

Effect of Earning Per Share and Price Earnings Ratio on the Share Price Before and During Covid 19: Evidence From CSE

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ABSTRACT

Purpose: The purpose of this research on “Effect of earning per share and price earnings ratio on share price of listed companies in CSE before and during Covid-19” is to give some idea of the relationship between share prices and related variables.

Design/Methodology/Approach: In this study, the researcher used earnings per share and price-earnings ratio as the independent variables and share price as the dependent variable. The researcher adopted a descriptive and causal-comparative research design to conduct the study. Diversified financial companies listed in CSE were the study population, and the researcher selected 20 companies as the study sample. Data were collected through the annual reports of the selected sample and descriptive statistical analysis, correlation analysis and multiple regression analysis were used in the data analysis process of the study.

Findings: Correlation analysis revealed a significant correlation between earnings per share and share price and an insignificant correlation between the price-earnings ratio and share price. The regression result denotes a statistically significant moderate impact of both independent variables on the dependent variable before covid-19 and a significantly weak impact of independent variables on the dependent variable in after covid-19.

Originality: As per the findings of the study, the researcher concluded that investors in the diversified financial sector are sensible not only on return but also on the risk of the investment.

Keywords: *Earnings Per Share, Price Earnings Ratio, Share Price*