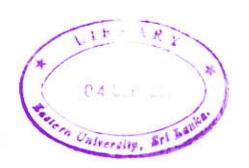
# A STUDY ON THE IMPACT OF EARNING PER SHARE AND DIVIDEND PER SHARE ON SHARE VALUES OF LISTED COMPANIES IN SRI LANKA



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#### ABSTRACT

This research on "A study on the impact of earning per share and dividend per share on share values of listed companies in Sri Lanka" is designed to give some idea of the relationship between Dividend Payouts and related variables. Such as Share prices, earning per share and dividend per share that describes and explains the different type of the investors who buy shares in the secondary market. This study will find out the relationship between share prices of the company with the related variables.

This study is to examine how share prices respond to the information that is implicit in the event of dividend payout and earning to our empirical results based on 30 samples of dividend paying companies listed on Colombo Stock Exchange (CSE) which treats dividend payouts and earnings as useful information, the researcher should be able to observe significant price adjustments to such information.

In this study dividend per share and earning per share are the variables, it was analyzed through SPSS package and results are illustrated by tables. The results of the survey indicated that it has a positive relationship on share price.

This must be reflect in the share return of such companies during the period of dividend payout of dividends and profit earned and also to examine whether the stock market responds to variable changes quickly with unbiased number, if the market is efficient in absorbing public information the researcher should be able to observe significant price movements only on variables changes. Given recommendations are useful to maximize the effectiveness of all variables in a positive way.

Researcher

### TABLE OF CONTENTS

CONTENTS	PAGE NUMBERS
Acknowledgement	1
Abstract	11
Contents	111
List of figures	v
List of tables	VI
List of tables	2853
CHAPTER 1: INTRODUCTION	
1.1 Introduction	01
1.2 Research Problem	05
1.3 Research question	05
1.4 Objective of the study	06
1.5 Scope of the study	06
1.6 Significance of the study	06
1.7 Summary	08
CHAPTER 2 : LITERATURE REVIEW	
2.1 Introduction	09
2.2 Colombo stock exchange structure and organization	09
2.3 Types of stock	12
2.4 Factures affecting the share prices	JA 13
2.5 Dividend	15 6 15
2.6 Legal and procedural aspects	<i>y</i> . 27
2.7 Bonus shares	28
2.8 Share price	29
2.9 Dividend Policy from the Shareholder's Perspective	29
2.10 Review of Empirical Evidence	31
2.11 Summary	36

## **CHAPTER 3: CONCEPTUALIZATION**

3.1 Introduction	37
3.2 Conceptualization	37
3.3 Conceptual frame work	38
3.4 Operationalization	40
3.5 Summary	40
CHAPTER 4 : RESEARCH METHODOLOGY	
4.1 Introduction	41
4.2 Study setting, Design and method of survey	41
4.3 Sampling Design	41
4.4 Data and data collection Methods	42
	43
4.5 Method of Analysis	
4.6 Summary	44
CHAPTER 5: DATA PRESENTATION AND ANALYSIS	3
•	
5.1 Introduction	45
5.2 Selected companies	45
5.3 Earning Per Share	46
5.4 Dividend per share	48
5.5 Share Price	51
5.6 Correlations	53
5.7 Summary	54

## CHAPTER 6: DISCUSSION

6.1 Introduction	55
6.2 Discussion on Earning Per Share	55
6.3 Discussion on Dividend per Share	56
6.4 Summary	57
CHAPTER 7 : CONCLUSION AND RECOMMENDATI	ON
7.1 Introduction	58
7.2 Conclusion	58
7.3 Recommendation	59
7.4 Implication	59
7.5 Summary	60