

Impact of Firm Specific Factors on Stock Market Prices: A Study of Listed Hotel & Travels Companies in Sri Lanka

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The impact of firm specific factors on stock market prices is one of a popular area in Accounting Based Capital Market Research. Investors desire to buy shares of listed companies in Colombo Stock exchange (CSE) to maximize their wealth. Therefore share prices are very important one to investors and other related parties. The objective of present study is to provide empirical evidence on the impact of firm specific factors on the stock market price in listed hotels and travels companies in Sri Lanka. The study sought to examine by using the selected listed hotel & travels companies in the CSE during 2010 to 2015. Secondary data were collected from the annual reports of the hotel & travels companies and used random sampling method by selected the sample for the study. These data were analyzed using SPSS software through descriptive and inferential statistics such as measuring central tendency & dispersion, Correlation analysis and Regression analysis. The findings are indicated that a significant positive impact of dividend per share and book value per share on stock market prices. There is a significant negative impact of return on equity and dividend yield on stock market prices. Hence the study will be concluded that firm specific factors are important and also affecting on companies' stock market price.

Keywords: Stock market price, Firm specific factors, Stock return