EFFECT OF ACCOUNTING INFORMATION ON MARKET SHARE PRICE OF SELECTED INSURANCE COMPANIES

A Dissertation Submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the requirements for the master's degree Course

By

Binod Lama
Campus Roll No.: 681/076
Exam Roll Number: 23198/20
TU Reg. No.: 7-2-39-1188-2014
Shanker Dev Campus
Specialization: Accountancy

Kathmandu, Nepal
June, 2025

CERTIFICATION OF AUTHORSHIP

I hereby affirm that I have researched and submitted the final draft of dissertation entitled EFFECT OF ACCOUNTING INFORMATION ON MARKET SHARE PRICE OF SELECTED INSURANCE COMPANIES. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes.

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

……

Binod Lama

REPORT OF RESEARCH COMMITTEE

Mr. Binod Lama has defended research proposal entitled EFFECT OF ACCOUNTING INFORMATION ON MARKET SHARE PRICE OF SELECTED INSURANCE COMPANIES successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor lecturer Teacher's Asst. Prof. Durga Datt Pathak and submit the thesis for evaluation and viva voce examination.

……..……
Asst. Prof. Durga Datt Pathak
Supervisor

.

……..……
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Head of Research Committee

Dissertation Proposal Defended Date:
……

Dissertation Submitted Date:
……

Dissertation Viva Voce Date:
……..…

APPROVAL SHEET

We have examined the dissertation entitled "EFFECT OF ACCOUNTING INFORMATION ON MARKET SHARE PRICE OF SELECTED INSURANCE COMPANIES*"* presented by Binod Lama for the degree of Master of Business Studies (MBS). We hereby certify that the dissertation is acceptable for the award of degree.

……..….
Asst. Prof. Durga Datt Pathak
Dissertation Supervisor

……..
Internal Examiner

……..
External Examiner

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

……..
Asso. Prof. Dr. Kapil Khanal
Campus Chief

Date:-

ACKNOWLEDGEMENTS

This dissertation entitled *"*EFFECT OF ACCOUNTING INFORMATION ON MARKET SHARE PRICE OF SELECTED INSURANCE COMPANIES*"* has been prepared in partial fulfillment for the degree of master of business studies (MBS) under the Faculty of Management, Tribhuvan University, in based on research models involving the quantitative aspect of insurance profitability analysis.

I have great satisfaction and pleasure to express my appreciation and sincerity to my dissertation supervisors Asst. Prof. Durga Datt Pathak of Shanker Dev Campus TU for his excellent and effective guidance and supervision. I will remain thankful for their valuable direction useful suggestion and comments during the course of preparing this dissertation without his help this work would not have come in this form.

Furthermore, I would like to express my thanks to research department head Asso. Prof. Dr. Sajeeb Kumar Shrestha and campus chief Asso. Prof. Dr. Kapil Khanal of Shanker Dev Campus for letting me to refer different related materials. Also, my thanks go to Librarian and other staffs of Shanker Dev Campus for their support and co-operation.

Last but not the least I would also like to express my thankfulness to my friends, my family members as well as all known people who supported as well as inspired me directly or indirectly to complete this thesis.

Binod Lama
Researcher

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

ALICL	Asian Life Insurance Company Limited
BFIs	Insurances and Financial Institutions
BPS	Book value per share
DDM	Data Display Model
DPS	Dividend Per Share
EBL	Everest Insurance Limited
EMH	Efficient Market Hypothesis
EPS	Earning Per Share
GLIC	Gurans Life Insurance Company Limited
HBL	Himalayan Insurance Limited
LGIC	Lumbini General Insurance Company
LIC	Life Insurance Corporation (Nepal)
NEPSE	Nepal Stock Exchange Limited
NLG	NLG Insurance Company Limited
NLI	National Life Insurance
NLIC	Nepal Life Insurance company
NWPS	Net Worth Per Share
PLIC	Prime Life Insurance Company Limited
SCB	Standard Chartered Insurance
SICL	Shikhar Insurance Company
SMEs	Small and medium-sized enterprise

ABSTRACT

The aim of this study is to determine the relationship between stock price and explanatory variables like: DPS, EPS, P-E ratio, DY, size to MPS for the period 2071/72 to 2080/81. Using simple and multiple regression analysis and descriptive statistics this study investigates the factor affecting the stock price. With the sample size of 9 insurance companies of Nepal, the result indicates that the variables Market to DPS, DY, P-E ratio are the significant determinants of stock price which directly affect the stock price. EPS also have significance positive influence on stock price whereas EPS has minimum influence on the stock price. This study provides effect of accounting information on market share price of insurance companies listed on the Nepal Stock Exchange (NEPSE). There are a total of 39 insurance companies operating in Nepal only 9 of these insurance policies were selected for the sample. This study is fully based on relied secondary data (reported accounting financial statements). Focusing on the correlation between firm-specific characteristics and market price per shares, this study adopts a descriptive and comparative research approach. The relationship between dividend payout ratios, dividend yield, earnings per share, price-to-earnings ratio, Size and MPS of insurance companies in Nepal.

Key Words: Dividend per share, Earning per share, Price-Earnings ratio, Dividend Yield, Company Size to Market Price Share.

CHAPTER–I
INTRODUCTION

1.1 Background of the Study

The stock market index, which represents investor confidence in a nation's economic prospects, is a commonly recognized measure of economic progress (Eldomiaty et al., 2024). However, frequent and unjustified fluctuations in the stock index may cause this confidence to decline. Such volatility raises concerns about the possible formation of speculative bubbles, which could destabilize the economy, when it is divorced from economic realities. To maintain market stability and avert crises, decision-makers must thus keep a careful eye on stock market developments and step in when needed. Fostering a stable and robust financial market requires an understanding of the relationships between the stock market index and its affecting factors (Razi et al., 2024). The Securities Exchange Act of 1983 expedited the growth of Nepal's capital market in 1993 with the establishment of the Securities Board of Nepal (SEBON) and the Nepal Stock Exchange (NEPSE). Protecting investor interests, creating regulations, upholding them, and encouraging an open market environment are the duties assigned to the regulating body, the SEBON. Furthermore, it ensures that disclosure processes are consistent, which fosters a more efficient and accountable marketplace (SEBON Journal, 2017). NEPSE, Nepal's sole organized stock exchange, has a system that restricts stock trading to registered brokers who follow specific guidelines (Subedi, 2024).

Along with NEPSE, often referred to as CDS and Clearing Limited, is the organization responsible for managing transactions involving electronic securities. With NEPSE's help, Nepal's stock market operates under the Companies Act, increasing its dependability and efficiency while facilitating trade settlement. Changes in stock prices in this market are primarily governed by the interplay between supply and demand, which are significant indicators of economic activity and market sentiment. Various economic and non-economic factors impact these dynamics, including government policies, regulatory frameworks, interest rates, dividend announcements, and the veracity of financial disclosures (Liu et al., 2024). Programs

for economic stimulus also have a significant impact on stock prices by affecting investor behavior and market movements.

The stock market provides firms with an effective and affordable means of obtaining long-term capital, making it a crucial platform for fostering economic progress. To meet their short-term cash flow requirements, businesses frequently turn to short-term loans from financial institutions. However, when long-term finance is needed, issuing common or preferred stocks becomes a feasible option. The stock market plays a vital role in this process by connecting individuals or organizations with excess resources with businesses looking to invest (Gani & Dragono, 2024). Additionally, it creates a controlled and regulated market environment where supply and demand interact to determine share prices. These issues are being faced by Nepal's stock market as it develops further. Addressing these problems and promoting a stable market environment require an understanding of the factors that influence stock prices. This study offers important insights into the Nepalese stock market, with an emphasis on insurance businesses, by identifying the major elements that affect stock price dynamics. It is anticipated that the results of this study would help investors, policymakers, and market players make well-informed decisions, fostering resilience, efficiency, and transparency in Nepal's stock market.

This multidimensional view of performance implies that different models or patterns of relationship between corporate performance and its determinants will emerge to demonstrate the various sets of relationships between dependent and independent variables in the estimated models objectives to be achieved through that evaluation. There are studies on determinants of financial performance of the insurance companies (Anila, 2015), consideration of life insurance companies in Albania (Sharkhu & Brikena, 2011) and relationship between the firm's specific factors to determine the performance of insurance companies in Ethiopia (Daniel & Tilahun, 2013). There are no such relevant studies in Nepalese insurance sector. So, objective of this study is to show the relationship between the firm's characteristics and performance of the insurance companies in Nepal and to study the scenario of the insurance companies in Nepal.

1.2 Problem Statement

Inefficiency has long been a feature of the Nepalese stock market, which can be linked to a number of institutional and structural issues (Joshi, Ghimire, & Singh, 2023). The development of an efficient market has been hampered by slow fund movements, unprofessional market participants, and inadequate supervision and oversight by pertinent authorities. Furthermore, market growth is made more difficult by the larger macroeconomic environment, which includes economic imbalances and political instability (Khadka et al., 2023). Notwithstanding these difficulties, the stock market continues to be a crucial channel for raising capital and promoting investment, particularly in new industries like insurance. Securities prices in Nepal's stock market fluctuate erratically, frequently with no apparent explanation. The substantial uncertainty surrounding stock price determination has been exacerbated by insufficient policy interventions and inefficient regulatory frameworks (Paneru, 2023). Stock prices can be influenced by a wide range of qualitative and quantitative factors, but pinpointing the precise causes can be difficult. Though little research has examined the complex relationship between internal financial performance and external market influence, the relationship between these variables and stock price fluctuations has generated discussion (Tandon and Malhotra, 2013).

Quantitative factors like Earnings Per Share (EPS), price-to-earnings (P/E) ratio, Book Value Per Share (BVPS), and Dividend Per Share (DPS) are frequently regarded as the main drivers of stock prices in the context of listed companies, even though qualitative factors like investor sentiment and macroeconomic changes have been acknowledged. Research on the factors that influence stock prices in Nepal is still largely lacking, especially when it comes to the insurance industry. The majority of current research ignores the unique traits and performance indicators of insurance companies in favor of concentrating on more general market dynamics (Bhattarai, 2024).

Insurance companies have unique risk profiles and operational characteristics that may lead to varying stock price trends, even though they are crucial to the financial sector. For example, factors specific to the insurance industry, such as claims ratios,

rules, and premium revenue, may have a big impact on stock price behavior but haven't gotten enough attention in Nepal. The stock market is based in Nepal, which has a small and underdeveloped economy. Compared to the more established stock markets in developed nations, Nepal's market is less liquid and has a smaller participant base, with fewer brokerage firms and listed companies (SEBON, 2017). These traits imply that political developments, investor sentiment, and economic swings all have an impact on the stock market. Investors may find it challenging to make certain trend predictions in such a market due to the substantial volatility in stock prices caused by external shocks like shifts in macroeconomic indicators or governmental policies (Dhakal et al., 2024).

Research on the factors affecting the stock prices of the insurance industry is still essential in spite of these challenges. The market conditions that Nepali insurance companies work in, including premium revenue, claim ratios, and regulatory influences, can have a big impact on how their stock price moves. However, these factors have rarely been studied independently, and the research that has been done thus far has ignored the particular financial characteristics and risks that exist in the insurance industry. This study aims to bridge that gap by focusing on the insurance sector and examining the role of significant financial indicators in stock price determination. Given the current state of the Nepalese stock market, the following research question is intended to be addressed by this study:

- What is the relationship among dividend payout ratios, dividend yield, earnings per share, and price-to-earnings ratio, Size and MPS of insurance companies in Nepal?
- What are the impacts of DPR, DY, EPS, P/E ratio on MPS on Nepalese insurance companies?

1.3 Objectives of the Study

This study's main goal is to examine the relationship between the market price of shares for insurance companies listed on the Nepal Stock Exchange (NEPSE) and important financial variables such as earnings per share (EPS), price-to-earnings (P/E) ratio, and dividend per share (DPS). By concentrating on this industry, this study

seeks to shed light on the ways in which these financial indicators affect stock prices while taking into account both internal management variables and general market situations in Nepal. This study's primary goal is to examine the relationship between Nepali insurance companies' performance and their firm appearances. But the precise objectives are:

- To examine the relationship between dividend payout ratios, dividend yield, earnings per share, price-to-earnings ratio, Size and MPS of insurance companies in Nepal.
- To analyze the impacts of DPR, DY, EPS, P/E ratio on MPS on Nepalese insurance companies.

1.4 Research Hypotheses

In this study, the following research hypotheses were considered based on prior empirical literature.

H_1: The stock price is significantly impacted negatively by the dividend payout ratio.
H_2: The stock price is significantly impacted negatively by the dividend yield.
H_3: Earnings per share have a substantial positive effect on the stock price.
H_4: The stock price is considerably raised by the price-to-earnings ratio.
H_5: The stock price is significantly positively impacted by the company's size.

1.5 Rationale of the Study

The impact of accounting data on the market share price of insurance companies listed on the Nepal Stock Exchange (NEPSE) is examined in this study. Many different stakeholders can gain from the insights it offers into the dynamics of stock price behavior in this industry, which makes it significant to all of them. Because it gives investors a better understanding of how important financial indicators like earnings per share (EPS), price-to-earnings (P/E) ratio, dividend yield (DY), and dividend per share (DPS) impact stock prices, this study is particularly beneficial to investors. Through an evidence-based analysis of these relationships, this study helps investors identify potential opportunities for capital gains and lower stock market risks. The results are also crucial for board members and managers of insurance firms. The study's practical results can direct strategic financial choices like dividend

policies and capital structure improvement. Enhancing business performance, increasing shareholder value, and guaranteeing long-term financial sustainability all depend on these insights. This study gives bankers and stock analysts a strong knowledge of the variables that influence stock price swings, enhancing their ability to make more precise financial analyses and market projections. This information is essential for creating wise investment suggestions and giving clients portfolio management advice.

1.6 Limitations of the Study

Because the study only considers firm-specific factors and ignores macroeconomic factors like GDP, inflation, interest rates, business cycles, etc., we are unable to counteract the impact of macroeconomic factors on the MPS.

- The data set used in the study was compiled from the annual reports published by insurance companies. Therefore, the robustness of the current study's findings may be impacted by the accuracy and dependability of that data.
- In a similar vein, it considers only the most recent ten years of data to analyze the factors influencing stock prices, as well as a small number of chosen organizations (nine listed insurance companies) from among the listed companies.
- Nevertheless, this creates a space for additional study that includes both macro and micro factors to identify the factors influencing share price, as well as a larger sample size.
- Reliable secondary data (reported accounting financial statements) served as the foundation for this investigation.
- The findings of this study cannot be generalized to all life insurers and to other insurers worldwide.

A further factor contributing to the lack of data was the researcher's lack of control over the quantity and format of the data used in the study; some financial statements the researcher used did not provide additional information, so the researcher had to look for additional facts and familiarize themselves with other empirical studies that had used comparable data.

CHAPTER–II
REVIEW OF LITERATURE

The literature on this subject is reviewed and some of it is highlighted in the literature review. It specifically covers domestic and international research projects carried out by academics and scientists. Books, articles, papers, and other relevant research and studies on the variables influencing commercial banks' stock prices were read and reviewed by us. A conceptual overview, reviews of journals and papers, and an analysis of earlier research on the topic are all included in this chapter.

2.1 Theoretical Review

According to this theory, there is an ideal amount of leverage. It follows that when the right amount of debt capital is used, minimizing the cost of capital maximizes the firm's value (Brealey and Myers, 1998). It is predicated on the idea that, at low debt levels, leverage doesn't raise the cost of debt; therefore, simply replacing a less expensive source of capital (debt) for an expensive one (equity) results in a higher firm value. This is what gives business owners incentives to borrow money.

According to Brealey and Myers (1988), this argument is valid since debt-holders will continue to demand the same return on debt since they are aware of the higher risk associated with "moderate" debt levels. They argue that they only demand a higher return when debt levels are considered "excessive." The fact that debt funds are less expensive than equity funds is better explained by Alexander (1963), which also implies that the weighted average costs of capital will drop when debt is used because the cost of debt plus the cost of equity together will be lower than the cost of equity that existed on equity prior to debt financing. Since the firm's market value is determined by its net operating income and associated risk, the traditional view's validity is called into question. The type of financing only affects how the income is allocated between debt and equity holders; it has no effect on net operating income or the risk associated with it (Brealey & Myers, 1998). The traditional view is criticized by Modigliani and Miller (1958) on the grounds that there is insufficient evidence to

recommend to the assumption that the cost of equity is unaffected by leverage up to a reasonable limit. They don't actually make stocks much riskier.

2.1.1 Security Market

A mechanism that connects buyers and sellers of financial assets to enable trading is known as a security market. On the other hand, a security market is a location where securities are purchased and sold, along with the facilities and individuals involved, the availability and demand for securities, and the willingness of buyers and sellers to come to a sales agreement. Geetha and Swaaminathan (2015) state that the market price is the average stock price determined by the fiscal year's high and low prices. When buying or selling a good or service, this is the going rate. where high and low stand for the fiscal year's highest and lowest market prices, respectively. A stock market, while concentrated in a few locations, refers to a mechanism rather than a location intended to bring together buyers and sellers of securities to facilitate the exchange of securities. Geetha and Swaaminathan (2015) state that the market price is the average stock price based on the high and low prices of the stock market. That is, individuals and businesses looking for loans as well as those with surplus cash in the stock market. fiscal year. When buying or selling a good or service, this is the going rate. where high and low stand for the fiscal year's highest and lowest market prices, respectively.

Instruments traded on the market include derivatives, stocks, and short- and long-term debt obligations. The main purpose of securities markets is to facilitate the creation of new wealth by acting as a link between saving and investing. One of the mechanisms that allows savings to be efficiently transmitted from surplus spending units to deficit spending units that can use them more productively and/or have loss/risk evaluation is the development of a sound securities market with its constituent financial institutions. The existence of a securities market benefits issuers as well as investors. Securities markets assist businesses and governments in raising capital from the issuer's point of view. Capital should concentrate its savings on investments in the most productive industries in a society where the means of production and the distribution of goods and services are privately owned.

Additionally, governments need to be able to borrow funds for public works projects. The efficient and inexpensive transfer of funds from surplus to deficit sectors is made possible by market mechanisms. The empirical relationship between stock prices and a few chosen variables (book value per share, dividends per share, earnings ratio, dividend payments, and total asset size) was examined in a study by Almoumani (2014). Seven Jordanian banks and 49 observations (including seven bank branches) that were listed on the Amman Stock Exchange (ASE) between 2005 and 2011 were sampled by the researchers. EPS, book value per share, P/E ratio, and size variables are significant determinants of stock prices, according to this study, which concentrated on the fundamentals of stock valuation using correlation, regression analysis, and ratios.

2.1.2 Stock Exchange and its Role

Stock exchanges are the most well-known and centralized entities that buy and sell already-issued securities for speculation and investment. This allows you to trade financial securities at high quoted prices. The stock exchange does not buy or sell securities directly; rather, it is a trading platform with an active auction market. To start transactions on the exchange, a individual must be a member. This suggests that purchasing an exchange will be necessary. It is possible to execute orders to buy or sell listed securities without the individual or institutional investor being present. Instead, an exchange membertypically a commission brokermust receive orders and oversee their execution. Authorities have become more aware of the role that stock exchanges play in recent years. "A small group of people have never owned the stock exchange. Their actions were not restricted to destroying small and medium-sized businesses and circulation barriers, which garnered public notice. Similar to the stock market, the stock exchange gives everyone the chance to assess different investment options. Equitable opportunities for buyers and sellers of different securities are the purpose of a stock exchange. The stock exchange is the center of the capital market from an economic standpoint.

In the form of quotes, he diagnoses society and monitors the economy. The relationship between explanatory factors like market price, book value, profitability,

coverage, dividends per share, and earnings per share was investigated by Balkrishna (1984). The relationship between those variables in the cotton textile and general engineering industries was examined by researchers using a linear regression model. The results showed that the two most important factors influencing market price in both sectors were book value per stock and dividend per stock. In the cotton textile industry, yield has become a significant factor that negatively affects stock prices. The organization has a significant impact on the nation's economy by functioning as a free market for securities, where supply and demand determine prices. In addition to offering a market for securities, a stock exchange also helps raise money for businesses and the government. Therefore, free and active stock markets are now necessary for mobilizing and allocating a country's savings in order to support contemporary business.

2.1.3 Participants in the Stock Exchange

Brokers:

Brokers are the agents or middlemen who assist investors in purchasing and disposing of securities. After investors give them buy or sell orders, they carry out the transactions on the exchange floor. Brokers provide services such as holding securities for safekeeping, providing advice and information about possible investments, issuing margin loans, and helping with short sales in addition to fulfilling orders.

Dealers:

Dealers are not allowed to handle public orders; they only trade for themselves. Dealers profit from buying at low prices and selling at high ones because they have access to the floor and are able to own securities in their own names. Dealers in the market have the advantage of increasing the liquidity of securities through buying and selling activity. • Market Maker: By keeping an inventory of particular securities, market makersalso referred to as specialistsenable trading in securities. "They buy and sell securities at the asking price every time, which makes them very similar to dealers."

2.1.4 Common Stock

The capital of a business acquired through the sale of common stock is known as common stock. Common stock is a symbol of ownership in an organization. A company's legal owners are its common stockholders, also known as stockholders. Since common stocks never mature, they are a reliable and significant source of funding. By buying common stock, shareholders are entitled to dividends on the capital they have contributed. The board of directors of the company determines the size and amount of dividends. Common stocks are therefore referred to as liquid income securities. A company's shareholders are its owners and are subject to its risks. Once the claims of others have been satisfied, they are eligible to receive dividends. Similarly, after settling the claims of other capital contributors, a company that enters liquidation may exercise its rights to its assets. Companies issue common stock to raise their own funds, and investors purchase stock in the hope of making a consistent profit. Legally, a commercial company's capital is represented by its common stock, and its owners are responsible for all business gains and losses. They receive all of the profits and pay dividends on the preferred stock and interest on the debt. They thus bear the risk of capital loss while receiving all of the business's net benefits.

2.1.5 Value of Common Stock

a) Face value

The stock's par value is its par value. This was initially done to ensure that the company received a fair price for the value of the business represented by the stock. The sum determined at the time of initial issuance is the stock's par value. Unless the board of directors divides the shares or does something else, the par value of a stock stays the same (Campbell, 1991). The face value of a new issue is typically Rs. It's one hundred/-.

b) Net assets/book value

Net worth per share can be calculated by dividing the total number of common shares shown on the balance sheet by the number of outstanding common shares. This sum is the asset value per share minus debt and preferred stock. Earnings typically determine

the value of a profitable company's common stock, which is much higher than its book value. A substantial portion of the company's earnings will be paid out as interest to creditors and dividends to shareholders. This notice will raise the total retained earnings reported in the company's books. The total of the capital's retained earnings plus other components (common stock, capital contributed above par value, etc.) is the capital's book value. Book value per share is calculated by dividing the book value of shareholders' equity by the total number of outstanding shares (Sharp, Alexander, and Bailey, 2001). The book value of the company's common stock is calculated by dividing its common stock (common stock plus retained earnings) by the total number of outstanding shares (Binswanger, 2001).

c) Market price / value

A secondary market's market value is based on supply and demand and represents the general opinion of traders and investors regarding a stock's worth. Expected earnings and dividends, market and company risk issues to consider, and economic and industry conditions are some of the variables affecting market valuation. Expectations for future profits and dividends are reflected in the market price of a company's stock. In general, book value is regarded as being rather irrelevant when assessing a company's worth. This is due to the fact that book value has little bearing on current prices and only reflects past investments in the business (Weston Thomas, 1992). The organization's value is determined by the stock's market price. The price at which a stock is traded or the sum that a buyer pays a seller to acquire shares of a business is known as the market price. Every company has a different market price for its stocks. Common shareholders' stock prices are extremely volatile and sensitive to both internal and external environmental factors because they are the owners of the company and have the lowest priority for liquidation. The environment that exists inside an organization and has some control over it is known as the microenvironment. In order to maximize stock prices, businesses strive to maintain a favorable market environment. Even though the company has no control over them, outside environmental factors have a significant impact on the stock price. Before diving into the core concepts of stock price determinants, it makes sense to familiarize yourself with some technical terms frequently used in capital markets and financial

research. Consequently, this chapter defines a few technical terms related to the capital market. The stock price is what it costs to buy or acquire shares of a company. Demand (buyer power) and supply (seller power) are the two market forces that affect stock prices. Demand (buyer power) and supply (seller power) are the two market forces that affect stock prices.

Environmental variables and people's expectations and assumptions about the future determine supply and demand (Fama, 1965). According to Francis (1991), the market price of a stock establishes both the stock's and the organization's value. The price at which a stock is traded or the sum that a buyer pays a seller to acquire shares of a company is known as the market price. Every company has a different market price for its stocks. This is due to the fact that the organization's common shareholders are its owners, and the market value of their stock dictates both the stock's and the organization's worth. The price at which a stock is traded or the sum that a buyer pays a seller to acquire shares of a company is known as the market price. Every company has a different market price for its stocks. Stock prices are extremely volatile and sensitive to external factors because common stockholders own the company and have the lowest priority for liquidation. The market price of stocks is indicated by stock indices. Every company listed on NEPSE is represented by the NEPSE index. As a result, this is one of the NEPSE stock price indicators.

2.1.6 Earnings Per Share (EPS)

Net sales are divided by the number of outstanding shares of a company to determine earnings per share, or EPS. Since no two businesses are likely to have the same number of outstanding shares, it provides a figure that can be used to compare company earnings. Accounting profit, which is the difference between income and expenses, including costs related to non-equity funding sources (like debt interest and preferred stock dividends), is calculated as gross earnings on common stock. This portion of earnings is divided by the total number of outstanding shares to determine earnings per share (Francis, 1991).

2.1.7 Retained Earnings

Retained earnings are the total amount of a company's earnings over the course of its existence that are shown as earnings on the balance sheet but are not distributed as dividends. According to Foster, Olsen, and Shevlin (1984), the company reinvests these profits. The sum of a business's profits less any dividends or other payments made to investors is known as retained earnings. Every time an accounting entry has an impact on the income or expense account, this sum is modified. 2.1.8 Per-share dividends The total dividends paid during the reporting period were divided by the number of common shares issued to determine the dividends per share. After an interim dividend is paid during an accounting period, the company may propose a final dividend per share, which shareholders must then approve at the Annual General Meeting (AGM). Dividend type: cash dividend. A cash dividend is a sum of money paid to shareholders. Paying out cash dividends reduces a company's overall and net assets. Stock Dividend: Bonus shares given to shareholders as dividends are known as stock dividends. Consequently, the number of outstanding shares of the company increases (Reilly, 1996).

2.1.8 Book value of Net Assets/Shares

The book value of equity represents the historical value of the company's tangible assets. A well-run company with competent management and efficient organization should have a higher market value than the historical book value of its tangible assets (Binswanger, 2001).

2.1.9 Market Price Per Share

The price at which a stock is currently trading is its market value. Determining the price of actively traded stocks in weak markets can be challenging. Even though information is given, it might only represent the sale of a portion of the company's shares and not the overall market value. These businesses need to carefully analyze market pricing data. A stock's market price establishes both the stock's and the organization's value. The amount a buyer pays a seller to acquire shares of a company is known as the market price, or the price at which a stock is traded.

Stock prices are extremely volatile and sensitive to external factors because common stockholders own the company and have the lowest priority for liquidation. Shareholders may place more value on immediate dividends and capital gains as a result of market imperfections and uncertainty. Dividend payments can therefore have a significant impact on the stock prices. Stock prices increase when dividends are high and decrease when dividends are low.

2.1.10 Pricing

The price of a stock is determined by market forces that result from the interaction of supply and demand. The balance between supply and demand determines prices. When this equilibrium shifts, prices are constantly adjusted to find a new, dynamic equilibrium. Then, the market price fluctuates. The fluctuations in stock prices can be attributed to numerous other factors. Market, non-market, and economic factors are the main ones. The most significant element influencing stock prices is dividends. The profitability of a business has a big impact on dividend size. The relationship between dividends and corporate profits is extremely strong. The impact of interest rates on profitability is significant. Thus, changes in corporate earnings are the most fundamental factor influencing stock price fluctuation. These changes, along with interest rates and business cycle trends, are part of the economic factors influencing stock price. Non-economic factors also play a role, such as shifts in political circumstances, administrative changes, weather and other natural conditions, cultural shifts, technological advancements, and investor preferences. Accordingly, the third category that affects the stock price is market factors, or internal market factors, which take into account the state of the market and supply-demand relationships. The stock price is also influenced by the company's corporate performance, its earnings capitalization policy, governmental regulations, and the market's signaling influence.

2.2 Empirical Review

An empirical review is a critical summary and evaluation of published research studies that use empirical methods based on data and observation typically to examine a particular topics.

Table: 1

Review Matrix

S.N	Authors	Title	Objectives	Methods	Findings	Gap
1.	Isaac Kibet Kiptoo, Samuel Nduati Kariuki and Kennedy Nyabuto Ocha (2021)	Risk management and financial performance of insurance firms in Kenya	To determine the risk management strategies adopted by the various insurance firms in Kenya and how it affects the performance.	The study adopted regression analysis to determine the relationship between the variables. The dependent variable was financial performance, while the independent variables were nine risk management variables, namely: credit risk management (CR), market risk management (MR), operation risk (OR), and liquidity risk (LR). To effectively measure the relationship between the	The findings suggest that proper management of firms'operations results in reduced operating costs, which in turn result in an increase in net premiums and positively impact the performance of a firm.	Further research on other risk management strategies.
2.	Kamanda Morara and Athenia Bongani Sibindi (2021)	Determinants of Financial Performance of Insurance Companies: Empirical Eviden	To establish whether firm-level factors explain financial performance of Kenyan insurance firms. To find out the influence of insurer-specific determinants	In the testing of the association between financial performance and its determinants, the following static panel data model was specified: FIPi,t = x0i,t*b* + hi + #i,t This model can be restated as follows as follows; FIPit = *b*0 + *b*1DEBTit + *b*2SOLit + *b*3SIZit + *b*4REISit + *b*5AGEit + *b*6COMit + *b*7 INVit + hi + eit	Large insurance companies in terms of total assets are likely to be more profitable. Older insurance firms will not necessarily perform better in comparison to insurance firms which recently started operations.	Investigating the role of gender diversity and director's remuneration.

		ce Using Kenya n Data	on the financial performance of the insurance sector To assess the impact of investment performance and decisions of insurers in Kenya	The main source of the data used in the analysis was the Insurance Regulatory Authority Annual Reports (Insurance Regulatory Authority 2018) from 2009 to 2018. This study employed panel data for the 10-year period from 2009 to 2018.	Insurance companies should raise most of their capital by borrowing rather than by equity capital insurers should maximize their returns by making good investment decisions.	
3.	Isaac Kibet Kiptoo, Samuel Nduati Kariuki & Kennedy Nyabuto Ocharo (2021)	Corporate governance and financial performance of insurance firms in Kenya	To the impact of corporate governance on the financial results of Kenyan insurance companies, To examines the impact of board independence, board size, diversity and board composition on the performance	This study adopted stewardship theory, agency theory, and resource-dependency theory. The study adopted regression analysis to determine the relationship between the variables. *ROAit¼β*0þ*β*1BC*it*þ*β*2*BIit*þ *β*3*BSit*þ*β*4*BDit*þ*β*5*Ageit*þ*β*6 *LEVit*þ*β*7*SIZEit*þ*ε* The target population for the study was all the 55 insurance companies licensed to operate in Kenya by IRA as of 31 December 2018 for which The final sample of firms used in the study was 51 insurance firms.	Firms should ensure that the board should have an independent director to boost financial performance. The board size should thus be smaller to ensure efficiency and effectiveness and result in better performance. Regulators and policymakers should come up	Further research on gender diversity, director's remuneration, and shareholding.

			of Kenyan in surance com panies.		with policies and regulations that will ensure firms adopt appropriate performance.	
4.	Janga Bahadur Hamal (2020)	Impact of Firm Specific Factors on Financial Performance of Life Insurance Companies in Nepal	To identify the relationship between liquidity and profitability of the insurance companies To show relationship between the short term debt and financial performance of life insurance companies. To show relationship between the long term investment and financial performance of life insurance	The data examines the impacts of firm specific variables on Financial performance in Nepalese life insurance companies by deploying descriptive and causal research designs adopting the regression model as used by Pradhan et al (2019). The target population comprises all the listed life insurance companies i.e 19 and the sampling frame of the study consists of 7 companies. The quantitative data for - firm size, liquidity, short term debt, long term investment, -firm age, - ROA and - ROE were collected from 2009/10 to 2019/20. The study has employed descriptive statistics and correlation analysis. The different assumptions, normality and multicollinearity of ordinary least square (OLS)	The study sheds light upon the fact that life insurance companies that operate in Nepal benefit more when they maintain liquid assets. Further, it also concludes that the financial performance decreases moderately with the increase in short term debt and operational years in Nepalese life insurance companies. The most influencing factors for the financial performance in	Exploring the influence of loss ratio, operating margin, and other factors.

			companies	regression have been tested prior to running the models: ROA = β0 + β1 LSIZE + β2 LQ + β3 LSTD + β4 LLINV + β5 AGE + e ROE = β0 + β1 LSIZE + β2 LQ + β3 LSTD + β4 LLINV + β5 AGE + e	Nepalese life insurance companies are firm size and long-term investment.	
5.	Augustine Shina Akande, Sunday Eneojo Samuel and Baba Yaro Iyodo (2020)	Recapitalisation and the Financial Performance of Firms: Empirical Evidence from the Insurance Industry in Nigeria	To assess the impact of recapitalization on the Gross Written Premium (GPW) of insurance companies in Nigeria To assess the impact of Recapitalization on the Profit before Tax (PBT) of insurance companies in Nigeria. To assess the impact of Recapitalization on the Total Assets (TA) of	This study adopts the ex post facto research strategy. The study adopted the purposive sampling method to work out a sample size of 12 insurance companies contributing approximately 74% of the total insurance industry revenue in 2018. Data for this study was from secondary sources through the instrument of documentation. Documented information majorly from the National Insurance Commission. The Nigerian Insurers Association (NIA), The Nigerian Stock exchange and company annual reports. In this study, five key measures were employed: one independent variable, Shareholder's fund (SHF) and nine dependent variable Gross	Insurers should regular recapitalization exercise and take initiatives to increase its capital size. Investors should engage experts to investigate the financial discipline, quality & competencies of top-level management and the quality of corporate governance in their investee firms before committing money to any recapitalization exercise.	Investigating long-term effects of recapitalization and the role of regulatory environments.

			insurance companies in Nigeria. To assess the impact of Recapitalization on the Capital Employed (CE) of insurance companies in Nigeria.	Written Premium, Profit before Tax (PBT), Total Assets (TA) and Capital Employed (CE). Having stated the theoretical context of the panel data analysis, we present our model as follows: $GWP = \beta_0 + \beta_1 SHF$ $PBT = \beta_0 + \beta_1 SHF$ $TA = \beta_0 + \beta_1 SHF$ $CE = \beta_0 + \beta_1 SHF$	The government should sanitize the regulatory environment to ensure that competent leadership is engaged to run the affairs of the regulatory institutions	
6.	Alani Olusegun Akinwumi Olusegun (2020)	Firm characteristics and financial performance in quoted manufacturing companies in Nigeria	To examine the impact of firm characteristics on the financial performance of quoted manufacturing firms in Nigeria	The technique of data analysis which the study employed is multiple panel data regression analysis. The data was analyzed using econometric views and the outcome was used to test the hypotheses of the study after conducting necessary tests. This current study adopts the model specified in the work of Dioha et al. (2018). FCs = {FAG, FSZE, SAG, LIQ, and LEV} ROA = f FAG, FSZE, SAG, LIQ, and LEV	The Mgmt. of manufacturing companies should be more desperate to finding ways to improve and acquire the optimal utilization of their assets, while making max. use of their resources during the production processes and distribution of finished products improving their profits.	Extending the study to different sectors and broader geographical regions.

7.	Melat Bishaw, Kenenisa Lemie & Sintayehu Tulu (2019)	Determinants of Financial Performance of Insurance Companies in Ethiopia	To investigate the impact of ROA and ROE on financial performance of insurance companies in Ethiopia. To identify the effect of internal factor, that determine the insurance companies' financial performance in Ethiopia. To rank the factor according to their degree of influence on insurance companies financial performance The core objective of this study was to investigate determinants	The study is based on quantitative research, which constructed an econometric model to identify and measure the determinants of financial performance. $ROA_i = \beta_0 + \beta_1 CS_{it} + \beta_2 PG_{it} + \beta_3 LVR_{it} + \beta_4 LQR_{it} + \beta_5 FA_{it} + \beta_6 UR_{it} + e_{it}$ $ROE_i = \beta_0 + \beta_1 CS_{it} + \beta_2 PG_{it} + \beta_3 LVR_{it} + \beta_4 LQR_{it} + \beta_5 FA_{it} + \beta_6 UR_{it} + e_{it}$ The population of this study is comprised all the insurance firms that are operating in the Ethiopia market from a period of 2006-2016. This study is entirely based on secondary data, secondary data of insurance companies were obtained from the respective sample insurance companies audited financial statements and their annual reports filed with NBE.	The insurers should deduce the effect of underwriting risk (amount of losses) by improving their underwriting performance through techniques like product selections; minimize claims leakages and conducting appropriate pre risk survey. Managers shall not use excessive amount of leverage in their capital structure, they must try to finance their projects with retained earnings and use leverage as a last option. Managers must work to achieve	Future research should include factors like loss ratio, operating margin, and premium growth.

			of financial performance of the insurance companies in Ethiopia.		the optimal capital structure level to maximize the firm‘s performance.	
8.	Ramesh Raj Ghimire & Deepashree Mishra (2018)	Determinants of Stock Price in Nepalese Market	To determine the relationship between stock price and explanatory variables like: DPS, EPS, PE ratio, BV, Market to BV for the period 2012 to 2017	Simple and multiple regression analysis and descriptive statistics with following hypothesis: H01: There is no statistically significant relationship between EPS and stock price H02: There is no statistically significant relationship between DPS and stock price H03: There is no statistically significant relationship between P/E ratio and stock price	The variables Market to BV, P-E ratio are the significant determinants of stock price which directly affect the stock price DPS, BV also have significance positive influence on stock price whereas EPS has minimum inf. on the stock	Further study of other financial indicators and their relationship with stock price.
9.	Samuel Tabot Enow and Pradeep Brijlal (2016)	Determinants of Share Prices: the Case of Listed Firms on Johann	To investigate the relationship between dividend payout, return on equity, return on asset, size of	The study used only secondary data from 2009 to 2013. The sample comprised of 14 companies listed on the Johannesburg Stock Exchange using multiple regression analysis *Research equation.* $S.Pit = \beta 0 + \beta 1\ DPOit + \beta 2\ ROEit + \beta 3\ ROAit + \beta 4$	Descriptive statistics for top 14 companies listed on Johannesburg Stock Exchange from 2009 to 2013. DPS, EPS, P.E accounts for 57.8% of share	Extending the analysis to other regions and accounting for macroeconomic factors.

		esburg Stock Exchange	the firm, liquidity of the firm, earnings per share and risk of the firm to a share prices over a period of five year using the top 14 South African firms	*SIZEit + β5 L.Yit + β6 EPSit + β7 P.Eit +ξit*	pricesmovements EPS and P.E are significantly positively correlated to share prices although whereas DPS was not. managers can create value to their share holders by increasing DPS, EPS and P.E.	
10.	Nikita Kumari (2015)	Determinants of Insurance Investment: A case study of Life Insurance Corporation of India	To study the investment management of insurance companies. To analyze the impact of underwriting operations on investment of LIC. To identify the problems and suggest suitable measures for improvement and	Multiple regression Model has been developed to study secondary data collected from authentic and corporate websites, magazines, journals, annual reports and financial statements of LIC and IRDA for the year 2000-01 to 2013-14. *Regression Equation Y= ß0+ ßıX1+ β2X2 +Ɛ* For the purpose of study "Life Insurance Corporation of India" is selected as a sample which represents about 70 percent of life insurance sector in	Investment decision is influence by underwriting activities of insurance companies on general premise, a relatively high proportion of the variation of the dependent variable investment is accounted for by the independent variables. There	Investigating the role of other insurance market dynamics.

			development of inv. of LIC	India.	exists a statistically significant impact of premium and claim on investment of Life Insurance of India.	
11.	Taimur Sharif, Harsh Purohit & Rekha Pillai (2014)	Analysis of Factors Affecting Share Prices: The Case of Bahrain Stock Exchange	To investigate if Bahraini investors are comparatively less risk tolerant than non-Bahrainis. to enlighten the investors about the key indices which can assure them at least nominal and fair returns on their investment To analyze the detems. of market price of shares of companies	To examine the relationship between the firms' internal factors and market price of share: *MPS = f (IF, CV)* For comparison purpose, first method is the Pooled Ordinary Least Square (POLS). The second estimation method and that commonly used in panel data analysis is the fixed effects (FE) and the random effects (RE) models. The data for the study was retrieved from the Bahrain stock exchange. At present 48 companies are listed in the stock exchange among which Panel data for the years ranging from 2006-2010 has been constructed and 41 companies have been included in the study	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. Investors monitor the PE ratio, dividend policies (DPS and DY), BVS, Log MCAP and ROE before they expand their portfolio.	Further exploration of investor behavior and international factors affecting share prices.

Riski and associates (2025) The impact of corporate social responsibility, green accounting, and green intellectual capital on financial performance. This study investigates the effects of corporate social responsibility (CSR), green accounting, and green intellectual capital on the financial performance of Indonesian energy businesses. The study focuses on companies that were listed between 2021 and 2023 on the Indonesia Stock Exchange. impact on financial performance that is statistically significant. According to these findings, Indonesian energy businesses might not be completely incorporating social and environmental sustainability into their main business plans and financial decision-making procedures just yet.Financial performance is the dependent variable, whereas green accounting, green intellectual capital, and corporate social responsibility are the independent variables taken into account. The study examines information gathered from sustainability disclosures and financial reports across the course of three years using multiple regression analysis. The results show that nothing of the independent variables—CSR, intellectual capital, or green accounting—has aSingh M. P. and Ghosh M., 2024 A bibliometric and meta-analytical assessment on improving financial performance that reveals sustainable approaches in financial organizations. Businesses, including financial institutions (FIs), are incorporating non-financial aspects into their plans to ensure long-term sustainability and value development as a result of the increased global emphasis on environmental and social issues.

Although financial institutions (FIs) are essential for distributing funds and preserving the stability of the national economy, there is still a dearth of thorough studies examining the ways in which sustainable practices affect FP in these organizations. The current work conducts a thorough review of 533 academic publications published between 1983 and 2024 in order to close this gap.Major contributions, recurring themes, and potential research areas in the discipline are identified using bibliometric analysis. Additionally, a meta-analysis of 40 chosen research explores the connection between banks' financial performance and sustainable practices. Overall, the results show a moderate but positive association, suggesting that banks have not yet fully incorporated sustainability into their operational frameworks. Environmental practices seem to have a negative correlation with FP, whilst social and governance

aspects have a positive effect. The need for innovation, the creation of sustainable financial products, the upfront expenditures of green projects, delayed financial rewards, or more stringent investment screening that complies with environmental standards could all be contributing factors to this inverse relationship. The study ends with a summary of its practical ramifications. directions for future research in this evolving domain.

Kamanda and associates (2021) Determiners of insurance companies' financial performance: empirical evidence based on data from Kenya. to determine the impact of insurer-specific determinants on the financial performance of the insurance industry and whether firm-level factors account for the financial performance of Kenyan insurance companies. To evaluate how investment performance and choices affect Kenyan insurers' financial performance The following static panel data model was chosen in order to test the relationship between financial performance and its determinants: The Insurance Regulatory Authority Annual Reports (Insurance Regulatory Authority 2018) covering the years 2009 through 2019 served as the primary source of data for the analysis. This study covers the ten-year period from 2006 to 2016. Overall profits for the insurance companies are likely to increase. It's not always the case that newly established insurance companies outperform the oldest ones. Borrowing should be used to raise the majority of an insurance company's capital rather than equity. To maximize their profits, insurers should make prudent investment decisions.

Isaac et al. (2021) looked into the connection between Kenyan insurance companies' financial performance and corporate governance in their 2021 study. They examined how board composition, independence, size, and diversity impacted the performance of Kenyan insurance companies as well as how corporate governance impacted their financial results. This study assesses the theories of resource dependency, agency, and stewardship. With the target population being all 55 insurance companies licensed to operate in Kenya by the IRA as of December 31, 2018, the study's final sample of firms included 51 insurance firms. Businesses should ensure that the board has an independent director in order to enhance financial performance. Good performance

results from efficiency and effectiveness, which are ensured by a smaller board size. Regulators and lawmakers should enact laws and regulations that ensure companies use appropriate governance frameworks in order to boost performance. Future research can examine the effects of other governance factors, such as director compensation, gender diversity, age, and shareholding.

Hamal (2020) The effect of firm-specific variables on Nepali life insurance companies' financial performance To determine how the insurance companies' profitability and liquidity are related to demonstrate how short-term debt and life insurance companies' financial performance are related. to demonstrate the connection between life insurance companies' financial performance and long-term investments. The data uses descriptive and causal research designs, using the regression model as employed. Pradhan et al. (2019), to investigate the effects of firm-specific variables on financial performance in Nepalese life insurance companies. All 19 listed life insurance companies make up the target population, and seven companies make up the study's sampling frame. From 2009–10 to 2019–20, quantitative data on firm size, liquidity, short-term debt, long-term investment, firm age, ROA, and ROE were gathered. Descriptive statistics and correlation analysis were used in the study. Before the models were run, the various assumptions, normality, and multicollinearity of ordinary least squares (OLS) regression were examined. According to the study, life insurance firms that conduct business in Nepal gain more from keeping liquid assets. Additionally, it comes to the conclusion that as short-term debt and operating years for Nepalese life insurance companies increase, their financial performance declines somewhat. The size and long-term investment of life insurance companies are the main factors influencing their financial performance in Nepal. The size of life insurance companies must be increased, and their financial performance must be closely observed. The stability of the financial sector as a whole depends on the insurance industry's future profitability. Future studies can concentrate on employing panel data analysis by incorporating additional variables as independent variables, such as tangibility, insurance premium growth rate, operating profit ratio, and loss ratio.

Augustine et al., (2020) Empirical data on the connection between recapitalization and corporate financial performance can be found in the Nigerian insurance sector. to assess the impact of recapitalization on Nigerian insurance companies' gross written premiums (GPW). to assess the impact of recapitalization on Nigerian insurance companies' profit before taxes (PBT). to assess the impact of recapitalization on the total assets (TA) of Nigerian insurance firms. to assess the impact of recapitalization on capital employed (CE) in Nigerian insurance companies. To assess how recapitalization has affected Nigerian insurance companies' financial performance. This research employs a post hoc approach. To determine a sample size of 12 insurance companies that accounted for roughly 74% of the insurance industry's total revenue in 2018, the study used the purposive sampling method. The documentation tool was used to gather data for this study from secondary sources. information that was primarily documented by the National Insurance Commission. The Nigerian Stock Exchange, the Nigerian Insurers Association, and corporate annual reports. One independent variable, shareholder's fund (SHF), and nine dependent variablesgross written premium, profit before tax (PBT), total assets (TA), and capital employed (CE)were used in this study. Regular recapitalization exercises and proactive pursuit of opportunities to increase capital size are recommended for insurers. Before investing in a recapitalization exercise, investors should hire professionals to look into the financial discipline, the caliber of corporate governance, and the competencies of top-level management in their investee companies. To guarantee that capable leadership is hired to manage the operations of the regulatory institutions, the government should purify the regulatory environment.

Alani and Akinwumi (2020) investigated Firm attributes and financial results in Nigerian manufacturing companies that are quoted To investigate how firm attributes affect the financial performance of Nigerian manufacturing companies that are quoted Multiple panel data regression analysis is the data analysis method used in this study. After carrying out the required tests, the results of the data analysis using econometric perspectives were used to test the study's hypotheses. The model outlined in the work of Dioha et al. (2018) is used in this investigation. In order to maximize resources during the production and distribution of final goods, manufacturing company

management must put in more effort to identify ways to enhance and make the best use of their assets. This is because it contributes to higher profits. In order to prevent excessive leverage and low profitability as a result of higher interest payments to debt holders, a company's financing decisions should be based more on equity than debt.

Melat, et al (2019) carried out research on the factors influencing Ethiopian insurance companies' financial performance. to research how Ethiopian insurance companies' financial performance is affected by ROA and ROE. to ascertain the influence of internal variables that affect Ethiopian insurance companies' financial performance. The degree to which each factor affects the insurance company's financial performance determines its ranking. This study's primary goal was to look into the factors that affect Ethiopian insurance companies' financial performance. The quantitative research that forms the basis of this study creates an econometric model to determine and quantify the factors that influence financial performance. The study included all insurance companies operating in the Ethiopian market from 2006 to 2016. The only secondary data used in this study came from the audited financial statements and annual reports that the sample insurance companies provided to NBE. Insurers can assess the impact of underwriting risk (the amount of losses) by enhancing their underwriting performance through tactics like product selection, reducing claims leaks, and carrying out suitable pre-risk surveys. Managers must endeavor to achieve and sustain the optimal level of capital structure in order to maximize the company's performance. Instead of employing excessive leverage in their capital structure, they ought to give priority to financing projects with retained earnings. Leverage should only be applied in dire situations. To lower the risks involved in their investments and meet the needs of their customers, insurance companies should make every effort to anticipate their liquidity requirements and maintain emergency reserves.

Mehmood et al. (2019) the study "Factors determining the share price volatility: Evidence from listed companies in Sri Lanka" was carried out by. Investigating the variables affecting share price volatility in non-financial companies listed on the Colombo Stock Exchange (CSE), Sri Lanka, is the goal of this study. The study aims

to address the following research question: What factors influence the volatility of share prices in Sri Lankan listed non-financial firms? Examining the factors that influence share price volatility among non-financial companies listed on the CSE is the main goal. Out of the 225 non-financial firms in the population, 72 were chosen at random to make up the sample. Five years' worth of panel data, from 2013 to 2017, was taken from the sampled firms' annual reports. The dividend payout ratio, dividend yield, dividend per share, sales growth, leverage, exchange rate, firm size, earnings volatility, and GDP are among the explanatory factors taken into account in this study. The fixed effect regression analysis indicates that 22% of share price movements can be explained by the explanatory variables taken into consideration in the study. Interestingly, dividend yield significantly reduces share price volatility, whereas dividends per share significantly reduce share price movements.

The dividend payout ratio, dividend yield, dividend per share, sales growth, leverage, exchange rate, firm size, earnings volatility, and GDP are among the explanatory factors taken into account in this study. The fixed effect regression analysis indicates that 22% of share price movements can be explained by the explanatory variables taken into consideration in the study. Interestingly, dividend yield significantly reduces share price volatility, whereas dividends per share significantly reduce share price movements. The study's findings show that the P-E ratio and market to BV are important factors that have a direct impact on stock prices. EPS is never examined in a vacuum; while a rise in EPS suggests the possibility of future dividends, its influence is negligible in the present situation. The purpose of this study is to determine the correlation between stock price and explanatory factors (DPS, EPS, P-E ratio, BV, and Market to BV) for the years 2012–2017. The study investigates the factors influencing stock prices using descriptive statistics and both simple and multiple regression analysis. The findings, which are based on a sample of 11 financial and non-financial companies in Nepal, indicate that the P-E ratio and the market-to-BV ratio are significant factors that have a direct impact on stock prices. While EPS has little effect on stock prices, DPS and BV also significantly raise them. As a result, the market-to-BV and PE ratios are the most crucial factors that directly

influence the stock price; while EPS has a minor impact, DPS and BV also have a favorable and noteworthy effect.

Samuel et al. (2016) Determinants of stock prices: the case of companies listed on the Johannesburg Stock Exchange. We look at how corporate risk affects 14 of the biggest companies in South Africa over a five-year period in terms of dividend payments, return on equity, return on assets, firm size, firm liquidity, earnings per share, and share price. business. descriptive data for 14 companies listed on the JSE between 2009 and 2013. According to descriptive statistics, the stock price's mean is 218 and its standard deviation is 173. The study's main goal was to find out what factors affected the share prices of 16 South African companies that were listed between 2008 and 2013 on the Johannesburg Stock Exchange. DPO ranges from 0 to 15.1, with a mean value of 0.855 and a standard deviation of 1.964. This suggests that there is a 1.94 deviation in DPO values on both sides. The study discovered through multiple regression analysis that DPS, EPS, and P.E. together explain 57.8% of changes in share price. In particular, there is a significant and positive correlation between share prices and EPS and P.E., but not with DPS. According to the findings, managers in South Africa can raise DPS, EPS, and P.E. to increase shareholder value. These findings are consistent with earlier research by Sharma (2011), Uddin (2009), Somoye et al. (2009), Almumani (2014), and Al-omar and Al-mutairi (2008). The report suggests more research on this subject with a bigger sample size.

Bhattarai (2014) elements influencing Nepal's commercial banks' stock prices. This study aims to investigate how internal factors affect Nepal's commercial banks' stock prices. In this study, we looked into the variables that affect Nepal's commercial banks' stock prices. A descriptive, causal comparative design was employed in this investigation. 32 samples made up the population, and 9 sample banks were selected for the study using the convenience sampling method. A review of the theoretical literature is provided. The research techniques employed in the study come after this section. The study's conclusion is presented in the penultimate section, which also includes discussion and empirical results. There is a lot of interest in studying the variables that affect stock prices. Furthermore, there is a lot of interest in figuring out

what influences stock prices, particularly in the banking industry. Since commercial bank stocks are traded more frequently than other stocks in the Nepalese market, they offer investment opportunities to Nepalese investors. The variable coefficient of determination, or R-squared, is 0.797. This outcome can be explained by the fact that a rise in earnings per share invariably causes the market stock price to rise significantly.

Taimur et al. (2014) A case study on the Bahrain Stock Exchange and the variables influencing Bahrain stock prices was conducted. Given that Bahrain is an emerging economy, the determinants that have been identified will offer insights. informs prospective investors of the major variables influencing a nation's stock price and assists them in tailoring their investment plans appropriately. STATA 12 is a statistical package used to obtain regression results. The degree of collinearity between variables is ascertained using a variety of diagnostic tests, including variance inflation factor methods, correlation statistics, and normality tests. Two econometric estimation techniques were used to estimate equation (2). Pooled Ordinary Least Squares (POLS) is the first method used for comparison. We use robust standard errors in POLS regressions to account for potential heteroskedasticity. The POLS results and the results from Model 2 are comparable. The model's reported R2 agrees with the POLS results (0.80), and the positive and significant nature of ROE, BVS, DPS, PE, and Log MCAP is further supported by the similar signs of their coefficients (p-values for all of these variables = 0.001). The connection to the dependent variable. The goodness of fit of Model 1 is preserved in the direction of DY, EPS, and ROE as a function of stock market price because the coefficients are negative. The significant negative impact of DY and the insignificant effects of EPS and ROE on MPS further support the accuracy of the results from both models.

2.3 Research Gap

Even though research on the factors that influence stock prices is expanding, there is still a large gap in the literature, especially when it comes to Nepal and its non-life insurance market. The majority of current research frequently ignores the distinctive features of developing markets like Nepal in favor of concentrating on international or

regional markets. When looking at particular factors that influence stock prices in the non-life insurance industry, this disparity becomes especially apparent. Few studies have focused on non-life insurance companies and the factors that most affect their stock prices, such as earnings per share (EPS), price-to-earnings (P/E) ratio, dividend yield (DY), and dividend per share (DPS), although some have examined the general financial determinants of stock prices in Nepal (Sharma, 2018).

The dearth of thorough studies that particularly address stock price determinants in the insurance sector in Nepal is one of the primary limitations of the body of existing literature. The majority of studies tend to overlook the complex factors that affect the stock prices of insurance companies in favor of concentrating on the banking industry or larger financial markets. Low market liquidity, regulatory changes, and high natural disaster risk are some of the particular difficulties faced by Nepal's non-life insurance companies; however, empirical research has not adequately taken these factors into account (Regmi, 2019).

Furthermore, the impact of firm-specific elements like corporate governance, risk management procedures, and management caliber on stock prices in the insurance industry in Nepal has not been adequately examined in previous research. In the context of Nepalese firms, where corporate governance standards and risk management practices may differ significantly from those in developed markets, these factors have received little attention, despite the fact that they are frequently highlighted in international studies (Sharma, 2018). In addition to adding to the body of knowledge, filling this gap will benefit investors, insurance providers, and legislators who want to know what influences stock prices in Nepal's insurance industry.

CHAPTER–III
RESEARCH METHODOLOGY

This chapter deals with the methodologies that have been adapted to attain the stated objectives of the study. This chapter basically focuses on the methodological issues associated with the study. The first section deals with research design, the second section deals with nature and sources of data, population and sampling framework, data collection tools, method of data analysis and the methodological has been explained in the subsequent sections.

3.1 Research Design

This study uses a descriptive and comparative research approach, concentrating on the relationship between firm-specific characteristics and market price per share. The study methodically looks at how market price per share interacts with a number of variables, such as earnings per share, dividend yield, dividend payout ratio, price-earnings ratio, and the size of the institutions. Out of all the listed insurance companies, a sample of nine insurance companies was carefully chosen for this study based on market capitalization. Nine insurance companies were selected to represent the years 2071–2072–2080–2081 in this study.

3.2 Population and Sampling

Nine insurance companies have been chosen as the study's sample, while the entire population for the data consists of all insurance companies. It is not practical to include all 39 insurance companies operating in Nepal in the study due to time and resource constraints. As a result, nine insurance companies were specifically selected as a sample for the study. The following is the chosen sample:

1. Nepal Life Insurance Company (NLIC)
2. Life Insurance Corporation (LIC)
3. National Life Insurance (NLI)
4. Himalayan Everest Insurance Limited (HEI)
5. Neco Insurance Company, (NECO)
6. Nepal Insurance Company Ltd. (NIC)

7. Sagarmatha Lumbini Insurance Company Ltd. (SLIC)
8. Asian Life Insurance Company Limited (ALICL)
9. Shikhar Insurance Company (SICL)

3.3 Sources and Nature of Data

Based on their market capitalization, nine insurance companies provided the secondary data used in this study during the 2071–2072–2080–2081 study period. The annual reports of several sample companies as well as the financial and insurance statistics published by NEPSE serve as the main sources of data.

3.4 Methods of Analysis

Using Excel software, descriptive statistics, Pearson's correlation analysis, and multiple regression analysis were used to analyze the data on the market price per stock, earnings per stock, divided payout ratio, earnings per stock, dividend yield, and size of the insurance companies.

3.5 Formulation of Research Variables

A review of prior studies has led to the development of several testable hypotheses. Table 1 summarizes the variables used in the study, including their definitions and hypothesized signs. The independent variables along with their expected signs are also presented."

Table: 2 Summary of research variables

	Variables	**Definition**	**Symbol**	**Expected Sign**
Independent Variables	Dividend per share	Dividends paid/Number of shares outstanding	(DPS)	H_1
	Dividend yield	Dividend per share/price per share	(DY)	H_2
	Earnings per share	Net Income/Number of shares outstanding	(EPS)	H_3
	P/E ratio	Stock price/EPS	P/E Ratio	H_4
	Firm size	Market capitalization calculated as Market price of share		H_5
Dependent Variable	Market price of share	Closing share price of the years	(MPS)	

3.6 Research Conceptual Framework

This project's theoretical framework was developed following a careful analysis of pertinent literature. The market price per share of insurance companies is expected to be influenced by factors such as coverage, price-to-earnings ratio, dividend yield, and earnings per share. The observed effects of these factors on the share prices of insurance companies in Nepal served as the basis for the design of the study. It is assumed that the price-to-earnings ratio, coverage, dividend yield, and earnings per share all have an effect on the dependent variable, which is the stock price of the insurance company. These independent variables were chosen based on prior theoretical and empirical studies. In order to better understand the dynamics influencing stock prices in the insurance industry, this study offers a conceptual framework for evaluating the effect of these selected factors on the market price per share of listed insurance firms in Nepal.

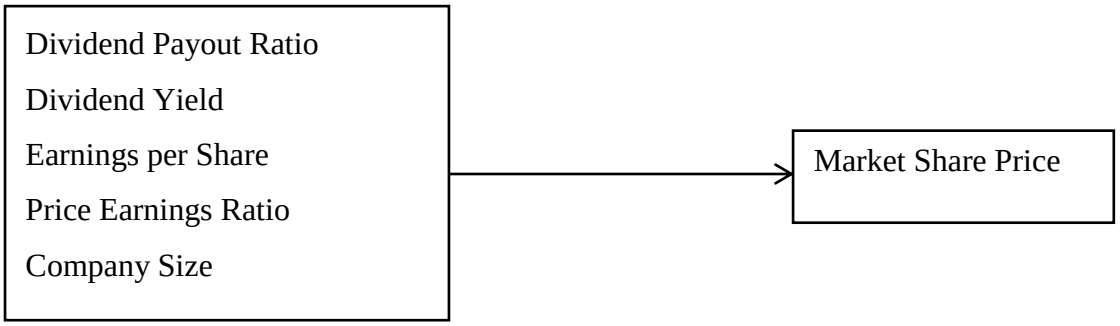

Figure 1 Research Framework Modified from Rejda, (2008)

Choosing a representative stock price for regression analysis is made more difficult by the dynamic nature of stock prices, which are susceptible to minute-by-minute fluctuations as a result of buying and selling pressures. Using the stock price at the end of the insurance business year, the market price of stock is chosen as the dependent variable in this study. The Dividend Payout Ratio, an independent variable, shows how well earnings support dividend payments. The hypothesis asserts a significant and inverse relationship between the Dividend Payout Ratio and share price fluctuations, based on Dhanani's (2005) findings that a dividend policy positively influences a company's market value, especially in mature companies with higher dividend ratios.

Market Price of Stock

A stock's market price may fluctuate periodically as a result of shifts in the pressure to buy and sell. It is challenging to decide which stock market price to regress on to the dependent variable's measure because of these changes. The market price in this study was the closing price of the stocks of insurance companies at the end of the fiscal year. The dependent variable in this study was the stock market price.

Dividend Payout Ratio

The dividend payout ratio provides an idea of how well earnings support the dividend payments. Dhanani (2005) found that dividend policy serves to enhance corporate market value. In fact, more mature companies tend to have a higher payout ratio. Conversely, it means that there is an inverse relation between payout ratio and stock price changes. The alternative hypothesis that has been tested, based the findings is:

H_1: There is significant negative impact of dividend payout ratio on the stock price.

Dividend Yield

In relation to its market price, it shows the percentage of dividends declared during a fiscal year. It is calculated by dividing the market value of each stock by the dividend per share. The market price of the company's stock and dividend yield were found to be significantly inversely correlated by Malhotra and Tandon (2013), Zahir and Khanna (1982), and Irfan and Nishat (2002). Therefore, the alternative theory is:

H_2: There is significant negative impact of dividend yield on the stock price.

Earnings Per Stock

The profitability of a business can be ascertained by examining its earnings per share. Increasing earnings per share usually translate into a high market price. There is a positive correlation between market price and earnings per stock, meaning that the higher the earnings per stock, the higher the market price (Jatoi, Shabir, Hamad, Iqbal, and Muhammad 2014; Ball and Brown 1968; Baskin 1989; Malhotra and Tandon 2013; AL-Omar and AL-Mutairi 2008; Almumani 2014). In view of theory and these empirical results, this study also examined the following alternative hypothesis:

H_3: There is significant positive impact of earnings per stock on the stock price.

Price Earnings Ratio

This discussion focuses on comparing market value and earnings per share. How much each stock's price covers its earnings is shown by the price-earnings ratio. It indicates if a company's stock price is overpriced, undervalued, or fairly valued. In contrast to companies with a lower P/E, a high P/E usually indicates that investors anticipate higher earnings growth in the future. Oyama (1997), Khan and Amanullah (2012), Malhotra and Tandon (2013), and Almumani (2014) all came to similar conclusions, suggesting a strong positive relationship between the price-earnings ratio and the company's stock price. Consistent with earlier research, the study's fourth alternative hypothesis is:

H_4: There is significant positive impact of price earnings ratio on the stock price.

Size

The firm's size can be determined using a variety of metrics, including turnover, paid-up capital, relational capital, total assets, net sales, market capitalization, etc. The size of the bank is calculated in the current study by scaling the total assets using the natural logarithm. Size dramatically increases the market price of a stock, claims Chandra (1981). The alternative hypothesis that this study examined in light of these findings is:

H_5: There is significant positive impact of company's size on the stock price.

3.7 Model Specifications

We established the following linear regression model based on the body of existing literature: This suggests that the market price of a stock is determined by its size, price-to-earnings ratio, dividend payout ratio, dividend yield, and earnings per share.

$$MPSit = a + b_1EPSit + b_2DPSit + b_3 (P/E) it + b_4BVSit + b_5Ageit + b_6DYit + b_7RRit + eit$$

Where:

MPS_{it} = market price of the share of firm *i* in year *t*

DPR_{it} = dividend payout ratio of firm *i* in year *t*

DY_{it} = dividend declared in a financial year with respect to its market price firm *i* in year *t*

EPS_{it} = earnings per share of firm *i* in year *t*

P/E_{it} = price earnings ratio of firm *i* in year *t*

$SIZE_{it}$ = insurance size (natural logarithm of total assets) of firm *i* in year *t* $\beta 0$ = the intercept (constant term)

$\beta 1$, $\beta 2$, $\beta 3$ $\beta 4$, $\beta 5$ = regression coefficient for respective variables (i.e. the slope which represents the degree with which share price changes as the independent variable changes by one unit variable).

ε = Error terms

CHAPTER-IV
RESULTS AND DISCUSSION

This chapter is devoted to the presentation and interpretation of data relevant to insurance companies, aligning with the objectives outlined in the study. The analytical process strictly follows the research methodology described in Chapter Three to ensure accurate and reliable outcomes. The central goal here is to explore the procedures involved in analyzing and interpreting the collected data. The analysis process involves applying statistical tests to examine whether observed relationships or differences align with the original or alternative hypotheses. This approach is crucial for evaluating the credibility of the findings and determining the extent to which meaningful conclusions can be derived. The data, primarily gathered from secondary sources, is carefully organized and assessed using appropriate financial and statistical tools. The findings that emerge are then critically examined to provide a well-rounded interpretation of the results.

4.1 Results

This section investigates how selected financial indicators influence the Market Price per Share (MPS) of insurance companies. The analysis reveals that the Dividend Payout Ratio (DPR) and Dividend Per Share (DPS) exert minimal and statistically insignificant effects on MPS, suggesting a limited role in determining market prices within the context of this model. In contrast, Dividend Yield (DY) demonstrates a statistically significant negative impact, implying that higher yields may correspond to lower share prices. Among all the variables, Earnings Per Share (EPS) stands out as the most influential, exhibiting a strong and positive correlation with MPS—indicating that companies with higher earnings tend to enjoy higher market valuations. Meanwhile, the Price-to-Earnings (P/E) ratio and company size appear to have no statistically significant influence, suggesting that valuation metrics and firm scale do not substantially account for share price variations in this sample.

4.1.1 Descriptive statistics of CMPS

Descriptive statistics for Current Market Price per Share (CMPS) provide key summary metrics that illustrate the overall characteristics of share price data included in the study. These measures typically encompass the median value, among others, and offer insights into the distribution patterns of stock prices across different insurance companies or timeframes. Such statistical summaries are essential for understanding the central tendencies and variability within the dataset.

.

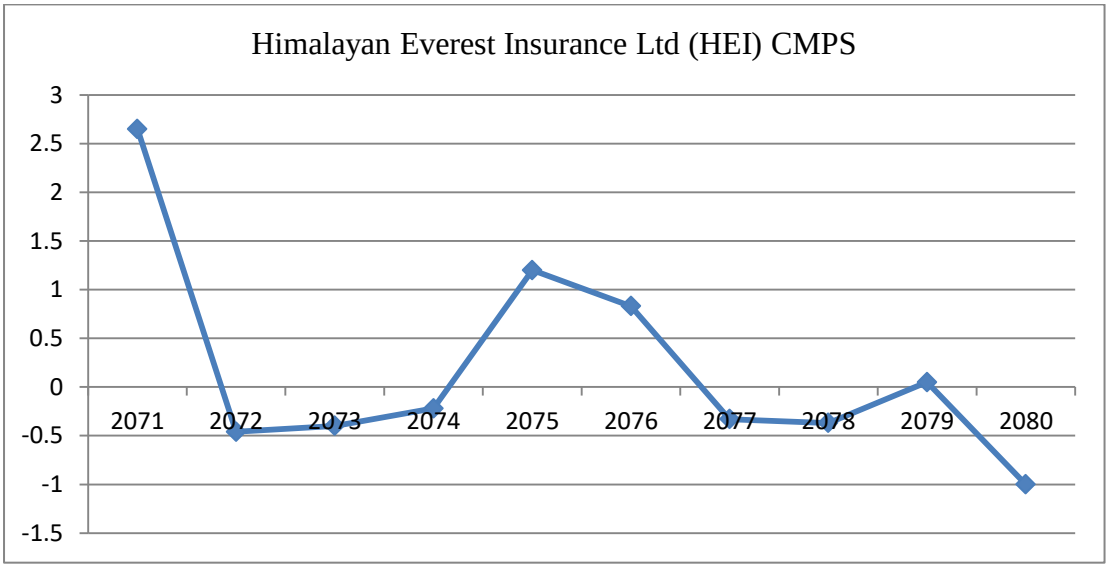

Figure: 2 Average CMPS of Himalayan Everest Insurance Ltd (HEI)

The highest Closing Market Price Sensitivity (CMPS) for HEI was 2.65 in FY 2071, indicating a very strong positive movement in market performance during that year. The lowest CMPS was -1.00 in FY 2080, showing a significant negative market sensitivity—likely reflecting market downturns or negative investor sentiment. Over the 10-year period, the average CMPS for HEI is approximately 0.20, suggesting a modestly positive overall market performance with some fluctuations. HEI's CMPS shows a volatile pattern, alternating between positive and negative values. Notably, after strong performance in 2071 and 2075, there were several years with mild declines, culminating in a sharp drop in 2080.

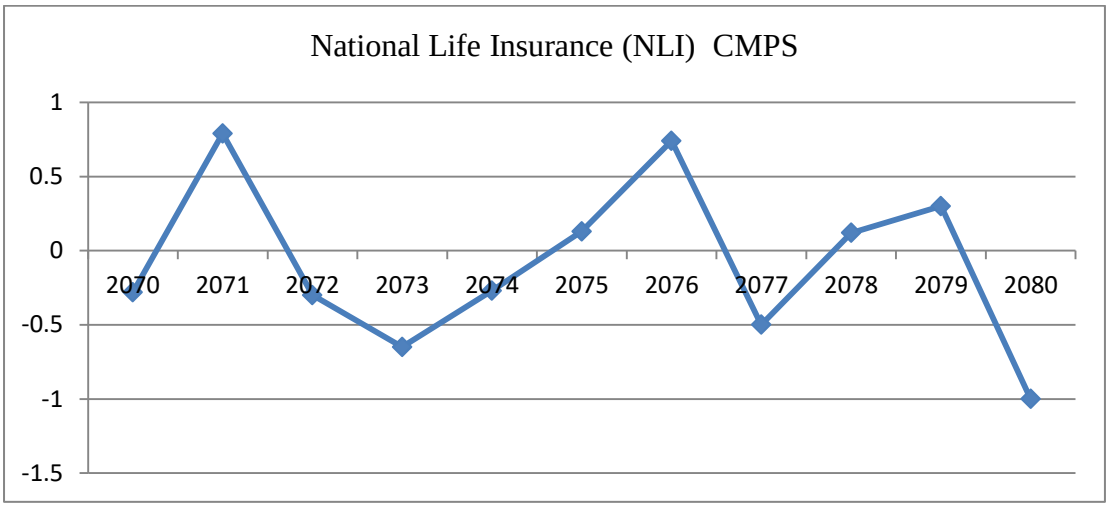

Figure: 3 Average CMPS of National Life Insurance (NLI)

The Closing Market Price Sensitivity (CMPS) of National Life Insurance (NLI) over the period from FY 2070 to 2080 reflects a fluctuating trend with alternating positive and negative values. The maximum CMPS was 0.79 in FY 2071, indicating strong market responsiveness, while the minimum CMPS was -1.00 in FY 2080, showing a significant decline. The average CMPS over the period is approximately -0.10, suggesting an overall slightly negative performance. This volatility indicates inconsistent investor confidence and potentially varying financial or market conditions affecting the company's stock performance.

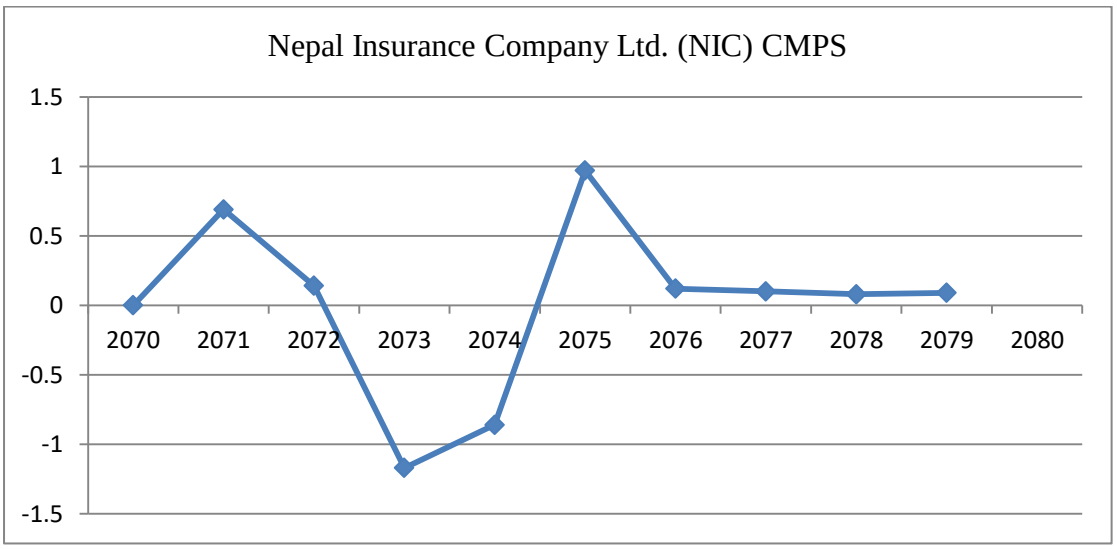

Figure: 4 Average CMPS of Nepal Insurance Company Ltd. (NIC)

The Closing Market Price Sensitivity (CMPS) of Nepal Insurance Company Ltd. (NIC) from FY 2070 to 2079 displays a mix of moderate gains and significant declines. The maximum CMPS was 0.97 in FY 2075, indicating strong positive sensitivity, while the minimum CMPS was -1.17 in FY 2073, reflecting a sharp downturn. The average CMPS over the period is approximately 0.03, suggesting an overall neutral to slightly positive trend in market response. The data shows both resilience and vulnerability in the company's stock behavior across the years.

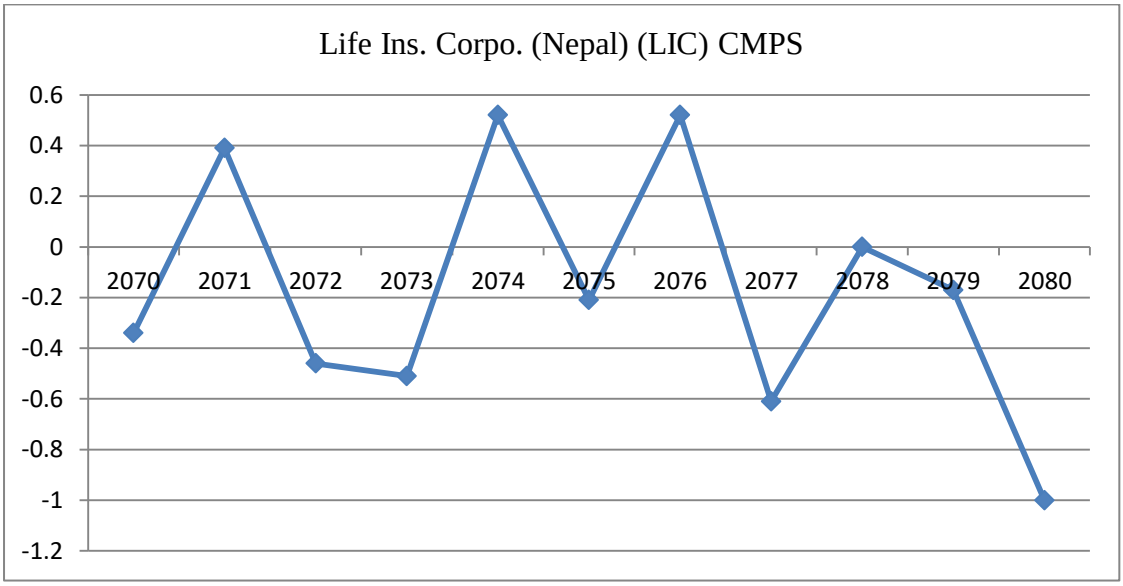

Figure: 5 Average CMPS of Life Insurance Corporation (Nepal) (LIC)

The descriptive statistics of the Market Price Sensitivity (MPS) for Life Insurance Corporation (Nepal) (LIC) from FY 2070 to 2080 reveal significant fluctuations. The maximum MPS was 0.52 observed in both 2074 and 2076, indicating moderate positive investor response, while the minimum was -1.00 in 2080, suggesting a sharp market decline. The data alternates between gains and losses, highlighting inconsistent market perception of the company's performance. The overall average MPS is slightly negative,

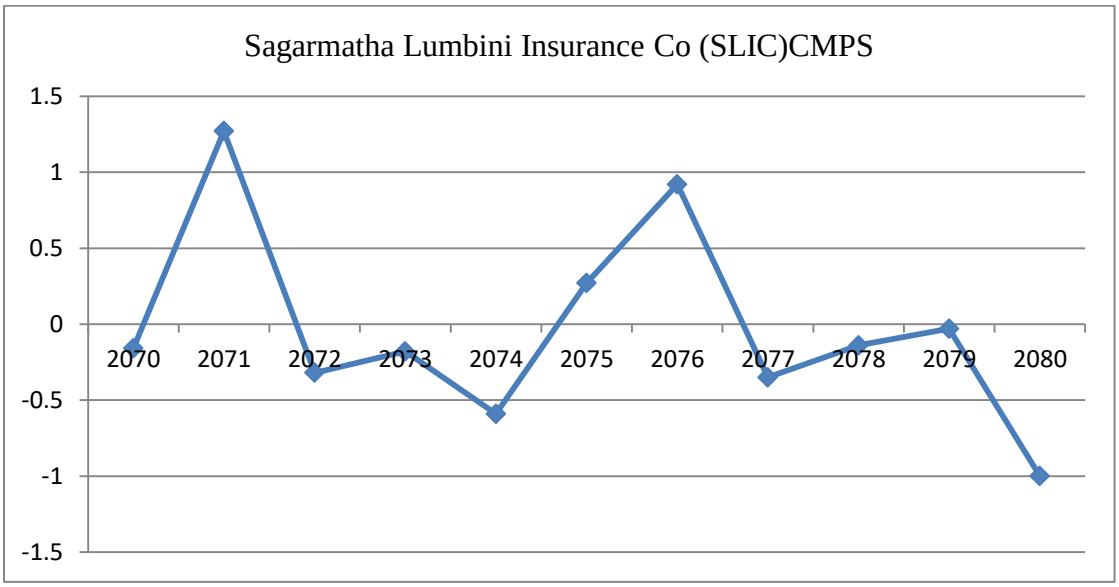

Figure: 6 Average CMPS of Sagarmatha Lumbini Insurance Co. (SLIC)

The Closing Market Price Sensitivity (CMPS) of Sagarmatha Lumbini Insurance Co. (SLIC) from FY 2070 to 2080 reflects both upward momentum and downturns. The maximum CMPS was 1.27 in FY 2071, indicating a strong positive shift, while the minimum CMPS was -1.00 in FY 2080, showing significant negative sentiment. The average CMPS over the period is approximately -0.13, suggesting a slightly negative overall market reaction. The data illustrates a volatile trend with more frequent negative sensitivities in recent years.

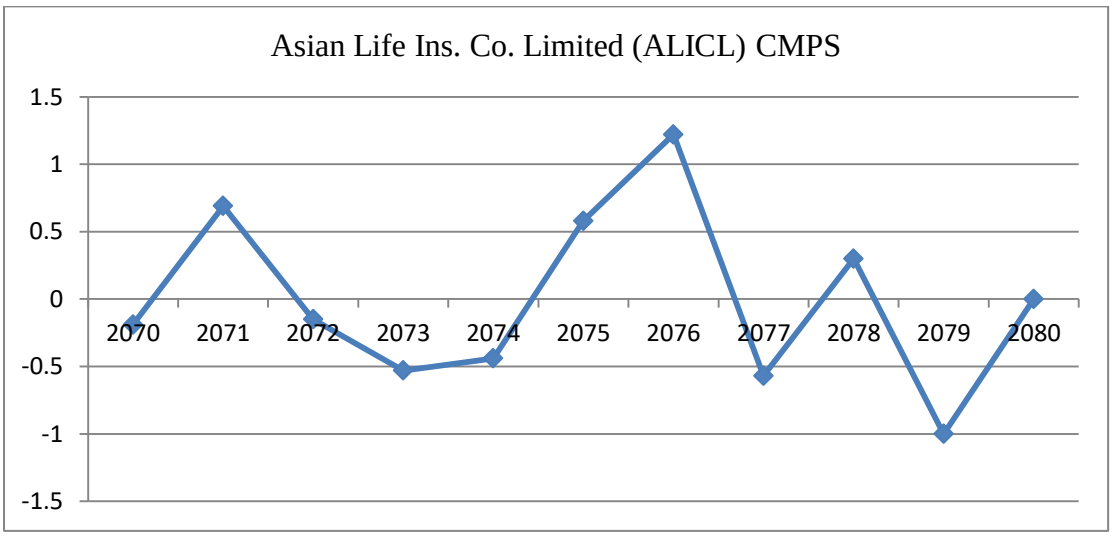

Figure: 7 Average CMPS of Asian Life Insurance Co. Limited (ALICL)

The Market Price per Share (MPS) of Asian Life Insurance Co. Limited (ALICL) has experienced fluctuating movements over the years. It began in 2070 with a decline of 0.19, followed by a moderate gain of 0.69 in 2071. The MPS then saw consecutive drops in 2072, 2073, and 2074, with declines of 0.15, 0.53, and 0.44 respectively. In 2075 and 2076, the share price rebounded with gains of 0.58 and 1.22, before falling sharply again in 2077 by 0.57. A slight recovery occurred in 2078 with an increase of 0.30, but the MPS plunged by 1.00 in 2079. Overall, the pattern indicates volatility with intermittent periods of recovery and decline, reflecting changing market conditions and investor confidence in ALICL.

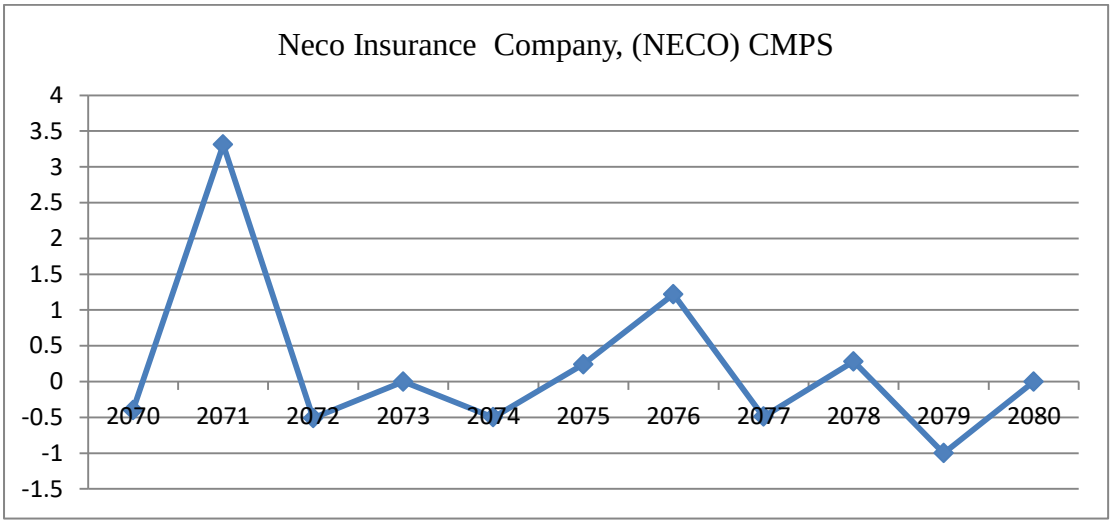

Figure: 8 Average CMPS of Neco Insurance Company (NECO)

The Market Price per Share (MPS) of Neco Insurance Company (NECO) has shown considerable volatility over the years. Starting with a notable decline of 0.40 in 2070, it sharply rose by 3.31 in 2071, marking a strong positive performance. This was followed by declines in 2072 (-0.51) and 2074 (-0.50), with a stable year in 2073 where the MPS remained unchanged. Moderate gains occurred in 2075 (0.24) and 2076 (1.22), but the price dropped again in 2077 by 0.49. A slight recovery was seen in 2078 with an increase of 0.28, before a significant fall of 1.00 in 2079. These fluctuations reflect an unpredictable market response to NECO's performance during this period.

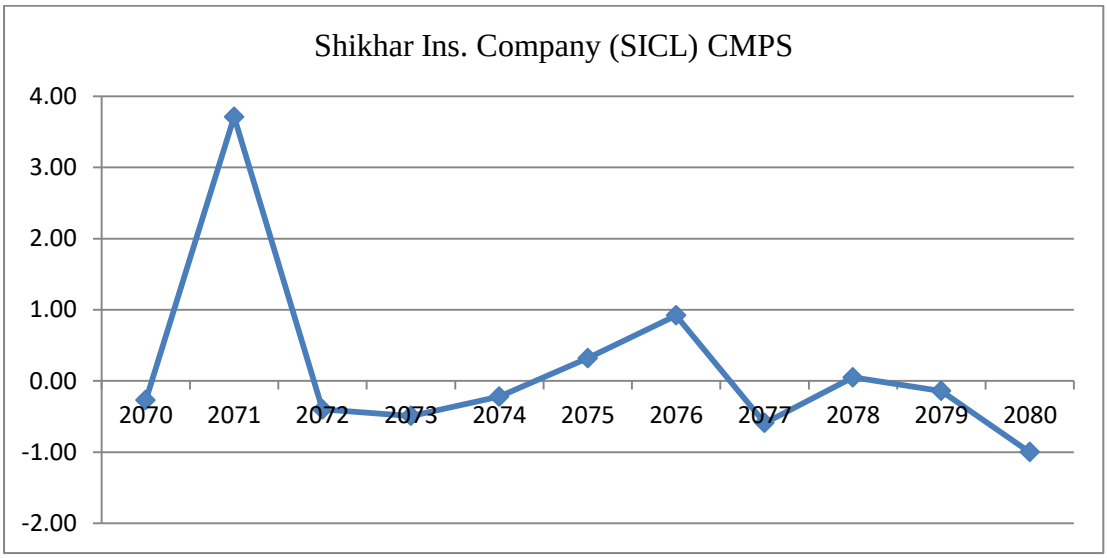

Figure: 9 Average CMPS of Shikhar Insurance Company (SICL)

The MPS fell by 0.27 in 2070 but rebounded sharply with a significant increase of 3.71 in 2071. From 2072 to 2074, the MPS experienced consecutive declines of 0.40, 0.49, and 0.22, indicating a period of weakening market confidence. The share price recovered moderately in 2075 and 2076, with gains of 0.32 and 0.92 respectively. Volatile Fluctuations following years showed volatility with declines in 2077 (-0.59) and 2079 (-0.14), and a small positive movement in 2078 (+0.05). The MPS experienced a significant fall of 1.00 in 2080, highlighting increased investor caution or adverse conditions at the end of the period.

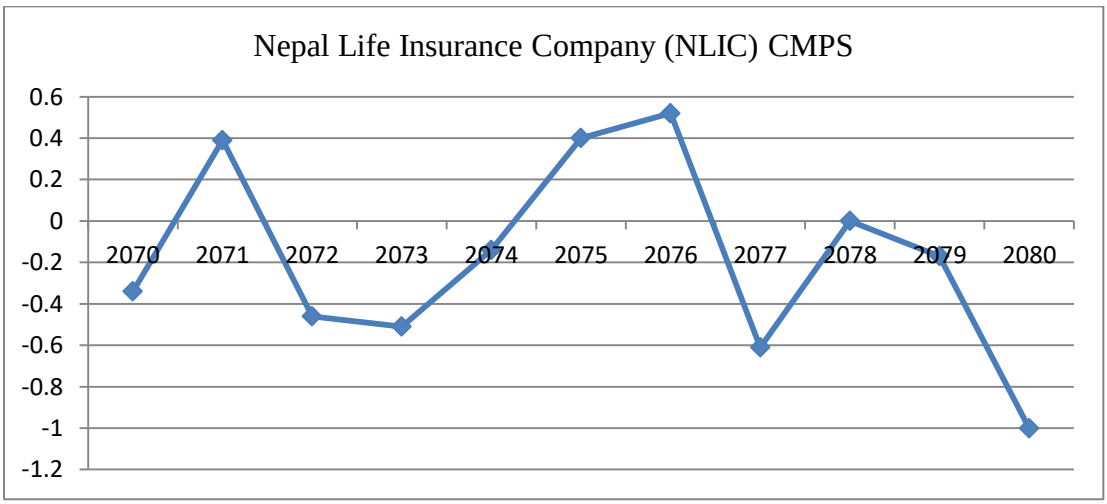

Figure: 10 Average CMPS of Nepal Life Insurance Company

The Market Price per Share (MPS) of Nepal Life Insurance Company (NLIC) The MPS dropped by 0.34 in 2070, followed by a modest increase of 0.39 in 2071. From 2072 to 2074, the MPS experienced steady decreases of 0.46, 0.51, and 0.14, reflecting weakening investor confidence. The share price showed improvement in 2075 and 2076 with gains of 0.40 and 0.52, indicating a brief recovery phase. Volatility and Stability: The MPS declined again in 2077 by 0.61, stayed flat in 2078, and slightly declined by 0.17 in 2079, showing mixed investor reactions. A sharp fall of 1.00 occurred in 2080, signaling a strong negative sentiment or adverse impact at the end of the period.

4.1.2 Descriptive statistics overall

Table 3
Descriptive statistics overall

	DPR	DPS	DY	EPS	MPS	P/E Ratio	Size
Mean	0.54	14.61	0.01	26.42	1884.24	59.21	5.65
Median	0.48	12.11	0.01	25.51	963.00	41.43	4.42
Maximum	2.17	86.00	0.06	64.43	16442.00	392.88	10.68
Minimum	0.00	0.00	0.00	-7.41	350.00	-52.50	1.29
Std. Dev.	0.57	16.96	0.01	13.38	3019.90	66.34	2.95
Skewness	1.18	1.84	1.22	0.53	3.63	3.40	0.50
Kurtosis	4.13	7.19	4.01	3.84	15.49	16.57	1.60
Jarque-Bera	25.81	116.51	25.96	6.93	783.05	863.45	11.17
robability	0.00	0.00	0.00	0.03	0.00	0.00	0.00
Sum	48.65	1314.48	1.16	2377.75	169582.00	5328.85	508.13
Sum Sq. Dev.	28.63	25597.70	0.02	15939.37	812000000	391742.30	772.19
observations	90.00	90.00	90.00	90.00	90.00	90.00	90.00

The descriptive statistics provide insights into the distribution and characteristics of the variables used in the panel regression. MPS (Market Price per Share) has a high mean (1884.24) and standard deviation (3019.90), indicating significant variation across firms and time. It is also highly skewed (3.63) with high kurtosis (15.49), suggesting a right-skewed distribution with extreme outliers. Similarly, P/E Ratio shows high variability and non-normality, as reflected in its skewness (3.40) and

kurtosis (16.57). Both variables have Jarque-Bera p-values of 0.000, confirming non-normality. The variables like DPS and DY also display skewed distributions and non-normality, with significant Jarque-Bera statistics. EPS appears more symmetrically distributed but still departs from normality (p = 0.031). SIZE is relatively less skewed and more normally distributed than the others, though it still fails the normality test (p = 0.0037). These characteristics should be considered when interpreting regression results, as they may affect assumptions of normality and homoscedasticity in OLS regression.

4.1.3 Correlation analysis

Table 4
Correlation

Probability	DPR	DPS	DY	EPS	MPS	PE/Ratio	SIZE
DPR	1						

DPS	0.875659	1					
	(0)	-----					
DY	0.818895	0.813028	1				
	(0)	(0)	-----				
EPS	0.043074	0.307615	0.166539	1			
	(0.6869)	(0.0032)	(0.1167)	-----			
MPS	-0.17218	-0.11357	-0.2273	0.301964	1		
	(0.1046	(0.2865)	(0.0312)	(0.0038)	-----		
P/E_Ratio	-0.11781	-0.12443	-0.24838	-0.41644	-0.02982	1	
	(0.2688)	(0.2426)	(0.0183)	(0)	(0.7803)	-----	
SIZE	-0.13481	-0.21301	-0.20199	-0.1679	-0.15905	0.076927	1
	(0.2052)	(0.0438)	(0.0562)	(0.1137)	(0.1343)	(0.4711)	-----

The EPS and MPS show a positive and statistically significant correlation (r = 0.302, p = 0.0038), indicating that higher earnings per share are associated with higher market price per share consistent with economic theory and supported by the earlier regression. DPS, DY, and DPR are all highly correlated with one another (p < 0.001), which suggests multicollinearity among these dividend-related variables. This can distort regression estimates. DY and MPS show a negative correlation (r = -0.227, p =

0.0312), supporting the earlier regression result that higher dividend yield might be associated with lower market price per share. P/E Ratio and EPS have a strong negative correlation (r = -0.416, p = 0.0000), indicating that as earnings increase, the P/E ratio tends to decrease, assuming price remains constant. SIZE and DPS are negatively correlated (p = 0.0438), suggesting larger firms may tend to pay lower dividends per share. DPR and EPS show no significant relationship (p = 0.6869), and MPS is only weakly related to DPR and DPS (p > 0.1), which aligns with their insignificance in the regression. SIZE shows weak or non-significant correlations with most variables, indicating its impact may be more complex or indirect.

4.1.4 Regression analysis

Regression analysis is a statistical method used to examine the relationship between one dependent variable and one or more independent variables. Its primary purpose is to understand how the dependent variable changes when any of the independent variables are varied, while the others are held constant.

Table 5

Regression analysis

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	870.1322	1267.007	0.686762	0.4941
DPR	1696.37	1343.747	1.262418	0.2103
DPS	-44.14475	47.64848	-0.92647	0.3569
DY	-76417.71	38543.59	-1.98263	0.0507
EPS	96.72149	30.23269	3.199235	0.002
P_E_RATIO	3.454854	5.270915	0.655456	0.514
SIZE	-183.0845	103.4346	-1.77005	0.0804
Root MSE	2662.162	R-squared		0.214158
Mean dependent var	1884.244	Adjusted R-squared		0.15735
S.D. dependent var	3019.903	S.E. of regression		2772.15
Akaike info criterion	18.76722	Sum squared resid		6.38E+08
Schwarz criterion	18.96165	Log likelihood		-837.5249
Hannan-Quinn criter.	18.84563	F-statistic		3.769862
Durbin-Watson stat	0.364624	Prob(F-statistic)		0.002282

The regression output insights into the relative impact and significance of several financial variables on the dependent variable, Current Market Price per Share (CMPS). The variables, Earnings Per Share (EPS) has the most significant and positive effect on CMPS, with a coefficient of 96.72 and a highly significant p-value of 0.002, indicating that as EPS increases, CMPS tends to rise correspondingly. Dividend Yield (DY) exhibits a large negative coefficient (-76,417.71) and is marginally significant with a p-value of 0.0507, suggesting that higher dividend yields may be linked to lower stock prices, possibly due to market perceptions of limited growth potential.

Dividend Payout Ratio (DPR) shows a positive effect (1696.37) but is statistically insignificant ($p = 0.2103$), implying a weak and uncertain relationship with CMPS. Dividend Per Share (DPS) has a negative coefficient (-44.14) with a high p-value (0.3569), indicating little to no meaningful impact on CMPS. Similarly, the P/E Ratio has a small positive coefficient (3.45) and is not significant ($p = 0.514$), suggesting its influence on market price is negligible in this model. Firm Size (SIZE) has a negative coefficient (-183.08) and a p-value of 0.0804, indicating a weak negative association with CMPS that is marginally insignificant.

The R-squared value is 0.214, meaning only about 21.4% of the variation in CMPS is explained by the model. The Adjusted R-squared is lower at 15.7%, and the Durbin-Watson statistic of 0.36 suggests potential autocorrelation in the residuals. However, the F-statistic is significant ($p = 0.0023$), indicating that the model as a whole is statistically valid. In summary, while most variables do not show strong individual significance, EPS remains a consistently positive and impactful predictor of market price, and DY also shows notable influence, though in a negative direction.

Panel data Analysis Results

Panel data analysis results refer to the statistical output obtained from analyzing panel data, which consists of observations on multiple entities (such as individuals, firms, or countries) over multiple time periods.

Table 6

Panel data analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3264.03	1485.331	-2.19751	0.0311
DPR	1762.559	1079.644	1.632537	0.1068
DPS	-8.17365	37.50121	-0.21796	0.8281
DY	-85663.4	32156.63	-2.66394	0.0094
EPS	99.16944	24.24879	4.089665	0.0001
P_E_RATIO	7.287357	4.585347	1.58927	0.1162
SIZE	419.2149	217.0906	1.93106	0.0573

The regression results highlight how different financial variables influence the dependent variable, presumably the Current Market Price per Share (CMPS). Earnings Per Share (EPS) again emerges as the most significant and influential factor, with a positive coefficient (99.17) and a very low p-value (0.0001), indicating a strong, statistically significant positive relationship with CMPS. Dividend Yield (DY) shows a large negative coefficient (-85,663.4) and is also statistically significant (p = 0.0094), suggesting that higher dividend yields are associated with lower market prices, which may reflect investor concerns about future growth. The constant term (C) is negative and statistically significant (p = 0.0311), indicating the model intercept is meaningful in this case.

Dividend Payout Ratio (DPR) has a positive coefficient (1762.56), implying a potential positive effect on CMPS, though it is not statistically significant (p = 0.1068). Price-to-Earnings Ratio (P/E Ratio) also shows a positive impact (7.29) but remains statistically insignificant with a p-value of 0.1162. Dividend Per Share (DPS) shows a small negative effect (-8.17) and is highly insignificant (p = 0.8281), indicating almost no meaningful contribution to the dependent variable. Interestingly, Firm Size (SIZE) has a moderate positive impact (419.21) and approaches significance (p = 0.0573), suggesting that larger firms may be positively associated with market price, though the evidence is only marginal. In conclusion, EPS and DY are the most statistically significant variables, with EPS having a strong positive and

DY a strong negative relationship with CMPS, while other variables like DPR, P/E Ratio, and SIZE show moderate effects without firm statistical support.

Table 7

Panel data analysis

Cross-section fixed (dummy variables)			
Root MSE	1940.682	R-squared	0.582386
Mean dependent var	1884.244	Adjusted R-squared	0.504431
S.D. dependent var	3019.903	S.E. of regression	2125.911
Akaike info criterion	18.3128	Sum squared resid	3.39E+08
Schwarz criterion	18.72943	Log likelihood	-809.076
Hannan-Quinn criter.	18.48081	F-statistic	7.47083
Durbin-Watson stat	0.503854	Prob(F-statistic)	0

The cross-section fixed effects model shows a significant improvement over the pooled model, with a higher R-squared of 0.5824, indicating that about 58% of the variation in MPS is explained by the model. The adjusted R-squared (0.5044) also reflects a better model fit. The F-statistic is highly significant (p = 0), confirming that the model is statistically valid overall. The lower Root MSE (1940.68) and residual sum of squares suggest improved predictive accuracy. However, the Durbin-Watson statistic (0.50) still indicates the presence of positive autocorrelation, which may require further correction.

Table 8

The regression analysis reveals

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	-647.549	1204.146	-0.53777	0.5922
DPR	1705.573	1061.464	1.606812	0.1119
DPS	-26.3078	37.00258	-0.71097	0.4791
DY	-72325.1	30907.7	-2.34004	0.0217
EPS	100.9314	23.88963	4.224904	0.0001
P/E Ratio	5.433345	4.3768	1.241396	0.218
SIZE	-11.0827	128.5298	-0.08623	0.9315

The regression analysis reveals varying effects of the independent variables on the dependent variable, likely the Current Market Price per Share (CMPS). Among all variables, Earnings Per Share (EPS) stands out with a strong positive coefficient (100.93) and a highly significant p-value (0.0001), indicating that higher earnings are closely associated with higher market prices. Dividend Yield (DY) shows a large negative impact (-72,325.1) and is statistically significant (p = 0.0217), suggesting that companies with higher dividend yields tend to have lower market prices, possibly reflecting risk or lower growth expectations. In contrast, the Dividend Payout Ratio (DPR) has a positive coefficient (1705.57), implying a potential positive influence on CMPS, but it is not statistically significant (p = 0.1119). Dividend Per Share (DPS) and Price-to-Earnings Ratio (P/E Ratio) have small and statistically insignificant effects, with DPS even showing a negative relationship (-26.31) and a p-value of 0.4791, while the P/E ratio shows a mild positive relationship (5.43) but with a p-value of 0.218. Firm Size (SIZE) exhibits a negligible negative effect (-11.08) and is clearly insignificant (p = 0.9315). The constant term (C) is also statistically insignificant. In summary, EPS is the most impactful and statistically reliable predictor of CMPS, followed by DY with a significant but inverse relationship, while other variables do not show strong or consistent effects.

4.2 Discussion

The regression results reveal important insights into the factors influencing the Market Price per Share (MPS). The variables, Earnings Per Share (EPS) consistently demonstrates a strong and statistically significant positive relationship with MPS, indicating that higher profitability per share directly boosts a company's market valuation. This aligns with theoretical expectations, as investors typically reward companies with strong earnings performance. Dividend Yield (DY) shows a substantial negative effect on MPS and is marginally significant (p = 0.0507), suggesting that firms offering higher dividend returns may be perceived as having lower growth potential, which could reduce their market value. Dividend Payout Ratio (DPR) and Price-to-Earnings (P/E) Ratio have positive coefficients, their high p-values imply that their effects are not statistically reliable in this model. Similarly, Dividend Per Share (DPS) and Firm Size (SIZE) exhibit negative but statistically

insignificant relationships with MPS, suggesting limited influence. The model's R-squared value (0.214) indicates a modest explanatory power, while the F-statistic confirms the overall model's significance. However, the very low Durbin-Watson statistic (0.36) signals a potential autocorrelation issue, which could affect the reliability of the results. Overall, EPS emerges as the most critical determinant of share price, while other variables contribute weak or inconsistent effects in this model. The variable dividend yield showed a negative relationship with market price of shares and the results were significant at 1% level. This result is consistent with the results of Baskin (1989) and Okafor and Mgbame (2011), and it suggests that investors are not affected by dividend decisions.

The objective of this study was to examine the factors influencing the market price of shares (MPS) of companies listed on the Nepal Stock Exchange. Financial data spanning from 2071/72 to 2080/81 was collected from the stock exchange's official website. A panel dataset comprising 9 companies and totaling 90 observations was constructed for analysis. The analysis focused on assessing the impact of eight key financial indicators on MPS: return on equity (ROE), earnings per share (EPS), dividend per share (DPS), price-to-earnings (P/E) ratio, dividend yield (DY) and firm size (measured as the logarithm of market capitalization, LogMCAP). The empirical results revealed that ROE, DPS, DY, P/E ratio, and firm size had a statistically significant and positive influence on share prices, identifying them as crucial determinants. On the other hand, dividend yield exhibited a significant negative relationship with MPS, suggesting that dividend policies may cater to different investor preferences. Some investors favor regular returns, leading to a positive association with MPS, while others, who view dividends as less relevant, may respond negatively.

CHAPTER-V
SUMMARY AND CONCLUSION

5.1 Summary

In the twenty-first century, insurance businesses have become quite important. Businesses assume both corporate and personal risks while offering a secure environment for their operations. In Nepal, the life and insurance industries are growing with promising futures, and insurance firms have been able to cover a variety of risk categories. The insurance sector is undergoing yet another change as it realizes how important it is to reduce risk in both life and business. The following inquiries are addressed in this study: What connection exists between the stock prices of insurance companies and their corporate characteristics? What are the main determinants of insurance companies' stock prices in Nepal? But the precise objectives are: We investigate the connection between earnings per share, dividend yield, dividend payment ratio, and price-earnings ratio. The size of insurance companies businesses of Nepal. To assess the factors those influence the stock values of insurance companies in Nepal.

This study takes a descriptive and comparative research approach to investigate the association between firm-specific variables and market price per share. The study looked at the relationship between market price and earnings per share, split payout ratio, dividend yield, price-to-earnings ratio, and institutional size. Based on the market value of the insurance firm, nine insurance companies were chosen as a sample from all listed insurance companies. Nine policies have been chosen from 2071/72 to 2080/81. There are a total of 39 insurance companies operating in Nepal, but all 39 insurance companies could not be used for this research. Due of time and budget limitations. As a result, the sample consisted of only 9 of these insurance plans. Examples: Several significant organizations assist Nepal's insurance sector, which plays an important role in providing financial security and stability to individuals and businesses alike. Nepal Life Insurance Company, Life Insurance Corporation, and National Life Insurance are among the most well-known for providing comprehensive life insurance services. Himalayan Everest Insurance

Limited, Neco Insurance Company, Nepal Insurance Company Ltd., and Sagarmatha Lumbini Insurance Company Ltd. have all built major presences in the general insurance market. Furthermore, Asian Life Insurance Company Limited and Shikhar Insurance Company make major contributions by delivering a diverse range of products suited to satisfy the increasing needs. Of the marketplace. Together, these companies form the backbone of Nepal's insurance market, providing comprehensive risk coverage while also contributing to the financial sector's growth and stability.

5.2 Conclusions.

The stock market is all about dynamism, which is why investors and fund managers have repeatedly faced the challenge of precisely predicting stock prices in order to make reasonable returns. This study uses multiple regression analysis and descriptive statistics to analyze the factors that influence stock prices. The study picked DPS, EPS, P-E ratio, DY, and market to DY as the primary stock price variables, using a sample size of nine insurance companies. The results show that the variables Market to DY and P-E ratio are major drivers of stock price. This has a direct impact on the stock price. Similarly, DPS and DY have a big positive impact on stock price, although EPS has a minimal impact. Kumari's (2015) scholars did research on this topic, and the most of them discovered a favorable association between EPS and market price, however the current researcher found minimal influence of EPS on stock price. EPS cannot be investigated in isolation. For example, an increase in EPS indicates that enterprises are more likely to pay dividends in the near future; but, in the current context, the NRB, the regulator of financial institutions, has implemented restrictions to increase the capital of insurance companies. In such cases, banks are more likely to keep their profits with Instead of paying money as dividends to stockholders, fund managers and other investors do not consider earnings per share (EPS) when making investment decisions. So, EPS is not contributing to the market price. The findings shown above are congruent with those of Almumani (2014), Al-omar and Al-mutairi (2008), and Sharma (2011). As a result, in this latest study, the lowest influence between these components was traced, and similar results are likely to be tracked in future research until the bank's capital problem is remedied. The findings of this investigation revealed new evidence from a Nepalese perspective,

which is thought to be helpful to market players. Thus, the outcomes of this study appear to be very relevant for share investors. Investment managers and the economy may all keep an eye out for these important elements when assessing stock returns and anticipating share prices.

5.3 Implication.

Good quality institutions are essential for the development of the stock market. A well-established institution decreases political risk, which is a big issue in Nepal and plays a vital role in investment decisions. The development of high-quality institutions such as law and order, efficient administration, and democratic accountability is critical for stock market development in emerging economies like Nepal. Strong institutions (law and order, bureaucracy, democratic accountability) are crucial for stock market development.

- Good institutions reduce political risk, a major concern in Nepal, influencing investment decisions.
- Stable macroeconomic factors (inflation, interest rates, exchange rates, money supply) are essential.
- Appropriate monetary policies are necessary to ensure a stable investment environment.
- Investors should not rely solely on EPS, DPR, and DY for evaluating performance.
- Fundamental, technical, and trend analysis should be used before making investment decisions.
- Further research should include macroeconomic variables to understand broader impacts on stock prices.
- New tools and techniques should be developed to maximize stock market benefits.
- Policymakers must ensure financial transparency and regular disclosures from insurance companies.
- Strategic financial management is vital for long-term growth of the insurance sector.

REFERENCES

Adhikari, B. (2014) *Share Price Behavior of joint venture insurances in Nepal.* Un Unpublished Master Degree Thesis submitted to Faculty of Management TU.

Almumani, M. A. (2014).Determinants of equity share prices of the listed insurances in Amman stock exchange: Quantitative approach. *International Journal of Business and Social Science, 5*(1), 91-104.

Al-Omar, H. and Al-Mutairi, A. 2008. The Relationship Between the Kuwaiti Insurances Share Prices and Their Attributes. Scientific Journal of King Faisal University (Humanities and Management Sciences), 9(1): 325-338

AL-Shubiri, F. (2010). Analysis the determinants of market stock price movements: An empirical study of Jordanian Insurance Companies. *International Journal of Business & Management, 5*(10), 137-147.

Amagain, S. and Shrestha, A. (2019) a research entitled and found that observed NEPSE index over the period of study is not stationary at the level and stationary.

Arshad, Z., Arshaad, A.R., Yousaf, S., Jamil, S. (2015). Determinants of Share Prices of listed Insurance Companies in Pakistan. *IOSR Journal of Economics & Finance* (IOSRJEF) e-ISSN: 2321-5933, p-ISSN: 2321-5925.Volume 6, Issue 2. Ver. III (Mar.-Apr. 2015), PP 56-64

Bajracharya, S. (2020) *Internal and External Factors Influencing Share Prices of Nepalese Insurance Companies.* https://www.researchgate.net/publication/339659180

Balkrishnan. Y. (1984). Determinants of Equity Prices in India. *Management Accountant,* 19(12), 728-730.

Ball, R., & Brown, P. (1968). An Empirical evaluation of accounting income numbers. Journal of Accounting Research, 6(2), 157–178.

Bhattarai, Y. R. (2014) determinants of firms' characteristics share price of insurance companies listed at Nepal stock exchange. *Economic Journal of Development Issues* Vol, 17 & 18 No. 1-2

Binswanger, M. (2001). Does the stock market still lead real activity? An investigation for the G-7 countries. *Financial Markets & Portfolio Management* 15(1), pp. 15-29

Campbell, J. Y. (1991). A Variance Decomposition for Stock Returns. *Economic Journal,* 101(127), 157-179.

Chandra, P. (1981).*Valuation of equity shares in India.* New Delhi: Sultan Chand and Sons.

Collins, J. (1957). How to study the behavior of insurance stocks. *The Analysts Journal, 13*(2),109-113.

Dhanani, A. (2005). Corporate dividend policy: The views of British financial managers. *Journal of Business Finance & Accounting,* 32(7), 1625-1672.

Fama, E. (1965). Stock returns, expected returns & real activity. *Journal of Finance,* No. 45, p. 1089-110.

Figeac, J. A. (2017) Determinants of stock prices of selected European insurances. http://fintechnews.sg/9755/fintech/finance-technology-in-asean-countries-part-1/

Fisher, I. & Jorden, B. (1965). The theory of inflation. *Journal of Monetary Economics,* 3-24.

Foster, G., Olsen, C. & Shevlin, T. (1984). Earnings releases, anomalies, & the behavior of security returns. *Accounting Review*, pp. 574–603

Francis, B. &, Iftekhar H., Song, L. & Yeung, B., (2012) What Determines Insurance Stock Price Synchronicity? Global Evidence (April 18,. *Insurance of Finl& Research Discussion*. 16/2012.

Francis, N. (1991) Determinants of share prices in India. *Journal of Emerging Trends in Economic and Management science,* 2 (2):124-130.

Funke, N. (2002). Stock Market Development & Private Consumer Spending in Emerging Markets. *IMF Working Papers*

Geetha, E. & Swaaminathan, Ti. M. (2015) A study on the factors influencing stock price A Comparative study of Automobile and Information Technology Industries stocks in India. https://ncm.edu.np/wp-content/uploads/2018/12/Stock-price.pdf.

Ghimire, R. R. & Mishra, D. (2017) Determinants of Stock Price in Nepalese Markets. *The International Research Journal of Management Sceince.* Vol.3 No.1

Ghosh M. Singh M. P., (2024) Unveiling sustainable practices in financial institutions: A bibliometric analysis cum meta-analytical review on enhancing financial performance. *International Journal of Bank Marketing*, 42, 794–817.

Irfan, C., & Nishat, M. (2002). Key fundamental factors and long-run price changes in an emerging market: A case study of Karachi stock exchange (KSE). *The Pakistan Development Review*, 41, 517–533.

Jatoi, M.Z., Shabir, G., Hamad, N., Iqbal, N. & Muhammad, K. (2014).A Regression impact of earning per share on market value of share: A case study cement industry of Pakistan. *International Journal of Academic Research in Accounting, Finance and Management Sciences,* 4(4), 221-227.

Kadaria, A. (2011) defunct next newspapers launches news and current affair programme on channels tv – premium times nigeria". *Premium Times Nigeria*. 2 April 2014. Retrieved 27 November 2017.

Karathanassis and Philippas (1988) An empirical investigation of the traditional and the clean surplus valuation models. https://www.deepdyve.com/lp/emerald-publishing/ an-empirical-investigation-of-the-traditional-and-the-clean-surplus-FB4NDinq5Q

Khan, M., & Amanullah. (2012). Determinants of share prices at Karachi stock exchange. *International Journal of Business & Management Studies, 4,* 1309-1347.

Kurihara, Utaka. (2006) The Relationship between Exchange Rate and Stock Prices during the Quantitative Easing Policy in Japan, *International Journal of Business,* Vol. 11, No.4: 375-38.

Lochowski and Thagunna (2012) Essays In Macroeconomic: Niics On Short-Term Dynamics Of Inflation And Financial Markets. https://archipel.uqam. ca/8521/1/D3012.pdf.

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

Martin S. (2011) History of the Efficient Market Hypothesis. https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.232.4181&rep=rep1&type=pdf

Midani, M. (1991) Determinants of Kuwaiti stock prices: An empirical investigation of industrial services, and food company shares. https://www.semanticscholar.org/paper/Determinants-of-Kuwaiti-stock-prices

Nawazish, E. M. (2008). Size and value premium in Karachi stock exchange. *Cahier DRM – Finance, 6*, 1-39.

Nisa, M.-u., & Nishat, M. (2011). The determinants of stock prices in Pakistan. *Asian Economic and Financial Review*, 1(4), 276-291.

Oyama, T. (1997). Determinants of stock prices: The case of Zimbabwe. *IMF Working Paper. Retrieved from* http://www.imf.org/external/ pubs /ft/wp/ wp97117.pdf

Pradhan , R. S & K.C, Y. (2015) studied and found that random walk hypothesis does

Pradhan, R. S. and Dahal P. (2016). Impact of Liquidity on Insurance Profitability in Nepalese Insurance Companies. *Available at SSRN https:// ssrn.com/ abstract=2793458*

Prayogo, K. H. and Lestari E.P (2018) The Determinant of Stock Price at the Insuranceing Sub-Sector Company in Indonesia Stock Exchange. *International Journal of Trade, Economics and Finance vol.9, no.6, pp. 231-237.*

Rajopadhyaya, A. (2020) Nepal Share Market https://english.onlinekhabar.com/ nepal-share-market-things-to-know.html

Riski, M., Husnatarina, F., Umbing , G. B., Christmas, A. F. ., Nasir, D., Yeremi, R. N. H. ., & Ludang, R. F. A. . (2025). The Effect of Green Accounting, Green Intellectual Capital & Corporate Social Responsibility on Financial Performance: Empirical Study of Energy Sector Companies Listed on the Indonesian Stock Exchange for the 2021-2023 Period. *Golden Ratio of Finance Management*, *5*(1), 23–36. https://doi.org/10.52970/grfm.v5i1.967

Sapkota (2016) determine the factors that influence stock prices in the context of National Stock Exchange (NSE) of companies. *International Journal of Research in Management & Technology,* 3(3):89-95

Sharma, S. (2011). Determinants of equity share prices in India. *Journal of Arts, Science & Commerce, 2*(4), 51-60. https://citeseerx.ist.psu.edu/viewdoc/download?doi= 10.1.1.303.860&rep=rep1&type=pdf

Sharpe, W. F., Alexander, G. J. & Bailey, J. V. (2001) *Fundamentals of Financial Accounting and Analysis* –Workbook. https://www.textbooks.com/Fundamentals-of Management

Srinivasan, P. (2012). Determinants of equity share prices in India: A panel data approach. *The Romanian Economic Journal, 46*, 205-228.

Taimur S., Harsh P. & Rekha P. (2015) *Analysis of Factors Affecting Share Prices: The Case of Bahrain Stock Exchange.* URL: http://dx.doi.org/ 10.5539/ijef.v7n3p207

Taimur Sharif, Harsh Purohit & Rekha Pillai (2015) *Analysis of Factors Affecting Share Prices: The Case of Bahrain Stock Exchange.*

Taulbee, N. (2005). Influences on the stock market: An examination of the effect of economic variables on the S&P 500. *The Park Place Economist, 9*, 91-100.

The Kathmandu post (2017) https://kathmandupost.com/money/2019/03/17/nepal-stock-exchange-surges-2769-points

Zahir, M., & Khanna, Y. (1982) Determinants of stock prices in India. *The Chartered Accountant*, 30, 521-523.

APPENDIX-I

	Year	MPS	CMPS	EPS	CEPS	P/E Ratio	DPS	DPR	DY	Size
Himalayan Everest Insurance Ltd (HEI)	2071	378	2.65	52.96	-0.23	7.14	0.00	0.00	0.000	8.64
	2072	1380	-0.46	40.77	-0.22	33.85	0.00	0.00	0.000	8.70
	2073	745	-0.40	31.61	-0.56	23.57	0.00	0.00	0.000	8.78
	2074	450	-0.22	13.81	0.43	32.59	0.00	0.00	0.000	8.88
	2075	350	1.20	19.69	0.57	17.78	0.00	0.00	0.000	9.00
	2076	769	0.83	31.00	-0.32	24.93	7.00	0.23	0.000	9.08
	2077	1405	-0.33	21.00	-0.33	65.80	4.00	0.19	0.000	9.25
	2078	945	-0.37	14.00	0.36	69.87	3.00	0.21	0.000	9.30
	2079	600	0.05	19.00	0.05	31.03	15.00	0.79	0.001	9.36
	2080	632	-1.00	20.00	-1.00	31.45	8.75	0.44	0.001	9.40
National Life Insurance (NLI)	2070	2550	-0.28	32.21	-0.20	79.17	0.00	0.00	0.000	4.41
	2071	1840	0.79	25.88	0.02	71.11	31.58	1.22	0.017	4.43
	2072	3300	-0.30	26.40	-0.06	125.05	26.00	0.98	0.008	4.57
	2073	2300	-0.65	24.71	0.16	93.09	14.21	0.58	0.006	4.71
	2074	799	-0.27	28.64	-0.59	27.90	26.57	0.93	0.033	4.80
	2075	585	0.13	11.67	1.07	50.11	10.79	0.92	0.018	4.89
	2076	662	0.74	24.17	-0.11	27.39	22.00	0.91	0.033	5.01
	2077	1151	-0.50	21.49	-0.05	53.56	18.79	0.87	0.016	5.10
	2078	577	0.12	20.38	0.08	28.31	17.16	0.84	0.030	4.10
	2079	645	0.30	22.03	-0.35	29.28	0.00	0.00	0.000	4.17
	2080	840	-1.00	14.26	-1.00	59.00	0.00	0.00	0.000	4.30
Nepal Insurance Company Ltd. (NIC)	2070	0	0.00	0.00	0.00	0.00	0.00	0.00		
	2071	389	0.69	-7.41	-3.62	-52.50	0.00	0.00	0.000	2.59
	2072	1235	0.14	19.43	1.06	63.56	5.26	0.27	0.004	3.09
	2073	1430	-1.17	40.03	-0.46	35.72	4.52	0.11	0.003	3.16
	2074	658	-0.86	21.44	0.53	30.69	7.50	0.35	0.011	2.82
	2075	354	0.97	32.74	-0.02	19.38	7.50	0.23	0.021	2.55
	2076	10955	0.12	32.00	-0.09	21.91	0.00	0.00	0.000	4.04
	2077	12423	0.10	29.00	0.07	53.29	0.00	0.00	0.000	4.09
	2078	13790	0.08	31.00	0.13	18.54	0.00	0.00	0.000	4.14
	2079	14948	0.09	35.00	0.73	32.85	0.00	0.00	0.000	4.17
	2080	16442		60.55	-1.00	47.63	0.00	0.00	0.000	4.22
Life Ins. Corpo. (Nepal) (LIC)	2070	4351	-0.34	56.67	-0.46	76.78	68.00	1.20		
	2071	2886	0.39	30.42	0.38	94.87	26.32	0.87	0.009	4.35
	2072	4006	-0.46	41.83	-0.22	95.77	30.08	0.72	0.008	4.47
	2073	2148	-0.51	32.44	-0.22	66.21	70.53	2.17	0.033	4.58
	2074	1050	0.52	25.31	-0.18	41.49	48.50	1.92	0.046	4.68
	2075	1600	-0.21	20.76	-0.26	77.07	0.00	0.00	0.000	4.78
	2076	1260	0.52	15.39	0.55	81.87	14.74	0.96	0.012	4.88
	2077	1919	-0.61	23.93	-0.92	80.20	15.79	0.66	0.008	4.87

	2078	747	0.00	1.90	11.89	392.88	0.00	0.00	0.000	4.00
	2079	744	-0.17	24.50	0.06	30.36	21.05	0.86	0.028	4.13
	2080	619	-1.00	25.94	-1.00	23.87	21.05	0.81	0.034	4.24
	2070	1260	-0.16	65.54	-0.68	19.23	15.78	0.24		
Sagarmatha Lumbini Insurance Co (SLIC)	2071	1060	1.27	21.05	1.23	50.36	25.00	1.19	0.024	2.59
	2072	2401	-0.32	46.86	0.09	51.24	23.16	0.49	0.010	3.09
	2073	1640	-0.18	51.31	0.26	31.96	0.00	0.00	0.000	3.16
	2074	1340	-0.59	64.43	-0.58	20.80	86.00	1.33	0.064	2.82
	2075	550	0.27	27.00	0.28	21.00	0.00	0.00	0.000	2.55
	2076	700	0.92	34.56	-0.03	20.26	11.58	0.34	0.017	2.70
	2077	1344	-0.35	33.55	-0.17	40.06	21.05	0.63	0.016	3.01
	2078	870	-0.14	27.81	-0.37	31.28	13.16	0.47	0.015	2.65
	2079	748	-0.03	17.51	0.00	42.71	5.00	0.29	0.007	2.91
	2080	727	-1.00	17.58	-1.00	41.36	15.00	0.85	0.021	2.86
	2070	1250	-0.19	14.41	-0.44	87.00	0.00	0.00	0.000	3.10
Asian Life Ins. Co. Limited (ALICL)	2071	1013	0.69	8.14	0.81	124.00	0.00	0.00	0.000	9.96
	2072	1710	-0.15	14.77	-0.59	119.00	0.00	0.00	0.000	10.06
	2073	1458	-0.53	6.00	-0.67	231.00	0.00	0.00	0.000	10.17
	2074	683	-0.44	2.00	6.50	277.98	0.00	0.00	0.000	10.30
	2075	383	0.58	15.00	-0.13	25.00	0.00	0.00	0.000	10.39
	2076	607	1.22	13.00	0.31	45.00	27.00	2.08	0.044	10.53
	2077	1348	-0.57	17.00	0.29	80.00	15.00	0.88	0.011	10.57
	2078	574	0.30	22.00	-0.46	26.00	8.95	0.41	0.016	10.68
	2079	745	-1.00	11.94	-1.00	62.39	8.16	0.68	0.011	9.77
	2080									
	2070	770	-0.40	27.14	0.21	28.37	24.74	0.91	0.032	1.29
Neco Insurance Company, (NECO)	2071	462	3.31	32.72	0.15	14.12	15.79	0.48	0.034	2.66
	2072	1990	-0.51	37.52	-0.22	53.04	21.05	0.56	0.011	3.30
	2073	981	0.00	29.25	-0.12	33.54	10.53	0.36	0.011	2.99
	2074	981	-0.50	25.71	0.17	38.15	12.63	0.49	0.013	2.99
	2075	489	0.24	30.00	0.07	16.00	9.00	0.30	0.018	2.69
	2076	607	1.22	32.00	-0.09	17.00	16.00	0.50	0.026	2.78
	2077	1348	-0.49	29.00	0.07	47.00	16.00	0.55	0.012	3.13
	2078	694	0.28	31.00	0.13	22.00	16.00	0.52	0.023	2.84
	2079	891	-1.00	35.00	-1.00	25.00	0.00	0.00	0.000	2.95
	2080									

Shikhar Ins. Company (SICL)	**2070**	**940**	**-0.27**	**44.40**	**0.38**	**21.35**	**0.00**	**0.00**	**0.000**	**8.81**
	2071	690	3.71	61.40	-0.02	11.24	0.00	0.00	0.000	8.90
	2072	3249	-0.40	60.13	-0.32	54.00	20.00	0.33	0.006	9.15
	2073	1941	-0.49	41.00	0.05	47.00	39.00	0.95	0.020	9.25
	2074	985	-0.22	43.00	-0.11	23.00	24.00	0.56	0.024	9.73
	2075	771	0.32	38.35	0.01	20.00	0.00	0.00	0.000	9.75
	2076	1019	0.92	38.71	-0.54	26.00	38.00	0.98	0.037	9.91
	2077	1952	-0.59	17.74	-0.35	110.00	0.00	0.00	0.000	9.98
	2078	807	0.05	11.54	-0.26	70.00	16.00	1.39	0.020	9.15
	2079	845	-0.14	8.52	0.97	99.00	0.00	0.00	0.000	9.89
	2080	723	-1.00	16.77	-1.00	43.00	0.00	0.00	0.000	9.97
Nepal Life Insurance Company (NLIC)	2070	4351	-0.34	56.67	-0.46	76.78	68.00	1.20	0.016	1..68
	2071	2886	0.39	30.42	0.38	94.87	26.25	0.86	0.009	1.73
	2072	4006	-0.46	41.83	-0.22	95.77	30.08	0.72	0.008	2.17
	2073	2148	-0.51	32.44	-0.22	66.21	70.53	2.17	0.033	3.10
	2074	1050	-0.14	25.31	-0.05	41.49	48.50	1.92	0.046	4.40
	2075	901	0.40	24.00	-0.36	37.00	51.00	2.13	0.057	5.29
	2076	1260	0.52	15.39	0.55	81.87	14.74	0.96	0.012	4.12
	2077	1919	-0.61	23.93	-0.92	80.20	15.79	0.66	0.008	4.22
	2078	747	0.00	1.90	11.89	392.88	0.00	0.00	0.000	3.21
	2079	744	-0.17	24.50	0.06	30.36	21.05	0.86	0.028	8.20
	2080	619	-1.00	25.94	-1.00	23.87	21.05	0.81	0.034	8.20

PAPER NAME

EFFECT OF ACCOUNTING INFORMATIO N ON MARKET SHARE PRICE OF SELECT ED INSURANCE COMPANIES

AUTHOR

Binod Lama

WORD COUNT

16571 Words

CHARACTER COUNT

93595 Characters

PAGE COUNT

59 Pages

FILE SIZE

124.3KB

SUBMISSION DATE

Jun 22, 2025 2:57 PM GMT+5:30

REPORT DATE

Jun 22, 2025 2:58 PM GMT+5:30

7% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

- 7% Internet database
- 5% Publications database
- Crossref database
- Crossref Posted Content database
- 0% Submitted Works database

Excluded from Similarity Report

- Bibliographic material
- Quoted material
- Small Matches (Less then 10 words)