

**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

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