

**STOCK PRICE BEHAVIOR OF JOINT VENTURE BANKS
IN NEPAL**

Submitted by:

Dipendra Sharan Yadav

Shanker Dev Campus

Campus Roll No: 2543/071

T.U. Regd. No.: 7-2-791-21-2009

2nd Year Symbol No.: 391343

A Thesis Submitted To:

Office of the Dean

Faculty of Management

Tribhuvan University

*In Partial Fulfillment of the Requirement for the Degree Of
Master of Business Studies (MBS)*

Kathmandu Nepal

July, 2024

RECOMMENDATION

This is to certify that the thesis

Submitted by:

DIPENDRA SHARAN YADAV

Entitled:

STOCK PRICE BEHAVIOR OF JOINT VENTURE BANKS IN NEPAL

*Has been prepared as approved by this Department in the prescribed format of
the Faculty of Management. This thesis is forwarded for examination.*

.....

Dr. Pitri Raj Adhikari	Asso . Prof. Dr. Sajeeb Kumar Shrestha	Asso. Prof. Dr. Krishna Prasad Acharya
(Thesis Supervisor)	(Head, Research Department)	(Campus Chief)

VIVA-VOCE SHEET

We have conducted the viva –voce of the thesis presented

By:

DIPENDRA SHARAN YADAV

Entitled:

STOCK PRICE BEHAVIOR OF JOINT VENTURE BANKS IN NEPAL

*And found the thesis to be the original work of the student and written
According to the prescribed format. We recommend the thesis to be
Accepted as partial fulfillment of the requirement for the degree of
Master of Business Studies (MBS)*

Viva-Voce Committee

Head, Research Department

Member (Thesis Supervisor)

Member (External Expert)

DECLARATION

I hereby declare that the work reported in this thesis " **STOCK PRICE BEHAVIOR OF JOINT VENTURE BANKS IN NEPAL**" submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (MBS) under the supervision of Dr. Pitri Raj Adhikari of Shanker Dev Campus, T.U.

.....

Dipendra Sharan Yadav

Shanker Dev Campus

Campus Roll No: 2543/071

T.U. Regd. No.: 7-2-791-21-2009

2nd Year Symbol No.: 391343

ACKNOWLEDGEMENTS

I would like to express my heartfelt gratitude to everyone who helped to complete this research report titled "**Stock price Behavior of Joint Venture Banks In Nepal**"

I am grateful to my supervisors, Dr. Pitri Raj Adhikari for their unwavering support, invaluable guidance, and timely feedback, which all contributed to the high quality of this report.

I am also grateful to Shanker Dev Campus for allowing me to apply the knowledge I gained from various courses in the creation of this research report.

A special thanks to my friends, parents, and colleagues for their invaluable help in distributing and collecting questionnaires and responses for this study. Their assistance was incredible to the research's successful conclusion.

Lastly, I wish to extend my thanks to all the participants who willingly took part in this study, generously providing their valuable responses and information. I deeply appreciate their cooperation and sincere efforts.

Yours sincerely,

Dipendra Sharan Yadav

July, 2024

TABLE OF CONTENTS

Title Page	i
Recommendation	ii
Viva-Voce Sheet	iii
Declaration	iv
Acknowledgement	v
Table of Content	vi
List of Tables	viii
Abbreviations	ix
CHAPTER I.....	1
INTRODUCTION	1
1.1 Background of Study	1
1.2 Statement of Problem.....	7
1.3 Objectives of the study.....	8
1.6 Limitations of study	9
1.7 Organization of the Study	10
CHAPTER II.....	11
REVIEW OF LITERATURE	11
2.1. Introduction.....	11
2.2 Theoretical overview	12
i. Technical Analysis.....	12
ii. Fundamental Analysis	12
iii. Random Walk or Efficient Market Analysis.	12
2.2.1 Technical Analysis.....	12
2.2.2 Extensive analysis	13
evaluation to reply the question "while" (Sharpe and Bailey, 1998.	13
2.2.3 Random Walk Efficient Market Theory	14
2.3 Conceptual Review	16
2.4 Empirical Review.....	21
CHAPTER III	25
RESEARCH METHODOLOGY.....	25
3.1 Introduction.....	25
3.2 Research Design.....	25

3.3 Population and Sample	25
3.4 Sampling Procedure	25
3.5 Sources of Data:	26
3.6 Data analysis tools:	26
3.6.1 Financial tools:	26
3.6.2 Statistical tools	28
3.6.3 Software tools	31
CHAPTER IV	32
PRESENTATION AND ANALYSIS OF DATA	32
4.1 Financial Performance Analysis of Joint venture banks of Nepal	32
4.1.1 Earning price per share	32
4.1.2 Dividend Per Share:	33
4.1.3 Return on total assets	34
4.1.4 Return on common equity	35
4.1.6 Price earnings ratio	37
4.1.7 Dividend payout ratio	38
4.1.8 Dividend yield.....	39
4.1.9 Market price to Book value ratio.	40
4.2 Analysis of the Relationship between price and Earnings and Dividends.....	41
4.2.1 Correlation coefficient between MPS and EPS	41
4.2.2 Coefficient of Correlation between MPS and DPS.....	43
4.3 Analysis of the Impact of MPS on EPS and DPS	45
4.3.1 Regression analysis between EPS and MPS	45
4.3.2 Regression analysis of DPS and MPS	47
4.4 Analysis of Difference exit between EPS and DPS	49
4.4.1 Analysis of percent changes in EPS.....	49
4.4.2 Analysis of percent changes in DPS	50
4.4.3 Analysis of percent changes in MPS	51
CHAPTER V	54
SUMMARY, CONCLUSION AND RECOMMENDATION	54
5.1 Summary	54
5.2 Conclusions.....	55

LIST OF TABLES

Table 1: Analysis of EPS of Joint Venture banks in Nepal.....	32
Table 2: Analysis of DPS of the Joint venture banks in Nepal.....	33
Table 3: Analysis ROA of Joint venture banks in Nepal.....	34
Table 4: Analysis of ROE of Joint venture banks of Nepal.....	36
Table 5: Analysis MPS of Joint venture banks in Nepal.....	37
Table 6: Analysis Price earnings ratio of Joint venture banks in Nepal.....	38
Table .7: Analysis of Dividend Payout Ratio of Joint venture banks in Nepal.....	39
Table 8: Analysis of Dividend Yield of Joint venture banks in Nepal.....	40
Table 9: Analysis MP/BV Ratio of Joint venture banks in Nepal.....	41
Table.10: Analysis of Correlation Coefficient between EPS and MPS of Joint venture banks in Nepal.....	42
Table 11: Analysis of Correlation between DPS and MPS of Joint venture Banks in Nepal.....	44
Table 12: Analysis of Regression between EPS and MPS of Joint venture Banks in Nepal.....	46
Table 13: Analysis of Regression between DPS and MPS of Joint venture banks.....	48
Table-14: ANOVA testing between EPS.....	50
Table-15: ANOVA testing between DPS.....	50
Table-16: ANOVA testing between MPS.....	51

ABBREVIATION

DPR – Dividend Payout Ratio

DPS – Dividend Per Share

EPS – Earning Per Share

FY – Fiscal Year

NRB – Nepal Rastra Bank

NPL – Non-Performing Loan

ROA – Return on Assets

SD – Standard Deviation

BVPS -Book Value Per Share

MPS – Market Price Per Share

ROE – Return on Equity

ROA – Return On Assets

P/E Ratio – Price Earning Ratio

DP Ratio – Dividend Payout Ratio

SCB –Standard Chartered Bank Limited

EBL – Everest Bank Limited

NSBI – Nepal SBI Bank Limited

NMB – Nepal Merchant and Securities Bank Limited

HBL – Himalayan Bank Limited

NABIL – Nepal Arab International Bank Limited

CHAPTER I

INTRODUCTION

1.1 Background of Study

The capital market is a financial market in which long term debt and equity are bought and sold. Capital markets channel the wealth saver to those who can put it to long term productive use. Such as companies and government making long term investment transactions on capital market are generally managed by the entities within the the financial sectors or the treasury department of government. Stock marketplace is a completely crucial represent of capital marketplace wherein the sun sunglasses of numerous organization are traded (Sharpe, 1992).

The stock market performs a large function in monetary improvement via way of means of selling capital formation and growing monetary monetary improvement. The alternate of securities on this marketplace encourages savers and customers of capital via way of means of pooling financing, sharing dangers and exchanging assets. Savings flow to the most profitable company can make economic activity. Financial professionals make the choice to participate in the offers of certain companies, taking into account the cost of equity capital. Hypotheses indicate that there is a relationship between stock price changes and changes in economic fundamentals Nisa and Nishat, 2011). Rudd (2009) states that the worldwide inventory marketplace has misplaced approximately \$32 trillion due to the fact its peak. Before the worldwide monetary crisis, the funding fashion become centered at the inventory marketplace, wherein investors followed stocks that constantly rose and fell because it gave investors significant profits. Equity investments have also been a source of funding to meet corporate necessities which includes growth and diversification. Macroeconomic elements which includes GDP increase and inflation are effective and sizeable with inventory marketplace price (Shubiri, 2010). Sharma (2011) determined that profits in step with proportion is definitely sizeable to inventory price. Size has a sizeable effective courting with inventory price, at the same time as the alternative variables, organization size (general assets) and go back on assets, are insignificant (Ramzan, 2013). Masum (2014) investigated the connection among dividend coverage and its impact on inventory marketplace targeted at the inventory marketplace in Dhaka Stock Exchange, which shows a positive and significant effect on stock price.

Prabath (2014) concluded that internal factors such as company specific factors such as dividend per share (DPS), earnings per share (EPS) and book value per share (BVPS) have a positive and significant effect on stock price. The results of Stephen and Okoro (2014) suggest that earnings per share, book value and dividend have a positive effect on stock prices. Sutrsino, (2017). In addition, the marketplace assumption is the not unusual place country of thoughts of traders approximately the anticipated charge growth within the marketplace. In general, the elements that have an effect on the inventory charge are primarily based totally on inner and outside variables. However, no right facts or ideal gadget can display the precise motion of inventory costs (Bhattarai, 2014). It need to now no longer be forgotten that the go back on capital investments of traders isn't always the identical in all companies, however varies in keeping with the improvement and the inventory. the charge In green markets, inventory costs could be analyzed the use of technical evaluation or essential evaluation. Technical evaluation evaluates inventory costs and predicts the destiny primarily based totally on ancient inventory costs. Fundamental evaluation estimates the intrinsic price of a corporation and compares it to the inventory charge. Srinivasan (2012) argued that inner elements decide percentage costs in one of a kind markets: dividend, go back on capital, go back on fairness, retained income, size, age of banks, income in line with percentage, dividend yield, leverage, income ratio and ee-e book price of shares. Understanding the effect of numerous essential variables on inventory charge may be very beneficial for traders because it enables them make worthwhile funding decisions (Bhattarai, 2014).

Different tries were made to decide the value of fairness in one of a kind markets. As a result, wonderful inner and outside additives which can be anticipated to persuade the value of fairness capital were taken into consideration. Thus, each inner additives including EPS, BVPS, P/E ratio, and ROA, in addition to outside additives including gross home product (GDP) growth, inflation, and cash supply, are taken into consideration impartial additives that may have an effect on the value of an marketing and marketing unit. Secondary variable of joint venture banks in Nepal. Nepal's stock market is exceptionally small compared to other neighboring countries. The stock market plays an important role in economic development by promoting the capital structure and increasing economic development. As a capital-terrible country, Nepal have to do the whole lot viable to mobilize the to be had capital. In those markets, inventory exchanges inspire savers and customers of capital through helping asset

pooling, possibility sharing and exchange. This look at analyzes the overall performance of joint undertaking banks. The determinants of inventory fee are primarily based totally on economic reporting statistics withinside the context of Nepal. This look at examines the impact of inner and outside elements on Chhetri: Factors Affecting Share Prices of Joint Venture .Banks in Nepal 109 QJMSS (2023) Share Prices of Joint Venture Banks in Nepal. This look at examines the connection among organization-particular and macroeconomic elements and marketplace fee (MPS) withinside the banking area of Nepal. It mainly examines the outcomes of Earning per share (EPS), Profit earning (P/E ratio),book value in step with share (BVPS), go Return on assets (ROA), and organization length as endogenous variables. thinking about that inflation, GDP and wide cash deliver are elements outside to the marketplace fee of the inventory. Stock markets are vital economic establishments that play a significant function withinside the economic system through channeling investments to in which they may be wished and in which they may be nice used (Libermand Fergusson, 1998). The inventory marketplace consequently acts as a channel thru which country wide financial savings are directed to commercial and industrial enterprises, the mobilization of such sources for funding is virtually a important situation for monetary growth.

Bank is a financial institution, which primary deals in borrowing and lending. Modern bank perform verities of functions. The bank is derived from the Italian word 'Banco' which means counter table or bench used by medieval money exchange. The Bank of Vanish is first Bank in the world , which is situated in Italy. At ancient times people were doing monetary transaction by sitting on bench thereafter the trade is known as Bank.Oxford dictionary defined bank as "an establishment for the custody of money" (Oxford, 1986). The different economist defines bank in different way. "A bank is an institution whose debts (bank deposit) are widely accepted in settlement of their people's debt to each other" (Sayer, 1967).

Financial transactions were operated in Nepal from ancient times. Financial transaction through personal lenders is still present in the economy. In the eighth century, King GunkamaDev took the loan from the merchant to rebuild the Kathmandu city and later on Sankhadhar Sakhwa , a trader cleared the loan in B.S. 937 and established "Nepal Sambat" as found in the history.

Joint venture banks are the heart of financial system. They make fund available through their lending and investing activities to borrowers, individual business firms and services. As Nepal is a developing country where many people are under poverty line. Even though banks and co-operatives plays paramount rule for making people life standard better by making them habit of saving, providing loans and other facility. Among various types of banks, only the Joint venture banks are considered. Nepal Bank limited was the first commercial bank established in 1994 B.S. Nepal Rastra Bank was established in 2013 B.S. as a central bank and Rastriya Banijya Bank was established in 2022 B.S. under full- ownership of the government. During mid-1980 other joint venture banks were established. Nepal Arab Bank limited (NABIL) was the first joint- venture bank established in 2041 B.S., in 2043 B.S. second joint venture bank was established named as Indousez Bank Ltd, now known as Nepal Investment Mega Bank(NIMBL). In the same year, Nepal Grindlay's Bank (Now, Nepal standard Chartered) was also established. After the restoration of democracy, more Joint venture banks came into existence as a result of liberalization of economic policies. Thereafter, Himalayan Bank Ltd. (2049), Nepal SBI Bank Ltd. (2050), Everest Bank Ltd. (2051) was established. These institutions plays vital role in the development of capital market. The Nepalese capital market comprises of the government agencies, banks and other financial institutions. They provide long-term funds for development of agriculture, industrial and commercial sectors by investing in common stock, debentures and government bonds. Investors from the private sector also participate in the capital market.

In simple sense, the capital market is a place where financial instruments are traded. Capital markets, the part of the financial system that deals with raising capital through stocks, bonds and other long-term investments. The securities market can be distinguished in several ways such as:

- Primary and Secondary Market
- Money Market and Capital Market

The history of the Nepali securities market place started with the fluctuation of stocks of Biratnagar Jute Mills (BJML). . The first joint venture company in Nepal after which Nepal Bank Limited (NBL) that's the primary financial institution in Nepal. At that time, the United States of America become dominated via way of means of the autocratic Rana management and the participation of company agencies withinside the capital marketplace, in which maximum of the agencies have been restricted to the

Rana family. As a result, capital marketplace improvement become restricted. The ancestral status quo of a significant financial institution referred to as Nepal Rastra Bank (NRB) in 1955 AD. (2013 B.S.) paved the manner for radical modifications withinside the s .|united states of america|u . s . a .|us of a">usa's monetary device and economy. In fact, via HMG/N, NRB can trouble and promote authorities securities which includes authorities bonds, authorities bonds and countrywide financial savings bonds etc. withinside the monetary marketplace to elevate budget to offer goods, offerings and improvement infrastructure to the people. The authorities bond become issued in 1964 AD. To attain the institutional improvement of capital marketplace in Nepal, HMG/N took a actual step withinside the proper path via way of means of setting up the Securities Exchange (SEC) in July 1976 (2033). /3/22). SEC become mounted to facilitate and sell the boom of capital markets in Nepal. Before the transformation of the Stock Exchange Center into the Nepal Stock Exchange, it become the only capital marketplace group answerable for authorities bond brokerage, insurance, public trouble control and marketplace making and different monetary offerings. This become facilitated via way of means of authorities companies as the only marketplace organizer and regulator.

The SEC first of all restricted its sports to buying and selling authorities bonds and authorities financial savings certificates. From the economic yr 1984/85, it operated as an company of company securities and started list and providing a marketplace for company stocks below the Securities Exchange Act of 1983. Thus, the SEC acted to sell the number one and secondary markets. authorities and company securities 1984/85. of the monetary yr. After the democracy of Nepal, people's desires and aspiration to boost up monetary improvement. SEC become modified to Nepal Stock Exchange (NEPSE) in 1993 and Securities Board of Nepal (SEBON) become mounted on 26 May. NEPSE opened its buying and selling workplace on January 13, 1994 via authorized members. SEBON is the capital marketplace that develops and regulates the number one marketplace, even as NEPSE makes a speciality of the improvement and law of the secondary marketplace. The motive of SEBON is to sell and guard the pursuits of traders via way of means of regulating the preliminary trouble, sale and distribution of securities, tracking and controlling the sports of inventory exchanges and companies. NEPSE makes a speciality of imparting loose marketability and liquidity to authorities and company securities via way of means of facilitating their transactions in its buying and selling region via marketplace

intermediaries. The status quo of SEBON and NEPSE had a first-rate effect at the improvement of the number one and secondary markets for company and authorities securities. Its effect at the improvement of the capital marketplace has been advantageous and the reactions of traders were amazing. Immediately after the status quo, the growth in percentage fees and the liquidity of the securities marketplace have been remarkable. 1993-94. After this satisfied moment, the capital marketplace of Nepal is going via ups and downs..

There are all 20 commercial Bank in Nepal. Among them NABIL,NMB,SCBL, HBL , NSBL and EBL taken as convenient sampling to represent the performance of the capital market of common stock prices. Businesses need large amounts of capital to run smoothly and to regulate. Short, medium and long-term capital funds are necessary for the growth and expansion of the organization's operations. Therefore, long-term finances are very important for the future growth and prosperity of these regions. Most organizations generate these types of funds to provide the goods and services that people demand from them. Financial markets give both companies and the government the opportunity to obtain needs with money by selling securities.At the identical time, buyers with extra budget can make investments and earn profits, growing their welfare (Johns, 1992).

Common inventory is the fundamental shape of possession of a organization. People who very own not unusualplace inventory have rights to the organization's belongings after desired stockholders and bondholders. Common shareholders of a organization are its residual owners, their declare on profits and belongings arises after the lenders and desired shareholders of the belongings were paid in full. Therefore, the go back on capital invested through shareholders is much less sure than that of a lender or desired shareholder. On the opposite hand, the go back to the proprietor of the normal stocks became now no longer restricted upwards, much like the go back to others. A proportion of not unusualplace inventory can be legal without or with par fee. The nominal fee of a proportion is simply various said withinside the organization's articles of affiliation and has little monetary meaning. A organization must now no longer difficulty stocks at a charge under par due to the fact shareholders who purchase stocks under par are chargeable for the distinction among the par charge they paid and the par value.

1.2 Statement of Problem

Many of the investors are not aware of financial position of the company, in which they are investing and also are not known about financial indicators. They invest their fund through secondary market (NEPSE). The market price to common Share has been fundamental impacts of rumors in place of energy of the groups. The MPS of Joint venture banks, specifically overseas joint undertaking banks has been lots large than MPS of different sectors. Moreover, the general NEPSE depends upon MPS of such Joint Venture groups. In case of inventory charge conduct, the inventory marketplace facilitates with the financial situation of the country, whilst inventory marketplace is high, the economic marketplace is good, whilst the inventory marketplace declines and the economic marketplace is terrible. It additionally represents the guidelines of the for industry. Stock marketplace coverage and economic system coverage is formulated via way of means of authorities guidelines and rules of various sectors. There is lack in availability of statistics approximately Behaviors of inventory charge incomes to the traders. The traders couldn't perceive the products and terrible of stocks. The charge of a few inventory, that have sustained profit, couldn't increase. The MPS of public indexed groups is above their book cost. In an green marketplace, MPS completely displays all of the historic statistics publicly available. However, the marketplace cost is decided via way of means of the deliver and call for functions. The primary problem of this take a look at is whether or not the MPS of indexed groups are without a doubt representing the economic indicators (DPS, EPS, Net really well worth Per Share and charge appreciation etc). This take a look at specially attention in following issues.

- i. What is the repute of inventory marketplace charge conduct of joint undertaking financial institution in Nepal?
 - ii. Is there any courting among EPS, DPS, BVPS P/E ratio and MPS of joint undertaking financial institution in Nepal ?
- ii. What are the impact of EPS, DPS, BVPS P/E ratio on MPS with Financial indicators ?.

1.3 Objectives of the study

The unique objectives of the study is Stock price behavior of Joint venture Banks in Nepal This study helps business entities to collect the capital fund to expand and reconstruct their business etc. This study also deals that investors should decide if they can buy that stock he will make a profit. A number of financial major indicators are used to determine the relative significance of various factors having a bearing on share price behavior.

The unique objective of this study are as under:

- i.To give an explanation for the placement of EPS, DPS, BVPS, P/E ratio and MPS of Joint venture banks of Nepal.
- ii.To identify the connection among EPS, DPS, BVPS, P/E ratio and MPS of joint venture banks of Nepal.
- iii.To examine the effect of EPS, DPS, BVPS, and P/E ratio on MPS.

1.4 Focus of the Study

The principal consciousness of the study the stock price conduct is to expect the destiny modifications in costs, to apprehend the records of organization percentage; it helps investor to take funding choice approximately to make investments or now no longer. Similarly, stock price is an attracting component to investigate the existing situation of inventory. Various buyers are purpose to spend money on stock due to make investments because of investable market in the the world.

The focus of the studies changed into additionally to consciousness on liquidity signs, profitability ratios, the connection among marketplace fee and ee-e book cost and plenty of different key signs, considering this studies is primarily based totally at the inventory marketplace, many elements of the inventory marketplace have additionally been attempted to be addressed. This have a look at has attempted to assist all stakeholders associated with inventory marketplace, percentage fee conduct. Different tactics address and describe what regulation determines the fee of a safety and the way they behave over a length of time. Although there are principal tactics to securities evaluation ie. technical evaluation and essential evaluation, green marketplace idea is likewise one of the high-quality approaches to expect the successive fee moves of stocks.

1.5 Significance of the Study

Stock price moves are critical these days due to the fact it's far given quite a few interest in economic control. The motion of the percentage fee determines and analyzes the energy of the organization to generate a go back on invested capital. This have a look at specially analyzes the impact of inventory costs withinside the banking quarter of Nepal. The relationships among EPS, DPS and MPS also are discussed. Most buyers do now no longer recognise approximately the organization they're making an investment in. Therefore, this have a look at performs a key position in figuring out the elements or signs that form the inventory fee. In addition, the that means or importance of this studies is as follows:

Investors get facts approximately the elements affecting the inventory fee and that they make investments with inside the organization after an intensive evaluation.

It will help destiny studies at the conduct of standard inventory costs through offering applicable and applicable literature.

Listed businesses may be aware about them and take the important n steps to accurate them. n

This have a look at will gain the humans worried withinside the area of economic control which include shareholders, promoters, analysts, buyers, coverage makers etc..

1.6 Limitations of study

This research study has some limitations, which are presented as Follows:

- i. The study mainly concentrated on the market price volatility of Nepalese commercial banks. Only 6 Joint venture banks out of 20 Joint venture banks will be selected via purposive sampling method.
- ii. This study includes the observation period of 10 years from FY 2013/14 to FY 2022/23 of six Joint Venture banks.
- iii. The dependent variable, market price per share will be used in this study and will be computed only in the basis of the average price of stock in a year.
- iv. The data has taken from secondary source; therefore, authenticity of the data is dependent on the accuracy of the information used.
- v. The result is strictly based on information provided by the company's website, SEBON, NEPSE, NRB etc. (www.nrb.com)

1.7 Organization of the Study

This study has been organized into five chapter.

Chapter I which is introductory part of the study. It describes the background of the study, statement of problem, focus of study, objectives of study, significant of the study, limitations of study and organization of study.

Chapter II concerned with the review of literature and includes a discussion on sub heading on the conceptual framework and review of the major studies.

Chapter III is research methodology of the study. This chapter deals about research design, population and sample sources of data collection technique and tools of data analysis.

Chapter IV is presentation and analysis of data. It describes about the presentation and analysis and major findings of the study on stock price.

Chapter V includes summary, conclusion and recommendation. The bibliography and appendices are also organized at the end of this research study.

CHAPTER II

REVIEW OF LITERATURE

2.1. Introduction

The motive of this chapter is to discover what studies has been performed with inside the selected area of have a look at and to get thoughts for growing a studies plan. Therefore, preceding research can't be unnoticed either, due to the fact they offer a basis. This continuity is created via way of means of connecting modern studies with preceding studies. Thus, numerous books, magazines and articles associated with the difficulty have been examined. n n Similarly, the records of the capital marketplace of Nepal comes from the technology of Rana Prime Minister Juddha Shamsheer, whilst Gunjaman Singh, the primary secretary of the Nepalese Embassy in England, lower back to Kathmandu and hooked up the "Council of Industries". the council first drafted the Companies Act and the Nepal Banking Act in 1936. Biratnagar Jute Mills Ltd. First began out in 1936. Biratnagar Jute Mills Ltd. Began the primary public problem of stocks withinside the securities marketplace in 1937. In the equal year, Nepal Bank Ltd. issued stocks. However, participation withinside the possession shape of the company quarter at that point become in large part confined to the Rana family (Thapa, 2008). n n 1951 noticed the advent of the Companies Act 1951, the primary problem of presidency bonds in 1964. There have been different vital activities associated with the capital markets. The status quo of the Securities Exchange Center (SEC) in 1976 become the primary and maximum vital venture of the authorities. After the status quo of the SEC, the institutional improvement of the securities marketplace in Nepal began out below the Companies Act. The function of SEC become very confined to deal most effective in authorities bonds and country wide certificate of deposit, which have been frequently held via way of means of Nepal Rastra Bank. The SEC added a secondary marketplace for company securities in 1984 (Thapa, 2008). n The Securities Board of Nepal (SEBON) become hooked up on 26 May 1993 after the enactment of the First Amendment to the Securities Exchange Act, 1983. After eighteen years of status quo, HMG Nepal Securities Exchange Center become renamed Nepal Stock Exchange (NEPSE) on sixteen May 1993 as a part of a application initiated to increase a aggressive and green securities

marketplace. The primary goal of NEPSE is consequently to steer loose marketability and liquidity. authorities bonds and company securities facilitating buying and selling at the buying and selling ground thru marketplace intermediaries which include agents and marketplace makers. After the SEC reorganization, 25 broker-sellers and five marketplace makers have been particular as NEPSE. It began out an open public sale thru agents and marketplace makers on January 13, 1994 (Thapa, 2008).

2.2 Theoretical overview

Market prices are capabilities of numerous elements, those elements have an effect on the marketplace costs of securities. So marketplace costs range and it isn't short-term, however extra than a century. In general, there are 3 school of thought concerning the valuation and price behavior of securities.

- i. Technical Analysis
- ii. Fundamental Analysis
- iii. Random Walk or Efficient Market Analysis.

2.2.1 Technical Analysis.

Technical analysis principle of inventory charge conduct is primarily based totally on marketplace facts. The reason of technical analysis to perceive charge styles and traits in economic markets and tries to make the most those styles. When a technician makes use of one of a kind techniques and gear, it's far crucial to take a look at the charges. This principle entails reading the beyond charge and price date of a inventory to are expecting destiny charge movement. There are a few assumptions in technical analysis; they are (Bartov, 1998): n i Market price is decided via way of means of the interplay of deliver and call for. so. Supply and call for are pushed via way of means of many factors, each rational and irrational. iii. The charge of a protection has a tendency to comply with traits that persist over lengthy durations of time in spite of small marketplace fluctuations, n iv. Changes in deliver and call for, for anything reason, ultimately can alternate the charts of marketplace activities and n v. Some chart sample traits repeat. n n Technical analysis has emerge as more and more more famous in latest years as increasingly more human beings consider that a inventory's historic overall performance is a robust indicator of destiny overall performance. Recently, many greater technical gear and theories had been evolved and improved. decades, with an growing emphasis on laptop technology. n n Technical analysis

believes that critical facts approximately the destiny actions of inventory charges may be received via way of means of analyzing the historic overall performance of inventory charges. Financial records is recorded on graph paper and the records is tested to search for habitual styles. Technical analysis is predicated at the charts you draw to make your shopping for and promoting decisions (Thapa, Bhattarai and Basnet 2008). Because technical analysis focuses maximum of its interest on inventory charge charts and associated protection buying and selling statistics, technical evaluation is now and again known as ch artist. Most technical evaluation constructs and examines charts of numerous financial variables to are expecting protection charges. But the provision of technical analysis in Nepal remains questionable. The technique of technical analysis is primarily based totally on the idea that records has a tendency to copy itself with inside the inventory marketplace. If a sample of movement has produced a sure end result 9 instances out of ten with inside the beyond, the equal end result may be predicted to be superb whenever the sample takes place with inside the destiny. However, it ought to be emphasised that a massive a part of the technique of technical analysis lacks a very logical explanation. Several research display that technical evaluation is beneficial for traders to outperform the marketplace. Many proofs of the cappotential of technical evaluation to overcome the marketplace had been offered, however they have got made as a minimum one mistake. However, numerous latest research have proven that technical analysis may be beneficial for traders. Because technical evaluation places greater emphasis on whilst to shop for or promote stocks.

2.2.2 Extensive analysis

Fundamental analysis of a organization consists of evaluation of its monetary statements and health, control and aggressive advantages, and competition and markets. In the case of futures, for example, it makes a speciality of the overall country of the economy, hobby rates, production, income and control. This principle is likewise called intrinsic cost principle. It affirms that an man or woman safety has an inner cost at a while that ought to same the modern-day cost of the safety's coins flows discounted via way of means of the right risk (Jagannathan, 2000). This cost is as thrilling part of the enterprise as human intelligence or engine nuclear power. In addition, it's miles believed that intrinsic cost is observed withinside the evaluation of monetary facts. If the intrinsic cost is decrease than the marketplace fee, the safety

ought to be offered earlier than its fee falls. Undervalued shares are offered till they're presented at a fee commensurate with their cost. And puffed up shares are offered, riding their fee down till it equals. Fundamentalists try and estimate the proper cost of a safety thinking about financial and monetary variables after which determine what funding movement is wanted withinside the given situation. relying on whether or not the real fee is better or decrease than its intrinsic cost. For essential evaluation to paintings successfully, numerous stipulations need to be met. They are as follows (Franchis, 1980).A organization need to have intrinsic cost, This may be decided via way of means of studying the monetary facts produced via way of means of the organization.This cost won't be identified via way of means of the marketplace quickly and This marketplace will apprehend it quickly. n n Williams (1938) became the primary character who invented the standards of intrinsic cost and additionally supplied the actual method to decide the intrinsic cost of shares. Several different researchers have proposed similarly improvement of the principle . Fundamental safety evaluation estimates the proper cost of a safety. In contrast, technical evaluation (Ch-artists) goals to are expecting the expenses, now no longer the cost, of securities. Technicians commonly try and are expecting short-time period fee moves and for this reason make hints approximately while to shop for or promote both particular shares or businesses of shares, inclusive of an enterprise or shares. But in an green inventory marketplace, marketplace expenses are similar to shares. intrinsic cost. Both traditional valuation theories and fee conduct assumed that the fee of shares withinside the marketplace is inefficient. Therefore, while making an funding decision, the principle of technical evaluation gives the proper time to shop for and promote, at the same time as essential evaluation affords theoretical recommendation on the choice of appropriate securities. That is why it's miles now and again stated that essential evaluation is designed to reply the question "what" and technical evaluation to reply the question "while" (Sharpe and Bailey, 1998).

2.2.3 Random Walk Efficient Market Theory

Early in In the ultimate century, statisticians located that inventory fee modifications appear to observe a honest sport pattern, which caused the random stroll speculation, first encouraged via way of means of the French mathematician Louis Bachelier in 1900, that inventory expenses are random, like a so-known as drunkard, and consequently n n Some research regarded withinside the 1930s, however the random

stroll speculation became intensively studied and debated within the 1960s. The random stroll principle assumes that each one earnings streams of an fairness funding are impartial of preceding earnings. In different words, destiny expenses can not be anticipated primarily based totally on beyond fee behavior. Stock expenses differ randomly, however that does not imply the marketplace is irrational in its pricing. It works thru the marketplace mechanism. In a unfastened and aggressive marketplace, the fee of a proportion is decided via way of means of the deliver and call for relationships. The so-known as green marketplace regulates stocks mechanically due to the fact the marketplace may be very sensitive. Any variations within the marketplace might be mechanically adjusted and the real expenses will range randomly in step with its authentic fee. It is unfastened and the maximum aggressive marketplace and fee. It is the freest and maximum aggressive marketplace and inventory expenses have to mirror all applicable statistics. It states that economic markets are green and expenses already mirror all recognized statistics approximately a inventory or different safety and expenses adapt speedy to new statistics. The statistics consists of now no longer simplest what's presently recognized approximately the inventory, however additionally viable destiny expectations, together with earnings or dividend payments. It attempts to provide an explanation for the random stroll speculation via way of means of assuming that simplest new statistics appreciably modifications inventory expenses, and because the new statistics is presently unknown and happens randomly, the destiny actions of inventory expenses also are unknown and therefore flow randomly (Zhang, n n An economist might say that the expenses of shares and different securities are the end result of the stability of deliver and call for - however the real expenses are decided via way of means of the modern-day deliver and call for, and at any given time deliver and call for range simplest via way of means of danger. . For example, think that on a given day you've got got a hundred traders who need to shop for a selected inventory and a hundred traders who need to promote the equal inventory, and similarly think that they consider that the open marketplace fee is a honest fee. , and that they make marketplace orders to steer their buyers - and people buyers, and they may be now no longer privy to the buying and selling in the course of the day. It may be agreed that there may be a totally small danger that those buyers will input the marketplace on the equal time, even at the equal day, and if a number of them alternate on the equal time, the quantity of consumers and dealers is not likely to be. identical and whether or not

there are extra consumers than dealers varies in the course of the day. Thus, maximum of the day, the imbalance among deliver and call for shares is immediate, inflicting the inventory fee to differ extra reputedly randomly in the course of the day. This may be argued reputedly due to the fact even though the inventory fee is decided via way of means of the modern-day deliver and call for of the inventory, nobody can recognize earlier what the equilibrium fee might be (Acharya, 2005). It is authentic that information movements the marketplace, and that information is essentially unpredictable, as a minimum for maximum buyers, so new activities create randomness. But even though there may be information that a selected enterprise will exalterate its inventory fee appreciably, there'll nevertheless be a few randomness withinside the reaction due to the fact unique buyers with unique capitals will discover at unique instances and there'll probable be a cap and stop. -loss orders are prompted while the inventory fee modifications appreciably, inflicting the inventory to zigzag up or down. Also, how a good deal does the fee flow due to the information? Different entrepreneurs have unique reviews approximately the fee of information. For example, if commodities had been the information, a few buyers will purchase extra due to the fact they consider the inventory fee has now no longer peaked, others will promote due to the fact they consider the fee has exceeded its peak, and those buyers alternate at unique instances.

2.3 Conceptual Review

Kumari (2019) conducted a study on An Empirical Analysis of Stock Price Behaviour around Bonus Issue Announcement in India. Given this, the current study looks into how Bonus Issue announcements affected the Indian stock market over a five-year period, from 2014 to 2018. Announcements of corporate actions are typically interpreted as positive news for market investors. The data have been analyzed and interpreted using statistical methods such as t-test, mean, standard deviation, regression analysis, percentage analysis, and CAGR (Compounded Annual Growth Rate). To examine the abnormal return taking into account nine companies, an investigation window (t-10 to t+10) was taken for all bonus issue announcement events. The outcome shows that the announcement of a bonus share issue has no effect on the Indian stock market. As a result, this study supports the idea that a company's announcement of the issuance of bonus shares has no discernible impact of

the stock price. Thapa (2019)) conducted a research on influencing factors of stock price in Nepal. The researcher's goal is to identify the variables affecting the stock price in the Nepali market. Earnings per share (EPS), dividend per share (DPS), market whims and rumors, and company profiles showed a significant positive association with share price, while interest rate (IR) and price to earnings ratio (PER) showed a significant inverse association with share price. These findings were obtained through financial and statistical analysis using ratios and regression.

As a result, it is determined that the short-term interest rate and dividends may be the most significant indicators of stock prices in Nepal's secondary market. Silwal and Napit (2019) conducted a research on Fundamentals of Stock Price in Nepalese development banks. The purpose of this study is to identify the factors that influence the stock market price in Nepalese Joint Venture banks between 2065–2066 and 2074–2075. It is based on aggregated cross-sectional data from ten banks with stocks listed on the Nepal Stock Exchange during a ten-year period. While BVPS has a negative correlation and is statistically insignificant with company price and dividend yield has a positive but minimal impact on stock price. It also shows that one of the main factors affecting Nepali stock prices is book value per share. Karlsson, and Hedberg (2020) conducted a research on Market structure and efficiency in Swedish development banking, 1912–1938. The relationship between market structure and performance in the Swedish development banking sector from 1912 to 1938 is examined in this article. New market regulations were implemented at this time in an effort to promote large-scale banking. The industry thus went through a significant era of consolidation. Fractional regression analysis is a tool used by researchers to study how bank mergers and market concentration affect efficiency. They discover that over this time, the average efficiency of the Swedish development banking sector was significantly impacted negatively by market concentration. Large financial intermediaries might have been required to provide funding for the extensive industrial and infrastructure projects. Ashraf (2020) examined about Stock markets' reaction to COVID-19: Cases or fatalities. The primary aim of this paper was to investigate how the stock markets reacted to the COVID-19 epidemic. Using data on daily COVID-19 confirmed cases, deaths, and stock market returns from 64 countries between January 22, 2020, and April 17, 2020, we conclude that the increase in COVID-19 confirmed cases had a negative impact on stock markets. In other words,

as the number of confirmed instances rose, stock market returns decreased. We also discover that stock markets responded more aggressively to an increase in confirmed cases than to an increase in fatalities.

Additionally, according to our data, there was a significant negative market reaction in the early days following the confirmation of cases as well as between 40 and 60 days later. Overall, our results suggest that stock markets quickly respond to COVID-19 pandemic and this response varies over time depending on the stage of outbreak. Panta (2020) conducted a research on Macroeconomic Determinants of Stock Market Prices in Nepal. An auto regressive distributed lag (ARDL) model is used in this study to analyze the relationship between stock market prices (NEPSE INDEX) and five macroeconomic variables real GDP, broad money supply, interest rate inflation and exchange rate. The goal of the model is to explain the behavior of the NEPSE index. The results show that the broad money supply, interest rate, inflation, and exchange rate have a significant long-term relationship with the variation of the NEPSE Index. In the short term, the GDP, money supply, and exchange rate can all be positively defined; however, in the long term, only the money supply can be positively defined. Badruzaman (2020) conducted an investigation on Nikkei 225 Index of issuers on the Japan Stock Exchange in 2018. To calculate the impact of return on equity and earnings per share on stock prices. There were 57 distinct issuers in this investigation. The 2018 financial report provided the data that was used. The SPSS version 25 program's data processing results show that Return on Equity and Earnings per Share have a 67.3 percent influence on stock prices, with Earnings per Share having a moderately favorable impact. The negative effect of return on equity was also felt by stock prices. EPS had the biggest and most significant effect on stock prices when these two factors were compared, whereas return on equity had the reverse effect. Raza et al., (2021) studied on the impact of micro and macro factors on share prices, especially non-financial enterprises listed on the Pakistan Stock Exchange in the textile sector (PSX). Numerous statistical analysis techniques, such as descriptive statistics, correlation matrices, pooled OLS, Hausman tests, Breusch and Pagan LM tests, and fixed effect models, were employed in the analysis. In Pakistan's textile industry, it was discovered that firm share price was positively and strongly correlated with both macro and micro dynamics (GDP, EPS, BVS, and LNFS). On the other hand, it was found that macro (INF) and micro (DPS) dynamics

were insignificant. The study adds to the corpus of information and ongoing discussion regarding the variables affecting share price in developing markets, specifically in Pakistan's textile industry.

Niroula (2021) conducted a research on stock price behavior of Joint venture banks of Nepal. This study aims to investigate the stock price behavior of Joint venture banks in Nepal. MPS is the dependent variable in this study, while the experiment factors include ROE, BV per share, DY ratio, EPS, PE Ratio, and ROA. Using SPSS version 23, a descriptive and analytical research design is utilized to examine and evaluate the data. The influence of independent variables on MPS has been demonstrated using a multiple linear regression model. The outcome shows that bank BVPS, PE ratio, and EPS have a favorable and statistically significant impact on MPS. Other factors barely make a difference. Endri (2021) observed about the Stock price volatility during the COVID-2019 pandemic: The GRACH model. Using an event study methodology and the GARCH model, this research looked at how stock prices on the Indonesia Stock Exchange (IDX) responded to COVID-19. The study's practical implications for investors are that abnormal returns are impacted by stock price volatility, which was brought on by the COVID-19 event. The empirical literature that is presently being generated to look into the phenomena of stock price volatility behavior during COVID-19 on the IDX is the basis for this study. The COVID-19 pandemic causes an increase in stock price volatility, which in turn causes anomalous returns to drop, as demonstrated by the GARCH model.

The empirical results also support the theories of financial behavior related to uncertainty and the efficient market hypothesis theory related to the study of occurrences. Bhatta and Jain (2022) measured the study of economic policy uncertainty and dividend policy: Evidence from development banks in Nepal. We looked at how Economic Policy Uncertainty (EPU) affected dividend distribution strategy in order to offer some data from prospective developing nations. The empirical findings show that during EPU, the banking company in Nepal does not start or stop paying dividends. Additionally, we discovered evidence that banking executives did not respond to policy distress with a cautious incentive. For the banking company in Nepal, the choice to pay dividends is instinctive rather than unclear due to shifts in economic policy. Our findings run counter to the findings of

other significant studies carried out in developed market environments, thus we recommend that banking companies think about, assess, and modify their dividend policy in light of the opportunities and risks presented by the national economic strategy. Ali (2022) conducted a research on Micro-meso-level and macro-level determinants of stock price crash risk: a systematic survey of literature.

In order to identify the macro-meso and micro-level factors influencing stock price crashes, this paper performs comprehensive assessment and synthesis of the empirical research on the antecedents of stock price crash risk. The probability of a stock market crash is significantly influenced at the meso-level by factors such as media coverage, industry-level characteristics, consumer concentration, ownership structure, and behavioral aspects. Lastly, managerial traits, firm specific factors, earnings management, business policies, CEO attributes and compensation, financial transparency, and financial transparency are micro-level factors that affect the likelihood of a stock market crash.

Earning price per share (EPS)

Earnings per share (EPS) are the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Dividend per share (DPS)

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding. Dividend per share (DPS) is the total dividends paid out by a business, including interim dividends, divided by the number of outstanding ordinary shares issued.

Return on total assets (ROA)

This measures the ratio of profitability to the ratio of net income to assets.

Return on Common Equity

Return on Equity measures the profit earned from a common shareholder's investment in the company. In general, the higher these returns, the better off the owners are. Amount of returned net profit as a percentage of equity. Return on equity measures the profitability of a company by revealing how much

profit the company makes with the money invested by shareholders.

Market price per share

Market price per share is very important for all stakeholders. When the market price is very high, investors view it very positively regardless of other factors.

Price earnings

The price earning factor is the ratio of the stock's return to the stock's market price. Earnings per share shows the performance of the company in the sense of how well the company managed its material and human resources to satisfy the interests of the shareholders.

Dividend yield

Dividend yield is a way of measuring how much cash flow you get for every dollar invested in a stock position - in other words, how much dividends you earn. Dividend yield shows the ratio between a stock's dividend and the stock's market price.

Earning yield

Earnings yield can be defined as the ratio of earnings per share to the market value of common stock.

Market Value to Book Value

The market value to book value ratio is the ratio of share price to book value/share.

2.4 Empirical Review

A large number of studies have been conducted internationally on the stock market. The results of some studies are as follows:

Aryal (1995) conducted a study on "General Behavior of Stock Markets". The main objective of this study was to deal with price movements in the stock market and to develop an empirical probability distribution of individual common stocks and successive price changes in the stock market. He applied the driving test as a statistical tool to analyze data and obtain results. He concluded that the assumption of independence predicted by the random walk model of the price behavior of securities was denied as a first approximation, at least in the context of Nepal, even roughly in the early days of the stock market. This rejection of the hypothesis explained that knowledge of the past and the present is useful in predicting future movements in stock prices. Investors in the stock market can earn higher expected profits in the

future based on these historical prices. series In other words, the dependence of the price series created by the overall marker variation statistically meant that today's price change is positively dependent on yesterday's price change. This meant that there was a sufficient lack of financial and market analysis that was complex and better to analyze the general fluctuations of the market, anticipating future potentials and financial events that ultimately affect the price series.

Bam, Thagurathi, Shrestha (2018) performed study on a stock Price Behavior of Nepalese Joint venture banks: Random Walk Hypothesis. Using the data set on daily stock prices during the fiscal year 2015/16 (Sept 23, 2015 through Dec 22, 2015), the objective of the research was to analyze the random behavior of stock price of Nepalese Joint venture banks by using run test, serial correlation and run tests and martingale random walk hypothesis under heteroscedasticity assumption of standard error. The results conclude that the proposition of Random Walk Hypothesis (RWH) in Nepalese stock markets does not hold true. This conclusion corroborates with the conclusions of the past studies carried out in Nepalese context.

Bhattarai (2014) performed study on determinants of share price of Nepalese Joint venture banks. The purpose of this study is to investigate the effect of internal factors on share prices of Nepali joint venture. This study examines the factors that affected the share price of joint venture banks listed on the Nepal Stock Exchange Limited from 2006 to 2014. The data was obtained from the annual reports of the sampled banks and analyzed using a regression model. The results showed that earnings per share and price-earnings ratio have a significant positive relationship with stock price, while dividend yield showed a significant inverse relationship with stock price. The main conclusion of the study is that dividend yield, earnings per share and price-earnings ratio are the most important factors in determining the share price of joint venture banks in Nepal.

Ghimire and Mishra (2018) conducted a study on factors affecting stock price in Nepalese market. The purpose of this study is to determine the relationship between share prices and explanatory variables such as DPS, EPS, P-E ratio, BV, market and BV Per Share during the period 2017-2022. This study examines the factors affecting stock price using simple and multiple regression analysis and descriptive statistics.

With a sample of 11 financial and non-financial companies in Nepal, the result shows that the variables Market BV, P-E ratio are important determinants of stock price which directly affect the stock price. Similarly, DPS, BV have significant positive effect on stock price while EPS has minimal effect on stock price.

Johns (1992) argued that financial markets allow both businesses and governments to raise needed funds by selling securities. Equity financing is a long-term source of financing for the organization. It is the first source of financing in all types of organizations such as companies, partnerships, etc. Share capital is support for a loan to expand the company. Common stockholders receive income from common stock. Companies need a huge capital fund to operate and regulate smoothly. Short, medium and long-term capital funds are necessary for the growth and expansion of the organization's activities. Most of the organizations generate this type of finance from the financial markets. The government also borrows large sums from the financial markets. The government also borrows large sums of money to provide goods and services that people demand. Simultaneously, investors with excess Overall, the previous studies in stock market support the ideas that Nepalese stock market is not efficient even in the weak form hypothesis .Nepalese investors are not efficient enough to recognize potential for excess them.

Schumaker (2018) has conducted research on Stock Price Movement. The objective of this study is to examine What effect a financial news article discusses the stock price. To answer this question, we examine stock prices in the minutes following a financial press release, broken down by media, publication date, and opinion piece. Using the Sharpe ratio (a measure of risk-adjusted return), we showed abnormal returns. 1.81 compared to random data sets of 0.06, indicating a significant price change shortly after the article was published. Second, we found that articles published via WSJ, Reuters - UK Focus, NYT and FT produced significantly positive returns, while articles from Barron's, Market Watch, Forbes and Bloom-berg produced significantly negative returns. Third, we found that articles published at certain times of the day were associated with unusually large price changes, more than due to random chance. Finally, we observed that a small proportion of positive news articles rise and suddenly reverse after the release of economic news. In one case,

IBM news articles caused a large price drop over several days. We believe that companies could use these results to guide stock prices.

Subedi (2005) also conducted a study on stock price behavior in Nepal. The aim of the study was to analyze the factors affecting the stock price of companies, taking 10 companies listed in NEPSE. The statistical tools used in the study are mean, standard deviation, coefficient of variation, correlation coefficient, regression hypothesis, etc. The main results were as follows: Nepali investors do not have sufficient education about the capital market, so share prices in NEPSE show rather irrational behavior. The commercial banking sector dominated the overall NEPSE results. Manufacturing and processing, trade and hotel sectors are weak. As NEPSE is on a growth trend despite the adverse investment environment, Nepalese citizens have a huge amount of spread funds lying idle.

2.5 Research Gap

In previous studies, most studies (Bhattarai 2020, Silwal and Napit 2019, Baral and Pradhan 2018, Ghimire and Mishra 2018, Adhikari 2015) examine the determinants of stock prices. Joint Venture Banks of Nepal are registered with NEPSE. We found these test banks and related information while reviewing previous proposals. Data from 6 joint venture banks were used in this study. This study also examines the impact of market price and its relationship with other financial indicators such as EPS, P/E ratio, BVPS, ROA and firm size. The researcher focused on stock price movements based on secondary data. This research is done to find out the subjective facts and fill in the gaps..

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

The process used to collect information and data for making business decisions. The methodology may include publication research, interviews, surveys and other research technique, and could include both present and historical information is known as research methodology. It enables the team to organize their efforts into one cohesive and conceptual product idea generation task for us.

3.2 Research Design

For this study, a descriptive and informal research design will be employed. The impact of EPS, DPS, NWPS, and P/E ratio on market price will be described using a descriptive study approach based on tables, graphs, and figures with simple computations of the currently gathered data. Analytical study design will also be employed to analyze the sampled banks' standard deviation, correlation coefficient, and regression analysis

3.3 Population and Sample

Several equity segments such as joint venture banks, insurance, finance, hotels, trading, manufacturing and processing, etc. are listed on the stock exchange. This study covers only the shares of joint venture banks that are listed in the stock market because these stocks have a high impact on the stock market. There are all together 20 commercial bank operating in Nepal till end of Mangsir. Among them NABIL,SCB, HBL, NSBI, NMB and EBL are taken as sample. The researcher uses purposive sampling to represent the performance of the capital market of common stock prices.

3.4 Sampling Procedure

Sampling is a process or technique of choosing a sub-group from a population to participate in the study. It is the process of selecting a number of individuals for a

study from large group from which is called population or universe. Information about samples are taken from internet.

3.5 Sources of Data:

This studies look at is based totally on secondary statistics. Most of the statistics associated with financial boom and inventory marketplace improvement are gathered from annual record and respectable record of associated organization. Ministry of finance, Security Board of Nepal(SEBON) in addition to specific net web sites will complement the specified information. In case of inadequacy of secondary Data Primarily statistics also are used.

3.6 Data analysis tools:

Once the dare are gathered from specific sources, it calls for to be analyzed well to get way to the studies problem. The gathered statistics has no meaning , if they're now no longer well analyzed. So,to investigate the statistics, specific statistical and economic gear were used on this studies . They may be described below:

3.6.1 Financial tools:

The following Financial tools that have been carried out on this study

i. Earning Price Per Share(EPS):

Earnings in line with proportion function a trademark of a company's profitability

$$\text{EPS} = \frac{\text{Net profit after tax - preference dividend}}{\text{No of Shares outstanding}}$$

ii. Dividend Per Share (DPS)

A company's DPS is commonly derived the use of the dividend paid withinside the maximum current quarter, which is likewise used to calculate the dividend yield.

DPS may be calculated with the aid of using the use of the subsequent formula:

$$\text{DPS} = \frac{\text{Total Dividend}}{\text{No of Shares outstanding}}$$

iii. Return on Total Assets (ROA)

Here the profitability ratio is measured primarily based totally at the ratio of internet income to assets. ROA can additionally be called the ratio of income to assets. n n

$$\text{Return On Total Assets (ROA)} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}}$$

Return on Common Equity

Return on Equity measures the profitability of a company with the aid of using revealing how lots income the company makes with the money invested with the aid of using shareholders.

$$\text{Return on Common Equity} = \frac{\text{Net Profit After Tax}}{\text{Shareholder Equity}}$$

iv. Market price per share

The market price of a share is very important for all stakeholders. Generally, a precise market price change for a proportion is the destiny of a company. When the market price is very high, buyers view it very positively regardless of different factors. A drop within the marketplace change has a terrible effect on the company. If the market price of a selected company falls very sharply and consistently, it can lead to bankruptcy. The market price of a inventory is the maximum vital factor for buyers, who are mainly looking for a better market price now no longer indicators

v. Price Earnings Ratio

The P/E is sometimes called the "multiple" due to the fact it indicates how lots buyers are inclined to pay for a rupee. In general, the better the P/E ratio, the higher it's far for owners. It is the maximum vital and useful tool to evaluate one company with different companies in the equal industry.

$$\text{P/E ratio} = \frac{\text{Market Price Per Share}}{\text{Earning Price Per Share}}$$

vi. Dividend Yield

Dividend Yield n Dividend yield suggests the ratio of the dividend in line with proportion to the market price of the share.

$$\text{Dividend Yield} = \frac{\text{Annual Dividend Per Share}}{\text{Price Per Share}}$$

vii. Earning Yield

The incomes yield can be described because the ratio of incomes in line with proportion to the market value

The earning yield may be defined as the ratio of earning per share to the market value

$$\text{Earning per ordinary share. Earning Yield} = \frac{\text{Earning Per Share}}{\text{Marke Value Per Share}}$$

viii. Market Value to Book Value Ratio

The market value to book value is the ratio of the charge of a stock to book value

$$\text{MV/BV Ratio} = \frac{\text{MPS}}{\text{Book Value Per Share}}$$

3.6.2 Statistical tools

The following statistical tools have been applied in our study:

I. Arithmetic Mean

Arithmetic mean is the most popular and widely used measure of central tendency. Arithmetic mean is the the number obtained by dividing sum of all the observations by total the number of observation is. It represents the entire data by a single value.

$$\text{A.M. } (\bar{X}) = \frac{\sum x}{n}$$

II. Standard Deviation

Standard deviation measures the dispersion or measures the variability. SD is also called mean square deviation In other words, SD shows that in what extent the given value is far from the central value. Higher the value standard deviation shows the higher deviation from central value and vice versa. It is absolute measurement of dispersion. The study has used this tools to know the dispersion of each financial indicator of NABIL, SCB, HBL, NSBI, NMB and EBL .

$$\text{Standard Deviation } (\sigma) = \sqrt{\frac{\sum (X - \bar{X})^2}{n - 1}}$$

III. Coefficient of variation (CV)

The coefficient of variation is defined as the ratio of the standard deviation to the mean. It shows the extent of variability in relation to the mean of the population. The coefficient of variation should be computed only for the data measured on ratio scale, as these as the measurements that can only take non negative values.

$$cv = \frac{\sigma}{\bar{X}} \times 100$$

IV. Coefficient of Correlation and Coefficient of determination

Coefficient of correlation is analytical tools which shows the relationship between two variables . Moreover, coefficient of determination is the analysis, which shows the part of weight of independent variable in the correlation.

a) Coefficient of Correlation

This analysis identifies and interprets the relationship between two or more variables. In the case of highly correlated variables, the effect on one variable may have effect on other correlated variables. In other words, it measures the closeness and disperse of one variable to other variables, The relation among the variables depends on movement. If both the two variables move in same direction there is positively correlation If both the two variables move in opposite direction there is negatively correlation .Under this topic, Karl Pearson's coefficient has been used. To find out the coefficient of correlation between variables, this formula has been used.

$$\text{Pearson's Coefficient of Correlation } (r) = \frac{N\Sigma XY - \Sigma X.\Sigma Y}{\sqrt{N\Sigma X^2 - (\Sigma X)^2} \sqrt{N\Sigma Y^2 - (\Sigma Y)^2}}$$

This analysis identifies and interprets the relationship between the two or more variables. In the case of highly correlated variables, the effect on one variable may have effect on other correlated variable under this topic, Karl Pearson's co-efficient of correlation has been used to find out the relationship between the following variables.

- i. Co-efficient of correlation between price and earnings.
- ii. Co-efficient of correlation between price and dividend.

b. Coefficient of determination

The coefficient of determination is also known as multiple correlation coefficient. It is a measure of the degree of linear association or correlation between two or more independent variable. It measures the percentage total variation in dependent variable explained by independent variables. If r has a zero value then, it indicated that there is no correlations which means all the data points in the scatter diagram fall exactly on the regression line. If it has a value equal to 1 then it indicates that there is perfect estimator. But in most of the cases the value of r will lie somewhere between these two extremes of 1 and 0. If r close to 1 indicates a strong correlation between two

variables and r near to zero means there is little correlation. It is symbolically indicated as ' r ' through some would prefer to put it as r^2 the coefficient of determination. Value of multiple correlation coefficient lies in between 0 to 1. A value of one can occur only if the unexplained variation is zero which means that all the data points in the scatter diagram fall exactly on the regression line ' r ' is 70% of the total variation in the dependent variable.

$$r^2 = \frac{1 - \text{Unexpected Variation}}{\text{Total Variation}}$$

V. Regression Analysis

Regression analysis shows the relationship between the variable through this estimate the value of dependent variable for the given values of independent variables. This variable is mostly used in economics and business research. The variables, which is to be found out is called dependent variables and the variable whose value is known, and with the help of these value we can estimate, is called independent variables. If there is only one independent variables used in regression is called simple regression and if there are more than two variables is called multiple regression.

Multiple regression can be expressed as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots + e$$

$$MVPS = a + \beta_1 DPS + \beta_2 EPS + \beta_3 PE + \beta_4 BVPS + e$$

Where,

Y (MVPS) = Dependent Variables

a = Intercept or Average

β_1, β_2, \dots = Slope of Independent variables

e = Error

$$Y = a + bx \text{ Where,}$$

Y = Value of dependent variables (Price of stock)

a = intercept, that does not vary with the fluctuation in independent variable.

(constant variable)

x = Value of independent variable. (EPS and DPS)

3.6.3 Software tools

Software is a program on computer or smart devices that is designed for specific use. In this study many software are used to analyze. Among them, MS Excel, IBMSPSS-26 statistics are strongly used here. MS Excel is a worksheet program which is used to calculate a large amount data. In addition, IBMSPSS-26 Statistics is a comprehensive set of statistical tools works on a single, integrated interface to run describe statistics, regression, advanced statistics and many more. It creates publication ready charts, tablets, and decision trees in one tool. So these software makes easy to calculate and enhances data.

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

4.1 Financial Performance Analysis of Joint venture banks of Nepal

The performances of individual companies that are listed in the stock exchange have direct impact on capital market. A company having a good performance has highest market price, high volume of transaction, higher demand of stocks, lower risk and low cost of capital.

Various indicators are used to analyze the company performances. The indicators used are earnings per share, market price per shares, dividend price, book value per shares, price earnings ratio and dividend payout ratio, market price to book value, dividend yield, liquidity ratio and return on assets and return on equity

4.1.1 Earning price per share

The profitability of a firm from the point of view of the ordinary shareholders in the earning per share are given in table

$$\text{EPS} = \frac{\text{Net profit after tax - preference dividend}}{\text{No of Shares outstanding}}$$

Table 1

Analysis of EPS of Joint Venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	86.04	33.10	83.68	20.50	34.83	65.47
2014/15	78.04	33.37	57.24	25.05	34.48	57.38
2015/16	40.33	43.03	59.27	27.78	36.78	45.96
2016/17	32.48	33.55	59.86	26.88	33.46	35.49
2017/18	32.78	23.11	49.51	28.67	25.16	27.33
2018/19	38.05	32.44	50.57	18.79	27.13	30.39
2019/20	29.71	27.6	36.16	11.18	17.23	24.81
2020/21	19.91	28.7	33.57	14.76	10.15	14.89
2021/22	26.30	18.26	18.64	17.92	16.19	23.92
2022/23	31.43	9.18	23.67	17.55	19.44	36.75
Mean (\bar{X})	41.507	28.234	47.217	20.908	25.285	36.239
S.D. (σ)	22.179	9.454	19.526	5.94	9.360	15.81
C.V. (%)	53.43	33.49	41.35	28.41	37.018	43.63

Sources: Annual report of sampled Banks and IBMSPSS-26,MS Excel

The average EPS of EBL, NABIL and SCB are more than Rs 30. The market leader in this segment is NABIL Bank with the average EPS of Rs.47.22 The lowest average EPS is Rs 20.91 of NMB. The C.V. of NMB is lower among EBL, NSBI, HBL, SCB and NABIL Bank . Therefore, it can be concluded that NMB is more consistent in earning per share among EBL, NSBI, HBL, SCB and NABIL Bank. Based on EPS, the stock of NMB Bank is the best one to invest. The higher level of EPS will generally increase the market price of stock.

4.1.2 Dividend Per Share:

Dividend per share is the portion of profit distributed to shareholders. Dividend per share is a financial ratio that represents the annual dividend per share given by an organization. The board makes a decision based on the DPS.

$$DPS = \frac{\text{Total Dividend}}{\text{No. of shares outstanding}}$$

Table 2

Analysis of DPS of the Joint venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	12	21.05	65	21.05	22.07	51.50
2014/15	35	42.11	36.84	8.42	28.42	44.21
2015/16	70	31.58	45	20	29.53	35.09
2016/17	33	26.32	48	15.79	16.34	105.26
2017/18	20	15.79	34	30	15.79	17.5
2018/19	5	22	34	35	16.84	22.5
2019/20	5	20	35	16.20	9.47	11.84
2020/21	6	26	38	15.80	5.31	13.06
2021/22	13	19.11	30	8.25	10.53	16.51
2022/23	10	0	11	0	10.53	19
Mean (\bar{X})	20.9	22.396	37.684	17.051	16.483	33.647
S.D. (σ)	20.4	10.88	13.79	10.33	8.09	28.58
C.V. (%)	116.75	48.58	36.59	60.58	49.08	84.94

Sources: Annual report of sampled Banks and IBMSPSS-26,MS

The average dividend of NABIL Bank is Rs.37,684. The lowest dividend bank is NSBI Bank with an average value of Rs 16.48. A growing dividend per share can be a

sign that a company's management believes that growth will continue. This clearly says that NABIL Bank is top in terms of dividend stocks. He thought that the distribution of dividends would have a positive effect on the stock price. In the context of Nepal, only the banking sector pays dividends regularly. This may be one of the reasons why the prices of the banking sector are so high in the stock market..

4.1.3 Return on total assets

Here, the profitability ratio is measure in terms of the relationship between the net profit and assets. It shows the percentage of how profitable a company's assets are in generating revenue .The ROA may also be called profit- to- assets ratio.

$$\text{Return on Total Assets (ROA)} = \frac{\text{Net Income}}{\text{Total Assets}}$$

Table 3

Analysis ROA of Joint venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	2.25	1.3	2.89	1.36	1.5	2.51
2014/15	1.85	1.39	2.06	1.21	1.64	1.59
2015/16	1.59	1.94	2.32	1.49	1.59	1.98
2016/17	1.83	2.03	2.69	1.69	1.57	1.84
2017/18	1.97	1.67	2.61	1.65	1.97	2.61
2018/19	1.94	2.21	2.11	1.83	1.94	2.61
2019/20	1.42	1.79	1.58	1.09	1.17	1.71
2020/21	0.89	1.68	1.71	1.32	0.7	1.22
2021/22	1.13	1.09	1.2	1.35	1.07	1.83
2022/23	1.41	0.47	1.42	1.19	1.06	2.29
Mean (\bar{X})	1.628	1.537	2.059	1.418	1.421	2.09
S.D. (σ)	0.418	1.67	0.574	0.241	0.41	0.471
C.V. (%)	25.68	108.65	27.88	17	28.85	22.54

Sources: Annual report of sampled Banks and IBMSPPSS-26,MS Excel

The highest ROA is 2.59 of NABIL Bank while the lowest ROA is 1.418 of NMB. ROA of all the banks is more than 1%, which is acceptable. The ROA figure gives investors an idea of how effectively the company is converting the money it has to invest into net income. The higher the ROA number, the better, because the company is earning more money on less investment. . Higher ROA generally push the market price upward.

4.1.4 Return on common equity

Return on equity measures the return earned on a common shareholder's investment in the company. In general, the higher these returns, the better off the owners are. Amount of returned net profit as a percentage of equity. Return on equity measures the profitability of a company by revealing how much profit the company makes with the money invested by shareholders..

$$\text{Return on Common Equity} = \frac{\text{Net Profit After Tax}}{\text{Shareholder Equity}}$$

Table 4

Analysis of ROE of Joint venture banks of Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	0	16.85	27.97	0	22.85	26.27
2014/15	22.84	17.06	22.73	0	17.08	21.69
2015/16	22.32	24.53	25.61	0	17.46	17.18
2016/17	17.38	21.22	22.41	0	14.85	11.98
2017/18	16	14.17	20.94	18.66	15.81	18.66
2018/19	17.33	18.34	17.76	13.32	16.2	19.49
2019/20	0	15.4	13.61	8.94	10.44	15.15
2020/21	0	14.89	15.19	12.08	6.26	9.44
2021/22	0	10.76	9.78	12.95	9.57	14.21
2022/23	0	4.65	11.66	11.65	10.77	20.78
Mean (\bar{X})	9.59	15.79	18.76	7.76	14.13	17.49
S.D. (σ)	10.32	5.46	6.11	7.09	4.84	4.01
C.V. (%)	107.6	35.74	32.56	91.37	34.25	22.93

Sources: Annual report of sampled Banks and IBMSPSS-26,MS Excel

Nabil Bank Limited has the highest average ROE. Lowest average ROE NMB 7.76 Also in terms of consistency, NABIL is consistent than other sample banks. Investors want a higher ROE on their investments. In this regard, Nabil's stock is excellent, while the SCB is also good.

4.1.5 Market price per share

.The market price of a share is very important for all stakeholders. Generally, a good market price for a share is the destiny of a company. When the market price is very high, investors view it very positively regardless of other factors. A fall in the market price has a negative impact on the company. If the market price of a particular company falls very strongly and continuously, it can lead to bankruptcy. The market price of a share is the most important factor from the point of view of investors, because they first look for a higher market price rather than indicators.

Table 5

Analysis MPS of Joint venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	2631	941	2535	515	1280	2799
2014/15	2120	813	1910	509	887	1943
2015/16	3385	1500	2344	810	1875	3600
2016/17	1353	886	1523	545	925	2295
2017/18	663	551	921	358	499	755
2018/19	666	552	800	382	469	682
2019/20	675	540	765	397	435	645
2020/21	738	484	1359	440	409	590
2021/22	439	299.2	824	261	282.3	396
2022/23	583	212.8	599.2	226	341	530
Mean (\bar{X})	1325.3	677.9	1358.02	444.3	740.23	1423.5
S.D. (σ)	1030.49	373.41	699.55	165.96	509.734	1145.53
C.V. (%)	77.76	55.08	51.51	37.35	68.86	80.47

Sources: Annual report of sampled Banks and IBMSPSS-26,MS Excel

The market price of a share shows the value of each share at a glance. From Table 4.5, the average MPS of SCB is the highest compared to other banks. Its average is Rs 1423.5 which means NABIL Bank is performing well than other banks during this period. The lowest MPS among all banks is HBL with an average MPS of Rs 677.9. In terms of consistency, HBL is more consistent than the rest.

4.1.6 Price earnings ratio

The price earnings ratio is the ratio of earnings per share to the market price of the stock. Earnings per share shows the performance of the company in the sense of how well the company managed its material and human resources to satisfy the interests of the shareholders. P/E is sometimes called the "multiple" because it shows how much investors are willing to pay for a rupee. As a general rule, the higher the P/E ratio, the better it is for the owners. A security analyst who evaluates a company's performance as expected by investors usually uses this ratio. It is the most important and useful tool to compare one company with other companies in the same industry.

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

Table 6

Analysis Price earnings ratio of Joint venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	30.58	28.43	30.29	25.13	36.75	42.75
2014/15	27.17	24.36	33.37	20.24	25.73	33.86
2015/16	83.94	34.86	39.55	29.15	50.98	78.33
2016/17	41.66	26.40	25.44	20.27	27.64	64.67
2017/18	20.23	23.84	18.60	12.48	19.83	27.62
2018/19	17.50	17.02	15.82	16.23	17.29	22.44
2019/20	22.72	19.57	21.75	31.45	23.24	26
2020/21	37.06	17.25	40.48	26.41	40.30	36.16
2021/22	16.69	16.39	44.21	14.57	16.93	16.56
2022/23	17.91	23.18	25.31	12.88	17.54	14.42
Mean (\bar{X})	31.55	23.13	29.48	20.85	27.62	36.28
S.D. (σ)	20.29	5.85	30.96	6.88	11.53	20.71
C.V. (%)	64.31	25.29	105.02	32.99	41.75	57.08

Sources: Annual report of sampled Banks and IBMSPPSS-26,MS Excel

The P/E ratio is an important indicator of stock performance in the stock market. For that criterion, SCB has the highest average P/E ratio of all samples. Its average P/E ratio is 36.28 during the research period. NMB has the lowest average P/E ratio of 20.85. Consistency in the P/E ratio is more important than a higher P/E ratio at high levels of volatility. The consistency of the P/E ratio has a positive effect on the stock price in the market. EBL has a flat P/E ratio. Rational investors look for consistency rather than a higher volatile P/E ratio.

4.1.7 Dividend payout ratio

This is also known as payout ratio. It measures the ratio of income attributable to common shareholders to dividends paid to them. In other words, the D/P ratio shows how much net income after taxes and preferred dividends is distributed to shareholders as dividends.

$$\text{D/P Ratio} = \frac{\text{DPS}}{\text{EPS}}$$

Table .7

Analysis of Dividend Payout Ratio of Joint venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	13.947	63.60	77.677	102.68	157.816	78.66
2014/15	38.44	79.25	64.361	33.613	121.323	77.03
2015/16	173.568	136.26	75.962	71.994	124.551	76.35
2016/17	101.601	127.47	80.187	58.74	204.774	256.59
2017/18	61.01	146.36	68.673	104.64	159.34	64.03
2018/19	13.141	147.46	67.234	186.27	161.105	74.03
2019/20	16.829	138	96.79	144.90	181.94	47.72
2020/21	30.136	107.96	113.196	107.05	191.149	54.59
2021/22	49.429	95.55	160.94	46.038	153.75	69.02
2022/23	31.817	0	46.472	0	184.62	51.70
Mean (\bar{X})	52.99	104.19	87.14	85.59	164.04	84.97
S.D. (σ)	50.09	46.64	31.61	55.02	27.28	61.34
C.V. (%)	94.53	44.76	36.28	64.28	16.63	72.19

Sources: Annual report of sampled Banks and IBMSPSS-26,MS Excel

NMB has the highest average dividend payout ratio of all selected samples. The table shows that NMB had the highest average payout ratio of 164.04. HBL Bank Limited has the second highest dividend payout ratio. NABIL is consistent in paying dividends. In general, a high and stable payout ratio has a positive effect on the stock's market price behavior. A good profit ratio helps the stock price rise..

4.1.8 Dividend yield

Dividend yield is a way of measuring how much cash flow you get for every dollar invested in a stock position - in other words, how much money you get from dividends. Dividend yield shows the relationship between a stock's dividend and the stock's market price..

Dividend Yield = Annual dividend per share/Price per share

Table 8

Analysis of Dividend Yield of Joint venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	0.456	2.24	2.56	4.09	1.72	1.84
2014/15	1.42	5.18	1.93	1.65	3.2	2.28
2015/16	2.068	2.11	1.92	2.47	1.57	0.97
2016/17	2.44	2.97	3.15	2.90	1.77	4.59
2017/18	3.02	2.87	3.69	8.38	3.16	2.32
2018/19	0.75	4.14	4.25	9.16	3.59	3.3
2019/20	0.74	3.70	4.58	4.08	5.8	1.84
2020/21	0.81	5.37	2.8	3.59	1.30	2.21
2021/22	2.96	6.39	3.64	3.16	3.73	4.17
2022/23	1.72	0	1.84	0	3.09	3.58
Mean (\bar{X})	1.6384	3.497	3.036	3.948	2.893	2.71
S.D. (σ)	0.955	1.87	0.99	2.82	1.36	1.15
C.V. (%)	58.23	53.47	32.61	71.43	47.01	42.44

Sources: Annual report of sampled Banks and IBMSPSS-26,MS Excel

Dividend yield is another important factor that affects the behavior of share prices in the market. High and sustained performance usually increases the market price of the

stock. In this parameter, NMB is the best among the selected banks. This stock gives a good average yield. The yield of EBL is very low compared to other banks. Its stock returns are on average lower and these banks have the lowest DY among all banks. Investors who require minimum cash flow from their investment portfolio can ensure that cash flow by investing in stocks that pay relatively high and stable dividend yields..

4.1.9 Market price to Book value ratio.

Market value to book value ratio is the ratio of the share price to book value- per share.

MV/BV Ratio= MPS/ Book value per share

Table 9

Analysis MP/BV Ratio of Joint venture banks in Nepal

Year/ bank	EBL	HBL	NABIL	NMB	NSBIL	SCB
2013/14	8.87	4.48	10.01	3.66	7.48	9.35
2014/15	6.32	3.89	7.37	3.69	4.76	7.34
2015/16	9.13	7.65	9.60	5.30	10.14	13.46
2016/17	4.76	4.91	5.64	3.31	6.077	18.9
2017/18	3.32	3.16	3.59	1.65	3.12	4.34
2018/19	3.04	2.83	3.11	2.11	2.80	3.66
2019/20	3.07	2.88	2.99	2.64	2.64	3.42
2020/21	3.18	2.57	5.41	3	2.52	3.11
2021/22	1.82	1.76	3.55	1.78	1.62	2.05
2022/23	2.46	1.36	2.85	1.46	1.89	2.48
Mean (\bar{X})	4.597	3.549	5.412	2.86	4.3047	6.811
S.D. (σ)	4.32	1.82	2.73	1.189	2.79	5.575
C.V. (%)	93.97	51.28	50.44	41.57	64.81	81.85

Sources: Annual report of sampled Banks and IBMSPPSS-26,MS Excel

The book value to market value ratio is another parameter that affects the behaviors of stock price in market. Generally, a high ratio is considered to be good. In this

criterion, the SCB, on average, seems the best among all selected samples and in regard consistency.

4.2 Analysis of the Relationship between price and Earnings and Dividends

One can try to analyze whether the rise and fall of prices directly affect profits and dividends or not. In other words, the purpose of this study is to find out that when the earnings per share increases, so does the stock price, and when the dividend per share of a particular company increases, so does the stock price. The relationship can be measured using various statistical tools. Among them, the correlation coefficient (by Karl Pearson) is widely used.

4.2.1 Correlation coefficient between MPS and EPS

Correlation analysis determines the closeness of the relationship between two or more variables. It measures the degree of association or relationship between variables. The correlation coefficient of Karl Person measures the degree of association between variables. Correlations are useful because they can show a predictive relationship that can be used in practice. Correlations can also indicate possible causal or mechanistic relationships. The formula used to calculate the correlation coefficient is:

Table.10

Analysis of Correlation Coefficient between EPS and MPS of Commercial Banks in Nepal

Year	EBL		HBL		NABIL		NMB		NSBI		SCB	
	EP S	MP S	EP S	MP S	EP S	MP S	EP S	MP S	EP S	MP S	EP S	MP S
2013/14	86.04	2631	33.1	941	83.68	2535	20.5	515	34.83	1280	65.47	2799
2014/15	78.04	2120	33.37	813	57.24	1910	25.05	509	34.48	887	57.38	1943
2015/16	40.33	3385	43.03	1500	59.27	2344	27.78	810	36.78	1875	45.96	3600
2016/17	32.48	1353	33.55	886	59.86	1523	26.88	545	33.46	925	35.49	2295
2017/18	32.78	663	23.11	551	49.51	921	28.67	358	25.16	499	27.33	755
2018/19	38.05	666	32.44	552	50.57	800	18.79	382	27.13	469	30.39	682
2019/20	29.71	675	27.6	540	36.16	765	11.18	397	17.23	435	24.81	645
2020/21	19.91	738	28.7	484	33.57	1359	14.76	440	10.15	409	14.89	590
2021/22	26.3	439	18.26	299.2	18.64	824	17.92	261	16.19	282.3	23.92	396
2022/23	31.43	583	9.18	212.8	23.67	599.2	17.55	226	19.44	341	36.75	530
Coefficient of Correlation	0.65		0.88		0.81		0.52		0.80		0.74	

Sources: Annual report of sampled Banks and IBMSPSS-26,MS Excel

The earnings per share and market price per share of Himalayan Bank Limited from the year 2013/14 to 2022/23 is shown in above table. The coefficient of correlation between earnings per share and market price per share is 0.88. This shows that EPS and MPS are significant positively correlated. That means if earning per share of HBL increases then the market price of share of HBL will also increase and vice versa.

From the above data of ten years of NSBI. The coefficient of correlation between earning per share and market price per share is 0.80 This shows that EPS and MPS are

highly positively correlated. That means if earning per share of NSBI increases then the market price of share of NSBI will also increase and vice versa.

The earnings per share and market price per share of NABIL bank of ten different years is shown in the above table. The coefficient of correlation between earning per share and market price per share is 0.81. This shows that EPS and MPS are significant positively correlated. That means if earning per share of NABIL increases then the market price of share of NBIL will also increase and vice-versa.

The earnings per share and market price per share of NMB Bank Limited from the year 2013/14 to 2022/23 is shown in above table. The coefficient of correlation is 0.52 as per earnings per share and market price per share. This shows that EPS and MPS are positively correlated. That means if earning per share of NMB increases then the market price of share of NMB will decrease and vice versa.

4.2.2 Coefficient of Correlation between MPS and DPS

Price-dividend correlation measures the relationship between these two important financial indicators. A rational investor seeks high dividends instead of high market prices while investing for the long term. For short term investments, high market prices are more desirable than high dividends. A positive correlation between these two variables indicates that an increase in one variable will increase the other variable and vice versa. This section of the study seeks to examine the relationship between these two variables for each sample bank over a period of 10 years.

Table 11

Analysis of Correlation between DPS and MPS of Joint venture banks in Nepal

Year	EBL		HBL		NABIL		NMB		NSCB		SCB	
	M PS	D PS	M PS	DP S	M PS	DP S	M PS	DP S	M PS	DP S	M PS	DP S
2013/14	26	12	94	21.	25	65	51	21.	12	22.	27	51.5
2014/15	31	35	1	05	35	84	5	05	80	07	99	44.2
2015/16	21	70	81	42.	19	45	50	8.4	88	28.	19	35.0
2016/17	20	33	3	11	10	0	9	2	7	42	43	9
2017/18	33	88	15	31.	23	48	81	20	18	29.	36	105.
2018/19	85	53	00	58	44	5	0	75	53	00	9	26
2019/20	13	66	88	26.	15	34	54	15.	92	16.	22	17.5
2020/21	53	3	6	32	23	8	35	30	49	15.	75	22.5
2021/22	66	20	55	15.	92	1	34	8	9	79	5	4
2022/23	3	66	5	55	22	80	38	35	46	16.	68	11.8
	6	67	2	54	20	76	39	16.	43	9.4	64	11.8
	5	5	0	20	5	35	7	2	5	7	5	4
	73	6	48	26	13	38	44	15.	40	5.3	59	13.0
	8	8	4	26	59	38	0	8	9	1	0	6
	43	13	29	19.	82	30	26	8.2	28	10.	39	16.5
	9	9	9.2	11	4	30	1	5	2.3	53	6	1
	58	10	21	0	59	11	22	0	34	10.	53	19
	3	3	2.8	0	9.2	11	6	0	1	53	0	19
Coefficient of Correlation	0.77		0.62		0.81		0.25		0.82		0.61	

Sources: Annual report of sampled Banks and IBMSPSS-26,MS Excel

The dividend per share and market price per share of NSBI from the year 2013/14 to 2022/23. shown in above the table The coefficient of correlation between dividend per share and market price per share is 0.82. This shows that DPS and MPS are Significant positively correlated. It means if DPS of NSBI increases then the market price of share will increase gradually and vice versa.

The dividend per share and market price per share of NABIL from the year 2013/14 to 2022/23. shown in above the table The coefficient of correlation between dividend per share and market price per share is 0.81. This shows that DPS and MPS are Significant positively correlated. It means if DPS of NABIL increases then the market price of share will increase gradually and vice versa.

The dividend per share and market price per share of EBL from the year 2013/14 to 2022/23. shown in above the table The coefficient of correlation between dividend

per share and market price per share is 0.77. This shows that DPS and MPS are Significant positively correlated. It means if DPS of EBL increases then the market price of share will increase gradually and vice versa.

The dividend per share and market price per share of HBL from the year 2013/14 to 2022/23 is given in the above table. The coefficient of correlation between dividend per share and market price per share is 0.62. This shows that DPS and MPS are highly positively correlates. It means if DPS of HBL increases then the market price per share of NBL will decreases gradually and vice versa.

The dividend per share and market price per share from the year 2013/14 to 202/23 of SCB bank is shown in the table. The coefficient of correlation between dividend per share and market price per share of SCB is 0.61. This shows that DPS and MPS are positively correlated. It means if the DPS of SCB increases then the MPS of SCB will also increase.

The dividend per share and market price per share from the year 2014/15 to 2022/23 of NMB is shown in the table. The coefficient of correlation between dividend per share and market price per share of NMB is 0.25. This shows that DPS and MPS are positively correlated. It means if the DPS of NMB increases then the MPS of NMB will also increase.

4.3 Analysis of the Impact of MPS on EPS and DPS

The analysis involves the impact of MPS on EPS and MPS on DPS. Regression analysis has been devised to analyze the impact.

4.3.1 Regression analysis between EPS and MPS

Regression analysis is a set of statistical processes for estimating the relationship among variables. It includes the technique for modeling and analyzing MPS and EPS when the focus in on the relationship between a dependent (MPS) and independent (EPS). It helps one to understand how the typical value of the MPS is varied while the EPS are fixed.

Table 12

Analysis of Regression between EPS and MPS of Joint venture banks in Nepal

Year	EBL		HBL		NABIL		NMB		NSCB		SCB	
	EP S	M PS	EP S	M PS	EP S	M PS	EP S	M PS	EP S	M PS	EP S	M PS
2013/14	86.04	26.31	33.1	94.1	83.68	25.35	20.5	51.5	34.83	12.80	65.47	27.99
2014/15	78.04	21.20	33.37	81.3	57.24	19.10	25.05	50.9	34.48	88.7	57.38	19.43
2015/16	40.33	33.85	43.03	15.00	59.27	23.44	27.78	81.0	36.78	18.75	45.96	36.00
2016/17	32.48	13.53	33.55	88.6	59.86	15.23	26.88	54.5	33.46	92.5	35.49	22.95
2017/18	32.78	66.3	23.11	55.1	49.51	92.1	28.67	35.8	25.16	49.9	27.33	75.5
2018/19	38.05	66.6	32.44	55.2	50.57	80.0	18.79	38.2	27.13	46.9	30.39	68.2
2019/20	29.71	67.5	27.6	54.0	36.16	76.5	11.18	39.7	17.23	43.5	24.81	64.5
2020/21	19.91	73.8	28.7	48.4	33.57	13.59	14.76	44.0	10.15	40.9	14.89	59.0
2021/22	26.3	43.9	18.26	29.9.2	18.64	82.4	17.92	26.1	16.19	28.2.3	23.92	39.6
2022/23	31.43	58.3	9.1.8	21.2.8	23.67	59.9.2	17.55	22.6	19.44	34.1	36.75	53.0
Constant variable (a)	829.817		438.091		438.091		150.733		320.931			
Regression coefficient(b)	0.014		0.022		0.023		0.018		0.015		0.010	
Coefficient of determination(r^2)	0.424		0.651		0.651		0.267		0.648			

Sources. Annual report of sample banks and IBMSPSS-2

The above table shows the data of five different years of EPS and MPS of EBL. By the calculations it is found that an averagely, MPS is valued to 20.471 times to EPS plush 829.817 (constant variable) and the coefficient of determination of 0.424 measures the percentage total variation in MPS explained by EPS.

The above table shows the data of 2013/14 to 2022/23 of EPS and MPS of Himalayan Bank Limited. By the calculations it is found that an averagely, MPS of HBL is valued to 2.497 times to EPS 438.091 (constant variable) and the coefficient of

determination of 0.651 measures the percentage total variation in MPS explained by EPS.

The above table shows the data of 2013/14 to 2022/23 of EPS and MPS of NMB. By the calculations, it is found that an averagely, MPS of NIBL is valued to -2.812 times to EPS plus 150.77 (constant variable) and the coefficient of determination of 0.267 measures the percentage total variation in MPS explained by EPS.

4.3.2 Regression analysis of DPS and MPS

Regression analysis is a tool of statistical processes for estimating the relationship among variables. In this study, It includes the technique for modeling and analyzing MPS and DPS when the focus in on the relationship between a dependent (MPS) and independent (DPS). It helps one to understand how the typical value of the MPS is varied while the DPS are fixed.

Table 13

Analysis of Regression between DPS and MPS of Joint venture banks

Year	EBL		HBL		NABIL		NMB		NSIB		SCB	
	MPS	DPS	MPS	DPS	MPS	DPS	MPS	DPS	MPS	DPS	MPS	DPS
2013/14	2631	12	941	21.05	2535	65	515	21.05	1280	22.07	2799	51.5
2014/15	2120	35	813	42.11	1910	36.84	509	8.42	887	28.42	1943	44.21
2015/16	3385	70	1500	31.58	2344	45	810	20	1875	29.53	3600	35.09
2016/17	1353	33	886	26.32	1523	48	545	15.79	925	16.34	2295	105.26
2017/18	663	20	551	15.79	921	34	358	30	499	15.79	755	17.5
2018/19	666	5	552	22	800	34	382	35	469	16.84	682	22.5
2019/20	675	5	540	20	765	35	397	16.2	435	9.47	645	11.84
2020/21	738	6	484	26	1359	38	440	15.8	409	5.31	590	13.06
2021/22	439	13	299.2	19.11	824	30	261	8.25	282.3	10.53	396	16.51
2022/23	583	10	212.8	0	599.2	11	226	0	341	10.53	530	19
Constant variable (a)	692.887		309.119		436.701		170.554		306.997		963.658	
Regression coefficient(b)	0.015		0.018		0.016		0.015		0.013		0.015	
Coefficient of determination(r^2)	0.598		0.391		0.654		0.061		0.678		0.371	

Sources: Annual report of sampled Banks and IBMSPPSS-26,MS Excel

The table 13 shows the data of 2013/14 to 2022/123 of DPS and MPS of Everest Bank Limited. By the calculations, it is found that an averagely, MPS of EBL is valued to 55.843 times to DPS minus 692.887 (constant variable) and the coefficient of determination of 0.598 measures the proportion of total variation in MPS explained by DPS.

The table 13 shows the data of 2013/14 to 2022/23 of DPS and MPS of SCB. By the calculations, it is found that an averagely, MPS of SCB is valued to (0.760) times to DPS plush 963.658 (constant variable) and the coefficient of determination of 0.371 measures the proportion of total variation in MPS explained by DPS.

The table 13 shows the data of 2013/14 to 2022/23 of DPS and MPS of NABIL Bank Limited. By the calculations, it is found that an averagely, MPS of NABIL is valued to 63.401 times to DPS 436.701 (constant variable) and the coefficient of determination of 0.654 measures the proportion of total variation in MPS explained by DPS.

The table 13 shows the data of 2013/14 to 2022/23 of DPS and MPS of NSBI. By the calculations, it is found that an averagely, MPS of NSBI is valued to 14.322 times to DPS Plush 306.997 (constant variable) and the coefficient of determination of 0.678 measures the proportion of total variation in MPS explained by DPS.

4.4 Analysis of Difference exit between EPS and DPS

It is concerned with determining the differences will be exited in the mean variance between and within the Joint venture banks. The ANOVA has been devised to identify the difference and test the hypothesis. It has used ANOVA dividing into two topics:

4.4.1 Analysis of percent changes in EPS

It measures the mean differences of the value of EPS between and within the sampled Joint venture banks. The mean differences of EPS within and between the Joint venture banks are presented below:

$H_0: \mu_1 = \mu_2$ i.e. there is no different exit in the percentage of EPS between or among Joint venture banks.

$H_1: \mu_3 \neq \mu_4$ i.e. there is different exit in the percentage of EPS between or among Joint venture banks.

Table-14

ANOVA testing between EPS

Earnings per share	Sum of squares	d.f	Mean Square	F	Sig.
Between groups	2083.699	3	694.566	4.442	.019
Within groups	2501.725	16	156.358		
Total	4585.423	19			

Note: Calculation from IBMSPSS-26

Since the data are in scale form, EPS data should homogeneity and normal distribution . According to the ANOVA table, degree of freedom is (3, 16), F ratio 4.442 and level of significance is 0.019, which is less than p value i.e. 0.05, so null hypothesis is rejected. It shows there is different exist in the percentage of EPS between or among Joint venture banks.

4.4.2 Analysis of percent changes in DPS

It measures the mean differences of the value of DPS between and within the sampled Joint venture banks. The mean differences of DPS within and between the Joint venture banks are presented below:

$H_0: \mu_1 = \mu_2$ i.e. there is no different exit in the percentage of DPS between or among Joint venture banks.

$H_1: \mu_3 \neq \mu_4$ i.e. there is different exit in the percentage of DPS between or among Joint venture banks.

Table-15

ANOVA testing between DPS

Dividend per share	Sum of squares	of	d.f	Mean Square	F	Sig.
Between groups	3903.617	3		1301.206	8.154	.002
Within groups	2553.324	16		159.583		
Total	6456.941	19				

Note: Calculation from IBMSPSS-26

Since the data are in scale form, DPS data should homogeneity and normal distribution . According to the ANOVA table, degree of freedom is (3, 16), F ratio 8.154 and level of significance is 0.002, which is less than p value i.e. 0.05. So null hypothesis is rejected. It shows there is different exist in the percentage of DPS between or among Joint venture banks.

4.4.3 Analysis of percent changes in MPS

It measures the mean differences of the value of MPS between and within the sampled Joint venture banks. The mean differences of MPS within and between the Joint venture banks are presented below:

$H_0: \mu_1 = \mu_2$ i.e. there is no different exist in the percentage of MPS between or among Joint venture banks.

$H_1: \mu_3 \neq \mu_4$ i.e. there is different exist in the percentage of MPS between or among Joint venture banks.

Table-16

ANOVA testing between MPS

Market Price Per Share	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5686493.75	3	1895497.92	4.246	.022
Within Groups	7143516.00	16	446469.75		
Total	12830009.75	19			

Note: Calculation from IBMSPSS-26

Data are in scale form, MPS data are homogeneous and normal distribution .According to the ANOVA table, degree of freedom is (3, 16), F ratio 4.246 and level of significance is 0.022, which is less than p value i.e. 0.05. Here the level of significance is less than P value so null hypothesis is rejected. It shows there is different exit in the percentage of MPS between or among Joint venture banks.

4.5 Major Findings of the Study

The major findings of the study are as follows:

- i. NMB is more consistent in earning per share than other sample banks. Based on EPS, the stock of NMB is the best one to invest. The higher level of EPS will generally increase the market price of stock.
- ii. NABIL Bank Limited seems prominent in declaring large amount of dividend. The average dividend of NABIL is Rs.47.21 per share. The most consistent bank in paying dividend is NABIL with less CV 36.59 %.
- iii. The ROA of NABIL is the highest with 2.59 while the lowest ROA is 1.41 of NMB. And the ROA greater than 1% is acceptable so all banks are good in this field. NMB is most consistent in in ROA with less CV i.e. 17%.

- iv. The ROE of NABIL Bank Limited is highest among selected Bank. The lowest ROE is from SCB Bank in regard consistency, NABIL is consistent than other sample banks. Investors seeks for invest in higher ROE. In this regard, the NABIL bank stock is superb while NBL are also good.
- v. The average MPS of SCB bank has the highest value in comparison of other banks. It has the average value of Rs 1423.5. SCB is good performance over this period than other banks. The lowest MPS is (Rs. 444.3) of NSBI. In regard consistency, again NSBI is more consistent.
- vi. The highest average P/E ratio is SCB bank. It has 36.28 average P/E ratios during the period of study. NMB has the lowest average P/E ratio of 20.85. HBL has the consistency in P/E ratio.
- vii. Highest average dividend payout ratio of NMB was 164.04. While the lowest payout ratio is 52.99 of Everest Bank Limited. The NMB is consistent in paying dividends.
- viii. The market price with respect to book value of Standard Chartered Bank is highest which shows that it has a high good will in market than other banks where NMB is most consistent in growing the value of MPS with respect to book value.
- ix. The market price of NABIL stock is highly influenced by its EPS where NIBL stock is low influenced. In other hand, the market price of EBL is highly influenced by its dividend where NBL is very low influenced.
- x. Based on regression analysis between EPS and DPS, the entire sampled banks have positive impact. In initial condition, based on EPS and MPS, the NMB have positive impact later on its slop is in negative. Similarly, based on DPS and MPS, the entire sampled banks have positive impact but in initial condition, EBL and NMB have negative impact later on it has positive.
- xi. All sample banks have insignificant relation between EPS and MPS. Similarly EBL has a significant relation between DPS and MPS where as other sample banks have insignificant relation.
- xii. MPS of stock price is affected by quantitative as well as qualitative factors. In the context of Nepal, it is more influenced by qualitative factor like trade cycle effect, government policies and market demand and supply
- xiii. According to the ANOVA table, degree of freedom is (3, 16), F ratio 4.442 and level of significance is 0.019, which is less than p value i.e. 0.05. Here the level

of significance is less than P value so null hypothesis is rejected. It shows there is different exit in the percentage of EPS between or among Joint venture banks.

- xiv. According to the ANOVA table, degree of freedom is (3, 16), F ratio 8.154 and level of significance is 0.002, which is less than p value i.e. 0.05. Here the level of significance is less than P value so null hypothesis is rejected. It shows there is different exit in the percentage of DPS between or among Joint venture banks.
- xv. Similarly, on the basis ANOVA table of MPS, degree of freedom is (3, 16), F ratio 4.246 and level of significance is 0.022, which is less than p value i.e. 0.05. Here the level of significance is less than P value so null hypothesis is rejected. It shows there is different exit in the percentage of MPS between or among Joint venture banks.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter deals with findings and conclusions derived from the study of share price behaviors of Six banks. The chapter consists of three sections, the first section provides the summary of the study, the second section draws the conclusion of the study. Finally, the third section proposes recommendation to deal the observed based on the findings.

5.1 Summary

The securities market is one of the components of the capital market. It is widely used by all buyers and sellers of securities and all related agents. It plays a key role in the development of capital markets and the economy as a whole. Basically, it affects the economy by creating liquidity, marketability, etc. A liquid stock market makes it cheaper to trade shares and easier for investors to sell, reducing barriers to investing in long-term projects. It also facilitates the selection and investment of projects that bring higher returns and productivity.

Increased liquidity facilitates sales. In addition to liquidity, market efficiency is an important aspect that affects the investment decision-making process in the securities market. This means that there is an efficient market where the price of a security does not differ from its legal economic value in the long run. The value of the security is also determined by the return expectations of investors, risk, etc. In efficient markets, values change with new information. In this way, securities are evaluated continuously and efficiently.

Nepali stock market is still developing and developing slowly. It requires the cooperation of all stakeholders to function properly. The government must formulate effective rules and regulations for the development of the stock market and implement them properly. Listed companies must always be prepared to support the market by following rules and regulations, publishing and submitting financial statements on time, avoiding rumors and not manipulating share prices.

Using various financial tools, we analyze the performance of companies and correlate the market price with EPS, DPS, book value and liquidity, return on assets and return on equity. Analysis shows conscious behavior in these relationships. Companies with low EPS have high stock prices and companies with high EPS have low stock prices. Similar variations occur in DPS. These cases are usually due to a mismatch between EPS and DPS. Therefore, rational investors should perform both historical and hypothetical analysis.

5.2 Conclusions

The study was completely based on secondary data collected from websites. The study covers only six banks EBL, HBL, NABIL, NMB, NSBI and SCB of different banks but the sample banks are the main banks of joint venture banks. The report is based on five financial years 2013/14-2022/23.

The development of the stock market in Nepal so far has not been satisfactory, which is evident from the available data and figures on the development of the stock market in the last 16 years. The payment value increases. But the annual turnover value, NEPSE index and market capitalization are different. This shows that the situation of stock market growth in Nepal. On the other hand, it concludes that investors face several problems and challenges while trading. The conclusion is that the biggest problems of the stock market are insufficient laws and regulations, lack of information affecting few large investors, insufficient number of brokers and underwriters in the rumor market, insufficient information about investors, etc. However, based on the analysis of the study, investors did not understand the need for a new stock market.

From the literature review it can be concluded that research has been done in the chosen field of study and ideas can be obtained to develop a research plan. In other words, there must be continuity for research. This continuity is created by linking this study to previous studies. Therefore, a number of books, journals and articles related to this topic were reviewed.

This chapter discusses the literature on theory revision ie. technical analysis, economic analysis and random walk or efficient market analysis, conceptual review and empirical review. Based on the analysis of the future prospects of the stock market in Nepal, it was concluded that there is an increase in the number of listed companies, there is a satisfactory performance in the stock market, an increase in IPOs, an increasing trend of large listed companies. Growing interest in NEPSE from both the educated and business community. people are the main prospects of Nepali stock market. The general rules implemented by the government, the on-site and external inspection program initiated by SEBON are the few prospects of the Nepalese stock market. However, transparency and openness of transactions, quality professional services, adequate financial information of companies and improved legal. information regulation and supervision is very much needed for Nepalese stock market. The government must play an important role to encourage the participation of both individual and institutional investors and to support the sustainability of the stock market, all efforts to protect the interests of investors or to increase their confidence or to develop the stock market, which are necessary. operate in the environment. which leads to the growth and expansion of Nepali stock market. of.A research methodology was adopted to achieve the research objectives, which include the study design, data sources, population and sample, data collection procedures, and analysis methods. In addition, financial and statistical tools were used as required to achieve the desired results.

The rampant growth of the number of banks in a short time has created natural doubts among people. Banks, insurance companies and other companies play a direct role in establishing banking activities in the country through full or partial repatriation. Banking is seen as a platform for money and capital markets, while banks help pool small savings for large capital investments. Joint venture banks promote short-term money markets. Due to quality management expertise, maximum customer satisfaction and use of advanced technology, private sector banks have achieved their goals in a short period of time. From the presentation and analysis of data, it can be concluded that NMB is more consistent in earnings per share than other sample banks. Based on EPS, NABIL stock is the best investment. A higher level of EPS usually increases the market price of the stock. Nabil Bank Limited seems prominently announcing high dividends. NABIL's average dividend is higher. The most consistent

dividend bank is NABIL with lower CV. NABIL has the highest ROA while EBL has the lowest ROA. Also ROA above 1% is acceptable so all banks are good in this area. NMB is most consistent with lower CV ROA. Nabil Bank Limited has the highest ROE among the selected banks. The lowest ROE is from Standard Chartered Bank Limited. In terms of consistency, NABIL is consistent than other sample banks. Investors want a higher ROE on their investments. In this regard, Nabil stock is excellent, while NBL is also good. Average MPS of SCB is highest compared to other banks. This means that SCB has shown good performance than other banks during this period. The lowest MPS among all banks is NSBI. In terms of consistency, NSBI is again more consistent. SCB has the highest average P/E ratio of all samples. NMB has the lowest average P/E ratio. HBL has a flat P/E ratio. Rational investors look for consistency rather than a wildly fluctuating P/E ratio. NMB pays the highest average dividend payout ratio. Although the lowest payout ratio of Nepal Bank EBL. NMB is consistent in paying dividends. High and sustained performance usually increases the market price of the stock. In this parameter, NMB is the best among the selected banks. This stock gives a good average yield. The yield of EBL is very low compared to other banks. Its stock returns are lower than those banks and its DY is the lowest among all banks.

The market value of NABIL bank to book value is the highest, which shows that it has high goodwill in the market than other banks, where NIBL is the most consistent in increasing MPS value to book value. EBL has the highest liquidity, while NABIL has the lowest liquidity. In terms of consistency, EBL is consistent in maintaining liquidity during the study period, which shows that it can consistently meet its short-term obligations during the study period. The market price of NABIL stock is strongly influenced by its EPS, where the influence of NIBL stock is low. On the other hand, the market price of EBL is highly influenced by its dividend, where the influence of NBL is very small. Based on the regression analysis between EPS and DPS, all sampled banks have a positive effect. Based on EPS and MPS initially, NMB has a positive effect, then its slope is negative. Similarly, based on DPS and MPS, the entire sample banks are positively affected, but in the initial state, EBL and NMB are negative, then positive. All sample banks have an insignificant relationship between EPS and MPS. Similarly, EBL has a significant relationship between DPS and MPS while other sample banks have an insignificant relationship.

According to the ANOVA table, the significance level is less than the P-value, so the null hypothesis is rejected. This indicates that the EPS percentages vary between or among JV banks. According to the ANOVA table, the level of significance is less than the P-value, so the null hypothesis is rejected. This indicates that the DPS rates vary between or among JV banks. Similarly, one MPS main ANOVA table with degree of freedom is (3, 16), F ratio is 4.246 and significance level is 0.022 which is less than p value ie. 0.05. Here, the level of significance is less than the P-value, so the null hypothesis is rejected. This indicates that there are different approaches to determine MPS between or among JV banks. Both quantitative and qualitative factors affect MPS stock price. In the context of Nepal, it is influenced more by qualitative factors such as the impact of the business cycle, government policies, and market demand and supply.

REFERENCES

- Aryal (1995). The General Behavior of stock market prices, Kathmandu : Buddha Academic and Publishers Pvt. Ltd.
- Bam, Thagurathi, Bipin (2018) stock Price Behavior of Nepalese Joint venture banks: Random Walk Hypothesis.
- Bhattarai, Y. (2016). Determinants of Share Price of Nepalese Joint venture banks. *Economic Journal of Development Issues*, 17(1-2), 187-198.
- Bhattraai, R.(2002). Investment management, Kathmandu : Buddha Academic and Publishers Pvt. Ltd.
- Bhushan, K.(1990). Security Market and Analysis, Mumbai :Bikash Publishing House Limited
- Brown, L.S.(1996). Earning changes, Stock price and market efficiency. London: Holt-Saunders international Edition.
- Chandra, L.(1994). Financial Management – Theory and Practice. New Delhi : Tata McGraw Hill Publication Co. ltd.
- Clark, J (1997). Investment: Analysis and management U.S.A. :McGraw Hill Inc.
- Fama, E. (1970).The behavior of Stock Price.Chicago : Journal business France
- Fisher, G.(1990). Investment Security and Stock Price, New York : Prentice Hall Inc.
- Francis J,(1986). Investment management New York :McGraw Hill publishing Limited.
- International Research Journal of Management Science.
- Gupta S.C.(1999). Fundamental of statistics.Delhi : Himalayan Publishing House
- John, P. (1990). Investment analysis management.London : John Willey and sons Publishing limited.
- Oyinlola, O.M., &Ajeigbi, K.B. (2014).The impact of dividend policy on stock prices of quoted firms in Nigeria. Nigeria: *International Journal of Economics, Commerce, and Management*.
- Pradhan, S.(1993). The Study about stock Market Behavior in small Capital market in Nepalese context. Kathmandu : An un-published thesis submitted to TU
- Schumaker, P.and Nick (2018) Analysis of Stock Price Movement Following Financial News Article Release: *Communications of the IIMA*.

STOCK PRICE BEHAVIOR OF JOINT VENTURE BANKS IN ...**By: Dipendra Sharan Yadav**As of: Jul 8, 2024 1:06:34 PM
18,062 words - 122 matches - 7 sources

Similarity Index

14%Mode: Summary Report ▾**sources:**1,753 words / 9% - Internet from 05-Dec-2022 12:00AM
elibrary.tucl.edu.np410 words / 2% - from 23-Mar-2024 12:00AM
elibrary.tucl.edu.np187 words / 1% - from 17-Feb-2024 12:00AM
elibrary.tucl.edu.np151 words / 1% - Internet from 21-Sep-2022 12:00AM
elibrary.tucl.edu.np122 words / 1% - from 17-May-2024 12:00AM
elibrary.tucl.edu.np119 words / 1% - from 18-Jan-2024 12:00AM
elibrary.tucl.edu.np107 words / 1% - from 16-Feb-2024 12:00AM
elibrary.tucl.edu.np**paper text:**

i CHAPTER I INTRODUCTION 1.1 Background of Study The capital market is a financial market in which long term debt and equity are bought and sold. Capital markets channel the wealth saver to those who can put it to long term productive use. Such as companies and government making long term investment transactions on capital market are generally managed by the entities within the the financial sectors or the treasury department of government. Stock marketplace is a completely crucial represent of capital marketplace wherein the sun sunglasses of numerous organization are traded (Sharpe, 1992). The inventory marketplace performs a large function in monetary improvement via way of means of selling capital formation and growing monetary monetary improvement. The alternate of securities on this marketplace encourages savers and customers of capital via way of means of pooling financing, sharing dangers and exchanging assets. Savings flow to the most profitable company can make economic activity. Financial professionals make the choice to participate in the offers of certain companies, taking into account the cost of equity capital. Hypotheses indicate that there is a relationship between stock price changes and changes in economic fundamentals Nisa and Nishat, 2011). Rudd (2009) states that the worldwide inventory marketplace has misplaced approximately \$32 trillion due to the fact its peak. Before the worldwide monetary crisis, the funding fashion become centered at the inventory marketplace, wherein investors followed stocks that constantly rose and fell because it gave investors significant profits. Equity investments have also been a source