

# The Firm Specific and Macroeconomic Variables Effects on Share Prices of Nepalese Commercial Banks and Insurance Companies

Bishnu Prasad Bhattarai  
Patan Multiple Campus, Faculty of Management, Tribhuvan University, Kathmandu, Nepal & Excel Business College

— *Review of* —  
**Integrative  
Business &  
Economics**  
— *Research* —

## ABSTRACT

The main purpose of this study is to examine the firm specific and macroeconomic variables effects on Share Prices of Nepalese commercial banks and insurance companies. The study is based on secondary data of seven banks and six insurances companies for the period of 2009/10 - 2014/15. The data are obtained from annual report of concerned enterprises. The descriptive and causal comparative research design has been used for the study. The effects firms' specific and macroeconomic variables on share prices have been analyzed with the help of the multiple regression technique from SPSS- 16 version. The firm specific variables: Return on assets (ROA), earnings per shares (EPS), dividend per shares (DPS), dividend payout ratio (DPR), Prices earnings ratio (P/E Ratio), size and macroeconomics variables are money supply (MS), exchange rate (ER), inflation rate (IR) and GDP growth rate (GDPR) have been taken as independent variables and MPS dependent variable. The study concludes that the major factors firm specific: ROE, ROA, EPS, DPS, P/E Ratio, size and macroeconomic: MS, GDPR, ER and IR affecting the share prices of banks and insurances companies in Nepalese context.

Keywords: Share Prices, Firm Specific Variables, Macroeconomics Variables.

## 1. INTRODUCTION

The stock market is all about dynamics and that is why investors and fund managers have been time and again confronted with the problem of accurately predicting the stock prices so as to earn decent returns. Investment in shares offers the benefit of liquidity as well as the opportunity to beat the market and earn high returns. But the task of predicting share prices is far from simple. Share price movement is not independent in nature and both intrinsic as well as extrinsic factors have been established to exercise influence over stock price movements (Malhotra & Tandon, 2013).

Firm specific variables & macroeconomic variables explain the behavior of expected stock returns. Even though previous studies (Gordon, 1959; Friend & Puckett, 1964; Bower and Bower 1969; Malkiel & Cragg, 1970; and Zahir,1992) found that expected stock returns is highly sensitive to macroeconomic factors, there are number of firm specific factors such as earnings, dividends, risk, leverage, size, book-to-market ratio, right issue and bonus issues explain the behavior of expected stock.

Sapkota (2016) has showed that there is positive relationship of market prices with earnings per share, dividend per share, return on assets, price earnings ratio and gross domestic product. It indicates that an increase in earnings per share, dividend per share, return on assets, price earnings ratio and gross domestic product leads to an increase in the market price per share.

Pradhan and Dahal (2016) have revealed that firm specific variables like earnings per share, divided per share, price earnings ratio, book value per share, return on assets and size are the major determining stock price in context of commercial banks in Nepal. Among the variables, size is found to be the most important determining variable that affects the share price. It means, larger the firm size, higher would be the stock price. Among the macro economic variables such as gross domestic product, inflation and money supply, gross domestic product is a major variable that affect the share price.

**The main objective of the study is to investigate the relationship between the firm specific and macroeconomic variables as determinants of market price per share of banking and insurance industries in Nepal.** Specially, it examines the impact of return on equity, return on assets, earnings per shares, dividend per shares, dividend payout ratio, prices earnings ratio, size, money supply, exchange rate, inflation rate and GDP growth rate on market price per share in this study.

The remainder of this study is structured as follows: Section two literature reviews, section three describes research methodology, section four presents the results and discussion and final section draws conclusions and discusses the implications of the study findings.

## 2. LITERATURE REVIEWS

In the process of continuous evaluation impact the firm specific and macroeconomic variables effects on share price of commercial banks and insurances companies. The major studies have reviewed in this regards.

Mukherjee and Naka (1995) have investigated the relation between Tokyo stock prices and six macroeconomic variables and show that the relationship between stock prices, the exchange rate, money supply, and industrial production is positive, whereas the relationship between stock prices and inflation and interest rates is mixed.

The study of Malhotra and Tandon (2013) have attempted to determine the factors that influence stock prices in the context of National Stock Exchange (NSE) of 100 companies. A sample of 95 companies was selected for the period 2007- 2012 and linear regression model was used. The results indicated that firms' book value, earning per share, and price-earnings ratio are having a significant positive association with firm's stock price while dividend yield is having a significant inverse association with the market price of the firm's stock.

Bhattacharai (2014) has examined the determinants of share price of commercial banks listed on the Nepal Stock Exchange Limited over the period of 2006 to 2014. Data were sourced from the annual reports of the sampled banks and analyzed using regression model. The results revealed that earning per share and price- earnings ratios have the significant positive association with share price while dividend yield showed the significant inverse association with share price. The major conclusion of the study is that dividend yield, earning per share

and price-earnings ratio are the most influencing factors in determining share price in Nepalese commercial banks.

Almumani (2014) has attempted to identify the quantitative factors that influence share prices for the listed banks in Amman Stock Exchange over the period 2005-2011 using a linear multiple regression model. There is a significant positive relationship between EPS and the MP of the listed banks in Jordan. Moreover, moreover, there is a significant relationship between banks BV and MP. Another empirical finding from the regression analysis shows a positive relationship between P/E and MP. Empirical findings from the regression analysis on the relationship between SIZE and MP indicate that there is an inverse relationship between S and MP. Finally, other variables (DPS and DP) have insignificant impact on MP.

Kitati, Zablon and Maithya (2015) have found that interest rate had a predominant effect on stock market price indices as compared to the other macro-economic variables. Interest rate, exchange rate for both the Euro and US Dollar had a negative effect on stock market indices for companies quoted on the Nairobi Securities Exchange. When the Kenya shilling depreciates the stock market indices gain in points. The inflation rate had a negative effect on stock market performance indicating that higher levels of inflation rate result in lower stock market indices in Kenya. Other macro-economic variables would also have impact on stock market indices for companies quoted on the Nairobi Securities Exchange since the predictor model did not account for all variables as it had a low R<sup>2</sup> of 15.1 %.

Adekunle, Agbadudu and Ammeh (2015) have investigated that the factors that influence the share price behaviour of selected firms in insurance industry in Nigeria. Specifically, this study examines both company specific factors (earnings per share and return on assets) and macroeconomic factors (inflation rate and gross domestic product) that influence share prices in Nigerian insurance industry. Five insurance firms were randomly selected from the industry for examination. Data used for the study were sourced from the annual reports of the sampled firms and the statistical bulletin of Central Bank of Nigeria ranging from 2005 – 2014. A panel data multiple regression model was specified and estimated. It was found that earnings per share and inflation rate significantly influence share price behaviour in Nigerian insurance industry. However, return on assets and gross domestic products were not significant in predicting the prices of share in the industry. It is recommended that investors in the insurance industry should be guided by industry financial ratios, especially the profitability measures of earnings per share (EPS). Also, economic policy makers should formulate and implement policies that would improve general income level as well as control the general price level.

Lama (2016) has examined the effect of firm specific and macro economics variables on stock price of Nepalese commercial banks. Market price per share, stock return and excess return are dependent variables. Earnings per share, dividend per share, size, return on asset, money supply, gross domestic product, inflation and interest rate are the independent variables. The data are collected from the annual report of selected commercial banks and supervision report published by Nepal Rastra Bank. The study is based on 126 observations from 18 commercial banks in Nepal. The regression models are estimated to test the effect of firm specific and macroeconomic variables on stock price of Nepalese commercial banks. The result shows that there is positive relationship of market price per share with size, earnings per share, dividend per share, return on assets, money supply, inflation and gross domestic product. It indicates that an increase in size, earnings per share, dividend per share,

return on assets, money supply, inflation and gross domestic product leads to an increase in the market price per share. However, the beta coefficient is insignificant for inflation at 5 percent level of significance. Similarly, the result states that there is negative relationship of market price per share with interest rate which reveals that higher the interest rate, lower would be the market price of share.

Sapkota and Pradhan (2016) have assert that there is positive relationship of market prices per share with Return on assets (ROA), earnings per shares (EPS), dividend per shares (DPS), Prices earnings ratio (P/E Ratio) and GDP growth rate (GDPR). It indicates that an increase in Return on assets (ROA), earnings per shares (EPS), dividend per shares (DPS), Prices earnings ratio (P/E Ratio) and GDP growth rate (GDPR) leads to an increase in market prices per share. Similarly, it states that there is negative relationship of market price per share with leverage, inflation and interest rate which reveal that an increase in leverage decreases in market price per share in Nepalese commercial banks.

Al Qaisi, Tahtamouni, & AL-Qudah (2016) have investigated that the effect of some factors on market stock price such as Return on Asset (ROA), Return on Equity (ROE), Debt Ratio, the Age of the Company, and the Size of the Company. To achieve the objective, the study uses twenty insurance companies listed in Amman stock exchange during the period 2011 to 2015. The data analysis includes simple and multiple liner regression and the results found that there is an effect between (ROA, Debt Ratio, Age of the Company, and the Size of the Company) and market stock price in insurance companies listed in Amman stock exchange. Moreover, the results found that there is no effect between ROE and market stock price in these insurance companies.

Aveh and Awunyo-Vitor (2017) have examined the influence of firm-specific determinants of stock prices in an emerging market with particular reference to firms listed on the Ghana Stock Exchange. The study employs a data-set from all listed firms on the Ghana Stock Exchange from 2008 to 2014. The study used panel regression analysis to analyze the data. In general, the study found that accounting information, specifically earning per share, return on equity, book value and market capitalization of the firms, is relevant in explaining stock prices after the adoption of International Financial Reporting Standards (IFRS) in Ghana. This study contributes to the ongoing debate on the firm-specific factors influencing share price in an emerging market with particular reference to Ghana Stock Exchange. It is recommended that the Directors of the firms listed on the Ghana Stock Exchange introduce policies which would have a positive impact on their return on equity and earnings per share to significantly influence their stock prices positively.

In the context of Nepal, the empirical study Bhattarai (2014) has examined that dividend yield, earning per share and price-earnings ratio are the most influencing factors in determining share price in Nepalese commercial banks. K.C (2016) has found that earnings per share, profitability and size are the major determinants of stock price of banks and non banks in Nepal. Sapkota (2016) has showed that there is positive relationship of market prices with earnings per share, dividend per share, return on assets, price earnings ratio and gross domestic product. Sapkota and Pradhan (2016) have assert that there is positive relationship of market prices per share with Return on assets (ROA), earnings per shares (EPS), dividend per shares (DPS), Prices earnings ratio (P/E Ratio) and GDP growth rate (GDPR).

In this connection, the main research question in this study as follow: **Does firm specific and macroeconomic variables effects on Share Prices of Nepalese commercial banks and**

**insurance companies?** For this purpose the research methodology has been emphasized further.

### 3. REASERCH METHODOLOGY

This study is based on secondary data of banks and insurances for the period of 2009/10 - 2015/16. The data are obtained from annual report of concerned banks and insurances, Supervision Report of Nepal Rastra Bank and Central Bureau of Statistics. The relationship between market share prices and firm specific: ROE, ROA, EPS, DPS, DPR, P/E Ratio, Size and macroeconomic: MS, ER, IR and GDPR have been analyzed with the help of the multiple regression technique from SPSS- 18 version.

#### The Model

The study examines the relationship of market share prices (MPS) dependent variables with the firm specific (ROE, ROA, EPS, DPS, DPR, P/E Ratio, Size) and macroeconomics (MS, ER, IR and GDPR) independent variables by estimating model.

The equation to be estimated as under:

$$MPS_{it} = \beta_0 + \beta_1 ROE_{it} + \beta_2 ROA_{it} + \beta_3 EPS_{it} + \beta_4 DPS_{it} + \beta_5 DPR_{it} + \beta_6 PE_{it} + \beta_7 Size_{it} + \beta_8 MS_t + \beta_9 ER_t + \beta_{10} GDP_t + \beta_{11} IR_t + \varepsilon_{it}$$

Where,

$MPS_{it}$  = Market Prices Share for the bank and insurance during the period t

$ROE_{it}$  = Return on Equity for the bank and insurance during the period t

$ROA_{it}$  = Return on Assets for the bank and insurance during the period t

$EPS_{it}$  = Earnings Per Share for the bank and insurance during the period t

$DPS_{it}$  = Dividend Per Share for the bank and insurance during the period t

$DPR_{it}$  = Dividend Pay Ratio for the bank and insurance during the period t

$PE_{it}$  = Price Earnings Ratio for the bank and insurance during the period t

$Size_{it}$  = Log of Total Assets for the bank and insurance during the period t

$MS_t$  = Money Supply during the period t

$ER_t$  = Exchange Rate during the period t

$GDPR_t$  = Gross Domestic Product Rate during the period t

$IR_t$  = Inflation Rate during the period t

$\beta_0$  = Intercept

$\beta_1 - \beta_{11}$  = Coefficient parameters

$\varepsilon_{it}$  = error term

The meanings of the variables in the regression equations have been explained as follows.

#### Variables and Hypothesis

The selected study variables, their definition, basis of measurement have been depicted as follows.

**Table 1: Variables, Description, Measurement and Empirical Evidence**

S. N	Abbreviation Variables	Description	Measurement	Expected Sign	Empirical Studies
1	MPS	Annual Closing market price of share	Extracted from Annual Report		
2	ROA	Return on Assets	Net profit After Tax/ Total Assets	+	Kaya (2002), Kharwish (2011), Jha & Hui (2012), Ongoro & Kusa (2013) etc.
3	ROE	Return on Equity	Net profit After Tax/ Total shareholders' Equity	+	Matthew & Esther (2012), Jha & Hui (2012), Ongoro & Kusa (2013)
4	EPS	Earnings Per share		+	Gordon (1959)
5	DPS	Dividend Per Share		+	Sharma(2011)
6	DPR	Dividend Payout Ratio		-	Almumani (2014)
7	Size	Total Assets	Ln TA	-	Habib & Khan (2012), Hussainey et al.(2011)
8	MS	Money Supply (M2)		+	Chen et al.(2005), Barrows & Naka (1994)
9	IR	Interest Rate	Average annual lending interest rate.	-	Bae (1990), Al-shubiri (2010)
10	ER	Exchange Rate	Average monthly exchange rate for this hard currency with US Dollar.	-	Rahman, Sidek & Tafri (2009) and Rjoub, Türsoy, & Günsel, (2009)
11	GDP	Annual Gross Domestic Product Rate		+	Ibrahim(2003), Mukherjee & Naka (1995)
12	IF	Annual Inflation Rate		-	Fama (1981), Fama & Schwert(1977)

## 4. RESULTS ANALYSIS AND DISCUSSION

### 4.1 Descriptive Statistics

Table 2 presents the descriptive statistics of both dependent variables and independent variables.

**Table 2: Descriptive Statistics of Variables**

	N	Minimum	Maximum	Mean	Std. Deviation
MPS	78	91	3279	840.41	759.92
ROE	78	-54.26	88.32	16.28	18.72
ROA	78	-7.74	22.87	2.44	3.86
EPS	78	-54	100.16	35.77	29.52
DPS	78	0	125	31.92	34.01
DPR	78	0	191.82	70.62	60.06
P_E	78	-92.44	170	27.15	35.21

Size	78	9.93	24.54	15.69	5.24
MS	78	12.3	22.7	17.42	3.56
GDP.G	78	3.32	5.99	4.41	0.92
ER	78	72.3	99.5	85.6	10.73
IR	78	7.2	9.9	8.95	0.94

**Sources: Annual Report of Sample Banks and Results are Drawn from SPSS 18**

As indicated in the table 2, the average MPS for the sector as a whole is Rs 840.41 with standard deviation of 759.92. The average ROE is 16.28 percent, minimum is negative 54.26, maximum is 88.32 and Standard Deviation (S.D.) is 18.72. The average ROA in the stated period is 2.44 percent its minimum value is negative 7.74, maximum is 22.87 and Standard deviation is 3.86. The average EPS as a whole is Rs 35.77, minimum is Rs negative 54, maximum is 100.16 and standard deviation is 29.52. The average DPS is Rs 31.92, minimum is zero, maximum is Rs 125 and the standard deviation is 34.01. The average money supply growth rate is observed to be 17.42 percent having minimum value of 12.3 percent and maximum value of 22.7 percent. The gross domestic product growth rate has maximum value of 5.99 percent and minimum value of 3.32 percent leading to the average value of 4.41 percent. The average value of exchange rate is Rs 85.60 with maximum value of Rs 99.50 and minimum value of Rs 72.30. The maximum value of interest is 9.9 percent and minimum value is 7.2 percent with the average value of 8.95 percent during the study period.

## 4.2 Correlations Analysis

Table 3 revealed that Pearson's correlation coefficient. In this correlation matrix MPS has been taken as a dependent Variable and independent variables are firm specific: ROE, ROA, EPS, DPS, DPR, P/E Ratio, Size and macroeconomic: MS, ER, IR and GDP.R. The result shows that MPS is positively and significant correlated with EPS, DPS and DPR. The positive coefficient estimates of the correlation implied that there is direct relationship of EPS, DPS and DPR with MPS. But ROE, ROA, MS and IR were negatively and insignificant correlated with MPS.

**Table 3: Pearson's Correlation Coefficient Matrix**

	MPS	ROE	ROA	EPS	DPS	DPR	P_E	Size	MS	GDP.G	ER	IR
MPS	1											
ROE	-0.074	1										
ROA	-0.182	.501**	1									
EPS	.664**	.264*	0.107	1								
DPS	.751**	0.067	0.108	.767**	1							
DPR	.464**	0.072	0.058	.380**	.735**	1						
P_E	0.152	0.111	0.15	0.134	-0.06	0.031	1					
Size	-.393**	-.316**	-.341**	-.489**	-.622**	-.602**	0.179	1				
MS	0.026	0.004	0.022	0.048	0.078	0.066	.223 <sup>†</sup>	0.051	1			
GDP.G	0.142	0.038	0.064	0.021	0.087	0.1	0.083	0.045	.307**	1		

ER	0.131	0.222	0.203	0.043	0.061	0.035	.452**	0.087	.592**	0.194	1	
IR	0.006	0.037	0.034	0.101	0.129	0.046	.340**	0.092	.703**	.243*	.552**	1

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

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

**Sources: Results are drawn from SPSS 18**

The result shows that there is positive relationship of EPS, DPS and DPR with MPS which indicates that higher the EPS, DPS and DPR, higher would be the market price per share. The result shows that ROE, ROA, MS and IR are negatively correlated with MPS which indicates that higher ROE, ROA, MS and IR lower would be the market price per share.

### 4.3 Regression Analysis

The regression result shows the firm specific and macroeconomics variables effects on share prices of Nepalese banks and insurance company. The table 4 were presents the regression results of the study. In the models: MPS were taken as dependent variable and predictors were firm specific: ROE, ROA, EPS, DPS, DPR, P/E Ratio, Size and macroeconomic: MS, ER, IR and GDPR. The value of R2 is 0.759 reported in the model it shows in Table 4. The overall explanatory powers of regression model looking fair. This indicates that 71.8 percent of the variation in market share prices can be explained by the variation in the explanatory variables in the model. The p-values for F-statistics in the model were significant at less than one percent level, meaning that the model fairly fitted well statically. The table also shows that the beta coefficients of independent variables. The beta coefficients are the indicators of the predictive powers of the individual variables. In this study Variance Inflation Factor (VIF) has been taken as for the collinearity test. The result of VIF that is less than 10, there is not existence of multicollinearity in the model.

**Table 4: Regression Result of Firm Specific and Macroeconomics Variables on Market Price of Share (MPS)**

	B	Std. Error	t	Sig.	Collinearity Statistics	
					Tolerance	VIF
(Constant)	1293.842	1354.936	0.955	0.343		
ROE	-7.781	3.600	-2.162	0.034	0.465	2.150
ROA	-51.948	14.867	-3.494	0.001	0.641	1.561
EPS	14.105	3.713	3.798	0.000	0.176	5.689
DPS	10.041	3.770	2.664	0.010	0.129	7.780
DPR	0.359	1.512	0.237	0.813	0.256	3.907
P_E	3.323	1.587	2.095	0.040	0.677	1.478
Size	41.459	14.832	2.795	0.007	0.349	2.863
MS	-84.344	26.685	-3.161	0.002	0.234	4.276
GDP.G	231.155	77.141	2.997	0.004	0.418	2.393
ER	10.407	6.305	1.651	0.104	0.462	2.165
IR	-249.379	107.008	-2.330	0.023	0.208	4.810
No of observations: 78		R2 = 0.759,	Adjusted R2 = 0.718,	F-value = 18.856,	F (sig)= 0.000	

**Source: Annual report of sample companies and results are drawn from SPSS-18**

The result shows that beta coefficients for EPS, DPS, P-E, size GDP and ER are positive and statistically significant with market price per share. The finding shows that higher the EPS and DPS higher would be the market price of share. This finding is consistent with the findings of Somoye et al. (2009) and Sharma (2010). The result shows that the beta coefficient for size is positive and statistically significant with market price per share. It indicates that larger the firm size higher would be the market price of share. The findings contradicts with the findings of Habib & Khan (2012), Hussainey et al.(2011).It shows that increase in EPS, DPS, DPR, P-E, size GDP and ER also increase in market prices per share. The beta coefficient for ROE, ROA, MS, and IR are negative but statistically significant with market price per share. It shows that these variables have inverse relationship with market prices per share. The finding is consistent with the findings of Bae (1990) and Al-shubiri (2010) for IR.

## 5. CONCLUSION AND IMPLICATION

### 5.1 Conclusion

The study concludes that the major factors firm specific: ROE, ROA, EPS, DPS, P/E Ratio, size and macroeconomic: MS, GDP, ER and IR affecting the share prices of banks and insurances companies in Nepalese context.

### 5.2 Implication

The findings of the study is valuable for bank and insurance companies managers, board of directors, policy makers as well as regulator in assessing the strengths and weakness to predict share price. It's likely impact on share prices and where the banks and insurances companies are heading about in the future. The study seems to be particularly useful for equity investors and fund managers as they can watch out for these significant factors while estimating stock returns and predicting share prices.

### Acknowledgements

I would like to thank the sample companies for their assistance with the collection of data. I would also like to thanks to my life partner for their support and encouragement throughout my study. I would like thank Er. Mithlesh Kumar Jha - General Manager (Operational & Business Development), CG Holding for financial support of the research.

## REFERENCES

- [1] Abiola, I. & Olausi, S A. (2014), "The impact of credit risk management on the commercial banks performance in Nigeria", *International Journal of Management and Sustainability*, 3(5): 295-306.
- [2] Adekunle, S. A., Agbadudu, J. E., & Ammeh, K. P. (2015), " Factors influencing share prices in the Nigerian insurance industry", *Finance and Banking Review*, 9(1&2), 194-105
- [3] Al Qaisi, F., Tahtamouni, A. & AL-Qudah, M. (2016), " Factors affecting the market stock price - The case of the insurance companies listed in Amman Stock Exchange", *International Journal of Business and Social Science*, 7(10), 81-90.

- [4] Almumani, M. A. (2014), "Determinants of equity share prices of the listed banks in Amman stock exchange: Quantitative approach", *International Journal of Business and Social Science*, 5(1), 91-104.
- [5] Almumani, M.A. (2014), "Determinants of equity share prices of the listed banks in Amman Stock Exchange: Quantitative approach", *International Journal of Business and Social Science*, 5(1), 91-104.
- [6] Aveh, F.K. & Awunyo-Vitor, D.(2017), " Firm-specific determinants of stock prices in an emerging capital market: Evidence from Ghana Stock Exchange", *Cogent Economics & Finance* (2017), 5: 1339385. <https://doi.org/10.1080/23322039.2017.1339385>
- [7] Barrows, C.W. & Naka, A, (1994), "Use of macroeconomic variables to evaluate selected hospitality stock returns in the US", *International Journal of Hospitality Management*, 13(2), 119-128.
- [8] Bhattarai, Y. R. (2014), "Determinants of share price of Nepalese commercial banks", *Economic Journal of Development Issues*, 17 & 18 No. 1-2 (Combined Issue, 187-198.
- [9] Bhattarai, Y.R. (2014), "Determinants of Share Price of Nepalese Commercial Banks", *Economic Journal of Development Issues*, 17 & 18 No. 1-2 (2014) Combined Issue, 187-198.
- [10] Bower, R. & Bower, D. (1969), " Risk and the valuation of common stock", *Journal of Political Economy* , 349-362.
- [11] Chen, M.H., Kim, W.G., & Kim, H.J. (2005), " The impact of macroeconomic and non-macroeconomic forces on hotels stock returns", *International Journal of Hospitality Management*, 24(2), 243-258.
- [12] Friend, I. & Puckett, M. (1964), "Dividends and stock prices", *American Economic Review*, 54 (5): 656-682.
- [13] Gordon, M. J. (1959), " Dividends, earnings and stock prices", *Review of Economics and Statistics*, 41, 99-105.
- [14] Gordon, M.J.(1959), "Dividends, earnings and stock prices", *The Journal of Economics and Statistics*, 41 (2), 99-105.
- [15] Habib, Z.IK. & Khan, M.A. (2012), "Dividend policy and share prices volatility: Evidence from Pakistan", *Global Journal of Management and Business Research*, 12(50), 31-37.
- [16] Hussainey, K., Mgbame, C.O., & Chijoke-, Mgbame A.M. (2011), " Dividend policy and share prices volatility: UK Evidence" *Journal of Risk and Finance*, 12(1), 145-162.
- [17] Kitati, E., Zablon, E., & Maithya, H. (2015), " Effect of macro-economic variables on stock market prices for the companies quoted on the Nairobi Securities Exchange in Kenya", *International Journal of Sciences: Basic and Applied Research (IJSBAR)*, 21(2), 235-263.
- [18] Lama, M.(2016), "The effects of firm specific and macroeconomic variables on stock price of Nepalese commercial banks", *Nepalese Journal of Management*, 3(4), 83-98.
- [19] Malhotra, N., & Tandon, K. (2013), " Determinants of stock prices: Empirical evidence from NSE 100 companies", *IRACST- International Journal of Research in Management & Technology (IJRMT)*, 3(3), 86-95.
- [20] Malkiel, B. & Cragg, J. (1970), "Expectations and the structure of share prices", *American Economic Review*, 60, 601-617.
- [21] Mukherjee, T. K. & Naka, A., (1995), " Dynamic relations between macroeconomic variables and the Japanese Stock Market: An application of a vector error correction model", *Journal of Financial Research*, 18, 223-237.

- [22] Rahman, A.A., Sidek, N.Z.M. and Tafri, H.F. (2009), "Macroeconomic determinants of Malaysian stock market", *African Journal of Business Management*, 3 (3),095-106. Available online at <http://www.academicjournals.org/AJBM>. ISSN 1993-8233 © 2009
- [23] Rjoub, H., Türsoy, T. , & Günsel, N. (2009), " The effects of macroeconomic factors on stock returns: Istanbul Stock Market", *Studies in Economics and Finance*, 26(1), 36-45, <https://doi.org/10.1108/10867370910946315>
- [24] Sapkota, A.K., & Pradhan, R.S. (2016), "Impact of firm specific and macroeconomics variables to determinants of share prices of Nepalese commercial banks", *Journal of Management and Development Economics*, 5 (1), 1-16
- [25] Sharma, S., (2011), " Determinants of equity share prices in India", *Journal of Art, science and Commerce*, 1(2), 263-287.
- [26] Zahir, M, H (1992), "Factors affecting equity prices in India", *The Chartered Accountant*, 743-748.