FACTORS AFFECTING THE SHARE PRICE OF NEPALESE INSURANCE COMPANIES

A dissertation submitted to the office of the Dean, Faculty of Management in partial fulfillment of the requirement for the Master's degree.

By

Dimpal Rai
Campus Roll No. 3437/076
Exam Symbol No. 23282/20
T.U. Registration No. 7-2-889-17-2015
Group: Finance
Shanker Dev Campus

Kathmandu, Nepal
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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of my dissertation entitle “Factors affecting the share price of Nepalese insurance companies”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements of 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 reference section of the dissertation.

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Dimpal Rai

Report of Research Committee

Miss. Dimpal Rai has defended research proposal entitled "Factors Affecting the Share Price of Nepalese 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 Indra Bahadur Bohara and submit the thesis for evaluation and viva voce examination.

.....
Indra Bahadur Bohara
Dissertation Supervisor

Dissertation Proposal Defended Date:
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Dissertation Submitted Date :
.....

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Asso. Prof. Dr. Sajeeb Kumar Shrestha
Research Department

Dissertation Viva-voce Date:
.....

Approval Sheet

We have examined the dissertation entitled "Factors Affecting the Share Price of Nepalese Insurance Companies" presented by Dimpal Rai for the degree of Master of Business Studies (MBS). We hereby certify that the dissertation is acceptable for the award of degree.

.....
Indra Bahadur Bohara
Dissertation Supervisor

.....
Internal Examiner

.....
Internal Expert

.....
External Expert

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

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

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ABBREVIATIONS

ANOVA	Analysis of Variance
ALICL	Asain life insurance company limited
BOD	Board of Directors
CV	Coefficient of Variation
DF	Degree of Freedom
DVM	Dividend Valuation Model
FY	Fiscal Year
IPO	Initial Public Offering
LICN	Life insurance company Nepal
MPS	Market Price Per Share
NAV	Net Assets Value
NEPSE	Nepal Stock Exchange
NICL	Nepal insurance company limited
NIL	Neco insurance company limited
NLIC	Nepal life insurance company limited
NLICL	National life insurance company limited
NRB	Nepal Rastra Bank
OTC	Over -The-Counter

P/E	Price Earnings
ROA	Return on Assets
ROE	Return on Equity
S.D.	Standard Deviation
SICL	Shikhar insurance company limited
SEBON	Security Board OF Nepal
SPSS	Statistical Package for Social Science Research

ABSTRACT

This study investigates the factors affecting the share price of Nepalese insurance companies. The study investigates the connection between market price per share (MPS) and financial metrics such as EPS, P/E Ratio, ROA and ROE. This study's primary goal is to examine, evaluate, and interpret the factors affecting the share price of Nepalese insurance companies. To fulfill the study's objectives, descriptive causal comparative research design was used. For the study, a sample of four life insurance companies and four non-life insurance companies was chosen during the fiscal years 2070–2071 and 2079–2080. Data were gathered from the annual reports of the relevant insurance companies, Nepal Stock Exchange and Security Board of Nepal. With SPSS version 25, data were analyzed using the multiple regression and correlation techniques. The dependent variable in this study was the market price per share, whereas the independent variables were earnings per share, price earnings ratio, return on equity, and return on assets. The MPS exhibits a negative correlation with ROA and a positive correlation with EPS, P/E ratio, and ROE. According to the study's findings, independent variables such as ROA, ROE, EPS, and P/E ratio are statistically significant.

Keywords: Market Price Per Share, Earnings Per Share, Price Earnings Ratio, Return on Assets, Return on equity.

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

The economy of Nepal is still evolving. Economic growth is very weak because of political unpredictability, economic activity, and geographic position. Through encouraging capital formation and accelerating economic expansion, the stock market contributes significantly to economic development. This market's securities trading helps savers and capital users by transferring wealth, sharing risk, and pooling funds. Reserves can be transferred to the most profitable investment to generate economic activity. Considering a company's share price, investors decide which specific shares to purchase. There is theoretical support for the idea that shifts in financial basic factors and share prices are related. (Nisa & Nishat, 2011).

Comparing Nepal's stock market to that of other neighboring countries, it is extremely tiny. Through stimulating economic growth and capital production, the stock market contributes significantly to economic development. Nepal must use all of its resources to efficiently deploy its limited capital since it lacks it. By facilitating money pooling, risk sharing, and wealth transfer, securities trading in this market helps savers and capital users. The movement of reserves to the most profitable investment can generate economic activity. When choosing which company shares to purchase, investors consider the share prices of such companies. According to theories, shifts in the underlying financial factors and share prices are related. (Ifran & Nishant, 2002)

In developing nations such as Nepal, the primary consideration for investors buying equity shares from the secondary market is the company's profitability. It is well accepted that dividends have a significant influence on the market price of business shares since they are among the finest measures of profitability (Khadka, 2012). If a company intends to raise funds in order to grow, it typically distributes stock dividends. Maximizing the return to shareholders in order to maximize the value of their investment should be the goal of dividend policy. One of the company's most important considerations is the dividend. One indicator of the true state of a company's earnings is the quantity of dividends declared by the company. In order to raise ownership capital, the company offers equity shares, which investors purchase with the ultimate goal of earning a profit share. When the market price of the company's common stock rises, it is said to have a high value.

The main venue for institutions to increase funds and deploy assets is the stock market. If public institutions are listed, they can use the market to sell their shares and raise additional capital to grow their company. For those businesses that refrained from trading on the stock exchange, they must initiate the process of an initial public offering (IPO). Every company listed on the stock market provides its shares since the market serves as a common platform for buyers and sellers of these equities. The country's economic expansion in the domains of industry and commerce may be considered the stock exchange's major function. The market is the primary driver of industry and commerce growth since it is crucial to the expansion of the nation's industrial sector. (Sen and Ray, 2013)

Financial market can be defined as the center which provides facility for buying and selling of financial claims and services. The money market and capital market are two categories of the financial market.While the capital market focuses on long-term financial markets, the money market deals with short-term ones. Primary and secondary are the component of capital market. Primary market is the place where organization government issued new securities .Secondary market is the place for buying and selling the issued new share by the company and government (Shrestha & Subedi, 2014).

Nepal's capital market has been gradually developing since SEBON and NEPSE were established in 1993 in accordance with the Securities Exchange Act of 1983. The SEBON is front line regulator which is promoting and protesting the interest of investor by different act bylaws. The Securities Board has determined that, in addition to its regulatory role, policy formulation, legislative and regulatory reform, standardizing disclosure, bringing enforcements to ensure compliance, and fostering board-based markets are priority areas for change. With respect to the set of guidelines and regulations, NEPSE is the only organized stock exchange where equities are traded through registered brokers (Pandak, 2017).

CDS and Clearing handle securities in dematerializations form which is the company established under the company act promoted by NEPSE. The share price is determined in the floor by the interaction of market forecasting demand and supply. The market would upward and downward, there are many reasons that cause the stock price fluctuation, major of them are economic and non-economic market factors. Government policies rules and regulations, firm dividend declaration, financial statement published interest rate, business cycle trade etc. can increase or decrease the listed share price. The Securities market plays an important role in mobilizing saving and channeling them into productive investment for the development of

commerce and economic growth in the country. But the Nepalese market still in growing phase. The security market is essential to the healthy growth of any economy because it serves as a reliable source of long-term capital for businesses, a practical means of saving money for the general public, and an effective instrument for allocating resources (Pandak, 2017).

The majority of previous research has focused on examining how financial ratios affect Nepal's commercial banks' market share prices. (Baral & Pradhan, 2018; Pradhan & Dahal, 2016; Joshi, 2012). One of the major industries represented on the Nepal Stock Exchange (NEPSE) is insurance. Accordingly, this study looks at the relationship between financial ratios like Earnings Per Share (EPS), Price-Earnings (P/E) Ratio and Market Value of Shares in order to explain the factors that influence the stock price of insurance companies listed on the Nepal Stock Exchange (NEPSE).

An exchange where long-term securities, such as those backed by debt and equity, are purchased and sold is called a stock market. In financial markets, stocks—also known as shares or equity—are the most widely held and actively traded securities. It is thought of as a steady source of funding. Holding stocks entitles the bearer to a portion of a firm's profits in the event that the company makes a profit or to suffer the loss proportionate to the number of shares. (Arkan, 2016). The stock market gives businesses and investors a platform on which the former can invest their money and the latter obtain low-cost long-term funding.

The stock market is essential for economic growth because it gives expanding businesses an affordable way to raise capital. For short-term liquidity demands, businesses frequently turn to bank loans; however, when long-term funding is needed, issuing ordinary and preferred shares becomes an attractive alternative. The stock exchange acts as a vital conduit, bringing together investors with excess capital and businesses looking to raise capital for development or new projects. It also creates a regulated share market where supply and demand interact to set prices.

According to economists, in a free-market economy, supply and demand dynamics have an impact on stock prices. Both macroeconomic and microeconomic issues can have an impact on the primary and secondary markets in the securities market. Metrics like as earnings per share, return on assets, dividend yield, payout ratio, and per share are examples of microeconomic variables. They also include investor response to government policies and

announcements of dividends and right shares. The political climate and the general health of the economy are examples of macroeconomic factors.

A market with optimal efficiency would assess stock prices using either technical or fundamental analysis. Using past stock price data, technical analysis assesses the movement of the price of stocks and projects their future value. By comparing the stock price to the company's intrinsic worth, fundamental analysis assesses the latter. Among the internal factors influencing share prices for different markets are dividend, dividend payout ratio, return on equity, return on assets, retained earnings, size, age of banks, earning per share, dividend yield, leverage, and book value per share (Srinivasan, 2012). An investor's ability to make lucrative investment selections is greatly enhanced by their understanding of the impact of several fundamental elements on share price.

In the context of Nepal, the current study examines an attempt to understand the factors influencing insurance companies' share prices using data from financial statements. This study aims to investigate how the internal factor affects the stock prices of insurance companies in Nepal. The study's objective is to investigate the relationship between macroeconomic and firm-specific variables as determinants of market price per share (MPS) in Nepal's insurance sector. It specifically looks at how market price per share is affected by earnings per share (EPS), price-earnings ratio (P/E ratio), return on assets (ROA), and return on equity (ROE).

1.2 Problem Statement

The Nepalese share price fluctuates erratically in value. The interplay of supply and demand determines stock price. The stock price is determined by both quantitative and qualitative elements. An essential component of a nation's business development is its capital market. Nepal's capital market is continuing growing in spite of this. The banking industry in particular has seen a significant influx of investment from Nepalese investors. Investor satisfaction with the decisions made by the company's management is a must for any shift in this trend. The most alluring feature of investing in shares of different companies for investors is their dividend yield. While dividends do impact the firm's value, management has limited ability to enhance shareholder wealth unless they understand how their actions affect value. The stock market's inefficiency can be ascribed to a number of things, including the unprofessional behavior of market players, the negative attitudes of market regulators, and the lack of appropriate

supervision and oversight by competent authorities. The economy is suffering from current economic imbalances, political unrest, and the ineffective application of the nation's liberal economic policies. Securities prices, particularly those of common stocks, have been erratic and falling in recent years. It is impossible for policymakers to create suitable regulations for the growth of the stock market. The government makes minimal contributions to the growth of the stock market. A number of factors affect share values, and they alter over time as a result of stock exchanges reacting to changes in the external environment. Nevertheless, stock markets might not be affected by some environmental changes. The dynamic character of stock prices is a reflection of the intricate and varied nature of the forces that affect them.

When compared to other established and efficient global markets, Nepal's stock market is very small. One reason for the lower volume of transactions is the limited number of brokerage firms that are listed. In this instance, share prices are mostly determined by supply and demand, two basic economic considerations. Due to its smaller size, the Nepali market appears to operate differently than more developed international markets, where factors such as participant variety and liquidity frequently have a greater influence on pricing.

Many studies have examined the variables influencing share prices. Their findings indicate a strong positive correlation between the firm's ROE, ROA, EPS, P/E ratio and MPS. These variables, indicating that they play an active role in influencing share prices. In this study the following inquiries are addressed:

i. What is the current status of the MPS, EPS, P/E Ratio, ROA, and ROE of listed Nepalese insurance companies?
ii. Is there any relationship between MPS and other financial indicators such as EPS, P/E Ratio, ROA and ROE of listed Nepalese insurance companies?
iii. Do the EPS, P/E Ratio, ROA and ROE of the companies have an impact on market share price?

1.3 Objective of the Study

The major objective of this study is to analyze the relationship of MPS with other financial factors (like: earnings per share, price earnings ratio, return on assets, return on equity of the company). The following will be the study's specific objectives.

i. To assess the current status of the MPS, EPS, P/E Ratio, ROA and ROE of listed Nepalese insurance companies.
ii. To examine the relationship between MPS with other financial indicators such as EPS, P/E Ratio, ROA and ROE of listed Nepalese insurance companies.
iii. To analyze the impact of EPS, P/E Ratio, ROA, and ROE on market share price.

1.4 Rational of the Study

On the securities listed in NEPSE, some research has been done. Studies on the capital market that have been completed up to this point have mostly dealt with risk and return, capital structure analysis, deposit mobilization, dividend policy, and financial performance evaluation. But no study has yet been conducted on the fundamental viewpoint of the factors affecting share prices. Therefore, to achieve their own and organizational goals, investors, planners, researchers, students, and policy makers will find the current study to be extremely significant. The goal of this study is to establish how the MPS of Nepalese insurance companies relates to key financial metrics such as ROA, ROE, EPS, and PE Ratio. Potential investors could find these findings useful in helping them make wiser investing choices. Similarly, this thesis offers details regarding the role that share price plays in the share market. In addition, the industrial average for many financial metrics is useful for comparing with specific businesses. In order to assess their operations and learn about the variables influencing insurance firms' share prices, the management of the corresponding insurance businesses should find this information useful. Different policy makers, including SEBON, NEPSE, and NRB, among others, will find this research useful in developing better policies pertaining to the share market and share prices.

1.5 Limitation of the Study

The following are the study's limitations:

i. For the research from 2070/71 to 2079/80, data from just ten fiscal years are used.

ii. For the study, only eight insurance companies are included in the sample.

iii. This study only focuses on specific internal variables that affect the MPS of the insurance companies such as earnings per share, price earnings ratio, return on assets and return on equity of the insurance company. Thus, the study's focus is not on other variables.

iv. The overview of the study has taken into consideration some selected insurance companies. so that the study might not cover the whole insurance industry.

CHAPTER-II

LITERATURE REVIEW

The review of relevant literature is implied in this chapter. This chapter's goals are to examine some fundamental research on the ideas and empirical data from earlier studies that have an impact on the share price of insurance companies in Nepal.

Review of literature is the process of studying and learning different article, books, journals and different sources of information to gather knowledge of selected topic under the study. This chapter reviews a variety of publications, including books, periodicals, journals, research papers, unpublished thesis reports, etc.There are three sectors in this chapter. This chapter's theoretical review is covered in the first section. The second component deals with journal and article reviews, while the third section discusses prior research done in the Nepalese setting.

- Theoretical Review
- Empirical Review
- Research Gap

2.1 Theoretical Review

2.1.1 Security

Financial instruments known as securities can be exchanged for debt, ownership, or the right to purchase, sell, or swap options. Theses can be issued by the government or, company. On the exchange markets, securities are exchanged. Despite referring to all kinds of financial instruments, the term has different legal definitions. The majority of these definitions treat fixed income and equity as securities. On the other hand, securities comprise Treasury bills bearing interest, notes, stocks, bonds, mutual funds, derivatives, warrants, and debentures. The issuer of the security stock, warrants, etc., is the legal body that issues securities.Security is the document that serves as proof of property rights (Sharpe et al., 2005).

A secondary market is used to trade securities, which are investments. The underlying asset can be owned without physical possession through the use of stocks and bonds. Because of this, it is easy to exchange securities. Thus, they are extremely liquid. Since they are simple to value, they are also good measures of the assets' underlying value. A license is required for traders to

purchase and sell stocks, ensuring that they have received the necessary training to adhere to SEBON regulations.

2.1.2 Security Market

The markets where financial assets, or securities, are traded are known as securities markets. Securities markets fall into one of two categories. The first, referred to as the primary market, is where newly issued securities are traded. The secondary market, which is the second type, is where previously issued securities are exchanged. Equity securities are often traded on primary and secondary markets.By connecting buyers and sellers of securities, the securities market serves as a platform for the easier exchange of financial assets or securities (Sharpe et al, 2005).

Security market is a component of the wider financial market where securities can be bought and sold between subjects of the economy, on the basis of demand and supply. Security markets encompasses stock markets, bond markets and derivatives markets where prices can be determined and participants both professional and non professional can meet. These are released by governments, corporate entities, and business associations. There are numerous kind of commercial organizations in Nepal, such as partnership firms, cooperative societies, joint and public sector organizations, and private and public limited companies. Public limited businesses issue shares to the general public in order to raise capital. The corporate sector issues securities, which can be debt or ownership instruments, to raise money.

2.1.3 Common Stock

The company's remaining earnings are distributed as common stock. A common stockholder's voting rights provide legal authority over the company. The investment has a high level of risk since claims in liquidation have a low priority. A title deed proving their ownership of the company is given to investors upon the acquisition of common stock. The certificate lists the quantity of shares acquired as well as the total value of each share (Bhalla, 1997).

Common stock is a concrete ownership share in a company and a long-term source of finance. The certificate linked to common stock serves as a tradable financial instrument in the market as well as a legal document outlining the organizational structure of the company. Common

stockholders are the corporation's residual owners, and as such, they are entitled to income and assets upon the complete payment of all debts owed to creditors and preferred investors. That being said, compared to preferred shareholders or lenders, the return on investment for common stockholders is less certain.

Common stock may be issued with or without a par value, often known as a nominal value. Despite being a constant feature of the company's identity, the nominal value has little economic importance. A company should never issue shares at a price below par since doing so would force shareholders who paid less up front to compensate creditors for the difference between the par value and the lower purchase price. As part of the company's capital structure, this preventive action guarantees financial accountability and transparency (Van Horne, 1997).

The issuing of common stocks in Nepal is prohibited by the requirements set forth in the Nepal Company Act of 2000 A.D. It must be either Rs. 10 or Rs. 100 for the chosen par value. Common stocks have important speculative qualities and important investment characteristics. Their average market price and investment value typically exhibit a consistent upward trend over time as their net worth increases as a result of reinvested undistributed earnings. However, extreme and unreasonable price movements in both upward and downward directions are frequently experienced by common stocks due to speculative activity fueled by emotions like greed, fear, and hope.

2.1.4 Stock Price

Stock price is the amount of money that one has to pay to purchase/receive a stock of a company. If ‘A’ buys 10 shares of Nabil bank from B, she/he pays Rs.2000 for these 10 shares, than the price of share is Rs.200 (i.e. 2000/10). Hence, the price at which a seller receives payment for selling shares or at what a buyer must pay to purchase shares is known as the stock price. Demand (buyer power) and supply (seller power) in the market drive stock prices on the stock exchange. The environment, individual future forecasts, and supply and demand are interdependent. There is a difference between the market price of stocks and their book value. Extrinsic and intrinsic elements have been found to influence stock price movements; there is no intrinsically independent component to stock price movement (Tandon & Malhotra 2013).

2.1.5 Share Price Determinants

Researchers have previously carried out a variety of studies in the area of share price determinants. To close the gap and prevent any duplication, several of them have been reviewed in this study. Numerous internal and external factors influence the price of stocks. The share price is determined by numerous factors, some of which are listed below:

Earnings Per Share (EPS)

The earnings per share (EPS) is the measurement of a stock's contribution to the company's profits. The amount obtained in rupees for each outstanding share of common stock is mentioned. It calculates every stock shareholder's return. It is also used to gauge how profitable the investors' money was. Simply put, the earnings per share display the companies' profitability on a per-share basis. Greater profitability achieved by the companies through capital mobilization is indicated by increased earnings, and vice versa. Hunjra, Ijaz, Chani, Irfan & Mustafa, (2014) states that shareholders are generally interested in large earnings per share (EPS) because it is an indication of the success of the company. One of the variables determining investors' decision-making to invest in EPS.

It is computed by dividing the earnings accessible to common shareholders by the entire amount of outstanding common stock of the companies.

Dividend Per Share (DPS)

A dividend is the portion of a company's profits that is given to shareholders as cash. Naturally, the dividends have an impact on the total amount of internal financing as well as the quantity of earnings kept in the company. Dividends are the most significant item to stockholders. In the hopes of receiving a portion of the company's profits, they purchase shares. For stockholders, getting a return on their investment is their only goal. According to AI-Malkawi et al. (2010), dividend policies assist companies in making decisions about dividend payout, and finance managers must take into account how dividend decisions impact share prices in addition to the necessity of reinvesting earnings.

Price Earnings Ratio (P/E Ratio)

A stock's Price Earnings ratio is calculated by dividing its market price by its earnings per share (EPS). This indicates to you the opinions of other investors regarding the stock. In this context,

market value and earnings per share are contrasted.The amount that each share's price covers its earnings is shown by the price-earnings ratio. The information indicates if a company's share price is overpriced, undervalued, or reasonably valued. In general, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. It has a beneficial effect on a company's stock price and is frequently used to evaluate possible investments. A high PE stimulates the market price by encouraging investors to purchase shares (Molodovsky, 1995; Tandon and Malhotra, 2013).

Return on Equity (ROE)

Return on Equity (ROE) is a financial ratio that measures the profitability of a company in relation to the shareholders' equity. It indicates how effectively a company is using its equity to generate profit. The Return on Equity (ROE) value is an indicator of the company's profitability. A company's strong success is indicated by a high ROE percentage (Nabila & Dara, 2022). Investors use return on equity (ROE) as an assessment tool to learn more about the value and financial health of the firm in question.

2.1.6 Stock Valuation

Stock valuation is the method of calculating theoretical values of companies and their stocks. These techniques are mostly used to forecast future market prices, or more broadly, potential market prices, with the aim of making money off of price fluctuations. In the expectation that cheap stocks would normally increase in value while overvalued stocks will often drop in value, stocks that are deemed undervalued (in relation to their theoretical value) are bought, and those that are deemed overvalued are sold. A target price is a price at which an analyst believes a stock to be fairly valued relative to its projected and historical earnings. (Katuwal, 2019).

2.1.6.1 Stock Valuation Model

There are three basic valuation models. Often, each of these three methods offers unique answers. The stock valuation models are as follow:

1. Net Assets Model (NAM)

The difference between assets and liabilities is referred to as the net assets, net worth, or capital of a company in business terminology. The difference between assets and liabilities divided by

the total number of investors' shares is how the fund valuation and pricing are calculated, and this is known as NAV.

A fund's NAV can be used to more easily value and transact fund shares because it shows the fund's "per-share" value.

NAV and a company's book value per share are frequently identical or nearly so. Historically, the value of companies with strong growth potential has exceeded their net asset value (NAV). To identify investments that are overvalued or undervalued for closed-end funds, NAV is typically compared to the stock price, or market value per share.

2. Dividend valuation model (DVM)

The dividend discount model, or DDM, is a method for determining a company's stock price. It is based on the notion that a company's stock is valued at the sum of all of its future dividend payments, discounted back to its current value. Put differently, its application involves determining the net present value of future dividends when valuing equities.

3. Earning valuation model (EVM)

In this approach, variations in the P/E ratio and EPS will affect the share value. This model can be substituted with the earning capitalization model.
Despite several limitations, DVM is among the most effective share valuation techniques now in use.

2.1.7 Stock Market

The group of exchanges and markets where bonds, the stocks of publicly listed companies, and other securities are issued and traded is referred to as the "stock market" (Katuwal, 2019). These exchanges may be used for these trades, as well as over-the-counter markets. Alternatively called the equity market, the stock market is an essential component of a free-market economy since it allows companies to raise capital by offering investors a stake in the business. This is the location where businesses list in order to sell shares and raise capital. If a public firm is already listed, it will offer additional shares to the market in order to raise additional capital for business expansion. The primary market and the secondary market are the two primary divisions of the stock market.

2.1.7.1 Primary Market

The primary market refers to the financial market where newly issued securities, such stocks or bonds, are initially sold. Securities are formed in this market. The initial public offering happens in this market. Shares that are floated and distributed to the general public are the focus of the primary market. It is made up of several intermediaries that assist in the disposal of new securities as well as businesses that issue securities to buyers. The new issue market is made up of stock exchanges, issue managers, underwriters, stockbrokers, and other important participants. According to Shrestha and Subedi (2014), the primary market is the first one since it deals with the formation of new financial claims. . In the primary market, a business might raise money in three different methods. In the primary market, a company might raise money in three different methods.

Public Offering

The securities may be sold by the companies to the broader public. It is everyone's right to acquire company shares. Companies can issue their securities to the public through two different channels: standard underwriting and shelf registration.

Right Offering

Companies can offer their common stock to its current shareholders directly by granting rights to purchase more shares of the firm at a subscription price that is less than the market price. Rights offerings are sometimes known as privilege subscriptions. This is a way to raise additional capital from current investors by giving them first dibs on new securities.

Private Placement

Selling securities to a select group of buyers in order to raise money is known as a private placement. In most cases, pension funds, insurance companies, big banks, and mutual funds participate in private placements. A public issue, in which securities are offered for sale to any kind of investor on the open market, is not the same as a private placement.

2.1.7.2 Secondary Market

The secondary market is where securities are traded after they go through the primary market. It is a key part of the financial system, providing liquidity to the market. It also allows traders

with a centralized location where they can make trades. Investors who deal with large and small volumes of trades have the ability to participate in the market.

One type of capital market is the secondary market, where securities that have previously been issued are traded (Shrestha & Subedi, 2014). The financial market where previously issued assets and financial instruments like stocks, bonds, options, and futures are purchased and sold is called the secondary market, sometimes referred to as the aftermarket. In a nutshell, secondary markets are places where investors, or buyers and sellers, transact in already-issued assets. It establishes the price and permits liquidity. Therefore, previously issued shares traded through stock exchanges, over-the-counter markets, or direct sales are the primary focus of the secondary market. For the primary market to expand effectively, secondary markets are required. Due to the securities' availability in the secondary market, investors are urged to buy assets on the primary market. Thousands of securities are traded on the Nepal Stock Exchange (NEPSE), a regulated secondary market in Nepal. There are two approaches to structure secondary markets:

Organized Stock Exchange

The Organized Stock Exchange is the actual venue where securities are traded by license holders of the exchange in accordance with certain set rules and regulations. One of the significant secondary markets is this one, where investors trade securities with one another. The trading of securities listed on organized stock exchanges is facilitated. The stock exchange is a vital part of the capital market. A stock exchange is a formal marketplace for the purchase and sale of commercial and financial assets. It is a convenient venue where legally-mandated systematic securities trading is conducted. Other names for it include the stock market and share market. According to the Indian Securities Contracts (Regulation) Act of 1956, a stock exchange is any association, organization, or group of people whether or not they are incorporated that is set up with the intention of supporting, regulating, and controlling businesses that purchase, sell, and trade in securities. NEPSE serves as an example of an organization stock exchange in Nepal.

Over the counter market (OTC Market)

An further way to set up a secondary market is to establish an Over-the-Counter market, where dealers with securities inventory at various places stand ready to purchase and sell securities "Over the counter" to anyone who approaches them and is prepared to accept their pricing. The

over-the-counter (OTC) market is very competitive and relatively similar to a market with an established exchange since dealers are in computer contact with one another and are aware of the prices that have been set.

It is included on the secondary market. The over-the-counter market is often where securities of those businesses that are not listed on the security exchange are exchanged. In a decentralized market, where there is no central physical location, traders transact using a range of communication channels, including email, phone calls, and proprietary computer trading platforms. The two primary formats for financial markets are exchange markets and over-the-counter (OTC) markets. By providing prices at which they will purchase and sell a security or piece of money, authorized dealers function as market makers in an over-the-counter market. In an over-the-counter (OTC) market, a trade can be completed between two participants or intermediaries without the other party knowing the sale price. Exchanges are subject to more restrictions and have greater transparency than over-the-counter (OTC) marketplaces.

2.2 Empirical Review

This part of the literature review is devoted to review of major previous studies relating to share price in details.

Subedi (2024) investigated the quest on determinants of stock price in Nepal. Capital formation, sustained economic growth, and financial prosperity all depend on stock markets. This study examines the determinants of stock price sold on Nepal's secondary market via NEPSE, with a particular emphasis on the microfinance industry.The econometric model's coefficient of variation is 0.90, meaning that the explanatory variables in the model account for 90% of the change in the microfinance company's market price. Market price per share has an inverse relationship with floating share size and a positive correlation with earnings per share, return on equity, price-earnings ratio, and book value. Floating shares, price-to-earnings ratio, and earnings per share are examples of statistically significant independent variables. Nevertheless, return on equity and book value per share two additional essential components of equity do not exhibit statistical significance.

Sabri et al. (2024) studied analyzing the influence of dividends on share prices in the Iraqi stock market. This study looks at the correlation between stock prices and dividend policy for firms that are listed on the Iraq Stock Exchange between 2010 and 2020. The impact of retained

earnings per share and dividends per share on the market share price is examined in this study using a simple linear regression model.The findings show a negative, statistically insignificant relationship between cash dividends and share prices, whereas retained earnings show a direct positive and significant correlation with stock valuations. This study offers a thorough, long-term investigation of the dynamics between dividend distribution and stock price in the Iraqi market, providing insightful information about how this relationship plays out in a rising country. The findings have practical ramifications for company dividend policy and investment strategies in Iraq and other countries, as well as for the theoretical understanding of the determinants influencing stock valuation. Campaigns to promote saving, offering investment advising services, and enhancing financial disclosure to boost investor confidence are some of the main suggestions.

Determinant factors of company share prices in financial sector companies on the IDX were examined by Dharmawan et al. (2024). The supply and demand for shares have a major impact on share prices; the more shares purchased, the higher the price. Conversely, if a large number of owners sell their shares, share values may drop. This study's objective is to assess and examine factors that may have an impact on share prices listed on the Indonesia Stock Exchange between 2017 and 2019. Regression analysis was used in conjunction with quantitative methodologies in this investigation. Seven regular financial industry companies that provide quarterly financial statements from 2017 to 2021 make up the research sample. The study's findings indicate that EPS and ROE have a significant impact on stock prices, but DER has no effect. Companies in the financial industry with below-average EPS ratios and negative values ought to understand that higher profits are intended to enhance investor welfare by way of dividends and/or capital gains.

Hartono et al. (2023) examined the factors affecting stock price of maritime companies in Indonesia. Given that Indonesia is made up of various islands, the marine or sea transportation sector is very important to the country. In the meanwhile, there is a lot of scope for growth in this area, particularly in the capital market. Thus, from 2013 to 2019, the Indonesia Stock Exchange listed marine companies' stock prices are influenced by four variables that are examined in this study. The research findings indicate that although business size and market value do not exist as predictors, profitability and financial leverage are significant predictors of the hierarchical regression parameters. It has been demonstrated that firm size has a detrimental impact on stock prices, although market value has no such effect.The uniqueness

of the marine industry's stock price determinant is presented in this study to help investors and business management make decisions that maximize firm value.

Nugroho et al. (2023) investigated the determinants on share market price of mining companies in Indonesia. The purpose of this study is to investigate the factors that influence the share market price of Indonesia's mining industry. A number of independent factors are employed, including macroeconomic data, financial performance, company social responsibility, and sound corporate governance. Purposive sampling is used in this study, which employs 22 coal mining businesses between 2018 and 2021. By performing a number of tests, such as regression equation, determination, descriptive statistics, and hypothesis testing, the study methodology employed linear multiplier regression. According to this study, the share market price is significantly impacted by the following factors: profitability, exchange rate, inflation, and firm size. Conversely, the share market price is unaffected by liquidity, good corporate governance, or corporate social responsibility. The research's applicability is crucial for a number of reasons, including governments, businesses, and managers who are interested in addressing mining corporations, enhancing financial performance, and developing mitigation plans. The study made clear that share market price is influenced by both external and internal factors, suggesting that it may provide a competitive edge.

Kattel et al. (2023) examined the impact of firm specific factors affecting stock price in Nepalese insurance companies. This study looks at how firm-specific factors impact Nepalese insurance companies' stock prices. The dependent variables chosen are market price per share and stock return. The premium growth, return on equity, return on assets, dividend per share, earnings per share, price-earnings ratio, and firm size are the chosen independent factors. The Rastriya Beema Samiti annual reports, NEPSE reports, and the annual reports of a subset of Nepalese insurance companies were the sources of the data. The study demonstrated the positive relationship between market price per share and stock return and earnings per share. It suggests that a rise in earnings per share causes the market share price and stock return to rise. The study also demonstrated the favorable relationship between market price per share and price-earnings ratio. It indicates that a greater price-to-earnings ratio corresponds to a higher market share price. Furthermore, the analysis demonstrates that market price per share is positively impacted by the size of the organization. It suggests that the market price per share would increase as a company's size increased. Similar to this, market price per share is positively impacted by dividend per share, premium growth, and return on equity.

Gyawali (2022) used data from eighteen banks for the years 2017–2021 to examine the factors influencing the stock price of Nepalese commercial banks. Size, DY, EPS, P/E ratio, BVPS, and ROA were the main variables in the study. To show how independent factors affect the dependent variable, convenience sampling is used in addition to multiple linear regression models. The main inquiry concludes that the stock price is positively and statistically significantly influenced by DPS, EPS, BVPS, and P/E ratio. The inflation rate has a negative and negligible impact on stock price, while GDP and ROA have no statistically significant influence.

The factors influencing market stock price were examined by Abdallah et al. (2022) utilizing brand-new information from a developing market. Over a period of nine years (2010–2018), 57 industrial companies' panel data was analyzed for this research. All of the companies in the population make up the study sample, yielding 513 observations in total. The study concludes that the market stock price of Jordanian industrial companies is significantly influenced by the ratios of assets turnover, long-term debt-to-total assets, earnings per share, return on assets, inventory-to-total current assets, total current assets-to-total assets, and total assets; on the other hand, the working capital and equity ratios have a negligible effect. Both the signaling hypothesis and the pecking order theory are consistent with these findings. Furthermore, there is a rather high degree of financial indicator control on the movement of market stock prices of Jordanian industrial enterprises. To sum up, financial analysts, investors, and other strategic decision-makers can apply these findings to improve the efficacy and efficiency of the Jordanian financial market.

Koleosho et al. (2022) examined the effect of dividend policy on the share price volatility of some selected companies listed on the Nigerian market using data from 49 of the 162 companies listed there between 2010 and 2020. The volatility of share prices has demonstrated distinct patterns in several worldwide exchange markets, such as the Nigerian exchange. Fewer studies have been conducted in this area, particularly in developing economies like Nigeria, despite numerous attempts to identify potential reasons of this instability and ways to alleviate them. Ex-post facto research approach and EGARCH volatility measure were used in the study. The study came to the conclusion that share price volatility is significantly impacted by dividend policy. The study suggested that investors should choose companies with a consistent payout ratio and that companies should concentrate more on their payout.

Maskey (2022) examined the determinants of share prices using a case study of listed life insurance companies in Nepal stock exchange. The research employed panel data for the years 2012–2013–2017–18 and a sample of 19 life insurance companies registered in NEPSE. The data was examined using a multiple regression model for both descriptive and inferential statistics after it was gathered. Based on the results, it was clear that the main factors impacting share prices were dividend yield, price-earnings ratio, firm age, earnings per share, and dividend yield. According to regression analysis, the company's age, EPS, DPS, and P/E ratio all had a strong positive link with market stock prices, but the dividend yield had a substantial negative relationship. It was discovered that the other variables, book value of shares and retention rate, were not significant. According to the study's conclusion, dividends are a big factor for Nepalese investors when they make decisions. Additionally, research showed how stockholder decisions in Nepal are influenced by the dividend policies of the corporations.

Subedi (2022) examined the variables influencing stock price trading in Nepal's secondary market using data from 41 non-life insurance plans. Earnings per share, return on equity, book value per share, price-earnings ratio, and the quantity of floating shares were the main research factors. The researcher uses regression analysis and an ANOVA table correlation matrix to ascertain the link between the independent and dependent variables. The study's conclusions show that the number of floating shares and earnings per share, return on equity, and price-earnings ratio all have a negative association, but the market price per share and book value per share have a positive link. The inverse relationship between the quantity of floating shares and market price per share indicates that fewer public issuance or floating shares will result in a smaller supply and a higher price.

Prowanta & Siswanti (2021) examined the determinant of stock price insurance company in Indonesia. This study will examine the relationship between the stock price, the claim expense ratio, and the technical reserve ratio in order to better understand the impact of the insurance firm's solvency ratio as an intervening variable on the IDX. The study's participants were the 12 insurance firms that were active in Indonesia in 2017 and 2018. Path analysis was used by the investigator. As per the results, there is a noteworthy positive correlation between the solvency ratio and the ratio of claim expenses to stock prices. On the other hand, there is no discernible relationship between the ratio of technical reserves to stock prices and the solvency ratio. On the other hand, the solvency ratio can mediate disputes between the ratio of claim

expenses to stock prices and the technical reserves to stock prices, but it cannot mediate disputes between the two.

Sukesti et al. (2021) examined the Factors Affecting the Stock Price: The Role of Firm performance. This study used return on assets (ROA) as a mediating variable to explore the relationship between size, net profit margin (NPM), and debt equity ratio (DER) and stock prices. 136 manufacturing companies that were listed between 2014 and 2018 on the Indonesia Stock Exchange (IDX) comprised the sample. A statistical test tool called Warp PLS was used in this study in order to verify the hypothesis. The findings demonstrated that DER significantly affects stock price positively and ROA negatively. NPM significantly improves ROA and stock price. It also significantly increases ROA. Size does not affect stock price, but it significantly increases ROA. The impact of ROA on stock price is significant. While ROA is a mediating variable in the link between NPM and stock price, it also plays a mediating role in the relationship between DER and stock price. In contrast, ROA does not play a mediating role in the relationship between Size and stock price. Investors can use the implications of the study's findings to inform their investment decisions by considering the financial characteristics of the company, specifically its size, ROA, NPM, and DER.

Ghazo et al. (2021) investigated the macroeconomic factors influencing stock prices changes on the Amman Stock Exchange. Finding the important macroeconomic factors that influenced price swings of stocks on the Amman Stock Exchange between 1980 and 2018 is the main goal of this study. The variables' degree of integration was shown to differ using the Augmented Dickey-Fuller (ADF) test. The residuals under the Ordinary Least Square (OLS) model violated the constant variance assumption, according to the Breusch-Pagan-Godfrey test. In order to demonstrate the fluctuation in the variables and ensure that all variables were stationary at the same level, the study used the Generalized Autoregressive Conditional Heteroskedasticity (GARCH) methodology to assess the model after taking the initial difference of the natural logarithm. It showed that while changes in the real effective exchange rate, real interest rate, and price of Brent crude oil were statically significant to lead changes in the stock price index, they did so in the opposite direction. Similarly, changes in portfolio investments and the industrial production index were found to be statically significant to lead changes in the stock price index in the Amman Stock Exchange.

Niraula (2021) examined the stock price behavior of Nepal's commercial banks in order to investigate the behavior of those banks' stock prices. The study population consisted of only

eighteen of the 27 commercial banks that are listed on NEPSE. Convenience sampling is used as the method. Only secondary data from 2015–16 to 2019–20 were collected for this investigation. The study design used was descriptive. The research findings were interpreted using analysis and statistical interpretation.

Multiple regression analysis was used to show the impact of independent variables on dependent variables as well as the correlation coefficient between the dependent and independent variables. Size, BVPS, ROA, DY, EPS, and P/E ratio are examples of independent variables. The findings suggest that EPS, PE ratio, and bank size have a positive and statistically significant impact on MPS. The effects of other variables are minimal.

Henny and Muhamad (2020) studied Indonesian data to examine the factors influencing stock price manufacturing company. Eleven sample organizations' financial information is included in the research study for the years 2012 through 2018. Panel data regression was employed as the estimation technique in this investigation.The study's criteria were Return on Equity (ROE), Price to Book Value (PBV), Earnings per share (EPS), and Debt to Equity Ratio (DER). The analysis and results of the investigation show that the Random Effect Model is the best appropriate model for this particular study. According to the theory, the two factors influencing stock prices are price to book value and earnings per share.

Thapa (2019) looked at the variables that affect Nepali stock prices. The study's goal was to examine the variables that influenced Nepalese stock prices between 2008 and 2018 AD, particularly as they related to commercial banks listed on the Nepal Stock Exchange Ltd. The interest rate (IR), price to earnings ratio (PER), company histories, market rumors and whims, effective laws and regulations, dividend per share (DPS), and earning per share (EPS) were only a few of the many variables covered in the study.The researcher used a simple linear regression model for this inquiry. The results of the study demonstrated that profit margins, market rumors and whims, corporate profiles, EPS, DPS, and effective laws and regulations are all depending upon The price of shares was significantly inversely correlated with both interest rates (IR) and the price to earnings ratio (PER), whereas luck showed a considerable positive correlation with share price.

Silwal and Napit (2019) examined the determinants of the stock price in Nepalese Commercial bank. Ten banks with stocks listed on the Nepal Stock Exchange provided pooled cross-sectional data for the study. The study, which employed a causal comparative research design

and correlation analysis, indicated that book value per share, price earnings ratio, and return on equity had positive associations with stock price. When it comes to stock price, size and dividend yield have a weak but favorable link, but they are statistically insignificant. In Nepal, book value per share turned shown to be the most important factor in determining stock price.

The impact of dividend policy on the share price of Nepali commercial banks was examined by Pradhan and Baral (2018). This study aims to investigate the effect of dividend policy on Nepali commercial banks' share price. Ten commercial banks' combined cross-sectional data sets served as the study's foundation. Data was gathered from Nepalese commercial banks listed in NEPSE from the F/Y 2012/13 to the F/Y 2016/17. Banks were chosen based on their performance in the Nepalese stock market, i.e., top gainers and top losers. With the help of descriptive statistics, correlation and regression, ANOVA, and the Wilcoxon Signed Rank Test, the study examines the impact of dividend announcement, EPS, P/E ratio, and DPR on stock price. The results of the study showed that while DPR has a negative link with MPS, there was a strong positive relationship between the EPS, P/E, and share price in top gainer commercial banks. The papers come to the conclusion that, with the exception of DPR, EPS and P/E ratio show favorable relationships with stock price. For top-performing commercial banks, P/E is the most important element influencing share price; among them, EPS, P/E ratio, and DPR have a favorable impact on stock price. In the event of the top loss bank, DPR is the aspect that influences the share price the most.

Bhattarai (2018) examined the influence of macroeconomic and firm-specific variables on the share prices of insurance and commercial banks in Nepal. The study's basis is secondary data from six insurance companies and seven banks between 2009–2010 and 2014–2015. The relevant firms' annual reports are where the data were found. For the study, a comparative descriptive and causal research approach was employed. The multiple regression technique from SPSS-16 version has been used to investigate the effects of macroeconomic and firm-specific variables on share prices. Size and macroeconomic variables, such as money supply (MS), exchange rate (ER), inflation rate (IR), and GDP growth rate (GDPR), have been taken as independent variables and MPS dependent variable. The firm-specific variables are return on assets (ROA), earnings per share (EPS), return on equity (ROE), dividend per share (DPS), dividend payout ratio (DPR), prices earnings ratio (P/E Ratio), and size. The study comes to the conclusion that the following key variables have an impact on share prices of banks and

insurance firms in Nepal: size, macroeconomic indicators like MS, GDPR, ER, and IR, and firm-specific factors like ROE, ROA, EPS, DPS, P/E ratio, and size.

Olotu et al. (2018) investigated the equity price influencing factors of financial sector firms in Nigeria. This study looked primarily at listed companies in the Nigerian stock exchange's banking sector to investigate how important macroeconomic and accounting factors affect stock prices. Of the fifty-eight (58) listed financial sector companies, forty-five (45) were specifically chosen as a sample based on the availability of monthly data from 2010 to 2015. Based on the recommendation of the Hausman test, a random effect based regression model was used to analyze the data. The analysis's conclusion demonstrates that, with the exception of liquidity, all the variables that are related to earnings per share, price earnings ratio, market capitalization, oil price, and exchange rate are major predictors of stock price.In particular, elements like the price of oil and the currency rate all have a negative impact on the price of stocks.This suggests that, specifically, the federal government's macroeconomic policies do not support the stock market.It is advised that the government follow a steady course of action to support exchange rate stabilization.This will maintain the market's steady performance and, bravely, increase price stability.

Memon et al. (2017) studied, the effect of dividend policy on market values of companies' stocks in Pakistan's nonfinancial industries from 2006 to 2015. Seventy-seven non-financial companies listed on the KSE (PSX) provide the data. Regression model results indicated that dividend payout had a significant positive influence on stock market values, whereas dividend yield had a significant negative impact. The results of the control variables demonstrated that, throughout our study period, growth in assets, earnings, sales, and size had a substantial positive impact on stock market prices, whereas growth in liquidity, leverage, and profit after taxes had no significant impact. Thus, all of the research's findings indicate that Pakistan's stock market prices are significantly impacted by the dividend policy.

The market stock price of the insurance companies listed on the Amman stock exchange was examined by Qaisi et al. (2016). The purpose of this study is to look into the relationship between market stock price and many parameters, including debt ratio, age, size, and return on equity (ROE) and return on asset (ROA). Twenty insurance businesses that were listed on the Amman Stock Exchange between 2011 and 2015 are used in the study in order to meet its goal. Using both simple and multiple liner regression, the data analysis revealed that the market stock price of insurance businesses listed on the Amman stock exchange is impacted by the following

factors: ROA, debt ratio, company age, and company size. Furthermore, the findings revealed no relationship between ROE and the market value of these insurance businesses' stocks.

Arshad et al. (2015) examined the determinants of share prices of listed commercial banks in Pakistan. This paper's main goal is to pinpoint the factors that have influenced the share prices of the listed commercial banks on the Karachi Stock Exchange from 2007 to 2013. Discovering how both internal and external factors affect share price is one of this paper's distinctive aspects. The chosen independent factors' potential impact on share prices are ascertained through the application of linear multiple regression analysis. The findings show that while other variables (gross domestic product, price-earnings ratio, dividend per share, leverage) have no relationship with share prices, earning per share has the greatest influence and a positive and significant relationship with share prices. The book to market value ratio and interest rate have a significant but negative relationship with share prices.

Masum (2014) investigated the nature of the relationship between private commercial banks' stock market returns in Bangladesh and their dividend policies, as well as the extent to which stock returns over the same time period can be explained by them. Stock prices are influenced by a wide range of internal and external factors at the same time, and it is nearly difficult to isolate each factor's influence to maintain fluctuations. For all thirty banks registered on the Dhaka Stock Exchange, the excess stock market returns for the years 2007–2011 are experimentally estimated in thispaper. Examining the relationship between private commercial banks' stock market returns and dividend policies in Bangladesh as well as the extent to which stock returns are explained by the policies of the individual banks during the same time period are the main goals of this research. Different dividend policy theories have been tested with varying degrees of success and success around the globe. A number of additional papers, both domestically and internationally, are examined in order to assess the impact of dividend policy on stock prices and to compare the findings of this study with those of previous studies. Because there is a huge sample size all of the Dhaka Stock Exchange's listed commercial banks the results are valid and trustworthy. After adjusting for variables such as earnings per share, return on equity, and retention ratio, the panel data approach is used to explain the relationship between dividends and stock prices.

Khan (2012) examined the determination of share prices at Karachi Stock Exchange in Pakistan. The primary goal of the research is to identify several factors that influence share prices and how these factors relate to the prices of Pakistan's Karachi Stock Exchange (KSE) 100 index

shares. Following a review of the literature, five quantitative indicators were chosen in order to determine the strength and direction of the relationship: the Book to Market (B/M) ratio, the Price Earning (P/E) ratio, the Dividend, the GDP, and the interest rate. 34 businesses have been randomly chosen as a representative from the 34 KSE sectors. Data covering the period of 2000-2009 has been gathered for the companies in the sample. The correlation model and linear multiple regression are the analytical tools.

With the exception of interest rate and B/M ratio, it has been determined that every factor chosen has a positive and significant link with share prices. Share prices grow in response to increases in the GDP, dividends, and P/E ratio. Interest rates and the B/M ratio have a negative relationship with share prices. The GDP rate, dividend per share, interest rate, B/M ratio, and P/E ratio hypotheses are thereby approved.

Table 1

Meta Analysis Review

SN	Author/ Date	Title	Objective	Methodology	Findings
1	Hivi Azeez Sabri, Bahram Mahmood Salih, Hivi Malu Omar (2024)	Analyzing the influence of dividends on share prices in the Iraqi stock market from (2010-2020)	To investigate the relationship between dividend policies and market share prices.	A simple linear regression model	The findings indicate a negative, statistically insignificant relationship between cash dividends and share prices, Conversely, there is a strong and direct positive correlation between retained earnings and stock prices.
2	Khemraj Subedi (2024)	Quest on determinants of stock price in Nepal: Evidence of Microfinance Sector Share Listed in NEPSE.	To investigate the determinants of stock price traded in Nepal's secondary market through NEPSE, focusing on the	The panel regression model.	The findings shows that MPS is positively correlated with EPS, ROE, P/E Ratio, and book value, while inversely correlated with floating share size. Independent variables like eps, p/e ratio and floating shares are

			microfinance sector.		statistically significant but bvps and roe are not statistically significant.
3	Donny Dharmawan, M. Anwar Karnadi, Ratnawita, Suratman, Loso Judijanto (2024)	Determinant factors of company share prices in financial sector companies on the IDX.	This study's objective is to assess and examine factors that may have an impact on share prices listed on the Indonesia Stock Exchange between 2017 and 2019.	The study used classical assumption testing, model feasibility analysis, panel regression analysis, and determination coefficient tests.	The study finds that stock prices are strongly influenced by EPS and ROE, but stock prices are not influenced by DER.
4	Powell Gian Hartono, Richy Wijaya, Agus Budi Hartono, Shafrani Dizar, Ovy Noviati Nuraini Magetsari, Irinues Sukma Anggara and Muhammad Ibnu Sujono (2023)	Factors Affecting Stock Price of Maritime Companies in Indonesia	To investigate four factors that influence the stock prices of maritime firms that were listed between 2013 and 2019 on the Indonesian stock exchange.	The study has used panel data regression analysis tools with the least square dummy variable technique.	The results showed that profitability and financial leverage are robust predictors of the hierarchical regression parameters, while the firm size and market value are not proven as predictors.
5	Moh. Taufan Nugroho, Maria, Luqman Hakim (2023)	Determinants on share market price of mining companies (Case study in Indonesia)	The purpose of this study is to investigate the factors that influence the share market price of Indonesia's mining industry.	The study has used linear multiplier regression analysis.	This study finds the Inflation, Exchange Rate, Profitability, and Firm's Size have a significant effect on Share Market Price.
6	Ashim Jamar Kattel, Prof. Radhe	Impact of firm specific factors affecting stock	To investigate how firm-	The data were analyzed using	The study showed that earnings per share and p/e ratio

	Shyam Pradhan (2023)	price of Nepalese insurance companies.	specific factors impact Nepalese insurance firms' stock prices.	regression model.	have positive impact on market price per share Similarly, the study showed that company size has a positive effect on market price per share.
7	Bindu Gyawali (2022)	Factors influencing the stock price of Nepalese commercial banks.	To investigate the factors influencing the stock values of Nepalese commercial banks.	Multiple linear regression model	The outcome shows that the stock price is positively and statistically significantly impacted by DPS, EPS, and P/E ratio. Likewise, the GDP and ROA have no statistically significant influence on the stock price, while the inflation rate has a negative and insignificant effect..
8	Adekunle Orelope Koleosho, Ishola Rufus Akintoye, Ayodeji Temitope Ajibade(2022)	The effect of dividend policy on share price volatility of some selected companies on the Nigerian exchange	To investigate how a dividend policy affects the volatility of the share prices of particular companies that are listed on the Nigerian exchange.	Ex-post facto research approach and EGARCH volatility measure were used in the study.	The findings shows that dividend policy have significant effect on share price volatility.
9	Abdallah Ahmed, Abu Afifa, Hamed Saleh, Isam	Determinants of market stock price: new evidence from an	To examine the financial factors that influence Jordan's stock price, an	Panel data Analysis	The result shows that the assets turnover ratio, long-term debt to total assets ratio, EPS, ROA, inventory to total current assets

	and Alsufy Fares (2022)	emerging market	emerging market.		ratio, total current assets to total assets ratio, and total assets significantly affect the market stock price.
10	Sanam Maskey (2022)	Determinants of Share Prices: A Case Study of Listed Life Insurance Companies in Nepal Stock Exchange.	To ascertain the variables influencing the market share values of life insurance firms that are listed on the Nepal Stock Exchange (NEPSE).	The study used descriptive and inferential statistics, Multiple regression model.	The results showed that EPS, DPS, P/E Ratio and company age have significant positive relationship with market stock price whereas Dividend Yield was found to have a significant negative relationship with the market stock price which
11	Embun Prowanta and Indra Siswanti (2021)	Determinants of stock price insurance company in Indonesia.	To examine how the technical reserve ratio and claim expense ratio affect stock price of insurance companies on the IDX, using the solvency ratio as a mediating variable.	Path Analysis Model.	The result shows that while the claim expense ratio greatly raises the solvency ratio, the technical reserve ratio has no effect on stock price.
12	Fatmasari Sukesti, Imam Ghozali, Fuad FUAD, Abdul Kharis Almasyhari, Nurcahyono (2021)	Factors affecting the stock price: role of firm performance.	To investigate the relationship between size, return on assets (ROA) as a mediating variable and the effects of debt equity ratio (DER), net profit margin (NPM), and	The study used a warp PLS statistical test tool.	The study finds that DER and NPM have a positive effect on stock prices. The size of the company does not affect the stock price. ROA has a significant effect on stock price.

			size on stock prices.		
13	Abdallah Ghazo, Ziad Abu-Lila and Sameh Ajlouni (2021)	The macroeconomic determinants of stock price fluctuations in Amman Stock Exchange.	to determine the main macroeconomic factors that influenced changes in Amman Stock Exchange stock prices between 1980 and 2018.	Generalizgd Autoregressive Conditional Heteroskedasticity (GARCH) methodology.	The stock price index and portfolio investments have a positive correlation, while the exchange rate, interest rate, and price of crude oil have a negative correlation with stock prices.
14	Ballav Niraula (2021)	Stock price behavior of commercial banks of Nepal.	This study aims to investigate the stock price behavior of commercial banks in Nepal.	The study has used multiple linear regression model.	The outcome shows that there is a positive and statistically significant effect of EPS, PE ratio and size of banks on MPS. Other variables have negligible effects.
15	Henny Medyawati, Muhamad Yunanto (2020)	Determinants of stock price manufacturing company: evidence from Indonesia.	To determine the appropriate model for analyzing the impact of return on equity, price to book value, earning per share, and debt-to-equity ratio on manufacturing companies' stock prices.	Panel data regression model.	Based on the analysis, the Random Effect Model is the best suitable model for this research. Similarly, variables that affect stock prices based on the model are earnings per share and price to book value.
16	Krishna Bahadur Thapa (2019)	Influencing factors of stock price in Nepal	To explore the influencing factors of stock price in Nepal listed on the Nepal	Simple linear regression model.	A large negative association is found between share price and interest rate and P/E, whereas a

			stock exchange Ltd.		significant positive correlation is shown between share price and effective rules and regulations, EPS, DPS, market whims and rumors, corporate profiles, and luck and success. A clear inverse link exists between ratio and share price.
17	Prem Prasad Silwal, Samrina Napit (2019)	Fundamentals of stock price in Nepalese commercial banks	This study's objective is to identify the factors that influence Nepalese commercial banks' stock market prices.	Correlation and causal comparative research designs were employed in the study.	According to the study, return on equity, price earnings ratio, and book value per share all positively affect stock price. Size and stock price had a negative correlation that was statistically insignificant, whereas dividend yield had a slight positive impact.
18	Raj Kumar Baral, Ajay Pradhan (2018)	Impact of dividend policy on share price of commercial banks in Nepal.	To examine the impact of dividend policy on the share price of commercial bank in Nepal.	The study has used descriptive statistics correlation and regression, anova and Wilcoxon signed rank test.	There was a positive significant relationship between the EPS, P/E and the share price in top gainer commercial bank whereas DPR has negative relationship with MPS.
19	Bishnu Prasad Bhattarai (2018	The firm specific and macroeconomic variables effects on share price of Nepalese	To investigate the impact of macroeconomic and firm-specific	The study has used multiple regression technique for the analysis using SPSS.	The result shows that beta coefficients for EPS, DPS, P/E Ratio, size, GDP and ER are

		commercial banks Insurance companies.	factors on the share prices of insurance and commercial banks in Nepal.		positive and statistically significant with market price per share. The beta coefficient for ROE, ROA, MS, and IR are negative but statistically significant with market price per share.
20	Abdullahi Ismaila Olotu, Misa Adamu Gassol, Abdullahi Musa Abdullahi (2018)	Equity Price Influencing Factors of Financial Sector Firms in Nigeria.	To determine how important macroeconomic and accounting factors are in affecting the stock prices on the Nigerian stock exchange.	The data were analyzed using random effect based regression model based on the suggestion of Hausman test.	The result of the analysis shows that all the variables, earnings per share, price earnings ratio, market capitalization, oil price and exchange rate are significant determinants of stock price except for liquidity.
21	Noor Ahmed Memon, Nizamuddin Channa, Imamuddin Khoso (2017)	Impact of dividend policy on market prices of shares: evidence from Pakistan.	To observe the impact of dividend policy on market prices of firms' stocks of the nonfinancial sectors of Pakistan.	Analytical research design.	All of the research's findings indicate that Pakistan's stock market prices are significantly impacted by the dividend policy.
22	Fouzan AI Qaisi, Mustafa AI-Qudah, Asem Tahtamouni (2016)	Factors affecting the market Stock price - The Case of the Insurance companies listed in Amman stock exchange .	To investigate into how certain variables, such as debt ratio, age and size of the company, return on equity (ROE), and return on	Simple and multiple liner regression.	The results showed that among insurance companies listed on the Amman Stock Exchange, there is a strong relationship between ROA, debt ratio, company age, company size,

			asset (ROA), affect market stock price.		and market stock price.
23	Zeeshan Arshad, Ali Raza Arshaad, Sohail Yousaf, Sulaman Jamil (2015)	Determinants of share prices of listed commercial banks in Pakistan.	To determine the factors that affect the share prices of the commercial banks that are listed on the Karachi Stock Exchange. In the same way, to determine how internal and external factors affect share price.	The study used linear multiple regression analysis.	The finding shows that while other variables (gross domestic product, price-earnings ratio, dividend per share, leverage) have no relationship with share prices, earning per share has the greatest influence and a positive and significant relationship with share prices. The book to market value ratio and interest rate have a significant but negative relationship with share prices.

2.3 Research Gap

The term "research gap" refers to the distinction between previous and current research. After earlier research was reviewed, it was discovered that most of the research (Maskey 2022, Subedi 2024, Silwal and Napit 2019) have been done on the determinants of stock price of insurance companies, commercial banks and microfinance companies listed in the NEPSE. It was discovered that no research had been done using these eight sample insurance companies and their data during the assessment of the prior thesis. This study uses four life insurance companies and four non-life insurance companies with 10 years of data to investigate factors that affected share prices. Regression analysis and ratio analysis were the most commonly employed statistical and financial methods by researchers. One particular tool used in this research is correlation analysis of statistical and financial tools. Most of the researcher (Gyawali 2022, Silwal and Napit 2019) use commercial bank, life insurance companies, non-life insurance companies in Nepal but this study use both life insurance companies and non-life insurance companies as a sample. In addition, the study measures earnings per share (EPS), price-earnings ratio (P/E ratio), return on assets (ROA), return on equity (ROE) and

investigates the relationship between MPS. Thus, the "Factors Affecting the Share Price of Nepalese Insurance Companies" research study is an effort to evaluate the market price of shares through the use of several pertinent statistical and financial instruments and methodologies.

CHAPTER-III

RESEARCH METHODOLOGY

This chapter explains the research techniques that were employed to achieve the study's stated goals. Both statistical and financial tools have been used to accomplish the main goals. The population and sample, research design, data collection methods and sources, data processing and analysis tools and procedures are all included in this chapter.

3.1 Research Design

The methodology and processes for gathering the necessary data are specified in the research design. It addresses what data should be gathered, from what sources, and using what methods. Descriptive research design is the basis of the study. In order to collect sufficient information on the underlying problems related to the factors affecting the market price per share of Nepalese insurance companies, the descriptive research design has been used. It describes the real and actual condition, situation and facts. This research study analyzed the internal factors of insurance company that affect on share price using casual comparative research design.

3.2 Population and Sample

This study has examined the factors affecting the share price of Nepalese insurance companies. Descriptive research design was used in this study. 24 listed insurance companies in NEPSE (Baisakh 2081) were population size of the study and four life and four non-life insurance companies were chosen for the sample using judgmental sampling method for comparative analysis.

Table 2

Number of Nepalese insurance companies selected for the study

S. N	Name of the insurance companies	Study period
	Life insurance companies	
1.	Life insurance company Nepal	2070/71- 2079/80
2.	Nepal life insurance company limited	2070/71- 2079/80
3.	National life insurance company limited	2070/71- 2079/80
4.	Asain life insurance company	2070/71- 2079/80
	Non-life insurance companies	
1.	Shikhar insurance company limited	2070/71- 2079/80
2.	Neco insurance company limited	2070/71- 2079/80
3.	NLG insurance limited	2070/71- 2079/80
4.	Nepal insurance company limited	2070/71- 2079/80

Source: NEPSE, 2081

3.3 Nature and Sources of Data

The primary source of secondary data for this research study is four Nepalese life insurance companies and four non-life insurance companies, covering the fiscal years 2070/71 to 2079/80. These data periods are chosen to fulfill the objectives of the study, identify trends in the market prices of insurance companies and assess how internal issues inside insurance companies affect share prices. As secondary sources of data, the balance sheet, income statement, and financial ratios of the company have been extensively used to provide information on dividends, earnings, book value and market price, return on assets, etc.

3.4 Method of Analysis

The data collected from different sources will be recorded systematically as necessary only useful and related data are grouped as per need of the research work. The study has made use of a number of statistical and financial tools. The data will be analyzed in accordance with its pattern. The primary analytical tools have been financial instruments and simple and multiple regression analysis. Using statistical and financial methods, the relationship between various

study-related variables would be determined. The following financial and statistical instruments have been used to analyze the data.

3.4.1 Statistical tools

Statistical tools are the mathematical techniques used to analyze and interpret performance. It helps explain how factors relate to one another and explain the outcome. Additionally, the goals of learning about the population are tested through the use of statistics. The data in this study was analyzed using the statistical tools listed below.

3.4.1.1 Mean

A single number chosen to represent a group of values in some form is called an average (mean). This value is intended to embody all of the group's ideals and to represent the entire group of which it is a part. It is the sum of the values divided by their number. It can be calculated for any set of numerical data, so it always exists. The mean can be expressed symbolically as follow:

$$\text{Mean } (\overline{X}) = \frac{\Sigma X}{N}$$

Where,

$(\overline{X})$ = Arithmetic mean

$(\sum x)$ = Sum of all the valued of variable x

(N) = Number of observations

3.4.1.2 Standard deviation

The absolute description is measured by the standard deviation (σ). The positive square root of the mean of the square of the deviations from the arithmetic mean is how it is defined. The size of the variances likewise increases with a larger standard deviation. Higher degrees of truth or fact are indicated by smaller standard deviations, and vice versa. This can be symbolically as:

Standard deviation (σ) = $\sqrt{\frac{(\sum X-\overline{X})}{n-1}}$

Where,

(σ) = Standard deviation

(n) = Number of observations

($\overline{X}$) = Arithmetic mean

3.4.1.3 Coefficient of variation

The coefficient of variation (CV) is a relative measure of dispersion, whereas the standard deviation is an absolute one. When comparing the variability of two or more distributions, the CV can be used. CV works better as a statistical tool when comparing the variability of two or more series. Presented below is the coefficient of variation:

$$CV = \frac{\sigma}{\overline{X}}$$

Where,

CV = Coefficient of Variation

σ = Standard Deviation

$\overline{X}$ = ArithmeticMean

3.4.1.4 Correlation analysis

The degree of linear link between two or more variables is known as correlation. It measures relationship in between dependent and independent variable. Correlation coefficient is most widely used in practice. The range of correlation coefficient is -1 to +1. It is denoted by r. When r = -1, it means, there is perfect negative relationship between the variables and when r = +1, it means, there is perfect positive relationship between the variables. However, in practice such values of r is +1, -1 and 0 are rare. The following formula can be used to get the correlation coefficient between X and Y.

$$\mathbf{r} = \frac{\mathbf{n}\,\Sigma \mathbf{xy} - \Sigma \mathbf{x}.\,\Sigma \mathbf{y}}{\sqrt{n\Sigma x^2-(\Sigma x)^2}\,\sqrt{n\Sigma y^2-(\Sigma y)^2}}$$

3.4.1.5 Coefficient of determination

The percentage of the dependent variable's variance that the independent variables account for is expressed by the coefficient of determination. It measures the percentage of external factors to change cost. The correlation coefficient is square rooted to get the coefficient of determination.

3.4.1.6 Regression analysis

Regression analysis is the process of creating a statistical model that may be used to forecast dependent variable values based on at least one independent variable's values. Knowing the relative movement in the variables is made easier with the use of regression analysis.The Multiple regression method is used in this study. This is a logical development of the basic regression analysis since it is described as a statistical tool that is used to estimate the most likely value of a dependent variable based on the known values of two or more independent variables. In this study, the following multiple regression equation is analyzed.

$MPS = a + b_1 EPS + b_2 P/E\ Ratio + b_3 ROA + b_4 ROE$..... (i)

where EPS, P/E Ratio, ROA, and ROE are the independent variables and MPS is the dependent variable. Similarly, b1, b2, b3, b4, are slope or coefficient of independent variables.

3.4.2 Financial Tools

In this study, financial tools were used in addition to statistical techniques. The primary financial tools used in this study are:

3.4.2.1 Market Price of share (MPS)

The market price per share is just the cost per unit of the share that is traded on the market, determined by supply and demand for stocks. For financial data, this is the most obvious cost. As a stand-alone financial indicator, the market price of ordinary stock has little value. Higher the EPS, higher the MPS, and vice versa, when comparing this number to the EPS. It is frequently compared to book value per share (BVPS); if MPS is less than BVPS, the stock is undervalued, and if MPS is greater than BVPS, it is overvalued. The formula for calculating MPS is to divide the total market capitalization by the total number of outstanding shares.It can be presented symbolically as:

$$\text{MPS} = \frac{\textit{Total market capitalization}}{\textit{No. of share outstanding}}$$

3.4.2.2 Earnings per share (EPS)

Earnings per share refers to the rupee amount earned per share of common stock outstanding. It measures the return of each equity shareholder. The information regarding earnings per common share is provided by earnings per share. Investors can learn how lucrative a company is by looking at its profits per share (EPS). A measure of the profitability of a business is earnings per share. The market potential ratio known as earnings per share, or net income per share, determines how much net income is made on each share of outstanding stock. This ratio can be computed by dividing the net profit after tax by the total number of common stock outstanding of companies. Thus,

$$\text{EPS} = \frac{Net\ profit\ after\ tax}{No.of\ share\ outstanding}$$

3.4.2.3 Price earnings ratio (P/E Ratio)

The PE ratio shows how much the market is willing to pay for every rupee of currently reported earnings per share. The price-to-earnings ratio shows how much each share's earnings are covered by its price. It indicates if a company's share price is overvalued, undervalued, or reasonably valued. When compared to companies with a lower P/E, a high P/E often indicates that investors are expecting more profits growth in the future. By dividing the market price per share by the earnings per share, it is computed.

$$\text{P/E Ratio} = \frac{Market\ price\ per\ share}{Earnings\ per\ share}$$

3.4.2.4 Return on assets (ROA)

An indicator of a company's profitability relative to its total assets is return on assets (ROA), a subset of return on investment (ROI). Based on a comparison of profit to capital invested in assets, this ratio shows how well a company is doing. Return on Assets (ROA) measures how well a business can use its resources to generate profits over time. It can be presented symbolically as:

$$\text{ROA} = \frac{Net\ income}{Average\ total\ assets}$$

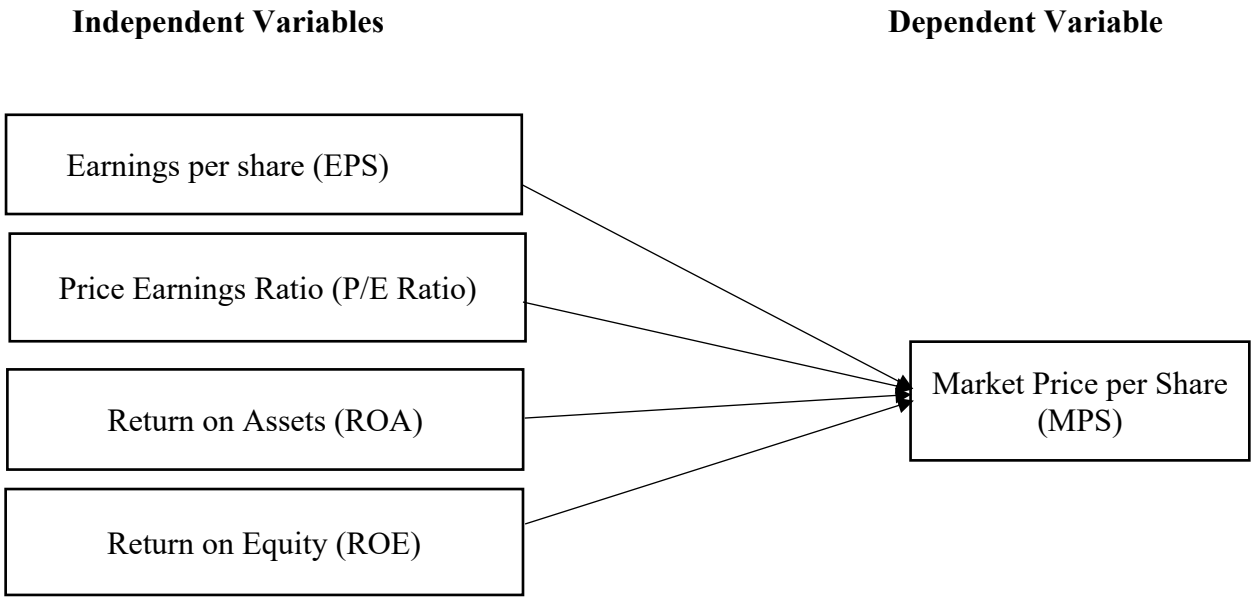
3.4.2.5 Return on equity (ROE)

Return on Equity (ROE) is a financial ratio that measures a company's profitability and efficiency in generating profits from shareholders' equity. It is typically expressed as a percentage and is calculated by dividing a company's net income by its shareholders' equity. ROE is a key profitability ratio used by investors, analysts, and management to evaluate how effectively a company is using its equity to generate profit. A higher ROE indicates that a company is more efficient in generating profit with each unit of equity, which is generally viewed positively. Conversely, a lower ROE may suggest inefficiency or a lower profitability relative to the equity invested in the company. It can be presented symbolically as:

$$\text{ROE} = \frac{Net\ income}{Shareholders\ equity}$$

3.5 Research Framework

The purpose of the research framework is to comprehend the variables that could influence the market price per share. There were independent and dependent variables in it. The variables that the researcher had control over and that affected the changes in other variables are known as independent variables. When the independent variables are changed, the dependent variables display the result. According to theories and significant empirical data, it is anticipated that factors such as earnings per share, dividends per share, price-earnings ratio, book value per share, return on assets, and return on equity may have an impact on the market price per share of insurance companies. The purpose of the research framework is to examine how these factors affect the market price per share of Nepalese listed life insurance companies.



Source: Sliwal and Napit (2019), Ballav Niraula (2021)

Figure 1: Conceptual Framework

3.6 Research Variables

Market price per share (MPS)

The buying and selling pressure on stocks can fluctuate minute by minute. Consequently, choosing the appropriate market price to utilize as a proxy for independent variables is challenging. The price that shares are exchanged for is represented by the market price. For the purposes of this study, market pricing was represented by the closing stock price at the end of the insurance company's fiscal year. The current study uses the market price as a dependent variable.

Earnings per share (EPS)

The earnings per share of a corporation are a gauge of its profitability. The market potential ratio known as earnings per share, sometimes known as net income per share, calculates the amount of net income earned per share of outstanding stock.According to Sharma (2011), the study found that market price of shares was significantly influenced by earnings per share.In this study, earnings per share has been employed as an independent variable.

Price Earnings Ratio (P/E Ratio)

The P/E ratio is a widely used metric that indicates how the market values a company's share valuation, according to Freitas and Sullivan (1991). Investor willingness to pay is measured for every rupee of revenue generated by the company. More investor confidence is indicated by a higher P/E ratio.

Return on Assets (ROA)

Another crucial number that demonstrates the company's success is ROA. It is the income to total asset ratio. Emekekwue (2008) identified return on assets as a ratio that attempts to measure the total profit generated by the company's assets. ROA has used as independent variables in this study.

Return on Equity(ROE)

Return on Equity (ROE) is a financial metric that measures the profitability of a company relative to its shareholders' equity. According to Sharif, Purohit, and Pillai (2015), it is a profitability ratio that assesses a company's capacity to make money off of the investments made by its shareholders. In general, owners benefit more when there is a higher return on equity.

CHAPTER-IV

RESULT AND DISCUSSION

4.1 Descriptive Analysis

The process of summarizing and describing the salient attributes of a dataset or a sample is known as descriptive analysis. To obtain insights and recognize patterns or trends, it entails arranging, evaluating, and presenting data in a meaningful manner. Descriptive analysis's main objective is to provide a comprehensive and understandable summary of the data without drawing any conclusions or generalizations that apply to more than the specific dataset being studied. It is helpful to examine and comprehend the primary features of the data, including the mean, dispersion, maximum, and minimum values of the variables.

Table 3

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MPS	80	250	4351	1320.711	927.6101
EPS	80	-7.41	100.81	27.6739	15.92394
P/E Ratio	80	-341	393	53.0445	73.00319
ROA	80	-4.45	27.48	6.38138	7.153615
ROE	80	-11	19.87	10.3393	5.25034

Source: Annual Reports of sample insurance companies from 2070/71 to 2079/80.

The dataset includes five financial variables: Market Price per Share (MPS), Earnings Per Share (EPS), Price/Earnings Ratio (P/E), Return on assets (ROA), and Return on equity (ROE) that are linked to various companies. There is a lot of data accessible for analysis and review across all of the organizations in the dataset, with 80 data points in each of these variables.

The market price of one share of a company's stock at any given time is referred to as MPS. The MPS values in the dataset range from 250 to 4351. The mean MPS of 1320.711 represents the companies' average market price per share. Significant variation in stock prices is implied

by the high standard deviation of 927.6101, with certain companies having greater or lower market values. A higher standard deviation indicates that data points are spread out over a wider range from the average.

Earnings per share (EPS) is a financial metric that shows a company's earnings divided by the total number of outstanding shares. The range here spans from -7.41 to 100.82, with a mean EPS of about 27.6739 and standard deviation of 15.92394. It’s notable that some companies have negative earnings per share, which could indicate losses.

Price Earnings Ratio (P/E Ratio) compares a company's current share price to its earnings per share, indicating the market's valuation of a company's stock relative to its earnings. The data shows a wide range from -341 to 393, with a mean of 53.0445 and a standard deviation of 73.00319. Such a high standard deviation suggests there is considerable variability in P/E ratios, indicating differing levels of investor confidence and market sentiment over time.

Return on Assets (ROA) measures a company's ability to generate profit from its assets. The range spans from -4.45 to 27.48, with a mean ROA of about 6.38138 and a standard deviation of 7.153615. The negative minimum suggests that some companies are not effectively utilizing their assets to generate profits.

MPS has an average Return on Equity of 10.3393%, with a standard deviation of 5.25034%. ROE measures profitability relative to shareholders' equity, with lower variability indicating more consistent returns on equity.

4.2 Correlation Analysis

The relationship between Market Price Per Share (MPS) and Earnings Per Share (EPS), Price Earnings Ratio (P/E Ratio), Return on Equity (ROE), and Return on Assets (ROA) is established in this section. The study is predicated on the idea that volatility as demonstrated by EPS, P/E ratio, ROA, and ROE has an impact on MPS. As a result, EPS, P/E ratio, ROA, and ROE are considered independent variables, and MPS is classified as the dependent variable. The nature of the correlation and the relationships between EPS, P/E Ratio, ROA, ROE, and MPS are determined by a correlation study.

The degree to which two variables are related to one another or interrelated is indicated by correlation. It puts a number on their connection. When there is a positive correlation, the

relationship is positive in direction, with one increasing in response to the other's increase. The opposite of the aforementioned is revealed by a negative correlation, which shows that one increases as the other falls. A commonly used metric that ranges from -1 to +1 is the Pearson's correlation coefficient. A perfect negative correlation is represented by a value of -1, no correlation is shown by a coefficient of 0 and perfect positive correlation by a coefficient of +1. The study employed correlation analysis to investigate the associations between multiple independent variables and the dependent variable, MPS. Correlation analysis is a statistical tool which studies the relationship among five variables. The correlation analysis is used to determine the relationship between MPS, EPS, P/E Ratio, ROA, and ROE and shows whether the association is significant or not.

Table 4

Pearson's Correlation Matrix Analysis

	MPS	EPS	P/E Ratio	ROA	ROE
MPS	1				
EPS	.309**	1			
P/E Ratio	.356**	-0.125	1		
ROA	-0.1	.567**	-0.194	1	
ROE	0.188	.225*	.421**	-.237*	1

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

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

Source: Annual Reports of sample insurance companies from 2070/71 to 2079/80.

The correlation coefficient between the variables (MPS, EPS, P/E Ratio, ROA, and ROE) and the correlation matrix that is presented allow for the following conclusions to be made:

With a correlation of 0.309, market price per share (MPS) and earnings per share (EPS) show a positive relationship. A positive correlation between MPS and EPS indicates that investors value higher earnings, which in turn raises the price of the stock. It suggests that great earnings growth potential is rewarded by the market, which reflects confidence in the company's financial stability and further prospects.

With a correlation coefficient of 0.356, the price earning ratio (P/E ratio) and market price per share (MPS) are positively correlated. This implies that higher P/E ratios are generally

accompanied with higher stock prices for the companies, which may indicate increased investor confidence or growth prospects.

The correlation coefficient between MPS and ROA is -0.1, indicating a negative relationship. A negative correlation between Market Price per Share (MPS) and Return on Assets (ROA) with a correlation coefficient implies a situation where the market valuation of the company's stock moves inversely with its return on assets. This correlation suggests that as the market price per share increases, the return on assets tends to decrease, and vice versa.

The correlation coefficient between MPS and ROE (Return on Equity) is 0.188. This indicates a positive but weak relationship between MPS (stock price) and ROE (profitability relative to equity). As MPS increases, its return on equity tends to increase slightly.

With a correlation coefficient of -0.125, the Price/Earnings Ratio (P/E) and EPS have a negative relationship. This implies that the P/E ratio tends to decline as EPS rises. Put another way, companies with lower P/E ratios typically have better earnings in relation to their stock price.

A correlation value of 0.567 indicates a favorable relationship between EPS and ROA. A positive correlation between Earnings Per Share (EPS) and Return on Assets (ROA) with a correlation coefficient signifies a relationship where companies with higher returns on assets tend to generate higher earnings per share. This correlation suggests that companies that efficiently utilize their assets to generate profits are likely to see those profits translate into higher earnings per share for shareholders.

With a correlation coefficient of 0.225, EPS and ROE show a positive relationship. The correlation coefficient's positive sign (+0.225) denotes a direct association between ROE and EPS.When a company's Earnings Per Share increases, it suggests that the company is generating more profit per outstanding share. Higher profitability per share can contribute positively to the Return on Equity, as more earnings translate into higher returns relative to shareholders' equity.

The P/E Ratio and ROA have a negative relationship with a correlation of -0.194. A negative correlation between the P/E Ratio and ROA suggest that companies with higher returns on assets tend to have lower P/E Ratio, and vice versa.

The P/E Ratio and ROE have a positive association with a correlation coefficient of 0.421. The positive sign (+0.421) of the correlation coefficient indicates a direct relationship between P/E Ratio and ROE. This means that as a company's Price/Earnings Ratio increases , its Return on Equity also tends to increase. Similarly, when ROE increases, there is a tendency for the P/E Ratio to be higher.

The correlation coefficient between ROA and ROE is -0.237, indicating a negative relationship. It indicates that as Return on Assets (ROA) decreases, Return on Equity (ROE) tends to increase, and vice versa. In simpler terms, when a company's profitability relative to its assets (ROA) is lower, its profitability relative to its equity (ROE) tends to be higher, and vice versa.

4.3 Regression Analysis

A statistical technique called regression analysis is used to examine at the relationship between one or more independent variables and one or more dependent variables. Its primary purpose is to understand how the dependent variable changes when one or more independent variables are varied. The dependent variable in this analysis is MPS, while the independent variables are EPS, ROA, ROE, and P/E ratio. The equation of regression model is as follow:

MPS = a+b1 EPS+b2 P/E ratio+b3 ROA+b4 ROE

Table 5

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.614[a]	0.377	0.344	751.4174

a. Predictors: (Constant), ROE, EPS, P/E Ratio, ROA

Source: Annual Reports of sample insurance companies from 2070/71 to 2079/80.

The dependent variable is the market price per share (MPS). As seen in Table 5, the multiple correlation coefficient (R) quantifies the degree and orientation of the linear relationship between the MPS and the total of the predictors (EPS, P/E Ratio, ROA, and ROE). R in this instance is 0.614, demonstrating a robust positive linear correlation between the variables.

The coefficient of determination (R Square) shows the percentage of the variance in the dependent variables (MPS) that can be explained by the predictors (EPS, P/E Ratio, ROA, and ROE). R Square in this instance is 0.377, which means that independent variables (, EPS, P/E Ratio, ROA, ROE) causes 37.7% change in the dependent variable i.e. (MPS) and the remaining 62.3% of the change in mps can be attributed to variables not covered in this study.

Std. Error of the Estimate is an estimate of the standard deviation of the errors in predicting the dependent variable. It provides a measure of the accuracy of the regression model's predictions. In this case, it's approximately 751.4174 . It indicates that the average deviation of the observed values from the predicted values by the regression equation, serving as a measure of the model's predictive accuracy.

The regression model with predictors (EPS, P/E ratio, ROA, and ROE) and the market price per share (MPS) show a positive linear connection (R= 0.614).The combination of these predictors may account for about 37.7% of the variation in mps (R Square = 0.377). The R-square value suggests that the model has a reasonable level of predictive ability overall, but the adjusted R-square value suggests that the model may not be fully optimized or may still have space for improvement. The dependent variable's expected deviation from the regression line is shown by the standard error of the estimate.

Table 6

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25629276	4	6407318.9	11.348	<.001[b]
	Residual	42347108	75	564628.1		
	Total	67976383	79			

a. Dependent Variable: MPS
b. Predictors: (Constant), ROE, EPS, P/E Ratio, ROA

Source: Annual Reports of sample insurance companies from 2070/71 to 2079/80

Table 6 of the ANOVA that is provided shows the results of a regression analysis where five predictors EPS, P/E Ratio, ROA, and ROE are regarded as independent variables and MPS is the dependent variable. In this table the total sum of square is 67976383.

The regression section outlines the variability in the dependent variable that is explained by the regression model. The sum of square for regression is 25629276, with 4 degrees of freedom. This suggests that the predictors collectively contribute to explaining a significant portion of the variability in the market price. The mean square is 6407318.9.

The "Residual" section accounts for the unexplained variability or the differences between the observed and predicted values. The sum of squares for residual is 42347108 with 75 degrees of freedom, and a mean square of 564628.1.

The F-statistic, calculated by dividing the mean square for regression by the mean square for residual, is 11.348. This value indicates whether the variability explained by the regression model is significantly greater than the unexplained variability. The F-statistic indicates that the regression model is statistically significant overall in this instance, with a significance level (Sig.) of less than 0.001 (designated as "<.001b").

In conclusion, this ANOVA table demonstrates that the regression model, which includes predictors such as EPS, P/E Ratio, ROE and ROA, collectively has a significant effect on the market price per share.

Table 7

Coefficient of regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	776.949	226.044		3.437	<.001
	EPS	40.549	7.419	0.696	5.465	<.001
	P/E Ratio	5.947	1.321	0.468	4.501	<.001
	ROA	-60.864	16.138	-0.469	-3.772	<.001
	ROE	-48.887	20.747	-0.277	-2.356	0.021

a. Dependent Variable: MPS

Source: Annual Reports of sample insurance companies from 2070/71 to 2079/80.

The market price per share (MPS) and its predictors EPS, P/E ratio, ROA, and ROE are related in a way that the regression analysis reveals. The market price per share is statistically significantly impacted by each of the independent variables: earnings per share, price earnings ratio, return on equity, and return on assets. For every unit increase in earnings per share, the market price per share is expected to rise by 40.549 units, and for every unit increase in the price-earnings ratio, the market price per share is expected to climb by 5.947 units. The t-values, which show how many standard deviations the coefficient is away from zero, quantify the significance of the coefficients. Greater importance is indicated by smaller t-values.

The significance value, or p-value, indicates the probability of producing a coefficient estimate as extreme as the observed one, assuming that there is no correlation between the predictor and the dependent variable. The predictor variable may be statistically significant in predicting the dependent variable if the p-value is tiny, usually less than 0.05. For example, the EPS p-value is less than 0.001, suggesting that there is a strong correlation between EPS and MPS.

"Earnings per share" is a variable with a standardized coefficient (Beta) of 0.696 and a positive unstandardized coefficient of 40.594. This means that for every unit rise in earnings per share, the market price per share is expected to grow by 40.594 units. EPS has the largest effect on MPS of all the components mentioned, as shown by its standardized coefficient (Beta) of 0.696.

The ratio of price to earnings has a standardized coefficient (Beta) of 0.468 and an unstandardized positive coefficient of 5.947. This suggests that for every unit increase in the price/earnings ratio, the market price per share is expected to grow by 5.947 units. The standardized coefficient of 0.468 indicates that the price/earnings ratio positively affects market price per share.

ROA (Return on Assets) has a coefficient of -60.864. This suggests that a unit increase in ROA, holding other variables constant, is associated with a decrease of 60.864 units in MPS.

ROE (Return on Equity) has a coefficient of -48.887. A unit increase in ROE, holding other variables constant, is associated with a decrease of 48.887 units in MPS.

Each coefficient's significance is assessed by the "t" statistic and its corresponding p-value (Sig.). All coefficients have p-values less than 0.05 (typically considered statistically

significant), indicating that each independent variable contributes significantly to explaining the variance in MPS.

In summary, this regression model suggests that EPS, P/E Ratio, ROA, and ROE are all significant predictors of MPS. EPS appears to have the strongest positive effect on MPS, while ROA and ROE have negative effects. The model as a whole is statistically significant, indicating that it provides a useful framework for understanding the relationship between these financial variables and MPS.

4.4 Discussion

Descriptive and multiple regression analysis were employed in this study to investigate the factors affecting the market share price of insurance companies in Nepal. Research approach that is appropriate has been applied. For the annual report of a few chosen insurance companies, secondary data were gathered. Several statistical and financial tools are employed to get the study's results.

The results of the regression model showed earnings per share and price earnings ratio have significant positive relationship with market price of Nepalese insurance companies. It implies that when earnings per share and price earnings rise, the market price per share rises as well, and vice versa. Similarly, there is a statistically significant correlation between the company's return on equity and return on assets and the market price of stock.

The findings of EPS having positive significant relationship with the MPS which is consistent with the study of Niraula (2021), Abdallah et al. (2022), Gyawali (2022), Subedi (2024), Dharmawan et al. (2024), Kattel et al. (2023), Maskey (2022), Arshad et al. (2015). This could be the case because EPS is a measure of a company's profitability, and rising EPS indicates rising corporate profits and investor returns. Consequently, investors are requesting these stocks with increasing EPS. Similarly, the result of P/E ratio having a positive significant relationship with MPS is consistent with the findings of Gyawali (2022), Niraula (2021), Pradhan and Baral (2018), Kattel et al.(2023), Maskey (2022), Bhattarai (2018).

Meanwhile, the result of ROA having significant relationship with MPS is consistent with the study of Abdallah et al. (2022) and Sukesti et al. (2021), Bhattarai (2018), Qaisi et al. (2016).

but inconsistence with the findings of Gyawali 2022. The conflicting findings could be the consequence of the prior studies' usage of a different market and time period.

The result of ROE having significant relationship with MPS which is consistent with the study of silwal and Napit (2019), Bhattarai (2018) but inconsistent with the findings of Subedi (2024).

CHAPTER- V

SUMMARY AND CONCLUSION

An overview of the study's implications, conclusion, and research summary are given in this last chapter. This chapter presents a summary of the study's findings along with suggestions for additional research on the same subject that will be more in-depth.

5.1 Summary

This chapter summarizes the full body of work and focuses on the study's main conclusions. The study's goal was to look at the internal variables that influence Nepalese insurance companies' stock prices.

Chapter one discusses the role of the stock market in Nepal's developing economy, emphasizing its importance in capital formation and economic growth. It mentions that investors in developing countries like Nepal often consider a company's profitability when buying equity shares. Dividend payment is seen as a crucial indicator of profitability and influences the market price of corporate shares. The chapter also touches upon the establishment of regulatory bodies like SEBON and NEPSE in 1993 to oversee the capital market's development and ensure investor protection. SEBON focuses on regulation and policy development, while NEPSE is the sole stock exchange where securities are traded. The research's particular goals are (i) to assess the present status of the MPS, EPS, P/E Ratio, ROA and ROE of the listed Nepalese insurance companies, (ii) to examine the relationship between MPS with other financial indicators such as EPS, P/E Ratio, ROA and ROE of listed Nepalese insurance companies, (iii) To evaluate how market stock price is affected by EPS, P/E ratio, ROA, and ROE. The primary goal of the study is to evaluate the connection between listed insurance companies' market prices and internal factor.

The theoretical and empirical reviews of the securities market and market share prices were given in Chapter 2. In this chapter, other stock valuation models are also covered.This section also reviews a large number of national and international thesis and articles that discuss the variables influencing the share prices of insurance companies. The chapter also included a summary, a critical evaluation of the most significant subjects, and the gaps that required more

investigation. The study makes an effort to investigate the several variables influencing Nepali insurance companies' market prices.

The target population, sample design, data collection methods and tools, data analysis and presentation, and research design were the organizing principles for Chapter Three. The sample comprised of 8 sampled listed insurance companies i.e. (Life insurance company Nepal, Nepal life insurance company limited, National life insurance company limited, Asain life insurance company, Shikhar insurance company limited, Neco insurance company limited, NLG insurance limited, Nepal insurance company limited) from a total population of 24 listed insurance companies by using judgemental sampling method for comparative analysis. A descriptive and causal comparative research design has been used to meet the study's aims.

The results of an empirical investigation of the factors affecting the share price of Nepalese insurance companies were presented and discussed in Chapter 4. Appropriate descriptive, analytical, and financial tools are used to analyze data. Commentary and interpretation are also included in the analysis section as needed. Several of the main findings of the study were also highlighted in this chapter.

5.2 Conclusion

These days, there is a lot of interest in the study of the factors affecting the share price of Nepalese insurance companies. Furthermore, it is essential to determine the factors that affect the stock price, particularly in the insurance industry. When compared to other shares in the Nepalese context, insurance stocks are traded more often on the market, providing investment opportunities for Nepalese investors. The study focuses on the relationship between earnings per share, price-earnings ratio, return on equity, and return on assets and the share prices of insurance companies listed on the Nepal Stock Exchange Limited.

The research conducted between 2070/71 and 2079/80 showed that there is a considerable positive correlation between market share price and price earnings ratio as well as earnings per share. This implies that as earnings per share and the price-to-earnings ratio rise, the share price will follow suit, and vice versa. While return on assets and return on equity have the significant impact on market stock price. The study comes to the conclusion that the two main factors influencing the share price of insurance companies in Nepal are earnings per share and price

earnings ratio. The study's findings have revealed new information and outside influences from a Nepalese perspective, both of which are valued by the industry players. The results of the study provided new information from a Nepalese perspective, which is greatly valued by the industry participants. The results of this study appear to be especially helpful for fund managers and equities investors, as they may keep an eye out for these important variables when forecasting share prices and evaluating stock returns.

5.3 Implications

Furthermore, there are significant implications of this finding that provide intriguing directions for further study.

Here, we go over various ramifications and recommendations for more study.

- Based on the study's findings, investors and portfolio analysts can use their understanding of the factors to take into account when making stock market and investment predictions. The study's findings indicate that while making decisions about buying shares of Nepalese insurance companies, investors should carefully analyze factors including EPS, P/E ratio, ROA, and ROE.
- The analysis of internal factors influencing the share prices of insurance companies listed on NEPSE was the main goal of this study. The factors used are specific to the company. It might not be the sole factor influencing stock prices. Therefore, it is advisable for future research to investigate whether macroeconomic variables play a significant role in influencing stock prices of NEPSE-listed companies. This exploration would provide a more comprehensive understanding of the various factors impacting stock prices within this market context.
- An event study on the variables impacting Nepalese insurance companies' share price at the NEPSE, and therefore, on emerging markets, is required. Additionally, research on factors impacting Nepal's market profits could be done. Internal factors (EPS, P/E Ratio, ROA, and ROE) are crucial parts of insurance firms, despite the abundance of research in this area. This thesis has made significant contributions to the field of insurance company sector in Nepal by shedding light on the variables influencing the stock price of Nepalese insurance companies.

- During the study, it was found that investors have a limited choice of investment sector. Banks and other financial entities dominate the Nepalese stock market. In Nepal, there are additional sizable companies in operation. NEPSE and SEBON should create policies that promote other industries, such as sales, real estate, manufacturing and processing, in order to implement the NEPSE list. As a result, the market will grow in size and investors will choose their investment sectors.
- Potential investors in Nepal might use this study as a reference to help them focus on the previously outlined elements when making investment decisions. There are many chances in Nepal's economy, thus it is crucial to do out research that will help investors make wise decisions.
- Future researchers can use primary surveys to conduct studies and learn more about the insurance sectors in Nepal. Similarly, research can also be conducted in other industries, such as the manufacturing, service, hotel, trading, hydro, and other industries.
- There needs to be a concerted effort to raise public awareness of the share market because it is not well-known to the masses. It is advised that NEPSE establish a distinct department or independent entity to analyze, educate, and raise awareness among emerging potential investors regarding shares and the share market using a variety of strategies, including as seminars, advertisements, conferences, print, and broadcast media.

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APPENDIXES-I

MPS of selected insurance companies

Fiscal year	NICL	SICL	NIL	NLG	ALICL	NLICL	LICN	NLIC
2070/71	250	940	770	863	1250	2550	4095	4351
2071/72	389	690	462	559	1013	1840	2799	2886
2072/73	1235	3249	1990	1970	1710	3300	3580	4006
2073/74	1430	1941	981	1485	1458	2300	2151	2148
2074/75	658	985	981	930	683	799	1622	1050
2075/76	354	985	489	930	383	585	1600	901
2076/77	504	1019	607	657	607	662	1330	1260
2077/78	1022	1942	1348	1220	1348	1151	2342	1919
2078/79	445.9	807	694	478	574	577	1415	747
2079/80	354	845	891	840	745	645	1555	744

EPS of selected insurance companies

Fiscal year	NICL	SICL	NIL	NLG	ALICL	NLICL	LICN	NLIC
2070/71	10.86	44.04	27.14	58.19	14.41	32.21	29.6	56.67
2071/72	-7.41	61.4	32.72	47.86	8.14	25.88	29.11	30.42
2072/73	19.43	60.13	37.52	61.09	14.77	26.4	30.06	41.83
2073/74	40.03	44.03	29.25	36.07	6	24.71	10.11	32.44
2074/75	21.44	37.76	25.71	38.7	-2	30.87	100.81	25.31
2075/76	32.74	38.35	30	31.61	15	13.99	20.76	24
2076/77	23.94	39	32	25.78	13	24.17	35.85	15
2077/78	24.66	17.71	29	14.66	17	21.49	35.17	24
2078/79	26.4	14.58	31	15.97	22	20.38	29.26	2
2079/80	18.26	8.52	35	14.26	11.94	18.35	28.4	25

P/E Ratio of selected insurance companies

Fiscal year	NICL	SICL	NIL	NLG	ALICL	NLICL	LICN	NLIC
2070/71	23.02	21.35	28.37	15	87	79.17	138	76.78
2071/72	-52.5	11.24	14.12	12	124	71.11	96	94.87
2072/73	63.56	54.03	53.04	35.18	116	125.05	119	95.77
2073/74	35.72	44.09	33.54	41.17	243	93.09	213	66.21
2074/75	30.69	26.08	38.15	24.03	-341.5	25.88	16.09	41.49
2075/76	10.81	25.68	16	29	25	41.83	77.08	37
2076/77	21.05	26	17	25	47	27.39	37.1	82
2077/78	41.44	109.68	47	83	80	53.56	66.59	80
2078/79	16.89	55.36	22	30	26	28.31	48.36	393
2079/80	19.38	99	25	59	62.39	35.15	54.76	30.36

ROA of selected insurance companies

Fiscal year	NICL	SICL	NIL	NLG	ALICL	NLICL	LICN	NLIC
2070/71	6.19	22.36	4.68	25.49	1.42	2.27	1.18	3.25
2071/72	-4.45	21.53	9.19	18.7	0.72	1.97	1.16	2.06
2072/73	10.97	27.48	9.15	21.86	1.14	2.17	1.15	2.62
2073/74	19.74	20.31	8.87	18.13	0.46	2.1	0.383	2.12
2074/75	11.26	18.38	8.85	16.31	-0.213	1.86	3	1.93
2075/76	12.59	15.59	9.05	5.23	1.15	1.1	0.55	1.72
2076/77	13.7	5.05	10.49	5.45	1.09	1.72	1.02	1.09
2077/78	13.87	8.45	7.09	2.98	0.99	1.23	0.93	1.65
2078/79	14.37	6.08	6.55	3.64	1.07	1.14	0.79	1.09
2079/80	6.97	2.05	8.47	3.56	0.88	0.55	0.66	1.11

ROE of selected insurance companies

Fiscal year	NICL	SICL	NIL	NLG	ALICL	NLICL	LICN	NLIC
2070/71	3.33	6.4	10	11.56	9	10.09	17.95	12.56
2071/72	-5.54	8.92	12	12.55	7.5	9.83	15.07	8.09
2072/73	3.29	5.43	13	8.03	9.5	11.44	10.35	10.09
2073/74	5.09	3.24	14	10.74	10	14.07	13.44	14.44
2074/75	4.07	2.54	12	13.08	-11	18.09	12.09	16.44
2075/76	5.06	0.8	16	12.08	9	8.88	9	14.61
2076/77	7.25	13.91	15	11.24	9	15.6	19.87	12.01
2077/78	6.98	6.9	16	6.14	10	12.14	17.62	17.79
2078/79	3.64	9.23	19	7.56	11	11.66	14.79	16.16
2079/80	7.03	5	16	6.97	10	13.33	12.61	17.05

APPENDIXES-II

Descriptive Statistics

MPS	EPS	P/E Ratio	ROA	ROE
250	10.86	23.02	6.19	3.33
389	-7.41	-52.5	-4.45	-5.54
1235	19.43	63.56	10.97	3.29
1430	40.03	35.72	19.74	5.09
658	21.44	30.69	11.26	4.07
354	32.74	10.81	12.59	5.06
504	23.94	21.05	13.7	7.25
1022	24.66	41.44	13.87	6.98
445.9	26.4	16.89	14.37	3.64
354	18.26	19.38	6.97	7.03
940	44.04	21.35	22.36	6.4
690	61.4	11.24	21.53	8.92
3249	60.13	54.03	27.48	5.43
1941	44.03	44.09	20.31	3.24
985	37.76	26.08	18.38	2.54
771	38.35	25.68	15.59	0.8
1019	39	26	5.05	13.91
1942	17.71	109.68	8.45	6.9
807	14.58	55.36	6.08	9.23
845	8.52	99	2.05	5
770	27.14	28.37	4.68	10
462	32.72	14.12	9.19	12
1990	37.52	53.04	9.15	13
981	29.25	33.54	8.87	14
981	25.71	38.15	8.85	12
489	30	16	9.05	16

607	32	17	10.49	15
1348	29	47	7.09	16
694	31	22	6.55	19
891	35	25	8.47	16
863	58.19	15	25.49	11.56
559	47.86	12	18.7	12.55
1970	61.09	35.18	21.86	8.03
1485	36.07	41.17	18.13	10.74
930	38.7	24.03	16.31	13.08
930	31.61	29	5.23	12.08
657	25.78	25	5.45	11.24
1220	14.66	83	2.98	6.14
478	15.97	30	3.64	7.56
840	14.26	59	3.56	6.97
1250	14.41	87	1.42	9
1013	8.14	124	0.72	7.5
1710	14.77	116	1.14	9.5
1458	6	243	0.46	10
683	-2	-341.5	-0.213	-11
383	15	25	1.15	9
607	13	47	1.09	9
1348	17	80	0.99	10
574	22	26	1.07	11
745	11.94	62.39	0.88	10
2550	32.21	79.17	2.27	10.09
1840	25.88	71.11	1.97	9.83
3300	26.4	125.05	2.17	11.44
2300	24.71	93.09	2.1	14.07
799	30.87	25.88	1.86	18.09
585	13.99	41.83	1.1	8.88

662	24.17	27.39	1.72	15.6
1151	21.49	53.56	1.23	12.14
577	20.38	28.31	1.14	11.66
645	18.35	35.15	0.55	13.33
4095	29.6	138	1.18	17.95
2799	29.11	96	1.16	15.07
3580	30.06	119	1.15	10.35
2151	10.11	213	0.383	13.44
1622	100.81	16.09	3	12.09
1600	20.76	77.08	0.55	9
1330	35.85	37.1	1.02	19.87
2342	35.17	66.59	0.93	17.62
1415	29.26	48.36	0.79	14.79
1555	28.4	54.76	0.66	12.61
4351	56.67	76.78	3.25	12.56
2886	30.42	94.87	2.06	8.09
4006	41.83	95.77	2.62	10.09
2148	32.44	66.21	2.12	14.44
1050	25.31	41.49	1.93	16.44
901	24	37	1.72	14.61
1260	15	82	1.09	12.01
1919	24	80	1.65	17.79
747	2	393	1.09	16.16
744	25	30.36	1.11	17.05

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Abstracts This study investigates the factors affecting the share price of Nepalese insurance companies. The study investigates the connection between market price per share (MPS) and financial metrics such as EPS,