

## **Value Investment Strategy vs. Growth Investment Strategy: Evidence from Colombo Stock Exchange**

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### **Abstract**

Comparing the performance of value and growth companies has been tested regularly in most developed markets. However, importance given to this phenomenon in emerging countries, especially in Sri Lanka, is very low. This study examines about the Value and Growth companies of the Colombo Stock Exchange (CSE) since 2000 to 2014. The variables considered for evaluation are P/E ratio, P/BV ratio and Dividend Yield on monthly basis. This research has used only secondary data for the purpose of analysis and data extracted from annual reports of Colombo Stock Exchange (CSE), and the annual reports of selected quoted public companies. To avoid the thing-trading problem, the sample was selected based on number of trading days during the year. Then used a bench mark rate for all three ratios and selected value and growth companies. Companies which provide contradicted results within three ratios were excluded and remaining companies were considered for the analysis.

**Keywords:** *Colombo Stock Exchange, Dividend Yield, Growth Stocks, Value Stocks*