# DIVIDEND PRACTICES AND ITS IMPACT ON SHARE PRICE IN NEPALESE COMMERCIAL BANK

A Dissertation submitted to the Office of the Dean, faculty of management in partial fulfillment of requirement for the Master's Degree

By

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# CERTIFICATION OF AUTHORSHIP

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

Pratiksha Bista
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# REPORT OF RESEARCH COMMITTEE

Mrs. Pratiksha Bista has defended research proposal entitled "**Dividend Practices and Its Impact on Share Price in Nepalese Commercial Bank**" successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Mr. Kamal Prakash Adhikari and submit the thesis for evaluation and viva voce examination.

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# APPROVAL SHEET

We have examined the dissertation entitled "**Dividend Practices and Its Impact on Share Price in Nepalese Commercial Bank**" presented by Mrs. Pratiksha Bista for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of a degree.

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Any remaining errors are mine.

Pratiksha Bista

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# ABBREVIATIONS

| | | |
|---|---|---|
| ANOVA | : | Analysis of Variance |
| DAR | : | Debt to assets ratio |
| DER | : | Debt to equity ratio |
| DPR | : | Dividend payout ratio |
| EBL | : | Everest Bank Limited |
| HBL | : | Himalayan Bank Limited |
| MBS | : | Master in Business Studies |
| NABIL | : | Nabil Bank Limited |
| NRB | : | Nepal Rastra Bank |
| PBR | : | Price to book ratio |
| PER | : | Price earnings ratio |
| ROA | : | Return on Assets |
| ROE | : | Return on equity |
| S.D. | : | Standard Deviation |
| SBI | : | Nepal SBI Bank Limited |
| SCBL | : | Standard Charter Bank Limited |
| SP | : | Stock price |
| SPSS | : | Statistical Package for the Social Sciences |
| T.U | : | Tribhuwan University |

# ABSTRACT

The objectives of research is to explore the current status of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and stock price, to examine the relationship of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price and to analyze the impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price. The researcher done literature review of the research is mainly based on articles and thesis of previous scholars. The descriptive and casual comparative research design is used. The population is all the commercial bank of Nepal and all the joint venture bank are taken for research sample as cluster. Each companies has a 10 observation and in total 50 observations and secondary data SPSS and Excel are the tools of data analysis. The independent variable of the research are price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and the dependent variables and stock price. On the basis of the objective the finding are the respective joint venture commercial bank are the different between the minimum and maximum, mean and minimum, mean and maximum is very high. The value of standard deviation also high. The all the variables stock price, price earnings ratio, debt to assets ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are in the fluctuating nature. The relationship of price earnings ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are positive and significant to the stock price. The relationship of debt to assets ratio is negative to the stock price and not significant. The impact of Price earnings ratio, Debt to equity ratio, Return on Assets and Price to book ratio is positive and significant to the stock price. The impact of return on equity is negative and significant to the stock price. The Debt to assets ratio and Dividend payout ratio impact to the stock price is negative and not significant.

**Keywords:** *price earnings ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio, debt to assets ratio and stock price*

# CHAPTER- I

# INTRODUCTION

## 1.1 Background of the Study

Dividend policy refers to how a company decides to distribute its profits to shareholders through dividends. This policy is vital as it dictates the balance between the earnings allocated as dividends and those retained for company reinvestment. Companies may implement a stable dividend policy, offering regular and predictable payouts, or a variable policy, with dividends that vary according to earnings. Several factors influence this policy, including profitability, growth prospects, cash flow, and shareholder preferences. Additionally, tax considerations, legal restrictions, and the overall effect on the company's capital structure are crucial in shaping the policy. An effectively communicated dividend policy can enhance investor confidence and attract investors looking for both steady income and long-term growth (Kayode et al., 2022).

A share price is the current market value of a single share of a company's stock. This price is determined by the interplay of supply and demand among investors and reflects the company's perceived value, profitability, and growth potential. Several factors influence share prices, including the company's financial performance, overall economic conditions, market sentiment, and industry trends. Significant corporate events, such as earnings reports, mergers and acquisitions, and changes in dividend policies, can also impact share prices. Investors closely watch share prices as they provide a real-time assessment of a company's market value and influence investment decisions, portfolio valuations, and perceptions of financial health. Fluctuations in share prices can indicate market confidence in the company's future performance or highlight potential risks and uncertainties (Al-Shawawreh, 2014).

The price-earnings (P/E) ratio is a valuation tool that compares a company's current share price to its earnings per share (EPS). It is determined by dividing the market price per share by the EPS. The P/E ratio helps investors evaluate whether a stock is overvalued or undervalued in relation to its earnings. A high P/E ratio may suggest that the market anticipates strong future growth, while a low P/E ratio could indicate that the stock is undervalued or that the company is facing challenges. This ratio is commonly used in fundamental analysis to compare companies within the same industry or sector (Hashemijoo, 2012).

The debt-to-assets ratio is a financial measure that indicates the proportion of a company's total assets that are financed through debt. It is calculated by dividing the total debt by the total assets. This ratio offers insights into the company's financial leverage and risk level. A higher debt-to-assets ratio suggests a greater reliance on debt to finance assets, indicating higher financial risk, while a lower ratio suggests a more conservative approach with less dependence on debt. Investors and analysts use this ratio to evaluate a company's financial stability and its ability to meet long-term obligations (Zaini & Mustaqim, 2024).

In Nepal, the debt-to-equity ratio is a commonly used financial metric that assesses a company's financial leverage by comparing its total debt to shareholders' equity. This ratio is calculated by dividing total debt by total equity. It shows how much debt a company is using to finance its assets relative to the shareholders' equity. A higher debt-to-equity ratio in Nepali companies may indicate greater financial risk due to higher debt levels, while a lower ratio suggests a more conservative capital structure with less reliance on debt. This ratio is vital for investors and analysts in Nepal to evaluate the financial health and risk profile of businesses, especially within the context of the local economic and regulatory environment (Lou, 2024).

In Nepal, Return on Assets (ROA) and Return on Equity (ROE) are essential financial metrics for evaluating a company's profitability. ROA measures a company's efficiency in using its assets to generate profit and is calculated by dividing net income by total assets. A higher ROA indicates more efficient asset use. ROE assesses how effectively a company uses shareholders' equity to produce profit and is determined by dividing net income by shareholders' equity. A higher ROE reflects better financial performance and greater returns for shareholders (Safiq & Yulianti 2024).

In Nepal, the price-to-book (P/B) ratio is a financial metric used to compare a company's market value to its book value. It is determined by dividing the current market price per share by the book value per share. This ratio helps investors determine whether a stock is overvalued or undervalued. A P/B ratio below 1 may indicate that the stock is undervalued relative to its book value, while a ratio above 1 could suggest it is overvalued. The P/B ratio is especially useful for evaluating companies with significant tangible assets and is widely used by investors and analysts in Nepal to make informed investment decisions (Magribi, 2023).

The dividend payout ratio is a financial measure indicating the percentage of a company's earnings given to shareholders as dividends. It is calculated by dividing the total dividends paid by the net income. This ratio helps investors see how much profit is returned to shareholders compared to what is retained for growth and operations. A higher dividend payout ratio means the company is distributing a larger portion of its profits to shareholders, while a lower ratio means more earnings are being reinvested in the business. Investors and analysts in Nepal use this ratio to assess a company's dividend policy and financial health (Araoye, 2019).

A company's dividend policy, which determines the portion of earnings paid out as dividends, has a significant impact on its share price. A reliable and appealing dividend policy can enhance investor confidence, driving share prices up as investors seek consistent income. On the other hand, changes or cuts in dividend payouts can result in negative market reactions and decreased share prices. Companies with steady dividends tend to attract long-term investors, while those with fluctuating dividends may appeal to investors looking for capital gains. Therefore, dividend policy is a crucial factor influencing investor behavior and share price dynamics in the Nepali market (Koleosho et al., 2022).

### 1.2 Statement of Problem

The relationship between dividend policy decisions and share price dynamics is a key concern for investors, corporate managers, and policymakers. Dividends are a crucial element of shareholder value, providing tangible returns for investors and indicating a company's financial health and future outlook. Thus, understanding how dividend policies affect share prices is vital for stakeholders navigating the complexities of financial markets. This research aims to explore this essential issue within the specific context of Nepal's emerging market, where unique economic, regulatory, and cultural factors influence investment decisions and corporate practices (Kayode et al., 2022).

Nepal's financial environment combines opportunities and obstacles for investors and businesses. The expanding economy and rising investor enthusiasm make the Nepali market a promising arena for generating wealth and deploying capital. However, effectively navigating this market demands a deep understanding of local intricacies, including how dividend policy decisions influence share price performance. While extensive research has explored the link between dividend policy and share prices globally, there has been relatively little focus on this

relationship within Nepal's unique context. This study aims to address this gap by examining how dividend policy impacts share price dynamics in Nepal (Zaini & Mustaqim, 2024).

This research focuses on examining how dividend policy decisions affect investor sentiment and share price performance in Nepal. Dividend policy choices, such as the size, regularity, and consistency of dividend payments, reflect a company's strategic goals, financial health, and management's outlook on future growth opportunities. As a result, alterations in dividend policy can provoke notable reactions in the stock market, influencing both share prices and investor attitudes. Through analysis of factors such as dividend yield, payout ratios, and corporate earnings, this study seeks to offer empirical insights into the impact of dividend policies on share prices within Nepal (Lou, 2024).

Additionally, this study aims to investigate how different factors moderate the connection between dividend policy and share price dynamics. Company-specific attributes such as size, profitability, and growth potential may influence how dividend policy decisions impact share prices. Market conditions, encompassing investor sentiment, macroeconomic shifts, and regulatory frameworks, could also affect how dividend policy influences share price fluctuations. By examining these contextual elements, this research seeks to offer a thorough understanding of the complexities that shape the relationship between dividend policy and share prices in Nepal (Hanafi et al., 2023).

Methodologically, this research will employ a quantitative approach to analyze the relationship between dividend policy and share price dynamics in Nepal. Data will be collected from publicly available sources, including company financial statements, stock market data, and regulatory filings. Various statistical techniques, such as regression analysis, panel data modeling, and event study methodology, will be employed to explore the relationship between dividend policy variables and share price performance while controlling for relevant firm-specific and market-level factors. The problem of the statement are explain in the question form:

I. What are the current status of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and stock price?

II. Do the relationship of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price?

III. Whether there is any impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price?

**1.3 Objective of the Study**

The main objective of research is to examine the dividend policy and its impact on share price. The research has further specially explain in the following objectives.

I. To assess the current status of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and stock price.

II. To examine the relationship of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price.

III. To analyze the impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price.

**1.4 Hypothesis of the Study**

These hypotheses will be tested using empirical data and statistical analysis techniques to determine the relationship between dividend policy and share price dynamics. The hypothesis statement are:

H1: there is the positive and significant relationship of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price.

H2: there is the positive and significant impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price.

**1.5 Rationale of the Study**

The study of dividend policy and its influence on share prices in Nepal is driven by several significant factors. These include Nepal's distinct economic environment, the behavior of

investors in its stock market, and the pivotal role dividends play in corporate finance. Here are the detailed reasons: Examining the impact of dividend policies on share prices allows researchers to understand whether Nepalese investors prefer regular dividend income or capital gains from share price appreciation. Analyzing market reactions to dividend announcements offers insights into the sentiment and expectations of Nepalese investors. Companies often use dividends to signal their financial health to the market, and this study aims to assess the effectiveness of this signaling mechanism in Nepal. It also explores how Nepalese companies manage their cash flows and financial stability through dividend policies. Nepal's stock market is relatively young and less mature compared to developed markets, making the study of dividend policies in this context particularly insightful. Understanding how Nepal's regulatory framework influences dividend policies and share prices is crucial for investors and policymakers alike. The study seeks to empirically determine the short-term and long-term impacts of dividend announcements and policies on share prices.

Comparing findings from Nepal with those from other markets helps identify unique characteristics and common trends. These insights can assist Nepalese corporations in making informed decisions about their dividend policies to enhance shareholder value. Educating investors about the relationship between dividend policies and share prices can lead to more informed investment decisions. Moreover, the study provides an opportunity to test established financial theories, such as dividend relevance theory and signaling theory, within the Nepalese market context. In summary, investigating dividend policy and its influence on share prices in Nepal provides valuable insights for investors, corporations, regulators, and academics. It enhances understanding of market dynamics, guides corporate financial strategies, informs policy development, and contributes to the overall development and maturity of Nepal's stock market.

### 1.6 Limitations of the Study

The study of dividend policy and its impact on share price in Nepal, while valuable, also faces several limitations. These limitations stem from various factors related to data availability, market characteristics, and methodological challenges. Here are some of the key limitations:

I. Nepal's stock market is relatively young, resulting in a shorter history of available financial data compared to more mature markets so the data are collected only of ten years i.e. Financial year 2013/2014-2022/2023.

II. The Nepalese stock market has a relatively small number of listed companies, which can limit the scope of the study and the generalizability of the findings.

III. Investors in emerging markets like Nepal may exhibit different behavioral biases compared to those in developed markets. This can affect how dividend policies influence share prices.

IV. Distinguishing between correlation and causality in the relationship between dividend policy and share price can be challenging. Other factors, such as macroeconomic conditions or company-specific events, may also impact share prices.

V. Findings from the Nepalese market may not be directly applicable to other markets due to unique cultural, economic, and regulatory environments. This limits the ability to generalize the study's conclusions to other contexts.

# CHAPTER-II

# LITERATURE REVIEW

This chapter focuses on examining existing literature sourced from books, journals, articles, research reports, newspapers, magazines, and policy documents, whether published or unpublished. Each study builds upon past knowledge, studies, and experiences, emphasizing the importance of acknowledging previous research as it forms the basis for the current study. Various theses conducted on different variables within various organizations are also reviewed to support the rationale of the study.

The chapter is divided into two main sections: Conceptual Framework and Review of Related Studies. The Conceptual Framework involves a review of academic literature found in books, while the Review of Related Studies encompasses an analysis of journals, articles, reports, and relevant studies focusing on the contribution of commercial banks to economic growth. This section includes discussions on objectives, findings, and theoretical reviews relevant to the topic at hand.

## 2.1 Theoretical Review

### Theory of Share Price

The theory of share price is rooted in several financial and economic principles that attempt to explain how the price of a company's stock is determined and what factors influence its movements. Key theories and concepts include the Efficient Market Hypothesis (EMH), Dividend Discount Model (DDM), Capital Asset Pricing Model (CAPM), and Behavioral Finance (Hashemijoo, 2012). Here’s an overview of these theories:

Efficient Market Hypothesis (EMH)

Market Efficiency: EMH posits that stock prices fully reflect all available information at any given time. According to this hypothesis, stocks always trade at their fair value, making it impossible to consistently achieve higher returns than the overall market through stock picking or market timing (Sugathadasa, 2018).

Weak Form: Stock prices reflect all past market data, such as historical prices and volumes. Semi-Strong Form: Stock prices reflect all publicly available information, including financial statements, news, and economic indicators (Araoye, 2019).

Strong Form: Stock prices reflect all information, both public and private, meaning even insider information is already priced in.

Dividend Discount Model

The DDM calculates a stock's intrinsic value based on the present value of expected future dividends. The model assumes that dividends will grow at a constant rate indefinitely.

Formula:

$P_0=\frac{D1}{r-g}$

Where p0 is the current share price, D1 is the dividend expected next year, r is the required rate of return, and g is the growth rate of dividends.

Capital Asset Pricing Model (CAPM)

CAPM describes the relationship between systematic risk and expected return for assets, particularly stocks. It is used to determine a theoretically appropriate required rate of return of an asset, taking into account the asset's sensitivity to non-diversifiable risk (beta), the risk-free rate, and the expected market return (Araoye, 2019).

$E\ (R_i) = R_f + \beta_i\ (E(\ R_m\ ) - R_f\ )$

Where E ($R_i$) is the expected return on the asset, $R_f$ is the risk free rate, $\beta_i$ is the beta of the asset, and E ($R_m$) is the expected return of the market.

**Theory Dividend Policy**

**Miller and Modigliani (MM) Proposition:** Proposed by Franco Modigliani and Merton Miller in 1961, this theory asserts that in a perfect market (no taxes, no transaction costs, and no information asymmetry), the dividend policy of a company is irrelevant to its valuation. According to this theory, the value of the firm is determined by its earning power and investment decisions, not by how it distributes its earnings between dividends and retained earnings (Magribi, 2023).

Key Assumptions:

- No taxes
- No transaction costs
- No information asymmetry
- Perfect capital markets

**Tax Preference Theory**

Tax Advantage: This theory posits that because capital gains are often taxed at a lower rate than dividends, investors may prefer companies that retain earnings rather than pay dividends. This preference can influence the firm's dividend policy (Sugathadasa, 2018).

Key Assumptions:

Differential tax rates for dividends and capital gains.

Investors seek to maximize after-tax returns.

**Theory of Return on Assets**

The Theory of Return on Assets (ROA) focuses on how effectively a company uses its assets to generate profits. ROA is a key financial metric that provides insights into a firm's operational efficiency and profitability. Several theories and perspectives explain the determinants and implications of ROA (Sugathadasa, 2018). Here are the main aspects:

**DuPont Analysis**

Components of ROA: The DuPont analysis breaks down ROA into two main components: profit margin and asset turnover.

Profit Margin (Net Profit Margin): This measures how much profit a company generates from its sales. It is calculated as Net Income / Sales.

Asset Turnover: This indicates how efficiently a company uses its assets to generate sales. It is calculated as Sales / Total Assets.

ROA Calculation: ROA = (Net Income / Sales) * (Sales / Total Assets) = Net Income / Total Assets.

Implication: By analyzing these components, companies can identify whether their ROA is driven by high profit margins, efficient use of assets, or both.

**Theory of Return on Equity**

The Theory of Return on Equity (ROE) focuses on how effectively a company uses its equity to generate profits. ROE is a key financial metric that measures the profitability relative to shareholders' equity, providing insights into the company's ability to generate returns for its investors (Araoye, 2019). Here are the main aspects and theories related to ROE:

**Operational Efficiency**

Asset Utilization: ROE reflects how well a company utilizes its assets to generate earnings relative to shareholders' equity. Higher efficiency in asset utilization leads to a higher ROE. Cost Management: Effective cost control and operational efficiency contribute to higher profit margins and, consequently, a higher ROE (Hashemijoo, 2012).

## 2.2 Empirical Review

### 2.2.1 Review of International Article

Safiq and Yulianti (2024) investigated the factors influencing dividend policy and the impact of dividend payout on stock price volatility during the omnibus law era. Their study employed both quantitative and qualitative analyses. The research demonstrated that management ownership, profitability, and company size negatively influence dividend policy. Conversely, institutional ownership, profitability tax dividend, dividend coverage ratio, liquidity ratio, and debt-to-equity ratio positively affect dividend policy.

Lou (2024) examined the relationship between dividend policy and share prices. Using multiple linear regression on cross-sectional data, the study analyzed how corporate dividend policies correlate with stock prices. The findings indicated a significant positive correlation between dividend per share and stock price, which was stronger than the correlations observed with fundamental indicators such as total market value, return on equity, and turnover rate.

Zaini and Mustaqim (2024) explored the effects of inflation, interest rates, and dividend policies on company share prices. Their research utilized autocorrelation, linear regression, and T (Partial) tests, employing SPSS 24 for data analysis. The results revealed that inflation and interest rates had no significant effect on stock prices, whereas dividend policy demonstrated a significant impact.

Sagala et al. (2024) assessed the influence of dividend policy, earnings volatility, and leverage on stock price volatility among companies listed in the Jakarta Islamic Index. Using multiple linear regression and purposive sampling, the study analyzed secondary data from financial reports and the Indonesian Stock Exchange website. The findings indicated that leverage negatively affected stock price volatility, while dividend policy and earnings volatility did not exhibit significant effects.

Mahirun et al. (2023) conducted research on the impact of dividend policy as an intervening variable between firm value, capital structure, and stock prices. Using path analysis on data from companies in the LQ45 index on the Indonesia Stock Exchange from 2012 to 2021, the study found that dividend policy, measured by the Dividend Payout Ratio (DPR), did not mediate the relationship between funding policy and firm value in increasing stock prices. However, the study identified that Return on Equity (ROE) and DPR had a positive and significant influence on stock prices, while variables like Price Earnings Ratio (PER) and Debt to Equity Ratio (DER) did not significantly impact stock prices despite their positive directional influence. Factors such as Debt to Assets Ratio (DAR) and Trading Volume Activity (TVA) were found to reduce stock prices in a significant manner, while Price to Book Value (PBV) and Return on Assets (ROA) did not significantly decrease stock prices despite their negative directional influence.

Magribi (2023) investigated the impact of asset structure and dividend policy on stock prices within the automotive industry listed on the IDX from 2015 to 2019. Using purposive sampling, the study found that companies with an active asset structure consistently maintained above-average stock prices. Interestingly, the research concluded that dividends did not influence stock prices significantly. Instead, the study highlighted that sales growth serves as a better indicator of investment success, correlating with higher and increasing stock prices.

Nur et al. (2023) analyzed the performance of the food and beverage sector on the IDX in relation to gross profit margin and dividend policies. The study encompassed forty companies and utilized financial data gathered through purposive sampling. The findings indicated that while gross profit margin did not significantly affect stock prices in the sector, dividend policy had a positive and significant impact on stock prices during the study period.

Hanafi et al. (2023) examined the effects of dividend policies on share prices, focusing on companies listed on the FTSE Bursa Malaysia. Their research aimed to explore how dividend yield, dividend payout, company size, return on invested capital, free cash flow yield, and volume traded influenced share prices. Analyzing data from 56 companies using panel data regression, the study revealed that dividend payout had an insignificant effect on share prices. However, dividend yield showed a negative and significant impact on share prices. Return on invested capital, volume traded, and company size by market capitalization were found to significantly influence share prices, while free cash flow yield did not have a significant effect. The study emphasized the importance of dividend policy in shaping share price dynamics and provided insights for companies looking to optimize their performance and for investors evaluating their investment decisions.

Koleosho et al. (2022) investigated the relationship between dividend policy and share price volatility among selected companies listed on the Nigerian Exchange. Using an ex-post facto research design and EGARCH for volatility measurement, the study found that dividend policy significantly affected share price volatility (SPV). Specifically, Dividend Payout Ratio (DPR) had a significant positive effect on SPV, while dividend yield (DY), dividend per share (DPS), and financial leverage (LEV) had a negative and statistically insignificant impact on SPV. The research concluded that dividend policy plays a significant role in influencing share price volatility.

Kayode et al. (2022) investigated the correlation between dividend policy and share price movements using data from companies listed on the Nigerian Stock Exchange. Their study utilized panel regression analysis and Generalized Methods of Moments (GMM) for data analysis. The research revealed that dividend yield exhibits a negative relationship with share price movement. Additionally, the findings indicated that firm size has a positive and significant association with stock price volatility.

Araoye (2019) examined the impact of dividend policy and dividend payments on share price volatility in Nigeria, focusing on actively traded companies listed on the Nigeria Securities Exchange. The study employed panel data analysis to assess various dividend policy measures (dividend payout, dividend per share, earnings after tax, dividend declared, and number of shares) in relation to share price volatility. The results from random effects regression

highlighted that dividend per share was the primary determinant of share price volatility on the NSE. Furthermore, earnings after tax exhibited a negative relationship with share price volatility, indicating that higher payout ratios corresponded with lower share price volatility, whereas higher earnings after tax resulted in reduced share price volatility.

Haque et al. (2018) investigated the influence of dividend policy on stock price volatility using secondary data from the archive of the Dhaka Stock Exchange and company records. The study employed correlation and multiple regression analyses to explore the relationship between share price volatility and dividend policy metrics (dividend yield and dividend payout), alongside control variables such as firm size, earnings volatility, and debt. Their findings indicated a significant inverse relationship between share price volatility and both dividend yield and firm size, suggesting that these variables play a substantial role in mitigating share price volatility.

Sugathadasa (2018) analyzed the relationship between dividend policy and share price volatility in the context of Sri Lanka. Dividend payout ratio and dividend yield were treated as independent variables, while growth in assets, firm size, and debt were considered as control variables, with share price volatility as the dependent variable. Descriptive analysis, correlation analysis, and regression models were employed for data analysis. The study found a negative and insignificant relationship between dividend yield and share price volatility. Moreover, price volatility exhibited a negative correlation with firm size and a positive correlation with growth in assets and debt. The research concluded that dividend payout ratio and dividend yield negatively impact share price volatility in Sri Lanka.

Ahmad et al. (2018) investigated the impact of dividend policy on stock price volatility among firms listed on the Amman Stock Exchange. The study employed descriptive statistics, Pearson correlation, and panel Generalized Method of Moments (GMM) estimation to examine this relationship. The findings indicated that both key variables of dividend policy, namely dividend yield and dividend payout, exhibited a significant negative relationship with stock price volatility. This suggests that higher dividend yields and payouts lead to lower stock price volatility, contributing to greater stability in stock prices. The study recommended that firms listed on the Amman Stock Exchange should adopt dividend policies that align with the preferences of current and potential investors.

Jahfer et al. (2016) explored the relationship between share price volatility (SPV) and firm dividend policy within the Sri Lankan stock market. Using multiple regression models, the study analyzed the association between SPV and dividend policy measures, specifically dividend payout ratio (DPR) and dividend yield (DY). The research found a significant positive relationship between SPV and DY in both models, indicating that higher dividend yields correlate with increased stock price volatility. DPR, although positive, was found to be insignificant in relation to stock price movement. Additionally, firm size showed a significant negative relationship with price volatility, suggesting that larger firms experience lower volatility. Growth was weakly but significantly positively associated with SPV, while long-term debt showed no significant relationship with price volatility.

Al-Shawawreh (2014) investigated the link between dividend policy and share price volatility across sectors represented in the Jordanian stock market. Using regression models with control variables such as firm size, stock repurchase, and stock dividend, the study found a significant negative relationship between share price volatility and dividend payout. However, the relationship between dividend yield and share price volatility was weakly positive but not statistically significant. The study also revealed a significant positive relationship between share price volatility and firm size, suggesting that larger firms experience higher volatility.

Hashemijoo (2012) examined the relationship between dividend policy and share price volatility focusing on consumer product companies listed on the Malaysian stock market. Employing multiple regression analysis with control variables including firm size, earning volatility, leverage, debt, and growth, the study found significant negative relationships between share price volatility and both dividend yield and dividend payout. This indicates that higher dividend yields and payouts are associated with lower share price volatility. Moreover, the study identified a significant negative relationship between share price volatility and firm size, highlighting that larger firms tend to have lower volatility. Based on these findings, dividend yield and firm size were identified as having the most significant impact on share price volatility among the predictor variables examined.

Table 1

*Summary of Empirical Review of International Article*

| Authored/ Date | topic | Objectives | Variables | Methodology | Findings |
|---|---|---|---|---|---|
| Safiq and Yulianti (2024) | Factors affecting dividend policy and the effect of dividend payout policy on stock price volatility in Omnibus Law era | To examined the influence of factors affecting dividend policy and examine the effect of dividend payout on stock price volatility in the omnibus law era. | Dependent Variables: dividend policy Independent Variables: profitability, company size, dividend coverage ratio, liquidity ratio and debt to equity | The methods of this paper is quantitative and qualitative analysis. | This study demonstrated that management ownership, profitability, and company size exert a negative influence on dividend policy. In contrast, institutional ownership, profitability after tax, dividend coverage ratio, liquidity ratio, and debt to equity ratio positively affect dividend policy. |
| Lou (2024) | Analysis of the Correlation between Corporate Dividend Policy and Stock Price. | To examined the relationship between the dividend policy and price of the share. | Dependent Variables: stock price Independent Variables: dividend per share, total market value, return on equity, and turnover rate | This study utilizes multiple linear regression with cross-sectional data to examine the relationship between corporate dividend policy and stock price. | The study found that the positive correlation between dividend per share and stock price is more pronounced compared to correlations involving fundamental indicators such as company total market value, return on equity, and turnover rate of trading, as well as the correlation between dividend distribution ratio and stock price. |

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| Zaini and Mustaqim (2024) | Influence of Inflation, Interest Rates, Dividend Policy on the Price of Infrastructure and Transport Sector Shares. | To look at how inflation, interest rates, and dividend policies affect a company's share price. | Dependent Variables: stock prices, Independent Variables: inflation, interest rate and Dividend policy | Autocorrelation, linear regression, and T (Partial) test methods were employed, and data analysis was conducted using the SPSS 24 software tool. | The findings indicated that inflation does not impact stock prices, and similarly, changes in interest rates do not affect stock prices. However, dividend policy was found to have a significant effect on stock prices. |
| Sagala, Jamal and Wediawati (2024) | The Influence of Dividend Policy, Earnings Volatility and Leverage On Volatility of Jakarta Islamic Index (JII) Stock Prices | To determine the effect of dividend policy, earnings volatility, and leverage on stock price volatility. | Dependent Variables: stock price volatility Independent Variables: leverage, dividend policy, earnings volatility | The data analysis technique uses multiple linear regression. | It was discovered that among the factors studied, only leverage had a detrimental impact on stock price volatility within the companies analyzed in the Jakarta Islamic Index. In contrast, dividend policy variables and earnings volatility showed no significant effect on stock price volatility. Therefore, it is recommended that investors and company management prioritize monitoring and managing leverage when making investment and financial decisions. |
| Mahirun et al. (2023) | Impact of dividend policy on stock prices. | To analyze the research model by using | Dependent Variables: Stock Prices | The analytical tool they use is path analysis to test the effect of exogenous | In their study, it was identified that the factors capable of reducing stock prices include Debt |

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| | | dividend policy as an intervening variable on the effect of firm value and capital structure on firm value. | Independent Variables: Return On Equity, Dividend Payout Ratio, Price Earnings Ratio, Debt to Equity Ratio and Debt to Assets Ratio | variables on endogenous variables, including testing direct and indirect effects. | to Assets Ratio (DAR) and Trading Volume Activity (TVA). Conversely, factors such as Price to Book Value (PBV) and Return on Assets (ROA) were found to have a negative influence on stock prices, though not statistically significant in reducing them. |
| Magribi (2023) | Asset Structure, Dividend Policy, and Sales Growth Influence on Stock Prices. | To identified asset structure, dividend policy, and partial sales of stock prices. | Dependent Variables: stock prices Independent Variables: dividends, sales growth | Illustration of the rise of seven automotive industries on the IDX using the purposive sampling method. | The substantial dividends paid out by the company do not necessarily correlate with high or increasing stock prices; instead, sales growth serves as a more accurate indicator of successful investments leading to higher and rising stock prices. |
| Nur, Riyadi and Hernita (2023) | Effect of Gross Profit Margin and Dividend Policy on Stock Price (Case Study of Food and Beverage | To analyze the performance of the IDX food and beverage sector in relation to gross profit margin and dividend. | Dependent Variables: stock prices Independent Variables: Gross Profit Margin, Dividend Policy | Model feasibility and hypothesis testing, as well as the more traditional assumption test, are among the analytic methods employed. | According to the research findings, the Gross Profit Margin does not significantly influence stock prices in the food and beverage sector. However, during the same period, Dividend Policy was found to have a positive and significant impact on stock prices. |

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| Hanafi, Halid and Othman (2023) | The effect of dividend policy on share prices of Bursa Malaysia listed companies. | To determine the effects of dividend policies on share prices with an emphasis on companies listed on the FTSE Bursa Malaysia. | Dependent Variables: share price Independent Variables: dividend yield, volume traded, dividend payout, and company size, return on invested capital, free cash flow yield, volume traded | A data were analyzed using the regression model. | Return on invested capital, trading volume, and company size measured by market capitalization were found to exert a significant influence on share prices. Conversely, free cash flow yield did not demonstrate a significant effect. Therefore, dividend policy was identified as having a substantial impact on share prices, underscoring the significance of these findings. |
| Koleosho et al. (2022) | The effect of dividend policy on share price volatility of some selected companies on the Nigerian exchange. | To examined the effect of dividend policy on share price volatility of selected companies listed on the Nigerian Exchange. | Dependent Variables: share price volatility Independent Variables: dividend policy, Dividend Payout Ratio, dividend yield, dividend per share, leverage, | The study adopted ex-post facto research design and EGARCH for volatility measure. | The research discovered that dividend policy significantly correlates with share price volatility (SPV). Specifically, the Dividend Payout Ratio (DPR) was found to have a significant effect on SPV, whereas dividend yield (DY), dividend per share (DPS), and financial leverage (LEV) had a negative impact on SPV that was not statistically significant. Consequently, the study concluded that dividend policy |

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| | | | | | plays a substantial role in influencing share price volatility. |
| Kayode et al. (2022) | Effect of dividend policy on share price movement: Focusing on companies listed on the Nigerian Stock Exchange market | To examine the relationship between dividend policy and share price movements with evidence from firms listed on the Nigerian Stock Exchange. | Dependent Variables: stock price volatility. Independent Variables: dividend yield, firms' size, | A systemization literary approach for data analysis was panel regression analysis and Generalized Methods of Moments (GMM. | They observed that dividend yield exhibits a negative correlation with share price movement. Furthermore, the study revealed a negative and statistically significant relationship between dividend yield and share price. Additionally, it was found that the size of firms has a positive and significant association with stock price volatility. |
| Araoye (2019) | Effect of dividend policy on stock price volatility in Nigeria Stock Exchange. | To determine the effect of dividend policy and dividend payment on share price volatility in Nigeria. | Dependent Variables: share price volatility Independent Variables: dividend per share, earnings after tax, payout ratio | The research utilized data from actively traded companies listed on the Nigeria Securities Exchange. It conducted panel data analysis to examine the relationship between various dividend policy measures (dividend payout, dividend per share, earnings after tax, dividend | The results obtained from the random effects regression analysis indicated that dividend per share is the primary factor influencing share price volatility in the NSE. Additionally, earnings after tax were found to have a negative impact on share price volatility. Therefore, higher dividend payouts were associated with lower levels of |

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| | | | | declared, and number of shares) and share price volatility. | share price volatility, while higher earnings after tax corresponded to decreased share price volatility. |
| Haque et al. (2018) | Dividend policy and share price volatility: A study on Dhaka Stock Exchange | To investigated the impact of dividend policy on stock price volatility. | Dependent Variables: share price volatility Independent Variables: dividend yield and dividend payout, size, earning volatility, and debt | Primarily regression model was expanded by adding control variables including size, earning volatility, and debt. | They found that, among predictive variables, dividend yield and size of the firm have major impact on share price volatility, as the research found the significant inverse relationship of share price volatility with both these variables. |
| Sugathadasa (2018) | The impact of dividend policy on share price volatility: Empirical evidence with Colombo stock exchange in Sri Lanka | To examined the relationship between dividend policy and share price volatility in Sri Lankan context. | Dependent Variables: share price volatility Independent Variables: firm size, dividend payout ratio and dividend yield | Descriptive analysis and correlation analysis were used to perform the data analysis while regression model was expanded by adding control variables. | He found that the negative insignificant relationship between dividend yields with share price volatility. Moreover, price volatility has negative correlation with firm size and positive correlation with growth in assets and debt. Based on the findings of this study, dividend payout ratio and dividend yield have negative impact on share price volatility. |
| Ahmad et al. (2018) | The effect of dividend policy on | To examine the effect of dividend | Dependent Variables: | Descriptive statistics, Pearson | They found that both main variables of dividend policy |

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| | stock price volatility: Empirical evidence from Amman Stock Exchange | policy on the stock price volatility of Firms listed in the Amman Stock Exchange. | tock price volatility Independent Variables: dividend policy dividend yield and dividend payout | correlation and panel GMM estimation was applied to test the relationship. | dividend yield and dividend payout have negative significant relationship with stock price volatility. This implies that the higher the dividend yield and dividend payout of the firms, the lower the stock price volatility which lead to more stability of the stock price. |
| Jahfer et al. (2016) | Dividend policy and share price volatility: Evidence from Colombo stock market. | To examined the relationship between share price volatility (SPV) and firm's dividend policy on the Sri Lankan stock market. | Dependent Variables: stock price Independent Variables: dividend payout ratio, dividend yield, size and Growth | The relationship between SPV and dividend policy is analyzed using multi regression models. | They found that there is a significant positive relationship between SPV and the DY of a firm in both models. DPR is insignificant but positively related to the movement of stock prices. Further, size is significantly negatively related with price volatility, suggesting that the larger the firm, the less volatile the stock price. Growth is weakly significantly but positively associated with SPV. Long-term debt is insignificantly related with price volatility. |

### 2.2.2 Review of Nepalese Article

Subedi (2024) investigated the determinants influencing stock prices in Nepal's secondary market via NEPSE, with a specific focus on the microfinance sector. Utilizing descriptive, analytical, and inferential research methods, the study analyzed the determinants of Microfinance Company's market price. The market book ratio exhibited a positive correlation with variables such as earning per share, return on equity, price-earnings ratio, and book value. Notably, independent variables like earning per share, price to earnings ratio, and floating shares demonstrated statistical significance.

Budhathoki and Khadka (2024) examined the relationship between dividend payouts and stock prices in developing countries (especially in Nepal) and there is no empirical evidence that profitability can moderate this relationship. The article examines the influence of dividend yield, retention ratio and dividend payout ratio on share price both in general and directly, and indirectly-through return on assets and return on equity. SPSS software was used for data analysis. Descriptive statistics, the correlation and regression analysis were used for the analysis. The article analyzes three types of effects: total, direct and indirect. The overall effect of dividend yield on share price is negative, the retention ratio is positive and significant, and the dividend payout ratio is negative and significant. The direct effect of the dividend yield on the stock price is negative, the retention ratio and the dividend payout ratio are positive and insignificant. The indirect effect of dividend yield and retention ratio on share price through return on assets is negative and insignificant, and through return on equity it is positive and significant. The indirect effect of the dividend payout ratio through the return on assets is positive and significant.

Pandey et al. (2024) explored the factors affecting the market price of Nepalese commercial banks. Utilizing bivariate correlation and regression models, data sourced from the annual reports and official publications of eight NEPSE-listed banks underwent comprehensive analysis facilitated by MS- Excel and SPSS. The results unveil a significant positive correlation between earnings per share (EPS) and price-earnings ratio (P/E ratio), indicating that as EPS increases, so does the P/E ratio, and consequently, the market price. However, the impact of book value and dividend per share on market prices was found to be negligible, suggesting that these factors exert minimal influence on market valuations. The primary inference drawn from the findings underscores the dominance of price- earnings ratio and earnings per share as

pivotal determinants of share prices within Nepalese commercial banks. This indicates that investors place substantial emphasis on these metrics when evaluating the investment potential of Nepalese

Dhodary (2023) analyzed determinants of stock price of Nepalese commercial banks. The study is conducted by using quantitative method followed by descriptive research to make brief and accurate study on selected variables and pooled cross-sectional data that are collected from NEPSE listed banks at one point in time. Under the statistical analysis, descriptive statistics, correlation and multiple regression analysis are conducted. Descriptive statistics shows the book value per share and firm size of Nepalese commercial banks have been found steadily growing whereas the profitability, dividend and stock performance in market are quite volatile. The P/E ratio is found to be nil in some of the year due to no earnings per share of particular bank. Share price of Nepalese commercial banks is positively correlated to BVPS, PE, ROE and DIV whereas negative relationship with firm size (FS). Among the independent variables, all variable except firm size (FS) are statistically significant. Regression results reveals that BVPS, PE, ROE and DIV have positive and significant impact on MPS whereas firm size (FS) has significant and negative impact on MPS.

Adhikari (2023) examined the relationship between accounting information (earnings per share, dividend per share and book value per share) on stock price changes (volatility) in Nepalese hydro power companies. It examined the impact of dividend per share, earnings per share and book value per share on stock price changes. Multiple regression analyses was used to identify the impact of accounting information on share price changes. A positive relation was found between EPS and MVPS in both companies. However DPS and BVPS showed mixed relationship (negative and positive) with MVPS of BPC and CHPC. The EPS of BPC found positive impact on MVPS. However DPS revealed negative impact on MVPS of both companies.

Kattel and Pradhan (2023) investigated the impact of firm-specific factors on the stock price of Nepalese insurance companies, with stock return and market book ratio chosen as dependent variables. The study considered various independent variables including premium growth, return on assets, return on equity, dividend per share, earnings per share, price-earnings ratio, and company size. Correlation and regression analyses were conducted for analysis. Results

indicated a positive influence of earnings per share on market book ratio and stock return, suggesting that an increase in earnings per share leads to a rise in market share price and stock return. Additionally, the study found that the price-earnings ratio positively affects market book ratio, indicating that a higher price-earnings ratio corresponds to a higher market share price. Furthermore, company size was shown to have a positive effect on market book ratio.

Wagle (2021) conducted an analysis on the factors influencing stock market prices in commercial banks, employing a descriptive and causal-comparative research design. The study utilized mean, standard deviation, correlation, and regression analysis techniques to explore empirical variables. Results revealed a significant positive correlation between Market to Book ratio (M/B), Price-earnings ratio (P/E), and Earning Yield ratio (E/Y) with stock market prices. However, the impact of Dividend Yield ratio (D/Y) on stock market prices was positive but not statistically significant.

Shrestha (2022) identified firm-specific determinants affecting the stock market prices of Nepalese enterprises using unbalanced panel data from 47 firms listed on NEPSE. The study employed Breusch and Pagan Lagrangian multiplier test and Hausman test to select the appropriate regression model, concluding that the Fixed Effect model was suitable. Findings indicated significant positive influences of firm size, dividend per share (DPS), and earnings per share (EPS) on the market book ratio of Nepalese enterprises. Conversely, return on equity (ROE) and dividend yield (DY) negatively influenced the market book ratio. Additionally, book value per share (BVPS) and return on assets (ROA) had insignificant effects on market share prices.

Wagle (2021) investigated empirical variables influencing stock market prices in commercial banks over the period from 2015/16 to 2019/20. The study analyzed 130 observations from 26 out of 27 commercial banks in Nepal using secondary sources and annual reports. Employing a descriptive and causal-comparative research design, the study utilized mean, standard deviation, correlation, and regression analysis techniques. Results indicated a significant positive association between Market to Book ratio (M/B), Price-earnings ratio (P/E), and Earning Yield ratio (E/Y) with stock market prices. However, the impact of Dividend Yield ratio (D/Y) on stock market prices was positive yet statistically insignificant.

Panta (2020) examined the relationship between the NEPSE index and five macroeconomic variables (real GDP, broad money supply, interest rate, inflation, and exchange rate) using an autoregressive distributed lag (ARDL) model. The study employed an error correction model (ECM) derived from ARDL to integrate short-run adjustments with long-run equilibrium. Results indicated that fluctuations in the NEPSE Index in the long run were strongly associated with broad money supply, interest rate, inflation, and exchange rate. In the short run, GDP, money supply, and exchange rate exhibited positive relationships, while only money supply maintained a positive relationship in the long run.

Thapa (2019) conducted a study on the factors influencing stock prices in Nepal, focusing specifically on commercial banks listed on the Nepal Stock Exchange Ltd. The research gathered data from questionnaires and financial statements of relevant organizations, which were then analyzed using a simple linear regression model. The study findings indicated that variables such as earnings per share (EPS), dividend per share (DPS), effective regulatory frameworks, market sentiments and rumors, company profiles, and perceived success through luck were significantly positively correlated with share prices. Conversely, variables such as interest rate (IR) and price to earnings ratio (PER) showed a significant negative correlation with share prices. Furthermore, the study emphasized the importance of factors like liquidity accessibility, and both fundamental and technical analyses in influencing the performance of the Nepalese stock market.

Table 2

*Summary Empirical Review of Nepalese Article*

| Authored/ Date | topic | Objectives | Variables | Methodology | Findings |
|---|---|---|---|---|---|
| Subedi (2024) | Quest on Determinants of Stock Price in Nepal: Evidence of Microfinance Sector Share | To investigated the determinants influencing stock prices in Nepal's secondary | Dependent Variables: market price Independent Variables: earning per share, dividend per share, return on equity, price | The study utilizes descriptive, analytical, and inferential research methods to investigate the determinants impacting the market price of | The market-to-book ratio shows a positive relationship with variables such as earnings per share, return on equity, price-to-earnings ratio, and book value. Independent variables like earnings per share, |

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|---|---|---|---|---|---|
| | Listed in NEPSE. | market via NEPSE. | earnings ratio, book value per share and size | Microfinance Companies. | price-to-earnings ratio, and floating shares exhibit statistical significance. |
| Dhodary (2023) | Determinants of stock market price in Nepalese commercial banks. | To analyzed determinants of stock price of Nepalese commercial banks. | Dependent Variables: market price per share Independent Variables: Book value per share, Return on equity, Price earnings ratio, Dividend payment and Firm size | The study utilizes a quantitative approach along with descriptive analysis to conduct a focused and accurate examination of chosen variables. Pooled cross-sectional data from banks listed on NEPSE at a particular time point forms the basis of the investigation. | In certain instances, the price-to-earnings (P/E) ratio has been noted to be zero during specific years due to the absence of earnings per share for certain banks. Nepalese commercial banks' stock prices show a positive association with book value per share (BVPS), price-to-earnings ratio (PE), return on equity (ROE), and dividends (DIV), while exhibiting a negative correlation with firm size (FS). Among the independent variables, all variables except firm size (FS) demonstrate statistical significance. The results of regression analysis reveal that BVPS, PE, ROE, and DIV have a positive and statistically significant impact on the market book ratio (MBR), whereas firm size (FS) exerts a significant and negative influence on MBR. |
| Shrestha, et al. | The internal financial determinan | To identified the firm-specific | Dependent Variables: Earnings Per Share (EPS) | The study utilizes a causal-comparative research design | The study found that Earnings per Share (EPS) and Dividend per Share (DPS) have a |

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| (2023) | ts of stock price: Evidence from Nepalese commercial banks. | determinants of stock market price of Nepalese enterprises. | and Dividend Per Share Independent Variables: Earnings Per Share (EPS) and Dividend Per Share, Earnings Per Share (EPS) and Dividend Per Share | and employs a quantitative methodology. Secondary data is employed, with commercial banks selected using the convenience sampling method. Data analysis includes Pearson's multiple correlations and linear regression analysis. | non-significant negative effect on the Market Book Ratio (MBR), implying that these variables do not influence the stock market. Similarly, the Price-Earnings (P/E) ratio was determined to have a positive but statistically insignificant impact on MBR, suggesting that P/E does not affect MBR. In contrast, both Book Value per Share (BVPS) and Market-to-Book Value (Mkt to BV) ratio were found to positively and significantly impact MBR. |
| Kattel and Pradhan (2023) | Impact of firm specific factors affecting stock price of Nepalese insurance companies. | To investigated the impact of firm-specific factors on the stock price of Nepalese insurance companies | Dependent Variables: Market price per share Independent Variables: stock return, premium growth, dividend per share, earning per share, price Earnings ratio, return on assets, return on equity and company size. | Correlation and regression analysis are conducted for the analysis. | The study revealed that earnings per share (EPS) has a positive impact on both the market book ratio (MBR) and stock return. This indicates that as EPS increases, both the market share price and stock return tend to rise. Furthermore, the research showed a positive correlation between the price-earnings ratio (P/E ratio) and the market book ratio (MBR). |
| Shrestha (2022) | Firm Specific Determinants of Stock | To identified the firm-specific | Dependent Variables: market price per share | This study employed unbalanced panel data from | The results suggest that firm-specific factors play a significant role in |

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| | Market Price of Nepalese Enterprises. | determinants of stock market price of Nepalese enterprises using. | Independent Variables: firm size, dividend per share and earnings per share and return on equity (ROE), and dividend yield | 47 firms listed in NEPSE. The selection of the appropriate regression model was determined using both the Breusch-Pagan Lagrangian multiplier test and the Hausman test. Both tests concluded that the Fixed Effects model is appropriate for the dataset at hand. | determining the market book ratio of Nepalese enterprises. Specifically, firm size, dividend per share (DPS), and earnings per share (EPS) were found to have a notable positive impact on the market book ratio. In contrast, return on equity (ROE) and dividend yield (DY) were observed to exert a negative influence on the market book ratio of Nepalese enterprises. However, the study found that book value per share (BVPS) had a positive but statistically insignificant effect, and return on assets (ROA) had an insignificant negative impact on the market price of shares. |
| Wagle (2021) | Determinant of stock market prices in Nepal: A case of commercial banks. | To conducted an analysis of the empirical variables influencing stock market prices in commercial banks. | Dependent Variables: stock market price Independent Variables: Book proportion (M/B), Price-earnings proportion (P/E), and Earning Yield proportion (E/Y), Dividend | The study utilized a descriptive and causal-comparative research design, employing mean, standard deviation, correlation, and regression analysis techniques for analysis. | The findings revealed that the Market to Book ratio (M/B), Price-Earnings ratio (P/E), and Earnings Yield (E/Y) exhibit a significant positive correlation with the stock market price. However, the Dividend Yield (D/Y) showed a positive but statistically insignificant effect on the stock market price. |

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|---|---|---|---|---|---|
| | | | Yield proportion | | |
| Panta(2020) | Macroeconomic determinants of stock market prices in Nepal. | To examine the relationship between stock market prices | Dependent Variables: volatility of the NEPSE Index Independent Variables: interest rate, inflation, and exchange rate. | The study utilizes an error correction model (ECM), derived from the ARDL model through a simple linear transformation, to integrate short-term adjustments with long-term equilibrium, ensuring long-term information is retained. | The findings indicate that long-term fluctuations in the NEPSE Index are significantly associated with broad money supply, interest rates, inflation, and exchange rates. In the short run, GDP, money supply, and exchange rates show positive correlations with the NEPSE Index, while in the long run, only money supply maintains a positive relationship. |
| Thapa (2019) | Influencing factors of stock price in Nepal. | To investigate the determinants influencing stock prices in Nepal | Dependent Variables: earning per share (EPS), dividend per share (DPS), interest rate (IR) and price-to-earnings ratio (PER) Independent Variables: share price. | The data was collected through questionnaires and financial statements from the relevant organizations and analyzed using a simple linear regression model. | The study's findings revealed that earnings per share (EPS), dividends per share (DPS), effective regulatory frameworks, market sentiment, company reputation, and serendipitous success are significantly positively correlated with share price. Conversely, interest rate (IR) and price-to-earnings ratio (PER) demonstrated a significant negative association with share price. |

## 2.3 Research Gap

This research aims to achieve several objectives: exploring the current status of the price-earnings ratio, debt-to-assets ratio, return on assets, debt-to-equity ratio, return on equity, price-

to-book ratio, dividend payout ratio, and stock price; examining the relationship between these financial metrics and stock price; and analyzing their impact on stock price. Cluster sampling methods are employed for sample selection. The population comprises all commercial bank, with five companies selected as the sample. Data from each company over ten years is collected, resulting in a total of 50 observations from 5 listed joint venture banks.

Previous studies have used single sample banks and employed various data analysis methods, including panel analysis and comparative techniques. Their proposals were not academic, and their sample sizes exceeded that of this study, typically analyzing data from five to eight years. Hanafi et al. (2023) sampled 56 companies after filtering and analyzed data using regression models, involving the entire population. Wagle (2021) used the market-to-book proportion (M/B) as a dependent variable, while this study focuses on the market price of shares as the dependent variable.

Future researchers may utilize varying amounts of information and a different set of dependent and independent variables. They might adopt methods other than explanatory and correlation designs and could choose to include the entire study population.

# CHAPTER- III

# RESEARCH METHODOLOGY

## 3.1 Research Design

This research employs both descriptive and causal-comparative research designs to investigate the determinants of stock prices. A descriptive research design is utilized to thoroughly identify and collect information on the factors influencing stock prices. Furthermore, a descriptive and analytical research design is applied to compare the strength and direction of the correlations between the dependent variable and the independent variables.

## 3.2 Population and Sample

The total population of the research comprises 20 commercial banks in Nepal as of mid-July 2023. Based on cluster sampling, all five joint venture banks are selected as the sample commercial banks for the study. The list of the five sample companies includes:

Table 3

*List of the Companies*

| S.N. | Joint Venture Bank | Sample | Periods | Observations |
|---|---|---|---|---|
| 1. | Nabil Bank Limited | 1 | 2013/14 to2022/23 | 10 |
| 2. | Everest Bank Limited | 1 | 2013/14 to2022/23 | 10 |
| 3. | Himalayan Bank Limited | 1 | 2013/14 to2022/23 | 10 |
| 4. | Nepal SBI Bank Limited | 1 | 2013/14 to2022/23 | 10 |
| 5. | Standard Charter Bank Limited | 1 | 2013/14 to2022/23 | 10 |
| | Total | 5 | | 50 |

Source: *NEPSE*

## 3.3 Nature and Sources of Data

In this section, the researcher outlines the characteristics and sources of data. The data is divided into two primary categories: primary data and secondary data. Research efforts generally draw from a range of sources, including both published and unpublished materials.

Published sources include scholarly articles, annual reports, newspapers, tax documents, and government policies. Unpublished sources consist of internal organizational documents such as meeting minutes, decision records, vouchers, and materials related to management and board of director decisions. This research utilizes secondary data collection methods.

### 3.4 Instrument of Data Collection

The term "instrument" refers to the tools used for data collection. Secondary data are obtained from the websites of relevant commercial banks, mainly from their annual reports. Additionally, economic reports from the Nepal Rastra Bank (Banking and Financial Statistics) and other published statistical data are used as references. Informal discussions and procedures provide supplementary information. Primary data are collected through various instruments, including questionnaires, observations, interviews, laboratory experiments, quasi-experiments, and scales.

### 3.5 Methods of Analysis

To attain the study's objectives, diverse financial and statistical tools/methods have been applied, including the following.

#### 3.5.1 Financial Analysis

This involves an examination of the strengths and weaknesses of the company. Strengths contribute positively to the organization, while weaknesses pose challenges. Both aspects provide valuable insights for the company's future planning and improvement. Various ratios are computed to assess the financial position.

1. Price Earnings ratio (P/E)
2. Return on Assets (ROA)
3. Return on Equity (ROE)
4. Price to book ratio
5. Dividend payout ratio
6. Debt to assets ratio
7. Debt to equity ratio

**Price-Earnings Ratio (P/E ratio)**

The Price-Earnings Ratio (P/E ratio) is a valuation metric used to evaluate a company's current stock price relative to its earnings per share (EPS). It indicates how much investors are willing to pay per dollar of earnings.

The formula to calculate the Price-Earnings Ratio (P/E ratio) is:

P/E ratio =Market book ratio/ Earnings per Share (EPS)

Where:

Market book ratio represents the current market price of a single share of the company's stock. Earnings per Share (EPS) represents the company's earnings for each outstanding share of its common stock.

**Return on Assets (ROA)**

Return on Assets (ROA) is a financial ratio that measures a company's profitability relative to its total assets. It indicates how efficiently a company is utilizing its assets to generate profit.

The formula to calculate Return on Assets (ROA) is:

ROA =Net Income/ Total Assets

Where:

Net Income represents the company's profit after deducting all expenses, taxes, and interest. Average Total Assets is the average of total assets over a specific period, usually calculated as the sum of total assets at the beginning and end of the period divided by two.

**Return on Equity (ROE)**

Return on Equity (ROE) is a financial ratio that measures a company's profitability relative to its shareholders' equity. It indicates how efficiently a company is utilizing its equity to generate profit.

The formula to calculate Return on Equity (ROE) is:

ROE = Net Income/ Shareholders’ Equity

Where:

Net Income represents the company's profit after deducting all expenses, taxes, and interest.

Shareholders' Equity, also known as book value or net worth, represents the shareholders' ownership interest in the company and is calculated as total assets minus total liabilities.

**Price to Book Ratio**

The price-to-book ratio, also known as the market-to-book ratio (P/B ratio), is a financial metric used to compare a company's market value (its current stock price) to its book value (its net asset value per share). It is calculated by dividing the market book ratio by the book value per share. Mathematically, the formula is:

Price-to-Book Ratio = Market price / Book Value per Share

Dividend Payout Ratio

The dividend payout ratio is a financial metric that shows the proportion of a company's earnings that is distributed to shareholders in the form of dividends. It is an important indicator of how much profit a company is returning to its shareholders versus how much it is retaining to reinvest in the business.

Dividend Payout Ratio= $\frac{Earning\ per\ Share}{Dividends\ per\ Share}$×100

Debt to Assets Ratio

The Debt to Assets Ratio is a financial metric used to evaluate the financial leverage of a company. It indicates the proportion of a company's assets that are financed by debt. This ratio is an important indicator of a company's financial health and stability. A higher ratio suggests higher financial risk because the company relies more on borrowed funds to finance its assets, while a lower ratio indicates a more conservative approach with less reliance on debt.

Debt to Assets Ratio=$\frac{total\ debt}{total\ assets}$

Debt to Equity Ratio

The Debt to Equity Ratio is a financial metric that measures the relative proportion of a company's debt to its shareholders' equity. This ratio is a key indicator of financial leverage, indicating how much debt is used to finance the company's assets relative to equity. It provides insights into the financial structure and risk level of a company.

Formula

The formula for calculating the Debt to Equity Ratio is:

Debt to Equity Ratio $= \frac{Total\ Debt}{Total\ Equity}$

### 3.5.2 Statistical Analysis

#### 3.5.2.1 Descriptive Statistics

Descriptive statistics encompass several measures such as mean, standard deviation, coefficient of variation, minimum, and maximum values, among others. The mean, also known as the average or the most typical value in a dataset, serves as a measure of central tendency within a probability distribution, alongside the median and mode. It is also referred to as the expected value. Conversely, standard deviation quantifies the extent of variation or dispersion within a set of values. Calculated as the square root of variance, it assesses how much each data point deviates from the mean.

#### 3.5.2.2 Correlation Analysis

The relationship between variables is assessed using the Pearson correlation coefficient. This coefficient ranges from -1 to +1. A correlation coefficient of exactly -1 indicates a perfect negative correlation, meaning that the two variables move precisely in opposite directions. Conversely, a correlation coefficient of +1 denotes a perfect positive relationship between the variables.

#### 3.5.2.3 Multiple Regression Model

Multiple regression analysis is a statistical technique employed to examine the relationship between a single dependent (criterion) variable and multiple independent (predictor) variables. The primary objective of multiple regression analysis is to predict changes in the dependent variable based on variations in the independent variables. It serves as an indicator of the effectiveness of multiple predictors in explaining changes in the dependent variable. Moreover, the coefficient of determination (R-squared) can be interpreted as the proportion of variability in the dependent variable that is explained by the regression equation. The multiple regression equation for this study is formulated as follows:

$$SP = \beta_0+\beta_1\times PER +\beta_2\times DAR +\beta_3\times DER +\beta_4\times ROA +\beta_5\times ROE +\beta_6\times PBR+\beta_7\times DPR +e$$

Where,

PER =Price earnings ratio

DAR=Debt to assets ratio

DER=Debt to equity ratio

ROA=Return on Assets

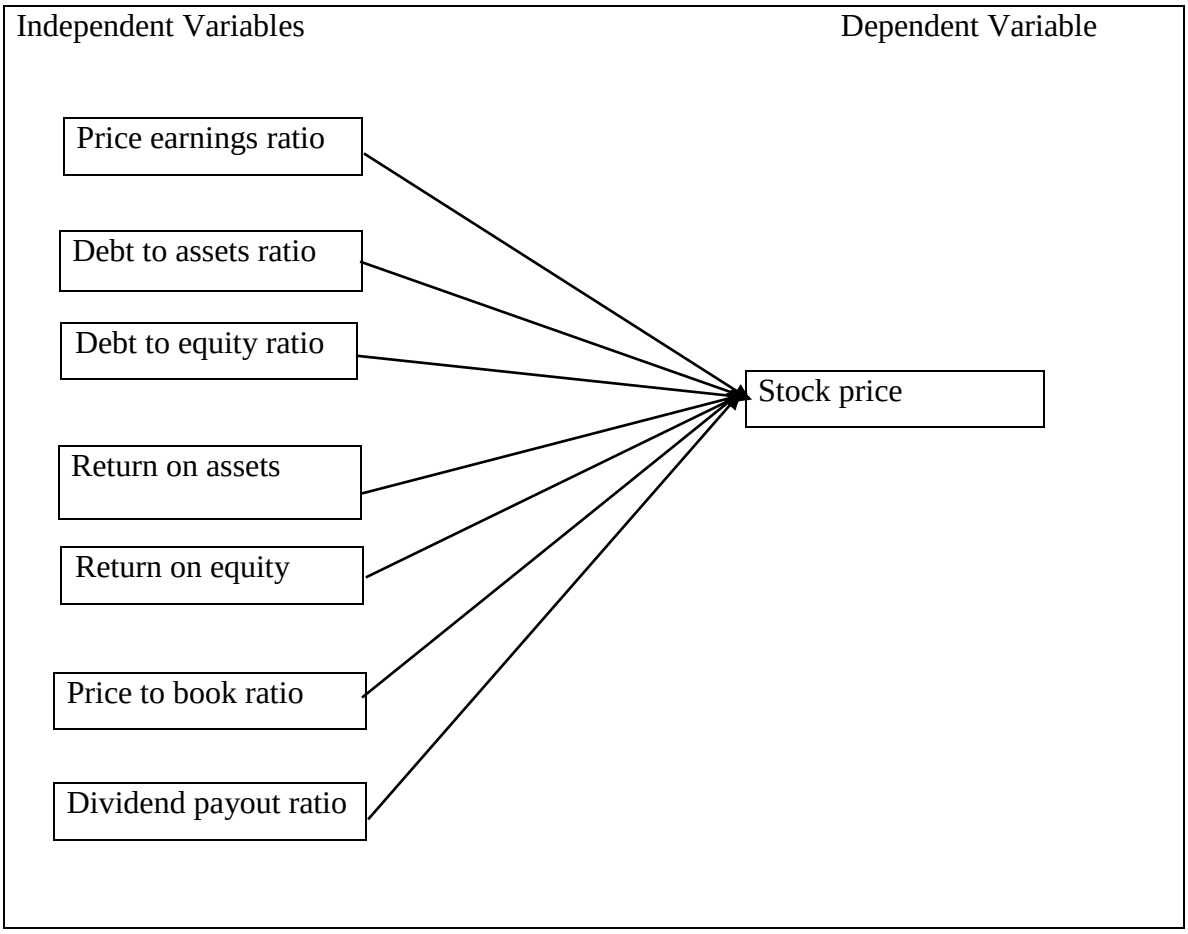
ROE=Return on equity

PBR=Price to book ratio

DPR=Dividend payout ratio

SP=Stock price

### 3.6 Research Framework




Source: *Mahirun et al. (2023).*

*Figure 1:* Research Framework

### 3.6 Definition of Variables

**Price-Earnings Ratio (P/E ratio)**

The Price-Earnings Ratio (P/E ratio) is a valuation metric used to evaluate a company's current stock price relative to its earnings per share (EPS). It indicates how much investors are willing to pay per dollar of earnings.

**Return on Assets (ROA)**

Return on Assets (ROA) is a financial ratio that measures a company's profitability relative to its total assets. It indicates how efficiently a company is utilizing its assets to generate profit.

**Return on Equity (ROE)**

Return on Equity (ROE) is a financial ratio that measures a company's profitability relative to its shareholders' equity. It indicates how efficiently a company is utilizing its equity to generate profit.

**Price to Book Ratio**

The price-to-book ratio, also known as the market-to-book ratio (P/B ratio), is a financial metric used to compare a company's market value (its current stock price) to its book value (its net asset value per share). It is calculated by dividing the market book ratio by the book value per share. Mathematically, the formula is:

**Dividend Payout Ratio**

The dividend payout ratio is a financial metric that shows the proportion of a company's earnings that is distributed to shareholders in the form of dividends. It is an important indicator of how much profit a company is returning to its shareholders versus how much it is retaining to reinvest in the business.

**Debt to Assets Ratio**

The Debt to Assets Ratio is a financial metric used to evaluate the financial leverage of a company. It indicates the proportion of a company's assets that are financed by debt. This ratio is an important indicator of a company’s financial health and stability. A higher ratio suggests higher financial risk because the company relies more on borrowed funds to finance its assets, while a lower ratio indicates a more conservative approach with less reliance on debt.

**Debt to Equity Ratio**

The Debt to Equity Ratio is a financial metric that measures the relative proportion of a company's debt to its shareholders' equity. This ratio is a key indicator of financial leverage, indicating how much debt is used to finance the company’s assets relative to equity. It provides insights into the financial structure and risk level of a company.

**Stock Price**

The stock price of a company represents the cost of purchasing one share of its stock. It fluctuates based on market conditions, investor perceptions, company performance, and broader economic factors. Understanding stock prices is fundamental for investors looking to buy or sell shares.

# CHAPTER-IV

# RESULT AND DISCUSSION

Result and discussion of data is the very importance part of the desertion. Its shows all the numerical data into some expressed form of analysis. It is the process of organizing the data by tabulating and then placing that data in presentable form by using various tables, figures and sources.

## 4.1 Result

### 4.1.1 Financial Analysis

This involves an assessment of the company's strengths and weaknesses. Strengths represent advantageous aspects of the organization, while weaknesses indicate areas of disadvantage. Identifying these factors offers valuable insights for future planning and improvement. Financial ratios are computed to gauge the company's financial position.

Table 4

*Stock Price*

| Year (SP) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 599 | 563 | 212.8 | 530 | 341 | 449.1 | 165.46 | 36.84 |
| 2022 | 824 | 439 | 299.2 | 396 | 282.3 | 448.1 | 220.09 | 49.11 |
| 2021 | 1359 | 738 | 484 | 590 | 409 | 716.0 | 380.09 | 53.08 |
| 2020 | 765 | 675 | 540 | 645 | 435 | 612.0 | 127.45 | 20.82 |
| 2019 | 800 | 666 | 552 | 682 | 469 | 633.8 | 127.31 | 20.08 |
| 2018 | 921 | 663 | 551 | 775 | 499 | 681.8 | 170.86 | 25.06 |
| 2017 | 1523 | 1353 | 886 | 2295 | 925 | 1396.4 | 571.86 | 40.95 |
| 2016 | 2344 | 3385 | 886 | 3600 | 1875 | 2418.0 | 1115.74 | 46.14 |
| 2015 | 1910 | 2120 | 1500 | 1943 | 887 | 1672.0 | 494.11 | 29.55 |
| 2014 | 2535 | 2631 | 813 | 2799 | 1280 | 2011.6 | 901.31 | 44.80 |
| Mean | 1358 | 1323.3 | 672.4 | 1425.5 | 740.23 | | | |
| S. D | 699.57 | 1032.11 | 369.49 | 1144.25 | 509.73 | | | |
| C. V (%) | 51.51 | 77.99 | 54.9 | 80.27 | 68.8 | | | |

Source*: Appendix* -1

Table 4 presents the stock prices of five joint venture commercial banks over a period of ten years. The selected banks include Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Among these banks, Standard Chartered Bank Limited (SCBL) exhibits the highest mean stock price at 1425.5, and also the highest standard deviation, which is 1144.25, observed specifically in the year 2016. The year with the highest coefficient of variation (C.V.) is 2021, and SCBL also records the highest C.V. among the companies listed. These results illustrate the fluctuating nature of stock prices across the joint venture commercial banks.

Table 5

*Price to Book Ratio*

| Year (PBR) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 10.1 | 7.37 | 3.11 | 5.41 | 3.55 | 2.17 | .61 | 28.11 |
| 2022 | 8.89 | 6.33 | 2.81 | 3.18 | 2 | 2.16 | .77 | 35.64 |
| 2021 | 5.46 | 5.17 | 1.13 | 1.69 | 1.09 | 3.32 | 1.19 | 35.84 |
| 2020 | 3.31 | 2.75 | 0.84 | 2.73 | 1.35 | 2.90 | .30 | 10.34 |
| 2019 | 10.36 | 1.76 | 1.3 | 1.67 | 1.31 | 3.02 | .35 | 11.58 |
| 2018 | 3.89 | 7.65 | 2.94 | 2.57 | 1.76 | 3.50 | .53 | 15.14 |
| 2017 | 6.47 | 3.93 | 2.65 | 5.5 | 3.24 | 5.70 | 1.27 | 22.28 |
| 2016 | 11.24 | 7.33 | 3.67 | 3.12 | 2.06 | 9.42 | 3.03 | 32.165 |
| 2015 | 7.48 | 4.76 | 2.8 | 2.52 | 1.62 | 6.64 | 1.19 | 17.92 |
| 2014 | 5.78 | 4.54 | 2.61 | 2.32 | 1.42 | 8.24 | 2.85 | 34.58 |
| Mean | 5.3 | 4.53 | 3.52 | 5.85 | 4.253 | | | |
| S. D | 2.7 | 2.63 | 1.83 | 3.91 | 2.78 | | | |
| C. V (%) | 50.94 | 58.057 | 51.98 | 66.837 | 65.365 | | | |

Source*: Appendix* -1

Table 5 displays the price-to-book ratios of five joint venture commercial banks over a period of ten years. The banks included in the sample are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Among these banks, Standard Chartered Bank Limited (SCBL) shows the highest mean price-to-book ratio at 5.85, and also the highest standard deviation, which is 3.91, observed specifically in the year 2016. The year with the highest coefficient of variation (C.V.) is 2021,

and SCBL also records the highest C.V. among the listed companies. These findings illustrate the fluctuating nature of the price-to-book ratios across the joint venture commercial banks.

Table 6

*Price Earnings Ratio*

| Year (P/E) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 30.29 | 33.37 | 15.82 | 40.48 | 44.21 | 19.6 | 4.45 | 22.70 |
| 2022 | 30.58 | 27.17 | 17.5 | 37.06 | 16.69 | 22.15 | 12.33 | 55.66 |
| 2021 | 25.39 | 40.78 | 12.45 | 18.9 | 13.21 | 34.25 | 9.69 | 28.29 |
| 2020 | 28.68 | 23.41 | 14.85 | 26.13 | 10.89 | 22.93 | 2.70 | 11.77 |
| 2019 | 16.03 | 5.48 | 9.54 | 16.44 | 22.98 | 18.01 | 2.55 | 14.15 |
| 2018 | 24.36 | 34.86 | 17.02 | 17.25 | 16.39 | 22.02 | 3.68 | 16.71 |
| 2017 | 26.96 | 24.11 | 13.09 | 35.27 | 19.1 | 36.92 | 16.93 | 45.85 |
| 2016 | 42.75 | 33.86 | 22.44 | 36.16 | 16.56 | 55.84 | 24.75 | 44.32 |
| 2015 | 36.75 | 25.73 | 17.29 | 40.3 | 16.93 | 30.99 | 4.21 | 13.58 |
| 2014 | 23.6 | 22.8 | 19.6 | 20.9 | 12.8 | 32.94 | 7.01 | 21.281 |
| Mean | 29.42 | 16.03 | 22.80 | 36.28 | 27.82 | | | |
| S. D | 9.79 | 10.16 | 5.61 | 20.71 | 11.45 | | | |
| C. V (%) | 33.27 | 63.35 | 24.59 | 57.08 | 41.15 | | | |

Source*: Appendix* -1

Table 6 presents the price-earnings ratios of five joint venture commercial banks over a span of ten years. The banks included in the analysis are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Among these banks, Standard Chartered Bank Limited (SCBL) exhibits the highest mean price-earnings ratio at 36.28, along with the highest standard deviation, which is 20.71, observed specifically in the year 2016. The year 2022 shows the highest coefficient of variation (C.V.), and among the listed companies, Everest Bank Limited (EBL) records the highest C.V. These findings indicate the fluctuating nature of the price-earnings ratios across the joint venture commercial banks.

Table 7

*Return on Assets*

| Year (ROA) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 2.89 | 2.06 | 2.11 | 1.71 | 1.2 | 1.3 | .66 | 50.76 |
| 2022 | 2.25 | 1.85 | 1.94 | 0.89 | 1.13 | 1.26 | .32 | 25.39 |
| 2021 | 0.92 | 0.55 | 1.51 | 1.33 | 1.12 | 1.24 | .45 | 36.29 |
| 2020 | 1.1 | 1.06 | 1.17 | 1.04 | 1.22 | 1.53 | .24 | 15.68 |
| 2019 | 1.76 | 3.12 | 2.77 | 1.59 | 0.9 | 2.16 | .27 | 12.5 |
| 2018 | 1.34 | 1.94 | 2.21 | 1.68 | 1.09 | 2.16 | .42 | 19.44 |
| 2017 | 1.71 | 1.21 | 1.53 | 1.09 | 1.2 | 2.02 | .43 | 21.28 |
| 2016 | 2.51 | 1.99 | 2.61 | 1.22 | 1.83 | 1.9 | .31 | 16.31 |
| 2015 | 1.5 | 1.64 | 1.94 | 0.7 | 1.07 | 1.89 | .16 | 8.46 |
| 2014 | 2.3 | 1.9 | 1.79 | 1.56 | 1.55 | 2.09 | .66 | 31.57 |
| Mean | 2.059 | 1.644 | 1.641 | 2.059 | 1.421 | | | |
| S. D | 0.573 | 0.78 | 0.54 | 0.447 | 0.409 | | | |
| C.V (%) | 27.82 | 47.44 | 32.9 | 21.7 | 28.78 | | | |

Source*: Appendix* -1

Table 7 presents the Return on Assets (ROA) of five joint venture commercial banks over a period of ten years. The banks included in the analysis are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Among these banks, Standard Chartered Bank Limited (SCBL) and Nabil Bank Limited both exhibit the highest mean Return on Assets at 2.059. Everest Bank Limited (EBL) records the highest standard deviation in ROA, which is 0.78, observed specifically in the year 2018 and 2019. The years 2023 and 2014 show the highest coefficient of variation (C.V.), and among the listed companies, Everest Bank Limited (EBL) has the highest C.V. These findings indicate the fluctuating nature of Return on Assets across the joint venture commercial banks.

Table 8

*Return on Equity*

| Year (ROE) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 27.97 | 22.73 | 17.76 | 15.19 | 9.78 | 12.10 | 5.83 | 48.18 |
| 2022 | 28.39 | 22.85 | 17.33 | 8.56 | 10.7 | 10.9 | 1.87 | 17.15 |
| 2021 | 12.61 | 42.93 | 8.87 | 13.76 | 8.24 | 10.84 | 3.96 | 36.53 |
| 2020 | 11.5 | 11.77 | 10.5 | 10.43 | 12.28 | 13.61 | 1.99 | 14.62 |
| 2019 | 10.08 | 21.66 | 14.78 | 11.2 | 6.67 | 17.79 | 1.24 | 6.97 |
| 2018 | 17.06 | 24.53 | 18.34 | 14.89 | 10.75 | 17.09 | 2.69 | 15.74 |
| 2017 | 15.93 | 13.05 | 22.73 | 17.09 | 18.43 | 19.44 | 4.54 | 23.35 |
| 2016 | 26.27 | 21.69 | 19.49 | 9.44 | 14.21 | 25.64 | 8.97 | 34.98 |
| 2015 | 51.4 | 45.06 | 16.19 | 6.25 | 9.57 | 27.34 | 9.92 | 36.28 |
| 2014 | 24.47 | 20 | 13 | 11.04 | 11.17 | 30.20 | 12.72 | 42.11 |
| Mean | 18.76 | 15.23 | 16.25 | 17.48 | 22.86 | | | |
| S. D | 6.11 | 11.34 | 5.76 | 4.97 | 16.63 | | | |
| C. V (%) | 32.56 | 74.45 | 35.44 | 28.43 | 72.74 | | | |

Source*: Appendix* -1

Table 8 depicts the Return on Equity (ROE) of five joint venture commercial banks across a span of ten years. The banks analyzed include Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Among these institutions, Nepal SBI Bank Limited (SBI) shows the highest mean Return on Equity at 22.86. Similarly, Nepal SBI Bank Limited also exhibits the highest standard deviation in ROE, recorded at 16.63, specifically notable in the year 2014 where the highest mean ROE was 30.2 and the highest standard deviation was 12.72. The year 2023 marks the highest coefficient of variation (C.V.), and Everest Bank Limited (EBL) has the highest C.V. among the listed companies. These findings illustrate the fluctuating nature of Return on Equity observed across the joint venture commercial banks.

Table 9

*Debt Assets Ratio*

| Year (DAR) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 0.88 | 0.89 | 0.89 | 0.85 | 0.9 | .88 | .019 | 2.159 |
| 2022 | 0.87 | 0.89 | 0.89 | 0.85 | 0.88 | .87 | .016 | 1.839 |
| 2021 | 0.88 | 1.5 | 8.87 | 0.85 | 0.88 | 2.59 | 3.51 | 135.5 |
| 2020 | 0.89 | 0.8 | 8.87 | 0.87 | 0.88 | 2.46 | 3.58 | 145.52 |
| 2019 | 0.88 | 0.89 | 0.76 | 0.83 | 0.88 | .84 | .054 | 6.428 |
| 2018 | 0.92 | 0.88 | 0.82 | 0.83 | 0.87 | .86 | .04 | 4.65 |
| 2017 | 0.87 | 0.9 | 0.84 | 0.83 | 0.89 | .86 | .03 | 3.48 |
| 2016 | 0.88 | 0.8 | 0.91 | 0.88 | 0.56 | .80 | .14 | 17.5 |
| 2015 | 0.91 | 0.65 | 0.91 | 1.1 | 0.45 | .80 | .25 | 31.25 |
| 2014 | 0.91 | 0.86 | 0.91 | 1.05 | 0.62 | .87 | .15 | 17.24 |
| Mean | 0.889 | 0.906 | 2.467 | 0.894 | 0.7812 | | | |
| S. D | 0.017 | 0.22 | 3.37 | 0.09 | 0.16 | | | |
| C. V (%) | 1.912 | 24.28 | 136.6 | 10.06 | 20.48 | | | |

Source*: Appendix* -1

Table 9 presents the Debt to Assets Ratio of five joint venture commercial banks over a period of ten years. The banks included in the analysis are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Himalayan Bank Limited (HBL) exhibits the highest mean Debt to Assets Ratio among the joint venture banks, recorded at 2.467. Additionally, HBL also shows the highest standard deviation in this ratio, which is 3.37, observed prominently in the year 2020 with the highest mean of 2.59 and in 2021 with the highest standard deviation of 3.58. The year 2020 marks the highest coefficient of variation (C.V.), and among the listed companies, Himalayan Bank Limited has the highest C.V. These results highlight the fluctuating nature of the Debt to Assets Ratio across the joint venture commercial banks.

Table 10

*Debt Equity Ratio*

| Year (DER) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 7.46 | 8.85 | 8.88 | 6.51 | 9.18 | 8.17 | 1.14 | 13.95 |
| 2022 | 6.92 | 8.98 | 8.82 | 5.8 | 7.94 | 7.6 | 1.3 | 17.10 |
| 2021 | 7.6 | 9.23 | 7.86 | 6.07 | 7.94 | 7.73 | 1.12 | 14.489 |
| 2020 | 8.19 | 8.92 | 7.86 | 6.7 | 7.95 | 7.92 | .80 | 10.10 |
| 2019 | 7.67 | 8.64 | 7.23 | 5.24 | 7.35 | 7.22 | 1.24 | 17.17 |
| 2018 | 7.21 | 7.96 | 7.76 | 4.96 | 7.29 | 7.03 | 1.2 | 17.06 |
| 2017 | 9.02 | 12.37 | 9.79 | 5.52 | 8.57 | 9.05 | 2.46 | 27.18 |
| 2016 | 10 | 13.39 | 10.3 | 7.6 | 10.33 | 10.3 | 2.05 | 19.90 |
| 2015 | 11.47 | 11.91 | 10.9 | 9.91 | 9.5 | 10.73 | 1.01 | 9.4 |
| 2014 | 10.77 | 12.61 | 11.09 | 9.28 | 12.46 | 11.24 | 1.3 | 11.56 |
| Mean | 8.63 | 10.28 | 9.049 | 6.759 | 8.851 | | | |
| S. D | 1.6 | 2.02 | 1.39 | 1.68 | 1.59 | | | |
| C. V (%) | 18.53 | 19.64 | 15.36 | 24.85 | 17.9 | | | |

Source*: Appendix* -1

Table 10 displays the Debt to Equity Ratio of five joint venture commercial banks over a span of ten years. The banks included in the analysis are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Everest Bank Limited (EBL) exhibits the highest mean Debt to Equity Ratio among the joint venture banks, recorded at 10.28. Additionally, EBL also shows the highest standard deviation in this ratio, which is 2.02, observed prominently in the year 2017 with the highest mean of 11.24 and in 2017 with the highest standard deviation of 2.46. The year 2017 marks the highest coefficient of variation (C.V.), and among the listed companies, Standard Chartered Bank Limited has the highest C.V. These results underscore the fluctuating nature of the Debt to Equity Ratio across the joint venture commercial banks.

Table 11

*Dividend payout ratio*

| Year (DPR) | NABIL | EBL | HBL | SCBL | SBI | Mean | S. D | C.V (%) |
|---|---|---|---|---|---|---|---|---|
| 2023 | 0 | 61.6 | 0 | 113.4 | 112 | 57.4 | 56.40 | 98.25 |
| 2022 | 38.91 | 99 | 60.26 | 96.02 | 89.64 | 76.76 | 26.15 | 34.06 |
| 2021 | 51.22 | 185.7 | 91.5 | 228.6 | 142 | 139.8 | 71.02 | 50.80 |
| 2020 | 50.1 | 115.6 | 106.15 | 151.7 | 133.1 | 111.3 | 38.39 | 34.49 |
| 2019 | 43.3 | 79.09 | 95.29 | 88.83 | 98.01 | 80.9 | 22.24 | 27.49 |
| 2018 | 88.41 | 247.55 | 87.17 | 78.08 | 57.03 | 111.6 | 77.0 | 68.9 |
| 2017 | 90.69 | 172.3 | 127.17 | 294.2 | 194.9 | 175.8 | 77.46 | 44.06 |
| 2016 | 98.78 | 80.44 | 121.37 | 533.7 | 118.6 | 190.5 | 192.52 | 101.0 |
| 2015 | 131 | 156.4 | 129.9 | 205.7 | 115.54 | 147.7 | 35.6 | 24.10 |
| 2014 | 185.9 | 133.6 | 67.68 | 128.8 | 119.7 | 127.13 | 42.0 | 33.0 |
| Mean | 77.83 | 133.12 | 88.64 | 191.9 | 118.0 | | | |
| S. D | 53.19 | 57.94 | 39.04 | 138.7 | 36.03 | | | |
| C. V (%) | 68.34 | 43.52 | 44.04 | 72.2 | 30.53 | | | |

Source*: Appendix* -1

Table 11 illustrates the Dividend Payout Ratio of five joint venture commercial banks across ten years. The banks included in this analysis are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Chartered Bank Limited, and Nepal SBI Bank Limited. Everest Bank Limited (EBL) exhibits the highest mean Dividend Payout Ratio among the joint venture banks, recorded at 133.6. Similarly, Standard Chartered Bank Limited (SCBL) shows the highest standard deviation in this ratio, which is 138.7, observed predominantly in the year 2016 with the highest mean of 190.5 and in 2016 with the highest standard deviation of 192.52. The year 2016 marks the highest coefficient of variation (C.V.), and among the listed companies, SCBL has the highest C.V. These findings highlight the fluctuating nature of the Dividend Payout Ratio across the joint venture commercial banks.

### 4.1.2 Descriptive Analysis

This involves evaluating the company's strengths and weaknesses, where strengths provide advantages to the organization while weaknesses pose challenges. Identifying both strengths and weaknesses provides valuable insights for future planning and improvement within the

company. Various financial ratios are scrutinized to assess the company's financial position, with their mean, minimum, maximum, and standard deviation also calculated for analysis.

Table 12

*Descriptive Statistics*

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Stock price | 50 | 212.80 | 3600.00 | 1103.88 | 841.38 |
| Price earnings ratio | 50 | 14.42 | 83.94 | 29.57 | 14.898 |
| Debt to assets ratio | 50 | .45 | 8.87 | 1.18 | 1.58 |
| Debt to equity ratio | 50 | 4.96 | 13.39 | 8.71 | 1.97 |
| Return on Assets | 50 | .47 | 2.89 | 1.76 | .529 |
| Return on equity | 50 | 4.64 | 51.40 | 18.5 | 8.98 |
| Price to book ratio | 50 | 1.30 | 13.40 | 4.71 | 2.8 |
| Dividend payout ratio | 50 | .00 | 533.70 | 121.91 | 82.72 |
| Valid N (list wise) | 50 | | | | |

Source: *Appendix-2*

Table 12 shows the descriptive statistical analysis of the five joint venture commercial bank in ten years of each. The sample banks are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Charter Bank Limited and Nepal SBI Bank Limited. Total number of observation they are 50 each bank has 10 observations. Here minimum, maximum, mean and standard deviation are calculated.

The minimum, maximum, mean and standard deviation of stock price are 212.80, 3600.00, 1103.88 and 841.38 respective. The minimum, maximum, mean and standard deviation of Price earnings ratio are 14.42, 83.94, 29.57 and 14.898 respective. The minimum, maximum, mean and standard deviation of Debt to assets ratio are .45, 8.87, 1.18 and 1.58 respective. The minimum, maximum, mean and standard deviation of Debt to equity ratio are 4.96, 13.39, 8.71 and 1.97 respective. The minimum, maximum, mean and standard deviation of Return on Assets ratio are .47, 2.89, 1.76 and .529 respective. The minimum, maximum, mean and standard deviation of Return on equity are 4.64, 51.40, 18.5 and 8.98 respective. The minimum, maximum, mean and standard deviation of Price to book ratio are 1.30, 13.40, 4.71 and 2.8 respective. The minimum, maximum, mean and standard deviation of Dividend payout ratio are .00, 533.70, 121.91 and 82.72 respective.

From the result it is concluded that the different between the minimum and maximum, mean and minimum, mean and maximum is very high. The value of standard deviation also high. The all the variables stock price, price earnings ratio, debt to assets ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are in the fluctuating nature.

### 4.1.3 Correlation Analysis

Correlation analysis is a statistical approach used to assess the strength and direction of the association between two numerical variables. This method computes a correlation coefficient, such as Pearson's r, which varies between -1 and +1. A coefficient nearing +1 indicates a robust positive correlation, indicating that as one variable rises, the other tends to rise as well. Conversely, a coefficient nearing -1 signifies a strong negative correlation, where one variable increases while the other decreases. A coefficient near 0 suggests a lack of a linear relationship between the variables.

Table 13

*Correlations Analysis of Variables*

| | | Stock price | Price earnings ratio | Debt to assets ratio | Debt to equity ratio | Return on Assets | Return on equity | Price to book ratio | Dividend payout ratio |
|---|---|---|---|---|---|---|---|---|---|
| Stock price | Pearson Correlation | 1 | | | | | | | |
| | Sig. (2-tailed) | | | | | | | | |
| Price earnings ratio | Pearson Correlation | .777** | 1 | | | | | | |
| | Sig. (2-tailed) | .000 | | | | | | | |
| Debt to assets ratio | Pearson Correlation | -.147 | -.156 | 1 | | | | | |
| | Sig. (2-tailed) | .307 | .281 | | | | | | |
| Debt to equity ratio | Pearson Correlation | .484** | .267 | -.096 | 1 | | | | |
| | Sig. (2-tailed) | .000 | .061 | .509 | | | | | |
| Return on Assets | Pearson Correlation | .425** | -.009 | -.018 | -.036 | 1 | | | |
| | Sig. (2-tailed) | .002 | .948 | .903 | .802 | | | | |
| Return on equity | Pearson Correlation | .449** | .194 | -.122 | .497** | .441** | 1 | | |
| | Sig. (2-tailed) | .001 | .176 | .397 | .000 | .001 | | | |
| Price to book ratio | Pearson Correlation | .947** | .733** | -.156 | .449** | .453** | .589** | 1 | |
| | Sig. (2-tailed) | .000 | .000 | .280 | .001 | .001 | .000 | | |
| Dividend payout ratio | Pearson Correlation | .507** | .531** | -.049 | -.008 | .135 | .074 | .530** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .738 | .957 | .351 | .608 | .000 | |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |

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

*Source: Appendix-2*

Table 13 shows the correlation analysis of the five joint venture commercial bank in ten years of each. The sample banks are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Charter Bank Limited and Nepal SBI Bank Limited. Total number of observation they are 50 each bank has 10 observations. Here correlation between dependent and independent variables are calculated. The independent variables are price earnings ratio, debt to assets ratio, debt to equity ratio, return on assets, and return on equity, price to book ratio and dividend payout ratio and dependent variables is stock price.

The relationship between the price earnings ratio and stock price is positive and significant so the hypothesis of the study is true. The positive relationship shows by the positive correlations value 0.177 and which is significant because the significant value is 0.000 so the relationship

is significant at 1 percent level because the significant value is less than 0.01 so the hypothesis is true.

The relationship between the Debt to assets ratio and stock price is negative and not significant so the hypothesis of the study is not true. The negative relationship shows by the negative correlations value .147 and which is not significant because the significant value is 0.307 so the relationship is not significant because the significant value is more than 0.05 so the hypothesis is not true.

The relationship between the Debt to equity ratio and stock price is positive and significant so the hypothesis of the study is true. The positive relationship shows by the positive correlations value 0.484 and which is significant because the significant value is 0.000 so the relationship is significant at 1 percent level because the significant value is less than 0.01 so the hypothesis is true.

The relationship between the Return on Assets and stock price is positive and significant so the hypothesis of the study is true. The positive relationship shows by the positive correlations value 0.425 and which is significant because the significant value is 0.000 so the relationship is significant at 1 percent level because the significant value is less than 0.01 so the hypothesis is true.

The relationship between the Return on equity and stock price is positive and significant so the hypothesis of the study is true. The positive relationship shows by the positive correlations value 0.449 and which is significant because the significant value is 0.001 so the relationship is significant at 1 percent level because the significant value is less than 0.01 so the hypothesis is true.

The relationship between the Price to book ratio and stock price is positive and significant so the hypothesis of the study is true. The positive relationship shows by the positive correlations value 0.947 and which is significant because the significant value is 0.000 so the relationship is significant at 1 percent level because the significant value is less than 0.01 so the hypothesis is true.

The relationship between the Dividend payout ratio and stock price is positive and significant so the hypothesis of the study is true. The positive relationship shows by the positive

correlations value 0.507 and which is significant because the significant value is 0.000 so the relationship is significant at 1 percent level because the significant value is less than 0.01 so the hypothesis is true.

### 4.1.4 Multiple Regression Analysis

Multiple regression analysis is a robust statistical method employed to explore the association between a single dependent variable and two or more independent variables. This technique extends simple linear regression by incorporating multiple predictors, enabling researchers to evaluate both the combined and individual influences of each predictor on the outcome. The outcomes of multiple regression are typically presented through coefficients assigned to each independent variable, illustrating the direction and magnitude of their relationships with the dependent variable. The analysis includes model summaries, ANOVA tables, and coefficient estimates to elucidate these relationships comprehensively.

Table 14

*Model summary of the Study*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .976[a] | .953 | .945 | 196.89 |

a. Predictors: (Constant), Dividend payout ratio, Debt to equity ratio, Debt to assets ratio, Return on Assets , Price earnings ratio, Return on equity, Price to book ratio

*Source: Appendix-2*

Table 14 present the model summary of the five joint venture commercial bank in ten years of each. The sample banks are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Charter Bank Limited and Nepal SBI Bank Limited. Total number of observation they are 50 each bank has 10 observations. Here adjusted R square is 0.945 which represent the total of independent variable; Dividend payout ratio, Debt to equity ratio, Debt to assets ratio, Return on Assets, Price earnings ratio, Return on equity, Price to book ratio impacted to the dependent variable stock price by 94.5 percent and the remaining 5.5 percent impacted by other variables which are not included in this research.

Table 15

*ANOVA of the Study*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 33060350.418 | 7 | 4722907.203 | 121.823 | .000[b] |
| | Residual | 1628280.302 | 42 | 38768.579 | | |
| | Total | 34688630.720 | 49 | | | |

a. Dependent Variable: Stock price

b. Predictors: (Constant), Dividend payout ratio, Debt to equity ratio, Debt to assets ratio, Return on Assets , Price earnings ratio, Return on equity, Price to book ratio

*Source: Appendix-2*

Table 15 present the model summary of the five joint venture commercial bank in ten years of each. The sample banks are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Charter Bank Limited and Nepal SBI Bank Limited. Total number of observation they are 50 each bank has 10 observations. Here sig value is 0.000 which represent the impact is significant. The regression is strong.

Table 16

*Coefficient of the Study*

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | -1343.974 | 250.793 | | -5.359 | .000 |
| | Price earnings ratio | 15.111 | 3.707 | .268 | 4.076 | .000 |
| | Debt to assets ratio | -.624 | 18.014 | -.001 | -.035 | .973 |
| | Debt to equity ratio | 93.657 | 19.762 | .219 | 4.739 | .000 |
| | Return on Assets | 351.355 | 81.675 | .221 | 4.302 | .000 |
| | Return on equity | -19.578 | 4.654 | -.209 | -4.206 | .000 |
| | Price to book ratio | 199.372 | 27.322 | .679 | 7.297 | .000 |
| | Dividend payout ratio | -.083 | .449 | -.008 | -.186 | .853 |

a. Dependent Variable: Stock price

Source: *Appendix-2*

Table 15 present the coefficient of the five joint venture commercial bank in ten years of each. The sample banks are Nabil Bank Limited, Everest Bank Limited, Himalayan Bank Limited, Standard Charter Bank Limited and Nepal SBI Bank Limited. Total number of observation they are 50 each bank has 10 observations. Here the impact of each independent variables impact to the dependent variable is shown.

The Price earnings ratio impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The positive impact present by positive beta value 15.111 and which is significant because the significant value is 0.000, which is less than 0.05 so the hypothesis is true. The beta value positive 15.11 represent the 1% change in Price earnings ratio 15.11% positively change into the stock price.

The Debt to assets ratio impact to the stock price is negative and the impact is not significant too; so the hypothesis is not true. The negative impact present by negative beta value .624 and which is not significant because the significant value is 0.973, which is more than 0.05 so the hypothesis is not true. The beta value negative .624 represent the 1% change in Debt to assets ratio negative 0.624% change into the stock price.

The Debt to equity ratio impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The positive impact present by positive beta value 93.65 and which is significant because the significant value is 0.000, which is less than 0.05 so the hypothesis is true. The beta value positive 93.65 represent the 1% change in Debt to equity ratio 93.65 % positively change into the stock price.

The Return on Assets impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The positive impact present by positive beta value 351.355 and which is significant because the significant value is 0.000, which is less than 0.05 so the hypothesis is true. The beta value positive 351.355 represent the 1% change in Return on Assets ratio 351.355 % positively change into the stock price.

The Return on equity impact to the stock price is negative and the impact is significant too; so the hypothesis is true. The negative impact present by negative beta value 19.578 and which is significant because the significant value is 0.000, which is less than 0.05 so the hypothesis is true. The beta value negative 19.578 represent the 1% change in Return on equity ratio 19.578% negatively change into the stock price.

The Price to book ratio impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The positive impact present by positive beta value 199.372 and which is significant because the significant value is 0.000, which is less than 0.05 so the hypothesis is true. The beta value positive 199.372 represent the 1% change in Price to book ratio 199.372 % positively change into the stock price.

The Dividend payout ratio impact to the stock price is negative and the impact is not significant too; so the hypothesis is not true. The negative impact present by negative beta value .083 and which is not significant because the significant value is 0.853, which is more than 0.05 so the hypothesis is not true. The beta value negative .083 represent the 1% change in Dividend payout ratio negative 0.083% change into the stock price.

**4.2 Discussion**

The first objective of the research to explore the current status of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and stock price. It is found that the stock price, price earnings ratio, debt to assets ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio have a fluctuating nature in the joint venture commercial bank. The result is consistence with the result of Koleosho et al., (2022). Which is show by the different between the minimum and maximum, mean and minimum, mean and maximum is very high. The value of standard deviation also high. The result is consistence with the result of Pandey et al., (2024).

The first objective of the research to examine the relationship of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price. It is found that the relationship between the price earnings ratio and stock price is positive and significant so the hypothesis of the study is true. The result is consistence with the result of Kayode et al., (2022). The relationship between the Debt to assets ratio and stock price is negative and not significant so the hypothesis of the study is not true. The result is consistence with the result of Dhodary, (2023). The relationship between the Debt to equity ratio and stock price is positive and significant so the hypothesis of the study is true. The result is consistence with the result of Araoye, (2019). The relationship between the Return on Assets and stock price is positive and significant so the hypothesis of the study is true. The result is consistence with the result of Adhikari, (2023). The relationship between the Return on equity and stock price is positive and significant so the hypothesis of the study is true. The result is consistence with the result of Haque et al., (2018). The relationship between the Price to book ratio and stock price is positive and significant so the hypothesis of the study is true. The result is consistence with the result of Kattel and Pradhan, (2023). The relationship between the Dividend payout ratio and stock price is positive and significant so the hypothesis of the study is true. The result is consistence with the result of Sugathadasa, (2018).

The first objective of the research to analyze the impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price. It is found that the Price earnings ratio impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The result is consistence with the result of Wagle, (2021). The Debt to assets ratio impact to the stock price is negative and the impact is not significant too; so the hypothesis is not true. The result is consistence with the result of Al-Shawawreh, (2014). The Debt to equity ratio impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The result is consistence with the result of Thapa, (2019). The Return on Assets impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The result is consistence with the result of Safiq and Yulianti, (2024). The Return on equity impact to the stock price is negative and the impact is significant too; so the hypothesis is true. The result is consistence with the result of Shrestha, (2022). The Price to book ratio impact to the stock price is positive and the impact is significant too; so the hypothesis is true. The result is consistence with the result of Subedi, (2024). The Dividend payout ratio impact to the stock price is negative and the impact is not significant too; so the hypothesis is not true. The result is consistence with the result of Zaini and Mustaqim, (2024).

# CHAPTER- V

# SUMMARY AND CONCLUSION

## 5.1 Summary

Dividend policy refers to how companies distribute profits to shareholders through dividends, balancing payouts with retained earnings for future investments. Share price reflects the current market value of a company's stock, driven by investor demand and perceptions of its value, profitability, and growth potential. The price-earnings (P/E) ratio compares a company's share price to its earnings per share (EPS), helping investors gauge if a stock is priced appropriately relative to its earnings. The debt-to-assets ratio measures the percentage of a company's assets funded by debt, calculated by dividing total debt by total assets, providing insights into financial leverage and risk. In Nepal, the debt-to-equity ratio assesses financial leverage by comparing total debt to shareholders' equity, calculated as total debt divided by total equity. Return on Assets (ROA) and Return on Equity (ROE) in Nepal gauge profitability by assessing how efficiently a company utilizes its assets and equity to generate profits. The price-to-book (P/B) ratio compares a company's market value per share to its book value per share, helping investors determine if a stock is priced attractively relative to its book value. The dividend payout ratio reveals the proportion of a company's earnings distributed to shareholders as dividends, calculated by dividing total dividends by net income. This research focuses on examining "dividend practices and their impact on share prices in Nepalese commercial banks" against this backdrop.

The objectives of research is to explore the current status of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and stock price, to examine the relationship of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price and to analyze the impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price. The objectives are set because of the problems: they are what are the current status of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and stock price? Do the relationship

of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price? And whether there is any impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price? The researcher done literature review of the research is mainly based on articles and thesis of previous scholars. The descriptive and casual comparative research design is used. The population is all the commercial bank of Nepal and all the joint venture bank are taken for research sample as cluster. Each companies has a 10 observation and in total 50 observations and secondary data SPSS and Excel are the tools of data analysis. The independent variable of the research are price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and the dependent variables and stock price. On the basis of the objective the finding are the respective joint venture commercial bank are the different between the minimum and maximum, mean and minimum, mean and maximum is very high. The value of standard deviation also high. The all the variables stock price, price earnings ratio, debt to assets ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are in the fluctuating nature. The relationship of price earnings ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are positive and significant to the stock price. The relationship of debt to assets ratio is negative to the stock price and not significant. The impact of Price earnings ratio, Debt to equity ratio, Return on Assets and Price to book ratio is positive and significant to the stock price. The impact of return on equity is negative and significant to the stock price. The Debt to assets ratio and Dividend payout ratio impact to the stock price is negative and not significant.

**5.2 Conclusion**

The first objective of the research to explore the current status of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, and return on equity, price to book ratio, dividend payout ratio and stock price. It is found that the respective joint venture commercial bank are the different between the minimum and maximum, mean and minimum, mean and maximum is very high. The value of standard deviation also high. The all the variables stock price, price earnings ratio, debt to assets ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are in the fluctuating nature. Inclusion the

stock price, price earnings ratio, debt to assets ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are in the fluctuating nature

The first objective of the research to examine the relationship of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price. It is found that the relationship of price earnings ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are positive and significant to the stock price. The relationship of debt to assets ratio is negative to the stock price and not significant. In conclusion the relationship of price earnings ratio, debt to equity ratio, return on assets, return on equity, price to book ratio and dividend payout ratio are positive and significant to the stock price.

The first objective of the research to analyze the impact of price earnings ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price to book ratio, dividend payout ratio to the stock price. It is found that the impact of Price earnings ratio, Debt to equity ratio, Return on Assets and Price to book ratio is positive and significant to the stock price. The impact of return on equity is negative and significant to the stock price. The Debt to assets ratio and Dividend payout ratio impact to the stock price is negative and not significant. In conclusion the impact of Price earnings ratio, Debt to equity ratio, Return on Assets and Price to book ratio is positive and significant to the stock price. The impact of return on equity is negative and significant to the stock price.

**5.3 implications**

Research on dividend practices and their impact on share prices in Nepalese commercial banks has significant implications for investors, bank management, and policymakers. They are:

i. For investors, understanding the relationship between dividend policies and share price movements can guide investment decisions, particularly in choosing between high-dividend and low-dividend stocks.
ii. For bank management, the findings can inform strategic decisions about dividend distribution, helping to balance shareholder expectations with the need for reinvestment and growth.
iii. Policymakers can use the insights to formulate regulations that ensure transparency and fairness in dividend distribution, which can enhance market stability and investor confidence.

iv. Additionally, this research can contribute to the broader financial literature by providing context-specific insights, which are particularly valuable in emerging markets like Nepal, where market dynamics and investor behavior may differ from more developed economies.

v. Ultimately, the study's implications can help create a more informed and efficient market, benefiting all stakeholders involved.

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# APPENDIXES

1. Nabil Bank

| Year | MPS | BVPS | MBR | EPS | PE | DPS | ROA | ROE | Total Assets | Equity | debt | DA | DE | DPR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | 599 | 210 | 2.8 | 12.65 | 25.31 | 0 | 1.42 | 11.66 | 481203 | 56,912, | 424,290 | 0.88 | 7.455 | 0 |
| 2022 | 824 | 232 | 3.5 | 16.15 | 44.21 | 41.5 | 1.2 | 9.78 | 419818 | 52,981 | 366,836 | 0.87 | 6.923 | 38.91 |
| 2021 | 1359 | 251 | 5.4 | 21.72 | 40.48 | 42.4 | 1.71 | 15.19 | 291066 | 33,858, | 257,208, | 0.88 | 7.596 | 51.22 |
| 2020 | 765 | 256 | 2.9 | 18.55 | 21.15 | 37.02 | 1.58 | 13.61 | 237680 | 25,855, | 211,824 | 0.89 | 8.192 | 50.10 |
| 2019 | 800 | 257 | 3.11 | 24.25 | 15.82 | 56 | 2.11 | 17.76 | 201138 | 23,188 | 177,950 | 0.88 | 7.674 | 43.30 |
| 2018 | 921 | 256 | 3.59 | 49.51 | 18.6 | 56 | 2.61 | 20.94 | 160978 | 20,586, | 148,489 | 0.92 | 7.213 | 88.41 |
| 2017 | 1523 | 270 | 5.64 | 59.86 | 25.44 | 66 | 2.69 | 22.41 | 144017 | 14000 | 126238 | 0.87 | 9.017 | 90.69 |
| 2016 | 2344 | 244 | 9.6 | 59.27 | 39.55 | 60 | 2.32 | 25.61 | 131347 | 11574 | 115706 | 0.88 | 9.997 | 98.78 |
| 2015 | 1910 | 259 | 7.3 | 57.24 | 33.37 | 43.68 | 2.06 | 22.73 | 118695 | 9518 | 109177 | 0.91 | 11.47 | 131.0 |
| 2014 | 2535 | 251 | 10.0 | 83.68 | 30.29 | 45 | 2.89 | 27.97 | 90292 | 7670 | 82622 | 0.91 | 10.77 | 185.9 |

2. Everest Bank Limited

| Year | MPS | BVPS | MBR | EPS | PE | DPS | ROA | ROE | Total Assets | Equity | debt | DA | DE | DPR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | 563 | 218 | 2.5 | 31.43 | 17.91 | 20.53 | 1.41 | 13.25 | 250090 | 25371 | 224718 | 0.89 | 8.85 | 61.6 |
| 2022 | 439 | 219 | 2.0 | 26.3 | 16.69 | 16.3 | 1.13 | 10.7 | 225211 | 22561 | 202649 | 0.89 | 8.98 | 99.0 |
| 2021 | 738 | 232 | 3.1 | 19.91 | 37.06 | 11.69 | 0.89 | 8.55 | 122,645 | 20683 | 190966 | 1.5 | 9.23 | 185.7 |
| 2020 | 675 | 241 | 2.8 | 29.71 | 22.72 | 16.04 | 1.42 | 13.5 | 191,162 | 18637 | 166385 | 0.8 | 8.92 | 115.6 |
| 2019 | 666 | 237 | 2.8 | 38.05 | 17.5 | 30.66 | 1.94 | 17.32 | 170077 | 17625 | 152452 | 0.89 | 8.64 | 79.09 |
| 2018 | 663 | 200 | 3.3 | 32.78 | 20.23 | 20 | 1.97 | 15.99 | 144818 | 16134 | 128583 | 0.88 | 7.96 | 247.55 |
| 2017 | 1353 | 290 | 4.6 | 32.48 | 41.66 | 34.74 | 1.83 | 18.34 | 116510 | 8513 | 105372 | 0.90 | 12.37 | 172.3 |
| 2016 | 3385 | 370 | 9.14 | 40.33 | 83.94 | 73.68 | 1.59 | 23.54 | 113885 | 6889 | 92278 | 0.8 | 13.39 | 80.44 |
| 2015 | 2120 | 335 | 6.3 | 78.04 | 27.17 | 36.58 | 1.85 | 22.8 | 99167 | 5456 | 64989 | 0.65 | 11.91 | 156.4 |
| 2014 | 2631 | 296 | 8.8 | 86.04 | 30.58 | 62.63 | 2.25 | 28.39 | 70445 | 4827 | 60914 | 0.86 | 12.61 | 133.6 |

3. Himalayan Bank Limited

| Year | MPS | BVPS | MBR | EPS | PE | DPS | ROA | ROE | Total Assets | Equity | debt | DA | DE | DPR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | 212.8 | 155.2 | 1.3 | 9.18 | 23.18 | 0 | 0.47 | 4.64 | 332392 | 33630 | 298762 | 0.89 | 8.88 | 0 |
| 2022 | 299.2 | 169.7 | 1.7 | 18.2 | 16.39 | 30.2 | 1.09 | 10.7 | 216286 | 22010 | 194276 | 0.89 | 8.82 | 60.26 |
| 2021 | 484 | 188.4 | 2.5 | 28.0 | 17.25 | 30.6 | 1.68 | 14.8 | 17849 | 20132 | 158358 | 8.87 | 7.86 | 91.5 |
| 2020 | 540 | 187.6 | 2.8 | 27.6 | 19.57 | 26 | 1.79 | 15.4 | 15588 | 17589 | 138295 | 8.87 | 7.86 | 106.15 |
| 2019 | 552 | 187.7 | 2.9 | 32.4 | 17.02 | 34 | 2.21 | 18.3 | 133151 | 14138 | 102323 | 0.76 | 7.23 | 95.294 |
| 2018 | 551 | 174.2 | 3.1 | 23.1 | 23.84 | 26.5 | 1.67 | 14.1 | 116462 | 12328 | 95735 | 0.82 | 7.76 | 87.169 |
| 2017 | 886 | 189.9 | 4.6 | 35.1 | 25.21 | 27.6 | 2.19 | 21.5 | 108063 | 9319 | 91242 | 0.84 | 9.79 | 127.17 |
| 2016 | 886 | 180.3 | 4.9 | 33.5 | 26.4 | 27.6 | 2.03 | 21.2 | 99863 | 8822 | 91041 | 0.91 | 10.3 | 121.37 |
| 2015 | 1500 | 196.1 | 7.6 | 43.0 | 34.86 | 33.1 | 1.94 | 24.5 | 82801 | 6958 | 75843 | 0.91 | 10.9 | 129.90 |
| 2014 | 813 | 208.8 | 3.8 | 33.3 | 24.36 | 49.2 | 1.34 | 17.0 | 73589 | 6082 | 67507 | 0.91 | 11.09 | 67.682 |

4. Standard charter bank

| Year | MPS | BVS | MBR | EPS | PE | DPS | ROA | ROE | Total Assets | Equity | debt | DA | DE | DPR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | 530 | 214 | 2.47 | 36.75 | 14.42 | 32.4 | 2.29 | 20.78 | 153378 | 20142 | 131235 | 0.85 | 6.51 | 113.4 |
| 2022 | 396 | 192 | 2.0 | 23.92 | 16.56 | 24.91 | 1.83 | 14.21 | 123355 | 18135 | 105220 | 0.85 | 5.8 | 96.02 |
| 2021 | 590 | 189 | 3.12 | 23.92 | 36.16 | 10.46 | 1.22 | 9.44 | 114738 | 16222 | 98516 | 0.85 | 6.07 | 228.6 |
| 2020 | 645 | 189 | 3.4 | 24.81 | 26 | 16.35 | 1.71 | 15.15 | 116438 | 15102 | 101335 | 0.87 | 6.7 | 151.7 |
| 2019 | 682 | 186 | 3.6 | 30.39 | 22.44 | 34.21 | 2.61 | 19.49 | 93264 | 14927 | 78337 | 0.83 | 5.24 | 88.83 |
| 2018 | 775 | 174 | 4.4 | 27.33 | 27.62 | 35 | 2.61 | 18.66 | 83094 | 13925 | 69169 | 0.83 | 4.96 | 78.08 |
| 2017 | 2295 | 296 | 7.7 | 35.49 | 64.67 | 12.06 | 1.84 | 11.98 | 78356 | 11863 | 65545 | 0.83 | 5.52 | 294.2 |
| 2016 | 3600 | 268 | 13.4 | 45.96 | 78.33 | 8.61 | 1.98 | 17.18 | 64926 | 7523 | 57671 | 0.88 | 7.6 | 533.7 |
| 2015 | 1943 | 265 | 7.3 | 57.38 | 33.86 | 27.89 | 1.99 | 21.69 | 53324 | 5948 | 58978 | 1.1 | 9.91 | 205.7 |
| 2014 | 2799 | 249 | 11.2 | 65.47 | 42.75 | 50.81 | 2.51 | 26.27 | 45631 | 5187 | 48137 | 1.05 | 9.28 | 128.8 |

5. Nepal SBI Bank Limited

| Year | MPS | BVS | MBR | EPS | PE | DPS | ROA | ROE | Total Assets | Equity | debt | DA | DE | DPR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | 341 | 180.49 | 1.8 | 19.44 | 17.54 | 17.35 | 1.06 | 10.17 | 185958 | 18266 | 167691 | 0.90 | 9.18 | 112.0 |
| 2022 | 282.3 | 174.17 | 1.6 | 16.19 | 16.93 | 18.06 | 1.07 | 9.57 | 153102 | 17113 | 135989 | 0.88 | 7.94 | 89.64 |
| 2021 | 409 | 162.22 | 2.5 | 10.15 | 40.3 | 7.12 | 0.7 | 6.25 | 137808 | 15400 | 122408 | 0.88 | 7.94 | 142. |
| 2020 | 435 | 165.05 | 2.6 | 17.23 | 25.24 | 12.94 | 1.17 | 10.4 | 132401 | 14781 | 117620 | 0.88 | 7.95 | 133.1 |
| 2019 | 469 | 167.52 | 2.7 | 27.13 | 17.29 | 27.68 | 1.94 | 16.1 | 118314 | 14154 | 104159 | 0.88 | 7.35 | 98.013 |
| 2018 | 499 | 159.08 | 3.13 | 15.16 | 19.83 | 26.58 | 1.97 | 15.8 | 102538 | 12301 | 89737 | 0.87 | 7.29 | 57.03 |
| 2017 | 925 | 151.9 | 6.0 | 33.46 | 27.64 | 17.16 | 1.57 | 23.0 | 99828 | 10413 | 89338 | 0.89 | 8.57 | 194.9 |
| 2016 | 1875 | 184.87 | 10.1 | 36.78 | 50.98 | 31.01 | 1.59 | 40.7 | 127619 | 6920 | 71495 | 0.56 | 10.33 | 118.6 |
| 2015 | 887 | 186.49 | 4.7 | 34.48 | 25.73 | 29.84 | 1.64 | 45.0 | 118695 | 5645 | 53678 | 0.452 | 9.50 | 115.54 |
| 2014 | 1280 | 171.15 | 7.4 | 34.83 | 36.75 | 29.09 | 1.5 | 51.4 | 90292 | 4535 | 56538 | 0.62 | 12.46 | 119.7 |

Appendix 2: result from spss calculations

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Stock price | 50 | 212.80 | 3600.00 | 1103.8860 | 841.38650 |
| Price earnings ratio | 50 | 14.42 | 83.94 | 29.5760 | 14.89748 |
| Debt to assets ratio | 50 | .45 | 8.87 | 1.1874 | 1.58998 |
| Debt to equity ratio | 50 | 4.96 | 13.39 | 8.7151 | 1.97140 |
| Return on Assets | 50 | .47 | 2.89 | 1.7616 | .52990 |
| Return on equity | 50 | 4.64 | 51.40 | 18.5084 | 8.98744 |
| Price to book ratio | 50 | 1.30 | 13.40 | 4.7100 | 2.86658 |
| Dividend payout ratio | 50 | .00 | 533.70 | 121.9128 | 82.72610 |
| Valid N (listwise) | 50 | | | | |

**Correlations**

| | | Stock price | Price earnings ratio | Debt to assets ratio | Debt to equity ratio | Return on Assets | Return on equity | Price to book ratio | Dividend payout ratio |
|---|---|---|---|---|---|---|---|---|---|
| Stock price | Pearson Correlation | 1 | .777** | -.147 | .484** | .425** | .449** | .947** | .507** |
| | Sig. (2-tailed) | | .000 | .307 | .000 | .002 | .001 | .000 | .000 |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Price earnings ratio | Pearson Correlation | .777** | 1 | -.156 | .267 | -.009 | .194 | .733** | .531** |
| | Sig. (2-tailed) | .000 | | .281 | .061 | .948 | .176 | .000 | .000 |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Debt to assets ratio | Pearson Correlation | -.147 | -.156 | 1 | -.096 | -.018 | -.122 | -.156 | -.049 |
| | Sig. (2-tailed) | .307 | .281 | | .509 | .903 | .397 | .280 | .738 |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Debt to equity ratio | Pearson Correlation | .484** | .267 | -.096 | 1 | -.036 | .497** | .449** | -.008 |
| | Sig. (2-tailed) | .000 | .061 | .509 | | .802 | .000 | .001 | .957 |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Return on Assets | Pearson Correlation | .425** | -.009 | -.018 | -.036 | 1 | .441** | .453** | .135 |
| | Sig. (2-tailed) | .002 | .948 | .903 | .802 | | .001 | .001 | .351 |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Return on equity | Pearson Correlation | .449** | .194 | -.122 | .497** | .441** | 1 | .589** | .074 |
| | Sig. (2-tailed) | .001 | .176 | .397 | .000 | .001 | | .000 | .608 |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Price to book ratio | Pearson Correlation | .947** | .733** | -.156 | .449** | .453** | .589** | 1 | .530** |
| | Sig. (2-tailed) | .000 | .000 | .280 | .001 | .001 | .000 | | .000 |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Dividend payout ratio | Pearson Correlation | .507** | .531** | -.049 | -.008 | .135 | .074 | .530** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .738 | .957 | .351 | .608 | .000 | |
| | N | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |

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

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .976[a] | .953 | .945 | 196.89738 |

a. Predictors: (Constant), Dividend payout ratio, Debt to equity ratio, Debt to assets ratio, Return on Assets , Price earnings ratio, Return on equity, Price to book ratio

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 33060350.418 | 7 | 4722907.203 | 121.823 | .000[b] |
| | Residual | 1628280.302 | 42 | 38768.579 | | |
| | Total | 34688630.720 | 49 | | | |

a. Dependent Variable: Stock price

b. Predictors: (Constant), Dividend payout ratio, Debt to equity ratio, Debt to assets ratio, Return on Assets , Price earnings ratio, Return on equity, Price to book ratio

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -1343.974 | 250.793 | | -5.359 | .000 |
| | Price earnings ratio | 15.111 | 3.707 | .268 | 4.076 | .000 |
| | Debt to assets ratio | -.624 | 18.014 | -.001 | -.035 | .973 |
| | Debt to equity ratio | 93.657 | 19.762 | .219 | 4.739 | .000 |
| | Return on Assets | 351.355 | 81.675 | .221 | 4.302 | .000 |
| | Return on equity | -19.578 | 4.654 | -.209 | -4.206 | .000 |
| | Price to book ratio | 199.372 | 27.322 | .679 | 7.297 | .000 |
| | Dividend payout ratio | -.083 | .449 | -.008 | -.186 | .853 |

a. Dependent Variable: Stock price

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 10 | 1358.0000 | 699.57717 |
| Price earnings ratio | 10 | 29.4220 | 9.79343 |
| Debt to assets ratio | 10 | .8890 | .01792 |
| Debt to equity ratio | 10 | 8.6307 | 1.60350 |
| Return on Assets | 10 | 2.0590 | .57354 |
| Return on equity | 10 | 18.7660 | 6.11828 |
| Price to book ratio | 10 | 5.3840 | 2.74075 |
| Dividend payout ratio | 10 | 77.8310 | 53.19151 |

| | | | |
|---|---|---|---|
| Valid N (listwise) | 10 | | |

a. name of the bank = Nabil BAnk

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 10 | 1323.3000 | 1032.10950 |
| Price earnings ratio | 10 | 31.5460 | 20.29722 |
| Debt to assets ratio | 10 | .9060 | .22222 |
| Debt to equity ratio | 10 | 10.2860 | 2.02442 |
| Return on Assets | 10 | 1.6280 | .41848 |
| Return on equity | 10 | 17.2380 | 6.19947 |
| Price to book ratio | 10 | 4.5340 | 2.63919 |
| Dividend payout ratio | 10 | 133.1280 | 57.94327 |
| Valid N (listwise) | 10 | | |

a. name of the bank = Everest Bank Limited

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 10 | 672.4000 | 369.49047 |
| Price earnings ratio | 10 | 22.8080 | 5.61350 |
| Debt to assets ratio | 10 | 2.4670 | 3.37502 |
| Debt to equity ratio | 10 | 9.0490 | 1.39780 |
| Return on Assets | 10 | 1.6410 | .54323 |
| Return on equity | 10 | 16.2140 | 5.75347 |
| Price to book ratio | 10 | 3.5200 | 1.83048 |
| Dividend payout ratio | 10 | 88.6495 | 39.04574 |
| Valid N (listwise) | 10 | | |

a. name of the bank = Himalayan Bank Limited

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 10 | 1425.5000 | 1144.24951 |
| Price earnings ratio | 10 | 36.2810 | 20.71200 |
| Debt to assets ratio | 10 | .8940 | .09755 |
| Debt to equity ratio | 10 | 6.7590 | 1.68425 |
| Return on Assets | 10 | 2.0590 | .44735 |
| Return on equity | 10 | 17.4850 | 4.97118 |
| Price to book ratio | 10 | 5.8590 | 3.91601 |
| Dividend payout ratio | 10 | 191.9030 | 138.78887 |
| Valid N (listwise) | 10 | | |

a. name of the bank = Standard Charter Bank

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 10 | 740.2300 | 509.73378 |
| Price earnings ratio | 10 | 27.8230 | 11.45973 |
| Debt to assets ratio | 10 | .7812 | .16871 |
| Debt to equity ratio | 10 | 8.8510 | 1.59799 |
| Return on Assets | 10 | 1.4210 | .40989 |
| Return on equity | 10 | 22.8390 | 16.62440 |
| Price to book ratio | 10 | 4.2530 | 2.78641 |
| Dividend payout ratio | 10 | 118.0523 | 36.03086 |
| Valid N (listwise) | 10 | | |

a. name of the bank = Nepal SBI Bank Limited

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 2011.6000 | 901.31615 |
| Price earnings ratio | 5 | 32.9460 | 7.01713 |
| Debt to assets ratio | 5 | .8700 | .15668 |
| Debt to equity ratio | 5 | 11.2420 | 1.36476 |
| Return on Assets | 5 | 2.0980 | .66187 |
| Return on equity | 5 | 30.2060 | 12.72177 |
| Price to book ratio | 5 | 8.2400 | 2.85447 |
| Dividend payout ratio | 5 | 127.1364 | 42.09463 |
| Valid N (listwise) | 5 | | |

a. years = 2014.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 1672.0000 | 494.11487 |
| Price earnings ratio | 5 | 30.9980 | 4.21716 |
| Debt to assets ratio | 5 | .8044 | .25382 |
| Debt to equity ratio | 5 | 10.7380 | 1.01905 |
| Return on Assets | 5 | 1.8960 | .16227 |
| Return on equity | 5 | 27.3440 | 9.92128 |
| Price to book ratio | 5 | 6.6400 | 1.19080 |
| Dividend payout ratio | 5 | 147.7080 | 35.60086 |
| Valid N (listwise) | 5 | | |

a. years = 2015.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 2418.0000 | 1115.74661 |
| Price earnings ratio | 5 | 55.8400 | 24.75433 |
| Debt to assets ratio | 5 | .8060 | .14346 |
| Debt to equity ratio | 5 | 10.3234 | 2.05719 |
| Return on Assets | 5 | 1.9020 | .31300 |
| Return on equity | 5 | 25.6460 | 8.97914 |
| Price to book ratio | 5 | 9.4280 | 3.03495 |
| Dividend payout ratio | 5 | 190.5780 | 192.52308 |
| Valid N (listwise) | 5 | | |

a. years = 2016.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 1396.4000 | 571.86519 |
| Price earnings ratio | 5 | 36.9240 | 16.93785 |
| Debt to assets ratio | 5 | .8660 | .03050 |
| Debt to equity ratio | 5 | 9.0534 | 2.46284 |
| Return on Assets | 5 | 2.0240 | .43264 |
| Return on equity | 5 | 19.4460 | 4.54421 |
| Price to book ratio | 5 | 5.7080 | 1.27606 |
| Dividend payout ratio | 5 | 175.8520 | 77.46644 |
| Valid N (listwise) | 5 | | |

a. years = 2017.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 681.8000 | 170.86603 |
| Price earnings ratio | 5 | 22.0240 | 3.68676 |
| Debt to assets ratio | 5 | .8640 | .04037 |
| Debt to equity ratio | 5 | 7.0366 | 1.20245 |
| Return on Assets | 5 | 2.1660 | .42341 |
| Return on equity | 5 | 17.0980 | 2.69728 |
| Price to book ratio | 5 | 3.5040 | .53734 |
| Dividend payout ratio | 5 | 111.6478 | 77.00408 |
| Valid N (listwise) | 5 | | |

a. years = 2018.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 633.8000 | 127.31143 |
| Price earnings ratio | 5 | 18.0140 | 2.55830 |
| Debt to assets ratio | 5 | .8480 | .05450 |
| Debt to equity ratio | 5 | 7.2268 | 1.24094 |
| Return on Assets | 5 | 2.1620 | .27581 |
| Return on equity | 5 | 17.7940 | 1.24779 |
| Price to book ratio | 5 | 3.0220 | .35696 |
| Dividend payout ratio | 5 | 80.9054 | 22.24839 |
| Valid N (listwise) | 5 | | |

a. years = 2019.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 612.0000 | 127.45587 |
| Price earnings ratio | 5 | 22.9360 | 2.70476 |
| Debt to assets ratio | 5 | 2.4620 | 3.58236 |
| Debt to equity ratio | 5 | 7.9244 | .80106 |
| Return on Assets | 5 | 1.5340 | .24704 |
| Return on equity | 5 | 13.6120 | 1.99323 |
| Price to book ratio | 5 | 2.9000 | .30000 |
| Dividend payout ratio | 5 | 111.3300 | 38.39872 |
| Valid N (listwise) | 5 | | |

a. years = 2020.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 716.0000 | 380.09275 |
| Price earnings ratio | 5 | 34.2500 | 9.69484 |
| Debt to assets ratio | 5 | 2.5960 | 3.51789 |
| Debt to equity ratio | 5 | 7.7392 | 1.12740 |
| Return on Assets | 5 | 1.2400 | .45525 |
| Return on equity | 5 | 10.8460 | 3.96472 |
| Price to book ratio | 5 | 3.3240 | 1.19995 |
| Dividend payout ratio | 5 | 139.8040 | 71.02182 |
| Valid N (listwise) | 5 | | |

a. years = 2021.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 448.1000 | 220.09025 |
| Price earnings ratio | 5 | 22.1560 | 12.33014 |
| Debt to assets ratio | 5 | .8760 | .01673 |
| Debt to equity ratio | 5 | 7.6926 | 1.33827 |
| Return on Assets | 5 | 1.2640 | .32028 |
| Return on equity | 5 | 10.9920 | 1.87197 |
| Price to book ratio | 5 | 2.1600 | .77006 |
| Dividend payout ratio | 5 | 76.7660 | 26.15498 |
| Valid N (listwise) | 5 | | |

a. years = 2022.00

**Descriptive Statistics[a]**

| | N | Mean | Std. Deviation |
|---|---|---|---|
| Stock price | 5 | 449.1600 | 165.46247 |
| Price earnings ratio | 5 | 19.6720 | 4.45328 |
| Debt to assets ratio | 5 | .8820 | .01924 |
| Debt to equity ratio | 5 | 8.1750 | 1.14600 |
| Return on Assets | 5 | 1.3300 | .66117 |
| Return on equity | 5 | 12.1000 | 5.83599 |
| Price to book ratio | 5 | 2.1740 | .61023 |
| Dividend payout ratio | 5 | 57.4000 | 56.40106 |
| Valid N (listwise) | 5 | | |

a. years = 2023.00

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ABSTRACT The objectives of research is to explore the current status of price earnings

**ratio, debt to assets ratio, return on assets, debt to equity ratio** , and **return on equity, price** to book **ratio**

, dividend payout ratio and stock price, to examine the relationship of price earnings

**ratio, debt to assets ratio, return on assets, debt to equity ratio, return on equity, price** to book **ratio**

, dividend payout ratio to the stock price and to analyze the impact of price earnings