dividends, P/E, NAV, EPS, Dividend Payout Ratio, and size were among the

major factors that had a substantial impact on stock prices in Bangladesh's banking industry. Non-bank financial institutions, on the other hand, were only affected by dividends, P/E, DPR, and NAV.

Almaaiteh and Alsaraireh (2019) identified the impact of accounting indicators on the market price of share for the Jordanian commercial banks listed in Amman Stock Exchange (ASE) for the period 2006-2017. The study adopted STATA program in data processing and Random effect regression model was chosen to test the relationship. The empirical results of the study reveal a positive and significant relationship between EPS, DPS, BVPS, P/E ratio and market price of share. In addition, the regression results showed that the rate of return on equity and earnings per share were the most influential variables in the market price per share for commercial banks. Similarly, the regression result shows that retained earnings per share has negative and significant relation with market price of share, on the other hand, financial leverage variable has a negative but insignificant relationship with market price but current ratio variable has a positive and insignificant relationship with market price of share. The study recommended that investors in Amman Stock Exchange should be attention to the accounting indicators in order to build their investment decision.

Aveh et al., (2017) examined the firm-specific determinants of stock prices on the Ghana Stock Exchange after the adoption of IFRS and successfully recognized the key factors that influence the market price of shares traded on the GSE. The empirical findings revealed using panel regression analysis found positive and significant relationship between ROE, EPS, BVPS and market capitalization suggesting that these variables are major determinants of the market price of shares on the Ghana Stock Exchange. However, a significant negative relationship was found between the market price of shares and dividend yield that suggests that dividend decisions are not critically important in influencing the market price of shares. The study acted as a guide to potential investors on the Ghana Stock Exchange to focus on the factors discussed above before making investment decisions. The study found that those interested in investing in stocks listed on the GES should monitor the performance of specific variables before making a decision to expand their portfolio. Furthermore, the listed companies should focus their attention on improving the figures related to the significant variables that affect the market price of shares.

Ali and Waheed (2017) investigated the association of dividend policy with share price volatility by resting the focal point on all the listed corporations in Pakistan Stock Exchange

taking top 10 companies as sample over a time span from 2007 to 2016. Data were analyzed using regressions analysis under the method of least square model. All independent variables had significant impact on share price volatility which shows that firm pays regular dividend to its shareholders are more stable in their stock price. The dividend yied and dividend payout along with firm‟ s size and growth have a significantly negative association with share price whereas earnings volatility and leverage have a significantly positive association with share price.

Velankar et al. (2017) examined the impact of EPS and DPS on stock price of selected public sector banks of India. The time series data on different variables; EPS, DPS and Stock Price were taken from the websites of money control and NSE over 9 years period from 2006-07 to 2014-15. Stationarity test, regression model assumption was checked through ARCH LM test and analyzed the impact of EPS and DPS on stock price. From the test of hypothesis, the results revealed significant effect of EPS and DPS on stock price and suggest to consider other determinant influencing stock price.

Sharif et al. (2015) identified the main determinants affecting share prices in the Bahrain financial market. The study analyzed a panel data set of 41 companies listed in the Bahrain stock exchange for the period 2006-2010 through the use of POLS, FE and RE regression model. The study mainly tried to establish a relationship between market price of shares and other factors. The study observed eight firm specific variables namely return on equity, book value per share, earnings per share, dividend per share, dividend yield, price earnings, and debt to assets and controlled by firm size, have been studied to infer their impact on market price of shares in the respective market. The results indicate that the variables 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. This study suggests that investors can make investment decision and be assured fair returns from consideration of determinants having significant contribution to market price of share. This suggests that investors can make optimum investment decisions and be assured fair returns if they consider these determinants which have evolved to be the significant contributors to the market price of shares in Bahrain that investors can make optimum investment decisions and be assured fair returns if they consider these determinants which have evolved to be the significant contributors to the market price of shares in Bahrain.

Geetha and Swaaminathan (2015) examined about the influence of book value, earnings per share (EPS) and price earnings ratio towards the market price of the share using ratio analysis techniques. The paper is an attempt to analyze the influencing factors which affects the movement of stock price either upward or down trend. The research shows that EPS has a significant effect on market price. But the dividend per share does not have positive or negative effect towards the market price and suggested to extend with other companies using other validating techniques in order to evaluate the system to explain the unsolved factors.

Arshad et al. (2015) conducted research on the title of "determinants of share prices of listed commercial banks in Pakistan". During this research, researcher collected the data from listed commercial banks in Karachi stock exchange over the period 2007-2013. One of the unique features of this paper is to find out the impact of both internal and external factors on share price. Linear multiple regression analysis is used to determine whether the selected independent variables have influence on share prices or not. The results indicate that earning per share has more influence on share prices and it has positive and significant relationship with share prices, book to market 20 value ratio and interest rate have also significant but negative relation with share prices while other variables (gross domestic product, price earnings ratio, dividend per share, leverage) have no relationship with share prices.

Almumani (2014) identified the quantitative factors that influence share prices for the listed banks in Amman Stock Exchange over the period 2005-2011 using a linear multiple regression model. There is a significant positive relationship between EPS and the MPS of the listed banks in Jordan. Moreover, there is a significant relationship between banks BVPS and MPS. Another empirical finding from the regression analysis shows a positive relationship between P/E ratio and MPS. Empirical findings from the regression analysis on the relationship between SIZE and MPS indicate that there is an inverse relationship between Size and MPS. Finally, other variable DPS has insignificant impact on MPS.

Malhotra and Tandon (2013) attempted to determine the factors that influence stock prices in the context of National Stock Exchange (NSE) of 100 companies. A sample of 95 companies was selected for the period 2007- 2012 and linear regression model was used. The findings revealed that a firm's book value, earnings per share, and price-earnings ratio have a substantial positive relationship with its stock price, whereas dividend yield has a large inverse relationship with its stock price.

Srinivasan (2012) analyzed the study of fundamental determinants of share price in India. The study employed panel data consisting of annual time series data over the period of 2006-2011 and cross-section data pertaining to 6 major sectors of the Indian economy, namely, heavy and Manufacturing, Pharmaceutical, Energy, IT and ITES infrastructure and Banking. The Fixed Effect Model and Random Effects model were employed to investigate the objective. The empirical results reveal that earning per share, price-earnings ratios and size had a positive and significant impact on the share price of commercial banks.

Sharma (2011) examined the relationship between equity share prices and explanatory variables such as: book value per share, dividend per share, earning per share, price earnings ratio, dividend yield, dividend payout, size in terms of sale, and net worth for the period 1993-94 to 2008-09. Different statistical tools such as correlation and regression analysis were used to analyze the data. The results revealed that earning per share, dividend per share, and book value per share has significant impact on the market price of share. Furthermore, results of the study indicated that dividend per share and earnings per share being the strongest determinants of market price, so the results of the study supports liberal dividend policy and suggests companies to pay regular dividends.

Ifran and Nishant (2002) analyzed factors exerting impact on the share prices in Karachi Stock Exchange for the period between 1981-2000. The study employed cross-sectional weighted least square regression and analyzed the impact of six variables viz. dividend yield(DY), payout ratio, size(S), asset growth, leverage and earning volatility on share prices. Of these the payout ratio, size, leverage and dividend yield emerged as the significant factors affecting the stock market prices in Karachi. This suggests that firm specific factors have a significant impact on market price of shares.

International articles so far reviewed are also presented in Metatable.

Table 1

Summary of Empirical Review

S.No	Date/ Author	Title	Objective	Methodology	Finding
1	Darami, et al.(2022)	Determinants of share	The study has been	Correlation Analysis	The findings demonstrated that

		price on commercial bank in Bursa Malaysia.	undertaken to examine empirical relationship between stock price and selected company specific in strict factor (EPS, DPR, DY, P/E, S)	and Regression Model	earnings per share, dividend payout ratio, dividend yield and the size of the banks all have a statistically significant positive relationship with share price, however the price to earnings ratio has a statistically significant inverse relationship with share price.
2	Hossain, M.Z(2020)	Factors of share price volatility: Empirical evidience from private commercial bank in Bangladesh	The objective of this is to investigate the fundamental factor of share price volatility in Bangladesh specially the private commercial banks listed in the Dhaka Stock Exchange Ltd.	Pannel data set in regression model, to test hypothesis STATA 13 Software	The empricial result of the study presents that earnings per share, dividend per share, bank size and non-performing to total loans significantly affect the market price of share

3	Chowdhary et al.,(2019)	Determinants of Stock Price of Financial Sector - a Study on Banks and Non-bank Financial Institutions in Bangladesh.	The objective of this study is to investigated the impact of some selected variables like dividend, price earnings ratio(P/E), net asset value (NAV), earning per share(EPS), dividend payout ratio(DPR) and size on the movement of share price of financial sector in Bangladesh.	SPSS 20 was utilized to do multiple regression analysis in this investigation.	Dividends, P/E, NAV, EPS, Dividend Payout Ratio, and Size were among the major factors that had a substantial impact on stock prices in Bangladesh's banking industry. On the other hand, Non-bank financial institutions were only affected by dividends, P/E, DPR, and NAV.
4	Almaaiteh & Alsararieh	Impact of accounting indicators	Determine any accounting	STATA program in data	The empirical review of the study shows the positive

	(2019)	on the market price of share for Jordanian commercial bank	indicators that affects the changes in the price of shares of commercial banks. Measurement of the contribution of these accounting indicator in the interpretation of change in share of commercial banks	processing & Random Regression Model	and significant relationship between EPS, BVPS , DPS, P/E Ratio with the market price per share. Similarly regression result shows that earning per share has negative and significant to market share
5	Aveh.et. Al.,(2017)	Firm-Specific Determinants of Stock Prices in an Emerging Capital Market: Evidence from Ghana Stock Exchange	To improve the information provision and investors understanding of operations of the entities and consequently performance of the firm	Panel Regression Analysis, Correlation	The study found that EPS, ROE, BVPS, Market Capitalization of the Firms is relevant in explaining stock prices after the adoption of International Financial Reporting Standards (IFRS) in Ghana.

6	Ali and Waheed, (2017)	Impact of Dividend Policy on Share Price Volatility	To know the impact of dividend payout, dividend yield, firm size, firm growth, earning volatility, leverage on stock price volatility	Fixed Effect Regression Model	The study investigated that all independent variables have significant impact on share price volatility. The dividend yied and dividend payout along with firm‟s size and growth have a significantly negative association with share price whereas earnings volatility and leverage have a significantly positive association with share price.
7	Velankar, Chandani, and Ahuj (2017)	Impact of EPS and DPS on Stock price : A Study of Selected Public Sector Banks of India	To analyze the impact of EPS and DPS on stock price of selected public sector banks., To open new avenue for further research	Stationarity test, Regression Model and ARCH LM Test	The study concluded by testing the hypothesis that there is a significant effect of EPS and DPS on stock price of selected Public sector banks in India
8	Sharif,	Analysis of	To know the	POLS,FE	The results indicate

	Purohit, and Pillai, (2015)	Factors Affecting Share Prices: The Case of Bahrain Stock Exchange	impact of return on equity ,book value per share, dividend per share, dividend yield , price earnings ratio and firm size on stock price	and RE Regression Model	that the variables 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
9	Geetha and Swaaminathan (2015)	A study on the factors Influencing stock price: A Comparative study of Automobile and Information Technology Industries stocks in India	To analyze the stock market, earnings per share, book value per share , price earnings ratio and dividend yield on stock price of selected company	Ratio Analysis Techniques	The study attempted to analyze the influencing factors which affects the movement of stock price either upward or down trend. The research shows that EPS has a significant effect on market price. But the dividend per share does not have positive or negative effect towards the market price.
10	Arshad,	Determinan	Determine	Linear	The major finding

	Arshad, Yousaf and Jamil, (2015)	ts of Share Price of Listed Commercial Banks in Pakistan	different internal and external factors that influence the share price of commercial banks in Pakistan. Check the relationship of these factors with the stock price of KSE	Multiple Regression Model, Pearson's Correlation Coefficients	are EPS has more influence factor and it has positive as well as significant relationship with share price. B/M ratio and Interest Rate have also significant but negative relation with share price while other variables (GDP, P/E ratio, DPS, Leverage) have no relationship with share price.
11	Almumani (2014)	Determinants of Equity Share Prices of the Listed Banks in Amman Stock Exchange	To examine the empirical relationship between stock price and selected internal factor (book value per share, dividend per share , earnings per share and price earning	Mean, S.D, Correlation, Multiple Regression Model	The study revealed that EPS, DPS, BVPS, P/E are major determinants of share prices. The researcher concluded that DPS,EPS, BVPS, P/Ecan be used to forecast share prices.

			ratio)		
12	Malhotra and Tandon (2013)	Determinants of Stock Prices: Empirical Evidence from NSE 100 Companies	The objective is to review the existing literature by examining the empirical relationship between stock prices and company specific intrinsic factors such as BVPS,DPS, DY, DPR, SIZE in term of sale and net worth from NSE 100 companies	Correlation, Linear Regression Model.	Firms' BVPS, EPS and P/E ratio are having significant positive relation with firm's stock price while Dividend Yield is having a significant inverse to the market price.
13	Srinivasan (2012)	The study of fundament determinant of share price in India	To examine the empirical relationship between stock price and selected internal factor like	Fixed Effect Model and Random Effects Model	The empirical results reveal that earning per share, price earning ratio and size had positive and significant impact on the share price

			book value per share, earnings per share, price earnings ratio and firm size		of commercial bank
14	Sharma (2011)	Determinants of Equity Share Prices in India	To examine the empirical relationship between equity share price and explanatory variables such as book value per share, dividend per share, dividend yield, dividend payout, size in terms of sale and net worth	Descriptive statistics, Correlation and Regression	EPS, DPS, and BVPS has significant impact on the market price of share.DPS and EPS being the strongest determinants of market price, so the results of the study supports liberal dividend policy and suggests companies to pay regular dividends.
15	Ifran and Nishant (2002)	Factors affecting on the share price in Karachi	Determine the internal and external factors that influence the share price	Correlation, cross sectional weighted least square regression	The payout ratio, size, leverage and dividend yield emerged as the significant factors affecting the stock

	of commercial banks in Karachi. Investigated the relationship of these factors with the stock price of KSE.	market prices in Karachi

Review of Nepal studies

Dhodary (2023) analyzed determinants of stock price of Nepalese commercial banks. This study is conducted by using quantitative method followed by descriptive research to make brief and accurate study on selected variables and pooled cross-sectional data that are collected from NEPSE listed banks at one point in time. The data are collected covering the period from the F/Y 2011/12 to 2020/21. Ten commercial banks are selected as representative target population of 26 commercial banks. The research variables are book value per share, P/E ratio, firm size, dividend payment, return on equity and market price per share. Under this statistical analysis, descriptive statistics, correlation and multiple regressions are conducted. Descriptive statistics show the book value per share and firm size of Nepalese commercial banks have been found steadily growing whereas the profitability, dividend and stock performance in market are quite volatile. Share price of Nepalese commercial banks is positively correlated to BVPS, P/E ratio, ROE and DIV whereas negative relationship with firm size (FS). Among the independent variables, all variables except Firm SIZE are statistically significant. Regression result reveals that BVPS, PE, ROE and DIV have positive and significant impact on MPS whereas firm size has significant and negative impact on MPS.

Joginder and kherel (2022) examined the factors influencing stock price variability of commercial banks in Nepal. This study the impact of variables such as dividend per share, earning per share, price earnings ratio and net worth per share on the market per share of Nepalese Commercial Banks. The panel data of four commercial banks have been used to assess the association and impact of determinants of stock price behavior. In this study, secondary panel data covering years (2011/12-2020/21) have been used. According to findings of this study, earnings per share has a significant positive relationship with the dividends per share and price earnings ratio but a negligible positive relationship with market price per share, earning per share and net worth per share of commercial banks

Niroula (2021) assessed how stock prices in Nepalese commercial banks have changed over time. MPS is the dependent variable in this study, with EPS, PE Ratio, DY Ratio, Size, ROE, BV per share, and ROA as experiment variables. Secondary data was gathered from commercial banks' annual reports published over five years, from 2015/16 to 2019/20. SPSS version 23 is used to analyze and interpret the data using a descriptive and analytical research design. Using convenience sampling, eighteen commercial banks were chosen as a sample from a population of 27. The impact of independent variables on MPS was demonstrated using a multiple linear regression model. The findings show that EPS, PE ratio, and bank size all have a positive and statistically significant impact on MPS. The effects of other variables are minimal.

Bhattarai (2020) examined the factors that affect the market share price of commercial banks from 2013/2014 to 2017/2018 of Nepalese Commercial Banks. The bank`s specifics secondary panel balance was collected from 12 sample commercial banks by using convenient sampling techniques and data of macroeconomics variables were collected through the economic survey which was published by the Ministry of Finance, Nepal. The dividend payout ratio, DY, P/E ratio, S, GDP, growth rate and INF were used as independent variables. The study employed descriptive, correlation and causal comparative research design the data were analyzed through the pooled OLS and Fixed Effects Models as directed by the model diagnosis test.

The findings from both models were more or less the same. The dividend payout ratio showed negative and statistically significant with market share price. The DY, EPS were positive and statistically significant with market share per prices. The bank size, gross domestic product growth rate and inflation rate were not part of the market share price. The

study had recommended for the management of the commercial bank the strengthen its effort for effective management of the bank specific factors to avoid the negative effect on the share price.

Silwal and Napit (2019) analyzed and examined the determinants of the stock price in Nepalese commercial bank. The study is based on pooled cross-sectional data of ten banks whose stocks are listed in Nepal Stock Exchange. The study employed correlation and causal comparative research design and results revealed that BVPS, P/E ratio, and ROE, have positive relation with stock price. It revealed that book value per share is the most influential factor that determines stock price in Nepal.

Pradhan and Baral (2018) analyzed the impact of dividend policy on share price of commercial banks in Nepal. The paper investigates the relationship between dividend announcement, EPS, P/E ratio, DPR, on stock price by using Descriptive Statistics, Correlation and Regression, ANOVA and Wilcoxon Signed Rank Test. The articles conclude that except DPR, the other factors like EPS, P/E ratio have positive relationship with stock price among them P/E is the strongest factor that affects the share price in case of top gainer commercial banks whereas EEPS, P/E ratio and DPR have positive influence on stock price among them DPR is the strongest factor that affects the share pric4e in case of top loser bank.

Poudel (2016) concluded that even though DPS, BVPS and EPS affect the MPS positively, there are several other factors i.e. internal as well as external environment that affects the market price of stock. Theoretically, when earnings, dividends and book value per share increase, the market price per share also increases and vice versa. But in the case of NEPSE, this theory does not seem to be true a hundred per cent. Meaning that there are various other factors too that affect the share price.

Pradhan and Dahal (2015), examined Factor Affecting on Stock Price of Nepalese Commercial Banks, used data from 14 banks listed in NEPSE for the period 2002/03-2013/14 for their study, the result shows that firm-specific variables like earnings per share, divided per share, price-earnings ratio, book value per share, return on assets and size are the major determining stock price in the context of commercial banks in Nepal. Among the variables, dividend per share, size of the firm and money supply is found to be the most important determining variable that affects the share price. It means, the larger the firm size, the higher would be the stock price. The study concluded that the variables like earnings per

share, book value per share and return on assets have very weak effects in determining market price per share. They suggested a rational investor's need to consider dividend per share, firm size and money supply before making an investment decision along with signalling and asymmetric information in the context of an imperfect stock market like Nepal.

2.3 Research Gap

There have been several researches done before in this topic share price behavior in NEPSE. All of those researches have many useful findings and their own limitations. While reviewing literature related to this topic the past researcher has conducted research on whole stock market and some sector but this research has conducted commercial banking sector. In the previous research study only few years' data have been used but this research has taken ten years of data to analyze the share price of five first class commercial banks (NMB, ADBL, SBIL, HBL and MBL) as sample which are not taken before. Research has taken convenience sampling technique. In the previous research studies only few tools has been taken for the analysis, this study has use sufficient statistical (Mean, Standard Deviation, C.V, Correlation, Regression) and financial tools to increase the reliability and validity of this research work. The price of the stock is largely influence by the market related factors therefore; the studies are focus on signaling factors which are the major causes of the stock price fluctuating like EPS, DPS, BVPS, P/E and ROA have been taken for the research works. So, this study has tries to analyze the relationship of these factors along with influencing stock price behavior on market price of stock.

CHAPTER III

RESEARCH METHODOLOGY

Research methodology refers to the various steps that are adopted by researchers during the course, of studying a problem with certain objectives. A systematic research study requires a proper methodology to achieve the set of objectives. Research methodology is a systematic method of finding solution of a problem i.e. systematic collection, presentation, analysis, interpretation and reporting of data and information. This chapter aims to present a basic framework of the research work. This chapter contains the research design, sample size, data collection procedure, data analysis tools and techniques and variables under study that ensure validity, reliability and ethical standards in the study.

3.1 Research Design

Research design refers to the specific process and methodology that guide the investigation and provide research method. The study is based on descriptive research design and casual research design has been adopted to accomplish the predetermined objectives. The descriptive research design is used to describe collected data systematically and accurately as it helps in a fact finding and searching for adequate information about the fundamental issues association with variables affecting the behavior of market per share of Nepalese commercial banks. It describes the real and actual conditions, situation and facts. This approach has been taken to determine and understand the direction, sizes and pattern of observed relationship between the study's key variable. Thus, to fulfill the objective of the study secondary data are used.

3.2 Population and Sampling Design

A sample is a portion or a single object taken from a larger whole or group, typically provided for examination or used as evidence of quality. A sample is a representative portion of the population that has been chosen to study certain characteristics. A portion of the population of interest will be used to describe the population as a whole. The population of the study is all commercial banks of Nepal. There are 20 commercial banks in Nepal till December 2022 published by Nepal Rastra Bank. Out of 20 commercial banks, 5 samples banks have been taken as a sample for the study. Based on the share price behaviour, purposive sampling has been used for this research. Purposive sampling choose a more

representative sample and can lead to more accurate results than other probability sampling. . In this study, the population size is 20 and the sample size is 5. Details of sample banks are listed below:

Table 2

Detail of Study Sector and Sample Size

Name of sector	Total no. of listed commercial banks	No. of banks under study
Banking (commercial bank)	20	5

Table 2 presents the list of sample commercial banks along with the study period and a number of observations.

Table 3

List of Sample Commercial Banks, Period of Study and Number of Observations

S.N.	Commercial Banks	Study period	Observations
1	NMB Bank Limited (NMB)	2012/13-2021/22	10
2	Agriculture Development Bank Limited (ADBL)	2012/13-2021/22	10
3	Nepal SBI Bank Limited (SBI)	2012/13-2021/22	10
4	Everest Bank Limited(HBL)	2012/13-2021/22	10
5	Machhapuchchhre Bank Limited(MBL)	2012/13-2021/22	10
Total observations		50	

3.3 Nature and Source of Data

This research study is mainly based on the secondary data which are gathered from 5 commercial banks in Nepal. The data are taken to meet the purpose of these studies, found out trend of market price of commercial and used to analyzed the impact of internal factors of commercial banks on their share price. The necessary secondary data and information have been acquired from the annual report by economic report published by Nepal Rastra Bank.

3.4 Data Collection Procedural

The study will be done by using historical annual report of sample banks. Descriptive, co-relation and regressions method of analysis are used in the study. The descriptive statistics contains mean, standard deviation, cv which used to explain the characteristics of sample firms. The correlation analysis is used to measure the direction and magnitude of relationship between dependent and independent variable over dependent variable. It explains the different statistical tests of significance for validation of model linear regression analysis. Details analysis of model and statistical test of significance have been dealt in the following section.

3.5 Tools of Data Analysis

To achieve the objective of the research, this study has used various financial & statistical tools that are necessary to find out results. The statistical tools applied are average/arithmetic, Mean, Standard deviation, coefficient of variation and correlation coefficient. The tools applied have been discussed below:

3.5.1 Financial tools

Financial tools are used to examine the performance of bank. With the help of financial information different variable are calculated & compared to find out the strength & weakness of a bank for investment.

i. Earnings per share (EPS)

Earnings per share refer to the rupee amount earned per share of common stock outstanding. It measures the return of each equity shareholder. It is also identified to measure the profitableness of the shareholders investment. The earnings per share simply show the profitability of the on a per share basis. The higher earnings indicate the better achievements of the profitability of the banks by mobilizing their fund, and vice versa. In other words, higher earnings per share donate the strength and lower earnings per share indicates the weakness of the banks.

Earnings per share are computed to know the earnings capacity and to make comparison between concerned banks. This ratio can be computed by dividing the earnings available to common shareholders by the total number of common stock out standings of banks. Thus,

$$\text{EPS} = \frac{\text{Total common stockholder`s equity}}{\text{Number of common share}}$$

ii. Return on Assets (ROA)

Return on Assets (ROA) is a type or return on investment (ROI) that measure the profitability of a business in relation to its total assets. The ratio indicates how well a company is performing by comparing the profit it's generating to the capital it's invested in assets. The higher the return, the more productive and effective management is utilizing economic resource. The return on assets ratio, often called the return on total assets, is a profitability ratio that measure the net income produced by total assets during a period by comparing net income to the average total assets. In other words, the return on assets ratio or ROA measures how efficiently a company can manage its assets to produce profits during a period.

It only makes sense that a higher ratio is more favorable to investors because it shows that the company is more effectively managing its assets to produce greater amounts of net income. A positive ROA ratio usually indicates an upward profit and as:

$$\text{ROA} = \frac{\text{Net Income}}{\text{Average Total Assets}}$$

iii. Price Earning Ratio (P/E ratio)

The Price Earnings Ratio of a stock is the market price divided by its EPS. It relates with the comparison of market value with its earnings per share. The price earnings ratio indicates the extent to which the earnings of each share are covered by its price. It tells whether the share price of a company fairly valued, undervalued or overvalued. In general, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E.

A company is have a high P/E if investors hope their earnings from the stock is increase in demand is result in the share`s market price rising. It can be presented symbolically as:

$$\text{Price Earnings Ratio} = \frac{\text{Market Price Per Share}}{\text{Earnings per share}}$$

iv. Book Value per Share (BVPS)

Book value of equity per share (BVPS), which is the equity available to common shareholders divided by the number of outstanding share, is the minimum value of a company`s equity.

A company is having a high BVPS if investors hope their earning from the stock is increase this is why they buy the share. This increase in demand is result in the share`s market price rising.

It can be presented symbolically as:

$$\text{BVPS} = \frac{\text{Total common stockholder`s equity}}{\text{Number of common share}}$$

v. Market Price per Share (MPS)

Simply the market price per shares reflects per unit price of the share traded in the market which is determined by demand and supply of stock. This is the most visible price of financial data. The market price of common stock as a sole financial indicator is useless. Comparing these value to the EPS, higher the EPS higher MPS and vice versa.

It is also compared with book value per share (BVPS), if MPS>BVPS it is the condition of under valuation stock.MPS is calculate by dividing total market capitalization by total number of share outstanding. It can be presented symbolically as;

$$\text{MPS} = \frac{\text{Total Market Capitalization}}{\text{No.of Share Outstanding}}$$

3.5.2 Statistical Tools

i. Arithmetic Mean or Average

Mean is the value, which represents the group of values and gives an idea about the concentration of values in the central part of the distribution. An average gives us a point that is mostly representative of the data. It depicts the characteristics of the whole group. The value of the arithmetic mean lies in between the two extreme observations of the entire data. It is an envoy of mass homogeneous data. The value of the AM is obtained by adding together all the items and by dividing this total by the number of items.

Mathematically,

$$\overline{X} = \frac{\Sigma X}{N}$$

Where,

$\overline{x}$ = Arithmetic Mean

$\sum x$ = Sum of the values of the variable

N = Number of observation

ii. Standard Deviation (σ)

The standard deviation (σ) measures the absolute dispersion. The greater the standard deviation, the greater will be the magnitude of the value from their mean. A small standard deviation means a high degree of uniformity of the observations as well as homogeneity of a series & viceversa.

It is calculated as follows :

$$\text{S.D } (\sigma) = \sqrt{\frac{\sum(X-\overline{X})2}{N}}$$

Where,

σ = Standard deviation

X =Number of X- series

$\overline{X}$ = Mean

N = Number of observation in a sample

iii. Coefficient of variation (CV)

The coefficient of variation (CV) is a relative measure of risk. It is the standard deviation divided by the expected return, which measures risk per unit of return to compare the variability between two or more series, CV is a more appropriate statistical tools.

Mathematically,

$V = \frac{\sigma}{\bar{X}} * 100$

iv. The Descriptive Statistics

The descriptive statistics containing minimum, maximum mean and standard deviation of the variables from the sampled commercial banks found, presented and analyzed accordingly in this study. The value of mean reports the arithmetical average of variables which are included in this study. An average provides a point which is most representatives of the data. The minimum and maximum values indicate the lower and the highest value of variable. The standard deviation exhibits the diversity or variability in the data set of each variable. A small standard deviation towards the data points are inclined to be extremely close to the mean; while high values of standard deviation points that the data set is broaden out over a large range.

v. Correlation Analysis

Having indicated the descriptive statistics, Pearson's correlation coefficient is a way to index the degree to which two or more variables are associated with or related to each other. It is the most widely used effective tools in management research area. The correlation coefficients show the magnitude and direction of the linear relationship between market value of share and variables affecting market price of the share of the sample commercial banks. Correlation coefficient between two variables ranges from +1(i.e. perfect positive relationship) to -1(i.e. perfect negative relationships).

vi. Coefficient of Determination

The coefficient of determination gives the percentage variation in the dependant variable that is accounted for by the dependant variable/s. In other words, the coefficient of determination gives the ratio of expected variance to the total variance. The coefficient of determination is given by the square of the correlation coefficient, i.e. $r2$ So, the coefficient of determination = Square of correlation = (r2).

vii. Regression Analysis

Regression analysis is a statistical technique used to simulate the relationship between a dependent variable and one or more independent variables .In order to forecast the value of the dependent variable based on the values of the independent variables, regression analysis aims to fit a mathematical equation to the observed data. Both simple linear regression with

one independent variable and multiple regressions with two or more independent variables can be examined using regression analysis. It provides various statistical tests of significance, such as the t-test, F-test, and linear regression analysis, for the validation of models. Using the statistical package for social science, the t-test is used to assess each model for individual effects (SPSS 27).

viii. Model Specification

Model specification is the process of defining and selecting a statistical model's structure for a certain collection of data. It involves selecting the appropriate variables, defining the functional form of the relationship between the variables, choosing the estimation method, and determining the appropriate assumptions and constraints for the model. The research topic, the type of data, and the underlying theoretical or causal links between the variables must all be carefully taken into account while developing a model. The statistical models used in this work attempt to evaluate Share price behaviour of Nepalese commercial banks.

The following regression model is used in the study to examine the share price behaviour on selected Nepalese commercial banks. Thus, the following model equation is designed from the conceptual framework. The function of dependent variables MPS takes the following forms.

$$MPS = f(EPS, ROA, P/E\ ratio, and\ BVPS)$$

More specifically, the given model has been segmented into following models:

Model 1

In this model, the dependent variable is MPS indicated by market capatialization to no.of share outstanding. EPS, BVPS, ROA, P/E ratio are independent variables which are tested on MPS. The model is presented as below:

$$MPS = \beta o + \beta_1 EPS + \beta_2 ROA + \beta_3 P/E\ ratio + \beta_4 BVPS$$

Where,

MPS = Market price per share

P/E ratio = Price Earnings ratio

EPS = Earning price per share

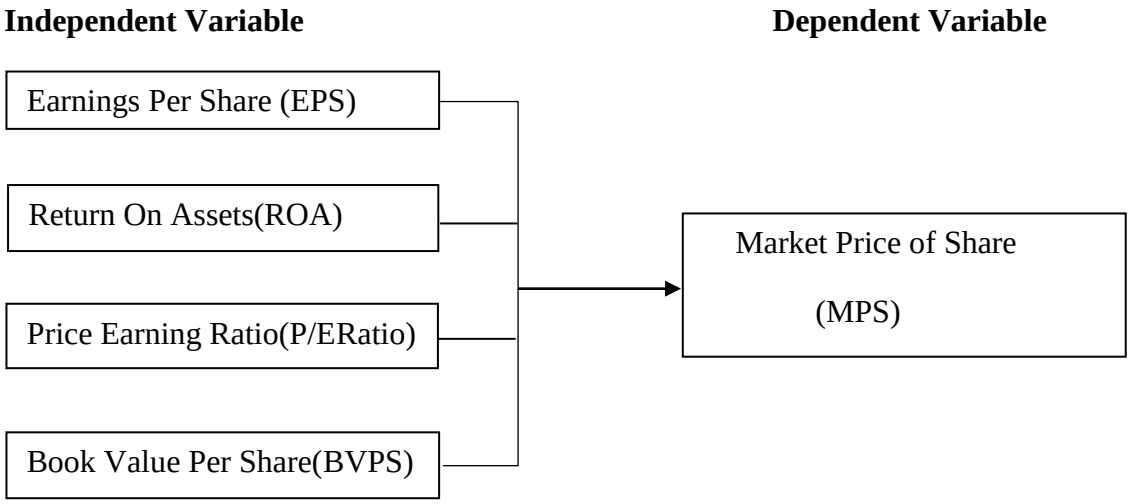
BVPS = Book value per share

ROA =Return on assets

βo = Constant

β_1, β_2, $\beta_{3, \text{ and}}$ β_4 are parameters of the independent variables.

3.6 Research Framework and Definition Variables



Source: (Pradhan and Dahal, 2016)

Figure 1: Research Framework

Figure 1 shows independent and dependent variable of this study. Market price of share (MPS) is dependent variable of the study. Another side Earnings per Share (EPS), Price Earnings Ratio (P/E ratio), Book Value Per Share (BVPS), Return on assets (ROA),are measure independent variable of this study. The research framework is designed to understand the factors that may affect the market price per share. In view of theories and major empirical evidence, it is expected that the market price per share of commercial bank may be influenced by earnings per share, price earnings ratio, book value per share, and return on assets of the bank. The research framework is developed to test the effects of these variable on the market price per share of listed commercial banks of Nepal.

Definition of variables

A variable in research is essentially a person, place object of phenomenon that you are attempting to quantify in some way. The simplest way to comprehend the distinction between a dependent variable is to consider that the words tell us about the variable in question.

Dependent Variable:

Marketing price per share (MPS):

The present study seeks to test the factors influencing the stock price of commercial banks in the Nepalese stock market. As observed by researchers such as Malhotra (1987) and Zakir and khanna (1982), the stock price can change minute due to changes in the buying and selling pressure. Due to these changes it becomes difficult to decide as to which market price should be regressed as a measure of the dependent variable. In the present study closing price of the stock at the end of the financial year of the bank has been taken to represent market price. The market price is used as the dependent variable in the present study.

$$\text{MPS} = \frac{\text{High price of the share in a year} + \text{Low price of the share in a year}}{2}$$

Where,

High price = Highest market price during the financial year.

Low price = Lowest market price during the financial year.

Independent variable :

Earnings per share (EPS):

It refers to the ratio of the profit after tax of the company for any financial year after payment of the preference dividend. The equity shareholders are the sole claimants to the net of the corporation after making payment of dividends to the preference shareholders. The significance of this ratio flows from the fact that the higher the earnings per share the more the scope for a higher rate of dividend and also of retained earning, to build up the inner strength of the company. According to Almaaiteh and Alsararieh (2019)& Geetha and Swaamina (2015), the earning per share has a positive relationship with market price i.e, the higher the earning per share higher will the market price.

$$\text{EPS} = \frac{\text{Net Profit after tax} - \text{Preference Dividend}}{\text{No.of outstanding share}}$$

Price Earning Ratio (PER):

The ratio enables an investor to make appropriate calculations of the time required to cover his investment in a company's share and its earnings per share. It indicates the extent to which the earnings of each share are covered by its price. Malhotra & Tandon(2013) indicate that firms book value, earnings per share, and price earning ratio are having a significant positive association with a firm's stock price . It can be calculated as :

$$\text{P/E ratio} = \frac{\text{MPST,n}}{\text{EPST ,n}}$$

Return on Assets (ROA):

Another important number that reflects a bank's profitability is ROA. It is the income-to-total-asset ratio. Return on assets, as defined by Emekekwue (2008), is a ratio that aims to evaluate the amount of profit created from the firm's whole assets.The return on assets is calculated as follow;

ROA= Net income after tax / Total assets

Book Value Per Share (BVPS):

BVPS is determined by relating the original value of a firm's common stock adjusted for any outflow (dividend and stock buy back) and inflow (retained earning) modifiers to the number of shares outstanding. Van Horne and Wachowiz (2008) identify that high book value indicated the company has well performed in past, high reserves higher the market price. Sharma (2011) conducted a study that book value per share has significant impact on the market price of share. Pradhan and Dahal (2016) concluded that the book value per share very effect in determining market price per share. Book value per share is calculated as follow:

Book Value per Share = Total net worth / No. of shares outstanding

CHAPTER IV

RESULTS AND DISCUSSION

4.1 Structure and Pattern of Study Variable

Earnings Per Share (EPS)

Earnings per share is the share of stock on the earnings of the company. It refers to the rupee amount earned per share of common stock outstanding. It measures the return of each equity shareholder. The higher earning indicates the better achievements of the profitability of the banks by mobilizing their funds and vice versa. Earnings per share is calculated by dividing total earning available to common shareholders by No. of share outstanding.

Table 4

Total Earning Per Share of Sample Banks (in Rupee)

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	18.02	71.54	32.75	91.88	5.98
2013/14	20.50	47.53	34.83	86.04	18.34
2014/15	25.05	111.77	34.48	78.04	22.20
2015/16	27.28	52.79	36.78	65.97	25.04
2016/17	26.88	31.59	33.46	32.48	24
2017/18	21.86	36.64	25.16	32.78	15.81
2018/19	18.79	42.88	27.13	38.05	21.07
2019/20	12.62	31.45	17.23	29.71	14.96
2020/21	16.66	29.13	10.15	19.91	17.76
2021/22	17.69	14.41	16.67	26.30	16.44
Min	12.62	14.41	10.15	19.91	5.98
Max	27.28	111.77	36.78	91.88	25.04
Mean	20.59	46.97	26.864	50.11	18.16
STD	4.734	27.520	9.2916	27.323	5.5125
C.V	23.031	58.587	34.587	54.52	30.335

Source: Appendix-I

Table 4 shows the earning per share of five listed commercial banks from the period 2012/13 to 2021/22. The EPS of NMBL is in fluctuating trend with highest value The average EPS of NMBL, ADBL , SBI, EBL and MBL are Rs20.558, 46.973, 26.864, 50.11 and 18.16 with respectively standard deviation of 4.734, 27.520, 9.2916, 27.323 and 5.5125. These value shows that highest average EPS of EBL is Rs.50.11 and lowest EPS of MBL 18.16. This indicates that earning capacity of ADBL is more than other bank in moderate risk. Also, the EPS of ADBL is more volatile i.e. 58.587 where as MBL has less volatile in nature i.e. 30.335.

Return on Assets (ROA)

Return on Assets (ROA) is a type of return on investment (ROA) that measures the profitability of a business in relation to its total assets. The ratio indicates how well a company is performing by comparing the profit it's generating to the capital it's invested in assets. The higher the return the more productive and efficient management's in utilizing economics resources . The return on assets ratio, often called the return on total assets is a profitability ratio that measures the net income produced by total assets during a period by comparing net income to the average total assets. In other words, the return on assets ratio or ROA measures how efficiently a company can manage its assets to produce profits during a period.

Table 5

Total Return on Assets of Sample Bank

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	1.4	2.96	1.19	2.39	0.49
2013/14	1.42	1.75	1.51	2.25	1.12
2014/15	1.28	3.75	1.64	1.85	1.26
2015/16	1.49	2.2	1.59	1.83	1.51
2016/17	1.69	2.02	1.57	1.83	1.89
2017/18	1.66	2.71	1.97	1.96	1.47
2018/19	1.67	2.77	1.94	1.95	1.61
2019/20	0.95	1.86	1.17	1.42	1.62

2020/21	1.17	1.59	0.7	0.89	1.02
2021/22	1.29	0.90	1.07	1.13	0.94
Min	0.95	0.90	0.7	0.89	0.49
Max	1.69	3.75	1.97	2.39	1.89
Mean	1.402	2.251	1.435	1.75	1.293
STD	0.239	0.813	0.399	0.4713	0.411
C.V	17.062	36.126	27.824	26.936	31.754

Source: Appendix- I

Table 5 shows the Return on assets of Five listed commercial banks from the period 2012/2013 to 2021/2022. In the study the average of Return on Assets of NMBL,ADBL,SBI, EBL and MBL are 1.402, 2.251, 1.435, 1.75 and 1.293 percent with respective standard deviation of 0.239, 0.813, 0.399, 0.4713 and 0.411. This result clearly indicate that the highest average ROA of ADBL is 2.251 %with range from 0.90 to 3.75 and lowest average ROA of MBL is 1.293 % with range 0.49 to 1.89. The above data indicate that ADBL has highest CV i.e.36.126 which indicate the more volatile as well as NMBL has lower CV i.e. 17.061 which indicate low volatile.

Price Earning Ratio (P/E Ratio)

The Price Earnings Ratio of a stock is the market divided by its EPS. This tells you how other investors view the stock. It relates with the comparison of market value with its earnings per share. The price earnings ratio indicates the extent to which the earning of each share are covered by its price. It tells whether the share price of a company is fairly valued, undervalued, or overvalued. In general, a high P/E suggests that investors are expecting higher earning growth in the future compared to companies with a lower P/E. The P/E Ratio is calculated by dividing market price per share by earning per share.

Table 6

Total Price Earning Ratio Per Share of Sample Banks

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	13.98	2.96	25.95	17.32	33.96
2013/14	25.13	15.91	36.75	30.58	31.4
2014/15	20.24	3.87	25.73	21.17	25.4
2015/16	29.19	14.55	50.98	51.31	27.15
2016/17	20.27	13.77	27.64	41.66	15
2017/18	12.48	8.57	19.83	20.23	13.22
2018/19	16.23	9.54	17.29	17.50	12.33
2019/20	31.45	12.24	25.54	22.72	14.71
2020/21	26.21	16.44	40.30	37.06	21.68
2021/22	14.57	22.98	16.93	16.69	21.68
Min	12.48	2.96	16.93	16.69	12.33
Max	31.45	22.98	50.98	51.31	33.96
Mean	20.99	12.083	28.694	27.624	21.653
STD	6.741	6.0628	10.906	12.039	7.754
C.V	32.116	50.177	38.011	43.581	35.814

Source: Appendix- I

Table 6 shows the Price Earning Ratio of five listed commercial banks from the period 2012/2013 to 2021/2022. The average of P/E ratio of NMBL, ADBL, SBI, EBL and MBL are Rs.20.99, 12.083, 28.694, 27.624 and 21.653 with respective standard deviation of 6.741, 6.0628, 10.906, 12.039 and 7.754. This indicates that earning capacity of ADBL is more than other bank in moderate risk.

Book Value Per Share (BVPS)

Book value per share (BVPS), which is the equity available to common shareholder divided by the numbers outstanding shares, is the minimum value of a company's equity. This increase in demand will result in the share's market price rising.

Table 7

Total Book Value Per Share of Sample Banks

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	121	444	161.26	291.53	112.81
2013/14	140	471	171.15	296.3	130.54
2014/15	137	503	186.49	335.6	137.46
2015/16	124	296	184.87	370.84	138.18
2016/17	164	230	152.2	290.02	124.43
2017/18	216	311	159.08	200.00	128.57
2018/19	180	314	167.5	218.58	139.49
2019/20	150	298	165.05	219.56	136.9
2020/21	146	286	162.2	232.11	142.1
2021/22	147	253	174.17	241.36	142.12
Min	121	230	152.2	200.00	112.81
Max	216	503	186.49	370.84	142.1
Mean	152.5	340.6	168.4	269.591	133.3
STD	28.285	95.652	11.004	56.1438	9.287
C.V	18.548	28.084	6.5344	20.8255	6.969

Source: Appendix- I

Table 7 shows the Book Value Per Share of Five listed commercial banks from the period 2012/2013 to 2021/2022. The book value per share is one of the influencing factors of share price. In the study the average of BVPS of NMBL, ADBL, SBI, EBL and MBL are Rs.152.5,

340.6, 168.4, 269.591 and 133.3 with respective standard deviation of 28.285, 95.652, 11.004, 56.1438 and 9.287. The result clearly indicate that the highest average BVPS of ADBL is Rs.340.6 with range 230 to 503 and lowest average BVPS of MBL is Rs.133.3 with range 112.81 to 142.1. The above data indicate that ADBL has highest CV i.e. 28.084 which indicate the more volatile as well as SBI has lower CV i.e. 6.5345 which indicate low volatile.

Market Price Per Share (MPS)

Market price per share (MPS) reflects per unit price of the share traded in the market which is determined by demand and supply of stock. Market value is also commonly used refer to market capitalization of a publicly traded company and is obtained by multiplying the number of its outstanding share by the current share price. Market value can fluctuate a great deal over period of time and is substantially influenced by the business cycle. This is the most visible price of financial data. The market price of common stock as a sole financial indicator is useless. Comparing these value to the EPS, higher the EPS higher MPS and vice versa.

Table 8

Total Market Price Per Share of Sample Bank

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	252	212	850	1591	203
2013/14	515	456	1280	2631	576
2014/15	507	432	887	2120	564
2015/16	810	768	1875	3385	680
2016/17	545	435	925	1353	360
2017/18	358	314	499	663	209
2018/19	382	409	469	666	264
2019/20	397	385	435	675	220
2020/21	440	479	409	738	385
2021/22	261	331	282	439	254
Min	252	212	282	439	203

Max	810	768	1875	3385	680
Mean	446.7	422.2	793.1	1426.1	371.5
STD	162.25	145.20	489.10	998.62	175.58
C.V	36.321	34.392	61.669	70.0245	47.264

Source: Appendix-I

Table 8, shows descriptive statistics- mean, standard deviation, CV and value of each year Market Price per Share (MPS) associated with selected commercial banks for ten-year period. The mean of market share price of NMBL, ADBL, SBI, EBL and MBL are Rs.446.7, 422.2, 793.1, 1426.1 and 371.5 with respective standard deviation of 162.25, 145.20, 489.10, 998.62 and175.58. These values show that the highest average market share price of EBL and lowest of MBL is Rs.1426.1 and Rs.371.5 respectively. The share price of SBI is highly volatile i.e. 70.0245 in comparison among banks whereas ADBL bank share price has less volatile i.e. 34.392. The high volatility indicates high risk, low market trading bad image in the market. The low volatility indicates low risk, consistence performance and also high market trading and goodwill in market.

4.2 Descriptive Statistics

The descriptive statistics used in this study consists of minimum, maximum, mean and the standard deviation associated with variables under consideration. Therefore, descriptive statistics enables to present the data in a more meaningful way, which allows simpler interpretation of the data. The table 4.6 summarizes the descriptive statistics of the data collected from the 5 sample Nepalese commercial banks for the study period of 2012/13 to 2021/22.

Table 9

Overall Descriptive Analysis

Variable	N	Minimum	Maximum	Mean	St. deviation
MPS	50	203	3385	691.92	633.751
EPS	50	5.98	111.77	32.5342	22.0321
ROA	50	0.49	3.75	1.6262	0.59683
P/E Ratio	50	2.96	51.31	22.204	10.8104
BVPS	50	112.81	503	212.87	94.1887

Source : Appendix- I

Table 9 shows the descriptive statistics, mean, standard deviation, maximum and minimum values variables associate with five sample banks for the period 2012/13 to 2021/22 of the fifty observations. The mean of MPS during the period of study is Rs 691.92 range Rs 203 to 3385 with respective standard deviation of 633.751.The mean of P/E ratio during the period of study is 22.204 with the range of 2.96 to 51.31 with respective standard deviation of 10.8104. The mean of EPS during the period of study is Rs 32.5342 with the range from 5.98 to 111.77 with respective standard deviation of 22.0321. The mean of BVPS during the period of study is Rs 212.87 with a range of 112.81 to 503 with the respective standard deviation of 94.1887. The mean of ROA during the period of study is 1.6262 % with the range of 0.49 % to 3.75 % with the standard deviation of 0.59683.

4.3 Correlation Analysis

The Correlation Coefficients show the magnitude and direction of the linear relationship between market value of share and variables affecting market price of the share of the sample commercial banks. More specifically, it shows the correlation coefficient or relation between the dependent and independent variable regarding factors affecting market price on Nepalese Commercial banks. In this study market price per share and price earnings ratio are the dependent variable and earnings per share, book value per share, return on assets and bank size are independent variable. The bivariate Pearson's Correlations Coefficients of market price of share have been computed and the results are presented in Table 10.

Table 10

Relationships among Study Variables

Variable	MPS	EPS	ROA	P/E ratio	BVPS
MPS	1				
EPS	.476**	1			
	(0.000)				
ROA	.158	.778**	1		
	(0.272)	(0.000)			
P/E ratio	.398**	-.158	-.492**	1	
	(0.004)	(0.274)	(0.000)		
BVPS	.292*	0.779**	0.691**	-0.246	1
	(0.040)	(0.001)	(0.000)	(0.084)	

Source : Annual report 2012/13 to 2021/22

(**) indicate that the result are significant at one percent.

(*) indicate that the result are five percent significant level .

Table 10 shows the Bivariate Pearson's Correlation Coefficients between market values of share and variable affecting market price behaviour of stock. The correlation analysis is used to assess the relationship between two variables. The correlation coefficients are based on the data from sample banks with fifty observations for the period 2012/13 to 2021/22.

The correlation between MPS and EPS is 0.476 which shows positive correlation between this two variable. Further the relationship is significant at 0.01 level of significant (2-tailed). It indicated that when EPS increases MPS also increases and vice versa. The correlation between MPS and ROA is 0.158. Correlation between MPS and ROA shows that there is low degree of positive relationship isn't significant. The correlation of MPS with P/E Ratio is 0.398 and it suggests that there is a positive correlation between MPS & P/E Ratio and the relationship is significant at 1% level of significant. Correlation between MPS and P/E ratio shows that there is also high degree of positive relationship. The correlation of MPS and BVPS is 0.292 and it suggests that there is a positive correlation between MPS and BVPS and relationship is significant at 0.05 level of significant.

The correlation between EPS with ROA is 0.778and there is positively significant where as EPS and P/E ratio is -0.158. It reveals that ROA is negatively correlated with EPS and relationship isn't significant. It indicated that when P/E ratio increase EPS decreases and vice versa. The correlation between EPS and BVPS is 0.779 which indicate positive significant relation with independent variable EPS at 0.01 level of significant.

The correlation between ROA and P/E Ratio is -0.492 which indicate that price earning ratio have negatively significant at 0.01 level of significant which means higher the price earning ratio lower the ROA and vice versa. The correlation between ROA and BVPS is 0.691. It suggest that there is a positive correlation between independent variable ROA and BVPS and the relationship is significant at 0.01 level of significant.

The correlation between P/E Ratio with BVPS is -0.246 which means the correlation between P/E Ratio and BVPS have negative correlation and the relationship isn't significant.

4.4 Regression analysis

This part deals with the stock price behaviour of Nepalese commercial banks. More specifically this section deals with the effect of earning per share, book value per share, return on assets and price earning ratio on market price per share of 5 sample commercial banks over the study period of 2012/13 to 2021/22. Multiple regression analysis using least square method is done in this part. In this section, the data of 5 commercial banks during the fiscal year 2012/13 to 2021/22 are arranged in a panel data set an attempt has also been made to test the validity of the model through statistical test of significance such as t-test, F-test and adjusted coefficient of determination (Adj. R2) with the help of SPSS version 27software.

Regression for Dependent Variable MPS

Multiple regression analysis estimated relationships of market price and its variables on selected commercial banks. The results are based on the data from ten sample banks with hundred observations for the period 2012/13 to 2021/22. MPS is dependent variables and EPS, BVPS, P/E and ROA are independent variables.

The multiple regression equation is:

MPS: $\beta 0 + \beta_1 EPS + \beta_2 ROA + \beta_3 P/E\ ratio + \beta_4\ BVPS$

Table 11

Model Summary

Model	R	R-Square	Adjusted R –Square	Std. Error of Estimate
1	$.679^a$	.461	.413	485.611

Source : Results are drawn from Spss-27

The R-Square which is often referred to as the coefficient of determination of all variables is 0.461. Coefficient of determination R-Squared measures the overall fitness of the model indicates that the model is capable of explaining about 46.10% of the variability in the share price of commercial banks. This means that the model explains about 46.10% of the systemic variation in the dependent variable. That is, about 53.90% of the variations in market price of the sample commercial banks are account for by other factors not capture by model. This result is complemented by the Adjusted R- Square of about 41.30% which in essence is the proportion of total variance that is explained by the model. In other words, 58.7% of the moments in share price are caused by factor not account for in the model.

Table 12

ANOVA[a]

Model		Sum of Square	df	Mean of Square	F	Sig
1	Regression	9068600.048	4	2267150.012	9.614	$<0.01^b$
	Residual	10611803.632	45	235817.858		
	Total	19680403.68	49			

Source: Results are drawn from Spss-27

Similarly, finding from the fishers ratio (i.e. the F-Statistics) which is a proof of the validity of the estimated model as reflected in Table 12, indicates that, the F is about 9.614 and p-value or F (Sig) that is equal to 0.000(i.e. p-value<0.05), this invariably suggests clearly that simultaneously the explanatory variables are significantly associated with the dependent variable. That is, they strongly determine the behavior of the market values of share prices.

Table 13

Coefficient[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	-249.777	413.115		-.605	.548
	EPS	19.245	6.436	.669	2.990	.000
	ROA	-130.06	231.851	-.122	-.561	-.578
	P/E ratio	26.154	8.350	.434	3.132	.003
	BVPS	-.252	1.208	-.037	-.209	.836

a. Dependent Variable : MPS

Source: Result are drawn from Spss-27

The coefficient of ROA against MPS was -130.060. This indicates that there is an inverse or negative relationship between independent variable ROA and MPS. The coefficient of BVPS against MPS was -.252. This indicates that there is an inverse or negative relationship between independent variable BVPS and MPS. The coefficient of EPS and P/E ratio against MPS have positive relationship between independent variable EPS and P/E ratio and MPS.

The t-statistics and p-value of EPS are 2.990 and 0.000 (i.e. p-value <0.05) which shown EPS has significant impact on MPS. It indicates that EPS have significant positive impact on MPS. It has been observed that earnings per share are a major determinant of stock prices.

The t-statistics and p-value of ROA are -0.561 and 0.578(i.e. p-value>0.05) which are insignificant. It indicates that ROA have insignificant negative impact on MPS. It has been observed that ROA is not a major determinant of stock price.

The t-statistics and p-value of P/E ratio are 3.132 and 0.003 (i.e. p-value <0.05) which are significant. It indicates that P/E ratio have significant positive impact on MPS. It has been observed that P/E ratio is a major determinant of stock price.

The t-statistics and p-value of BVPS are -0.209 and 0.836(i.e. P-value>0.05) which are insignificant. It indicates that BVPS has significant negative impact on MPS. It has been observed that BVPS is not a major determinant of stock price.

MPS =-249.77 +19.245EPS -130.06ROA +26.154P/E ratio-0.252SIZE

The coefficient of EPS, P/E ratio against MPS was 19.245, 26.154 respectively. This indicates this there was a direct relationship between dependent variable and this independent variable. On the other hand, the coefficient of ROA and BVPS is -130.060, -0.252 respectively. The reveals that there is an inverse relationship between EPS and P/E ratio variable with MPS.

4.5 Discussion

This study has mainly focused on the stock price behaviour of Nepalese commercial bank. The study considered the earning per share, book value per share, price earnings ratio, return on assets as the independent variable whereas dependent variables are market price per share. The result are based on the secondary data which are collected from 5 sample commercial banks during the period of 2012/2013 to 2021/22. The result has been derived by using descriptive statistics, correlation analysis and multiple regression analysis.

This result shows that MPS during the period of study is Rs 691.92 range Rs 203 to 3385 with respective standard deviation of 633.751.The mean of P/E ratio during the period of study is 22.2046 with the range of 2.96 to 51.31 with respective standard deviation of

10.81047. The mean of EPS during the period of study is Rs 32.5342 with the range from 5.98 to 111.77 with respective standard deviation of 22.0321. The mean of BVPS during the period of study is Rs 212.869 with a range of 112.81 to 503 with the respective standard deviation of 94.1887. The mean of ROA during the period of study is 1.6262 % with the range of 0.49 % to 3.75 % with the standard deviation of 0.59683.

The result shows that earning per share, book value per share; price earnings ratio have significant positive correlation relationship with market price of Nepalese commercial banks.Which means increase in earnings per share, book value per share, price earnings ratio and return on assets increases market price per share and vice-versa. ROA of the bank has a statistically insignificant relationship with stock price. The result concludes that earning per share is a most influential factor that determines the stock price in Nepal.

The result of EPS having positive significant relationship with the MPS is consistent with Joginder and kherel (2022),Darami, et al. (2022), Silwal&Napit (2019), Pradhan &Dahal (2016), Almumani (2014), Arshad, Arshaad, Yousaf, & Jamil (2015) which reveals that EPS is a determining factor that affect the MPS. This may be because EPS is an indicator of the company's profitability and increase in EPS means increase in the profits of the company as well as the returns for the investors. As a result, the investors demand for such stocks that have EPS on the rise. The result of BVPS having a positive significant relationship with MPS is consistent with Dhodary, (2023), Silwal and Napit (2019), Almaaiteh & Alsararieh, (2019).Which reveals that BVPS is a most influential factor that determines the stock price. This may be because BVPS indicates the sound financial performance of the company. High book value usually indicates that the company had a good record of past performance. Meanwhile, the result of ROA having an insignificant relationship with MPS is consistent with Bhattari (2020) but inconsistent with the findings of Pradhan &Dahal (2016) and Almumani (2014). The contradiction in results may be because the previous researches were done using a different time period and market. The result of P/E ratio having a positive significant relationship with MPS is consistent with Dhodary,(2023), Hossain,M.Z, (2020), Sharif, Purohit and Pillai, (2015), Malhotra and Tandon, (2013). Which reveals that P/E Ratio is a most influential variable that determines the stock price behavior. This may be because P/E ratio indicates that the company had a good record of past performance.

CHAPTER V

SUMMARY AND CONCLUSION

5.1 Summary

Financial institutions like banks are the replica of modernization of the society and play a vital role in the development of economic growth of the country. Commercial banks furnish necessary capital needed for trade and commerce for mobilizing the dispersed saving of the individuals and institutions. The primary functions of commercial bands are raise and utilization of fund.

Stock price behavior of Nepalese Commercial banks plays a vital role that affects the financial intermediation role of commercial banks, which are the most important sources to the Nepalese commercial banks. The Nepalese capital market has been developing through adopting and using of new technology. The investors invest their fund in different securities through primary and secondary market aim to maximize their profit from their investment. But due to lack of proper knowledge and poor regulatory performance of Nepalese capital market, the investors may not achieve return as expected. Only few educated investors know what share market is and how they are regulated. But it has seen that huge investors are interested to invest their saving in different securities. The current share prices on market procedure are insufficient to deal with financial and economic challenges in Nepal.

In context of Nepal, Bhattarai (2014) revealed that earning per share and price-earnings ratios have a significant positive association with share price while dividend yield showed the significant inverse association with share price. The major conclusion of the study is that dividend yield, earnings per share and price-earnings ratio are the most influencing factors in determining stock price in Nepalese commercial banks. However, According to Poudel (2016), theoretically, when earnings, dividends and book value per share increase, the market price per share also increases and vice versa. Meaning that there are various other factors too that affect the share price.

Studies like Srinivasan (2012) stated that internal factors determine the share prices for different markets, dividends, retained earnings, size, earnings per share, dividend yield leverage, payout ratio, and book value per share. Almumani (2014) showed that there is a positive correlation between the independent variables EPS, PE and dependent variable MPS. Enow and Brijlal (2016) revealed that dividend per share, earnings per

share, and price-earnings ratio account for 57.8% of stock price movements. Furthermore, earnings per share and price-earnings are significantly positively correlated to stock prices although the dividend per share was not. However, Shubiri (2010) found highly positive significant relationship between the market price of stock and net asset value per share; market price of stock dividend percentage, gross domestic product, and negative significant relationship between inflation and lending interest rate but not always a significant on some years of Amman Stock Exchange in Jordan.

The main purpose of the study is to investigate the stock price behavior of Nepalese commercial banks. However, the specific objectives of the study are to examine the structure and pattern of MPS, P/E Ratio, EPS, BVPS and ROA. The study is based on the secondary data which were gathered from 5 commercial banks in Nepal (i.e. NMBL, ADBL, SBI, EBL and MBL) as sample with 50 observations for the period of 2012/13 to 2021/22. The main source of the data included the annual reports, financial statements of the selected commercial banks. This study has applied descriptive research design. This study used descriptive as well as causal research design which helps to used to analyze the situation of study variables over the study period in the banks and compare the position of the sample banks. Correlation analysis and multiple regression analysis to achieve the objective by using SPSS27.

The analysis of structure and pattern of average market price per share shows that average market price per share is highest for EBL (Rs1426.1) and lowest for MBL (Rs371.5) among the Nepalese commercial banks over the study period 2012/13 to2021/22.The analysis of structure and pattern of average earning per share shows that average EPS is highest for EBL (50.116) and lowest for MBL (18.16) among the Nepalese commercial banks over the study period. The structure and pattern of book value per share shows that average BVPS is highest for ADBL (340.6) and lowest for MBL (133.3) among the Nepalese commercial banks over the study period. Whereas, the analysis of structure and pattern of return on assets shows that average ROA is highest for ADBL (2.251 percent) and lowest for MBL (1.293) percent) among the Nepalese commercial banks over the study period. Moreover, the structure and pattern of Price earning ratio shows that average P/E ratio is highest for SBI of (28.694 percent) and lowest for ADBL with (12.083 percent). Among the sample Nepalese

commercial banks over the study period, it has been found that the average earning per share has increased.

Over the study period, the descriptive statistics shows that average MPS ranges from minimum of Rs203 to maximum of Rs3385, leading to an average of 691.92with standard deviation of 633.751. Likewise, the descriptive statistics result shows that average P/E Ratio ranges from minimum of 2.96 percent to maximum of 51.31 percent, leading to an average of 22.204 percent with standard deviation of 10.8104. The descriptive statistics shows that average EPS ranges from minimum of 5.98 to maximum of 111.77, leading to an average of 32.5342 with standard deviation of 22.0321 during the study period. The descriptive statistics shows that average BVPS ranges from minimum of 112.81 to maximum of 503, leading to an average of 212.87 with standard deviation of 94.1887 over the study period. The descriptive statistics shows that average ROA ranges from minimum of 0.49 percent to maximum of 3.75 percent, leading to an average of 1.6262 percent with standard deviation of 0.59683.

The correlation analysis shows that EPS, BVPS, and P/E ratio have positive and significant relationship with market price per share. However, ROA has Positive relationship insignificant relationship with market price per share.

Regression result shows that the beta coefficients for EPS and P/E ratio are positive and significant with market price per share. It indicates that EPS and P/E ratio have positive impact on market price per share. However, the beta coefficients for ROA and BVPS with market price per share are negative and insignificant. It indicates that ROA and BVPS have negative impact on market price per share.

5.2 Conclusion

This study concludes that earning per share, book value per share, return on assets and price earning ratio are the major factor for stock price behaviour of Nepalese commercial banks. This study reveals the current position of financial indicators of the selected banks. In terms of EPS and P/E Ratio , ADBL have consistency in EPS over the period while NMBL has the lowest and fluctuating. In terms of ROA, ADBL has high volatile than NMBL. Finally, in terms of BVPS, ADBL has high volatile than MBL. On the basis of overall results all the variable shows that NMBL, MBL has been performing very low than the EBL and ADBL. It is a very risky for investment to investors. The findings of the study over the period of 2012/13 to 2021/22 revealed that earning per share and Price earning ratio have the

significant positive association with share price while return on assets and book value per share have no explanatory power toward stock price movement and behaviour. It means if earnings per share and price earning ratio increases, the market price per share will also increase and vice-versa. But return on assets and book value per share does not affect the share price. It means if return on assets and book value per share increases there is no guarantee that the prices of share will also increase and vice-versa.

Thus, findings of this study seem to be particularly useful for equity investors and fund managers as they can watch out for these significant factors while estimating stock returns and predicting share prices.

5.3 Implications

Based on the findings of the study, investors and portfolio analysts can use the information regarding the factors they should consider for their investment decisions and while predicting the stock market prices. The result of this study suggests investors should pay their attention to BVPS, EPS and P/E ratio before making any decisions regarding the investment in stock of the commercial banks.

This study examined the internal factors that affect the stock price behaviour of commercial banks listed on the NEPSE. The variables chosen were firm specific variables and may not be the only variables that affect stock prices. It is recommended that further research could be conducted to establish whether macro-economic variables affect stock price for firms.

There is a need to conduct an event study on the stock price behaviour for listed commercial banks at the NEPSE and by extension, on emerging markets. Despite a lot of literature in this area, internal factors like (EPS, BVPS, ROA and P/E ratio) are vital elements of commercial banks. This thesis revealed much on the stock price behaviour in Nepalese commercial banks and hence has contributed immensely in the area of banking sector in Nepal.

The variables taken in this study may not be only affecting the stock price behaviour. It is recommended that further researchers could be conduct the research to include other variables likes gross domestic product, remittance, money supply, interest rate, inflation rate, exchange rate, foreign direct investment etc.

In order to provide a broader knowledge of the problem, the study suggests that a more comprehensive analysis of work should be done utilizing a wider and more representative sample in Nepalese commercial banks. This study is only based on 5 sample commercial banks so the result cannot be generalized.

Since general public's are unaware about the share market, an organized effort is necessary to aware the public's about it. A separate department in NEPSE or an independent organization is recommended which analyzes, inform and create the awareness within the emerging potential investors about share and share market through different approaches like seminar, conference or print, air media.

This study covers the stock market of commercial banks only. For the clear and absolute result regarding the determinants of share price, a population study of whole share market for a longer time period is required. So, it is recommended to further researchers to conduct future study by using more sample size, advanced methodology, large no. of observations.

Finally, future studies can use some advanced statistical tools. For example, future studies can use non-linear statistical tools and bidirectional causality tools.

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APPENDIXES

Appendix 1

Consolidated Source Data of Annual Reports of Selected Commercial Banks with Sample Variable;

Total Earning Per Share of Sample Banks (in Rupee)

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	18.02	71.54	32.75	91.88	5.98
2013/14	20.50	47.53	34.83	86.04	18.34
2014/15	25.05	111.77	34.48	78.04	22.20
2015/16	27.28	52.79	36.78	65.97	25.04
2016/17	26.88	31.59	33.46	32.48	24
2017/18	21.86	36.64	25.16	32.78	15.81
2018/19	18.79	42.88	27.13	38.05	21.07
2019/20	12.62	31.45	17.23	29.71	14.96
2020/21	16.66	29.13	10.15	19.91	17.76
2021/22	17.69	14.41	16.67	26.30	16.44
Min	12.62	14.41	10.15	19.91	5.98
Max	27.28	111.77	36.78	91.88	25.04
Mean	20.59	46.97	26.864	50.11	18.16
STD	4.734	27.520	9.2916	27.323	5.5125
C.V	23.031	58.587	34.587	54.52	30.335

Total Return on Assets of Sample Bank

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	1.4	2.96	1.19	2.39	0.49
2013/14	1.42	1.75	1.51	2.25	1.12
2014/15	1.28	3.75	1.64	1.85	1.26
2015/16	1.49	2.2	1.59	1.83	1.51
2016/17	1.69	2.02	1.57	1.83	1.89
2017/18	1.66	2.71	1.97	1.96	1.47
2018/19	1.67	2.77	1.94	1.95	1.61
2019/20	0.95	1.86	1.17	1.42	1.62
2020/21	1.17	1.59	0.7	0.89	1.02
2021/22	1.29	0.90	1.07	1.13	0.94
Min	0.95	0.90	0.7	0.89	0.49
Max	1.69	3.75	1.97	2.39	1.89
Mean	1.402	2.251	1.435	1.75	1.293
STD	0.239	0.813	0.399	0.4713	0.411
C.V	17.062	36.126	27.824	26.936	31.754

Total Price Earning Ratio Per Share of Sample Banks

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	13.98	2.96	25.95	17.32	33.96
2013/14	25.13	15.91	36.75	30.58	31.4
2014/15	20.24	3.87	25.73	21.17	25.4
2015/16	29.19	14.55	50.98	51.31	27.15
2016/17	20.27	13.77	27.64	41.66	15
2017/18	12.48	8.57	19.83	20.23	13.22
2018/19	16.23	9.54	17.29	17.50	12.33
2019/20	31.45	12.24	25.54	22.72	14.71
2020/21	26.21	16.44	40.30	37.06	21.68
2021/22	14.57	22.98	16.93	16.69	21.68
Min	12.48	2.96	16.93	16.69	12.33
Max	31.45	22.98	50.98	51.31	33.96
Mean	20.99	12.083	28.694	27.624	21.653
STD	6.741	6.0628	10.906	12.039	7.754
C.V	32.116	50.177	38.011	43.581	35.814

Total Book Value Per Share of Sample Banks

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	121	444	161.26	291.53	112.81
2013/14	140	471	171.15	296.3	130.54
2014/15	137	503	186.49	335.6	137.46
2015/16	124	296	184.87	370.84	138.18
2016/17	164	230	152.2	290.02	124.43
2017/18	216	311	159.08	200.00	128.57
2018/19	180	314	167.5	218.58	139.49
2019/20	150	298	165.05	219.56	136.9
2020/21	146	286	162.2	232.11	142.1
2021/22	147	253	174.17	241.36	142.12
Min	121	230	152.2	200.00	112.81
Max	216	503	186.49	370.84	142.1
Mean	152.5	340.6	168.4	269.591	133.3
STD	28.285	95.652	11.004	56.1438	9.287
C.V	18.548	28.084	6.5344	20.8255	6.969

Total Market Price Per Share of Sample Bank

Year	NMBL	ADBL	SBI	EBL	MBL
2012/13	252	212	850	1591	203
2013/14	515	456	1280	2631	576
2014/15	507	432	887	2120	564
2015/16	810	768	1875	3385	680
2016/17	545	435	925	1353	360
2017/18	358	314	499	663	209
2018/19	382	409	469	666	264
2019/20	397	385	435	675	220
2020/21	440	479	409	738	385
2021/22	261	331	282	439	254
Min	252	212	282	439	203
Max	810	768	1875	3385	680
Mean	446.7	422.2	793.1	1426.1	371.5
STD	162.25	145.20	489.10	998.62	175.58
C.V	36.321	34.392	61.669	70.0245	47.264

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