Research Journal of Finance and Accounting
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol.13, No.8, 2022

Does Firms' Financial Performance Affect The Share Price- Evidence from DS30 Index, Bangladesh?

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Abstract

This research investigates the impact of firms' performance on share price over a multi year time frame from 2015 to 2019, on a sample of 22 firms out of 30, on DS30 Index, Bangladesh. Firm's performance (autonomous variable) are measured by the earnings per share, return on assets, return on equity, quick ratio, and net profit margin, whereas year-end share price is used as reliant variable. The Hausman test and the comparative analysis of the outputs of pooled and fixed effect panel regression model convey that the fixed effect regression model is best fit for data analysis. Likewise, the fixed effect model clarifies almost one third of all of the variation in the response variable around its mean. This study finds that earnings per share and return on assets have a significant positive impact on the share price, whereas return on equity, and net profit margin has an immaterial negative impact on the share price. Moreover, quick ratio has a feeble positive effect on share price. This paper suggests that speculators should buy share if earnings per share and return on asset of a firm increases and the other way around.
Keywords: Earnings per share, Return on assets, Return on equity, Net profit margin, Quick ratio, and Share price.

DOI: 10.7176/RJFA/13-8-07
Publication date: April 30th 2022

1.0 Introduction

An efficient share market is the major source of capital that results in economic development of a country. As a financial instrument, shares hold a significant role in a country's economic development. Issuers, investors and third parties use the share market as a way to generate cash. Stock markets facilitate a place of trading both primary and secondary securities as well as operating as a launch pad between investors and users of capital by means of pooling of funds, sharing risk, and transferring wealth, reported by Rahaman, and Chowdhury in 2017. In essence, financial variables, such as net profit margin, return on assets have critical positive effect while earnings per share have noteworthy negative effect on stock returns, reported by Anwaar in 2016. Studies have demonstrated, over and over, that shares (equities) have gotten a standout amongst other long term investment in the financial market place that is very alluring to foreign and local investors. Investment in share is more alluring to the investor than the investment in different bonds because of two significant reasons (a) the bond return is fixed (b) share market is more fluctuated than the bond market (S. Kevin). Over the long haul, they can create great returns as profit and capital gain. Moreover, with positive guidelines just as the straightforward entry to the securities exchange, share as a speculation instrument isn't just requested by the top-class investor, however, has pulled in light of a legitimate concern for a small investor as well.

But the investment in share is not risk free. Without understanding the market properly, investor suffers from heavy loss in their transactions. Thus, all types of investors are attempting to break down the market to anticipate the development of share prices. Technical analyst attempts to find out the specific pattern of the market to achieve a prevalent return, whereas fundamental analyst believes that the share price depends on various fundamental factors. The fundamental analyst purchases undervalued security and sells overpriced security, which relies upon the difference between intrinsic value and market price of a share. Both technical and fundamental analyst depends on financial information to decide between buying and selling securities. Theoretical framework and past empirical studies proved that financial performance have a significant impact on share price. Finding that impact in respect of DS30 index will help the investors to take rationale investment decision.

1.1 Brief history of Dhaka stock exchange and DS30

The government understand the necessity of setting up a stock exchange in the then East Pakistan in 1952, by discovering that the Calcutta stock exchange had precluded trades from claiming Pakistani shares and securities.

On April 28, 1954, the 8 promoters (M Mehdi Ispahani as the convener, J. M. Addision-Scott, Mohamed Hanif, A. C. Jain, A.K. Khan, Abdul Jalil, M. Shabbir Ahmed, and Sakhawat Hossain) joined the advancement as the East Pakistan Stock Exchange Association Limited. The name was revised to East Pakistan Stock Exchange Ltd. as a public limited company on June 23, 1962. Again, a new name "Dacca Stock Exchange Ltd." was given of East Pakistan Stock Exchange Limited on May 14, 1964. Although the share market incorporated in 1954, the best possible trade started in 1956 at Narayanganj. In 1958 the stock market shifted from Narayanganj to Dhaka and started working at the Narayangonj Chamber Building in Motijheel C/A. On October 1, 1957 the Stock Exchange purchased a land evaluating 8.75 Katha at 9F Motijheel C/A from the Government and moved to its own current zone in 1959. The stock exchange had authorized capital of RS. 3,00,000 (150 shares and 2000 per share) at the time of incorporation. The authorized capital was increased to RS. 5,00,000 from RS 3,00,000 (RS. 2,000 each) on February 22, 1964 and the paid up capital was RS. 4,60,000 divided into 230 shares. In 2018/19 the authorized and paid-up capital of Dhaka stock exchange is 25,000 billion and 18037 billion respectively proved that it is one of the major sources of capital in the economy. The Dhaka Stock Exchange Limited introduced DSE Broad Index DS30 Index ("DS30") as per 'DSE Bangladesh Index Methodology' designed and developed by S&P Dow Jones Indices with effect from January 28, 2013." Additionally, "DS30" reacts around 51% of the total equity market capitalization. (Source: DSE websites)

1.2 Background and problem statement

Many researchers do their research on the impact of firms' performance on share price, taking proof from various nations' stock exchanges. But, the findings are not identical for the same variables, such as earnings per share, and return on assets. For example, Menaje (2012), Muhammad et al. (2014), Idawati, and Wahyudi (2015), Anwaar (2015) find a significant impact of earning per share on share price that contradicts the findings of Umar and Musa (2013), Sharif and Pillai (2015), and Bagherzadeh, Safania and Roohi (2018). In addition, Prihandoko et al. (2018) finds an insignificant impact of return on assets on share price, whereas Anwaar (2016) finds a significant impact of return on asset on share price. The researcher thus gets interest to find out the impact of firms' performance on stock returns on DS30 index, Bangladesh that comprises of 30 leading firms of Bangladesh and accounts for 51% of the total equity market capitalization (DSE website). In addition to find out the impact of ROA and EPS on the share price in DS30 Index also derives him to do this research.

1.3 Research questions

This research will answer the following research questions

a) What is the impact of earnings per share on share price?
b) What is the influence of return on assets on share price?
c) What is the effect of return on equity on share price?
d) What is the consequence of net profit margin on share price?
e) What is the impact of quick ratio on share price?

1.4 Objective of the Research

The present study is planned to accomplish the following objectives

a) To identify the impact of earnings per share on share price.
b) To analyze the impact of return on assets on share price.
c) To investigate the impact of return on equity on share price.
d) To find out the impact of net profit margin on share price.
e) To investigate the impact of quick ratio on share price.

1.5 Rational of the research

Findings of the study are useful for all types of investors, particularly speculators, who want to invest in companies listed on DS30 index. Findings are also useful for the academician and researchers to gain knowledge and implement the knowledge in their field of work.

2. Literature Review

In view of literature review, there are few researches which plan to illuminate the connection between firms' performance and share price in the context of Bangladesh. Moreover, several studies have been done on different national market other than Bangladesh. But the findings are not identical. Some study finds positive relation between firms' performance and share price, where as other finds inverse relationship between firms' performance and share price. Menaje (2012), Muhammad et al (2014), Idawati, and Wahyudi (2015), Anwaar (2015) found a significant impact of earning per share on share price that contradicts the findings of Umar & Musa (2013), Sharif & Pillai (2015), and Bagherzadeh, Safania & Roohi (2018). In addition, Prihandoko et al (2018) founds an insignificant impact of return on assets on share price, whereas Anwaar (2016) found a significant impact. The following table summarizes the major findings of several researches.

Table 1. Literature review

No	Title	Researcher	Publication year	Time Period	Variables	Model	Summary of result
1.	Impact of Selected Financial Variables on Share Price of Publicly Listed Firms in the Philippines.	Placido M. Menaje, Jr.	2012	2009	**Independent variables:** Earnings per share (EPS,) and Return on assets (ROA). **Dependent variable:** Share price	Spearman Rank order, Correlation, Multiple regression models	The study finds a solid positive relationship between EPS and share price; while there is a frail negative connection between ROA and share price.
2.	Stock prices and firm earning per share in Nigeria.	Muhammad Sani Umar, and Tijjani Bashir Musa	2013	2005-2009	**Independent variables:** Earnings per share **Dependent variable:** Stock price	Linear regression model	Earnings per share (EPS) have no predictive power for the stock prices.
3.	A Regression Impact of Earning per Share on Market Value of Share: A Case Study Cement Industry of Pakistan.	Muhammad Zulqarnain Jatoi, Ghulam Shabir, Naqvi Hamad, Nadeem Iqbal, and Muhammad Khan	2014	2009-2013	**Independent variables:** Earnings per share **Dependent variable:** Market price of share	Linear regression model	Earnings per Share (EPS) fundamentally sway the market value of share.
4.	Effect of Earning Per Shares (EPS) and Return On Assets (ROA) against Share Price on Coal Mining Company Listed in Indonesia Stock Exchange.	Wiwi Idawati, and Aditio Wahyudi	2015	2009-2013	**Independent variables:** Earnings per share and Return on asset **Dependent variable:** Share price	Fixed effect panel regression	This study finds that EPS and ROA has a positive relationship to the stock price and all the while altogether influence stock costs. In any case, the EPS just halfway test that demonstrated a noteworthy impact, while ROA isn't.
5.	Impact of Firms'	Helaluddin	2015	2009-	**Independent**	Correlation and simple	There is a solid relationship among

	Earnings and Economic Value Added on the Market Share Value: An Empirical Study on the Islamic Banks in Bangladesh.	Ahmed		2013	**variables:** Earnings per share, Economic value added per share **Dependent Variable:** Market price per share	linear regression analysis	earnings per share, economic value added per share and the market price per share. Moreover, it is additionally uncovered that share price of Islamic Banks in Bangladesh can be clarified more essentially by the economic value added than the banks customary measures of earnings.
6.	Analysis of Factors Affecting Share Prices: The Case of Bahrain Stock Exchange.	Taimur Sharif, Rekha Pillai and Harsh Purohit	2015	2006-2010	**Independent variables:** Return on equity, Book value per share, Earnings per share, Dividend per share, Dividend yield, Price earnings, Debt to assets. **Controlled variable:** Firm size **Dependent variable:** Market price of shares.	Fixed effect and random effect panel regression model	All factors with the exception of earning per share and debt to asset have huge effect on share price in the Bahrain market
7.	Impact of Firms' Performance on Stock Returns(Evidence from Listed Companies of FTSE-100 Index London, UK).	Maryyam Anwaar	2016	2005-2014	**Independent variables:** Earnings per share, Quick ratio, Return on assets, Return on equity, and Net profit margin **Dependent variables:** Stock returns	Panel regression analysis	Net profit margin, return on assets has a critical positive effect on stock returns while earnings per share have noteworthy negative effect. In addition, return on equity and quick ratio have an insignificant impact on stock returns.
8.	Is Financial Performance Reflected in Stock Prices?	Zarah Puspitaningtyas	2017	2011-2016	**Independent variables:** Current ratio indicators, Return on equity, Growth indicator, and Earning per share **Dependent Variable:** Stock price	Multiple regression model	Lone market valuation factors impact stock costs, whereas, the liquidity, profitability, and growth have no effect on stock prices.

9.	Impact of Financial Performance on Stock Price of Non-Bank Financial Institutions (NBFI) in Bangladesh: Dynamic Panel Approach.	Dr. Mohammad Mizenur Rahaman, and Mohammad Ashraful Ferdous Chowdhury	2017	2009-2013	**Independent variables:** Total earnings, EPS announce Yearly dividend declaration, and NAV. **Dependent variable:** Stock prices	Fixed effect panel regression model	EPS announce has a significant positive impact on stock price, whereas NIAT & DPS have a insignificant positive impact on stock price. Additionally, there is a medium positive correlation between NAV and stock price.
10	Banks' Financial Performance and Stock Returns in Nigeria.	Johnson Idowu, Felicia O. Olokoyo, Akinkunmi Idowu, Samuel Akinrin, and Samson OSIFO	2018	2012-2016	**Independent variables:** Net profit margin, Earning per share, Return on equity, Quick ratio, and Return on asset. **Dependent variables:** Stock returns	Panel regression analysis	Return on assets and profit margin have a significant positive impact on bank performance and stock returns, while earning per share have a noteworthy yet negative relationship on bank's performance and stock returns.
11	The Effect Of Company Financial Performance and Macro-Economic Variables on Stock Returns In Property And Real Estate Sectors in Indonesia Stock Market.	Utama A.M. and Wiksuana I. G.B.	2018	2014-2017	**Independent variables:** Price to book value ratio, Interest rate, Debt to equity ratio, Net profit margin and Inflation. **Dependent variable:** Stock return	Multiple linear regression	The result of partial testing indicates that price to book value ratio and interest rate have a significant positive impact on stock returns, whereas debt to equity ratio, net profit margin and inflation have no significant impact on stock return.
12	The Effect of Corporate Governance and Firm Performance on Stock Price: An Empirical Study on Indonesia Stock Exchange.	Mulyono, Adi Teguh Suprapto, and Danang Prihandoko.	2018	2009-2012	**Independent variables:** Corporate Governance Perception Index, Return on Assets, Total Asset Turnover, and firm size. **Dependent variable:** Stock prices	Multiple linear regression analysis	Corporate governance and ROA have positive yet inconsequential impact on stock prices. In the mean time, total asset turnover, and firm's size have a positive and critical impact on stock prices.

3. Research Methodology

Based on the literature review, research methodology section comprises of population, sample, data, collection methods, conceptual framework, explanation of dependent and independent variables, hypothesis and model developed.

3.1 Population

Table 2. Listed companies on DS30 Index

Sl. No.	Company Name (Limited)	Sl. No.	Company Name (Limited)	Sl. No.	Company Name (Limited)
1.	BRAC Bank	11.	Singer Bangladesh	21.	Reneta
2.	City Bank	12.	BBS Cables	22.	ACME Labrotaries
3.	Square Pharmaceuticals	13.	British American Tobacco Bangladesh Company	23.	Beximco Pharmaceuticals
4.	Eastern Bank	14.	Summit powers	24.	National Bank
5.	Bangladesh Steel Re-rolling Mills	15.	United power generation and distribution company	25.	Beacon Pharmaceuticals
6.	Olympic Industries	16.	Bangladesh Submarine Cable Company	26.	LafargeHolcim Bangladesh
7.	Lankabangla Finance	17.	Bangladesh Export Import Company	27.	National life insurance company
8.	IFAD Autos	18.	Meghna Petroleum	28.	Grameen phone
9.	Pubali Bank	19.	Padma Oil Co.	29.	Paramount Textiles
10.	IDLC Finance	20.	Titas Gas Trans. & Dist. Co.	30.	Confidence Cement

3.2 Sample

A sample size of top 22 firms is taken from DS30 index of Dhaka Stock Exchange for the purpose of exploring the impact of firms' performance on share price over a 5 year period from 2015 to 2019.

Table 3. Sample Firms

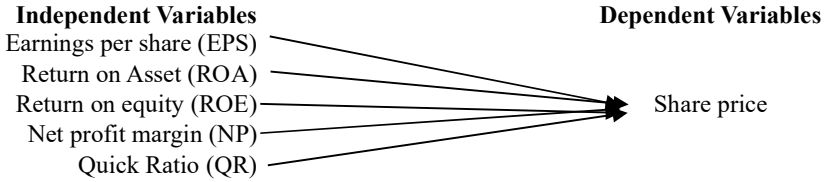
Sl. No.	Company Name (Limited)	Sl. No.	Company Name (Limited)	Sl. No.	Company Name (Limited)
1.	BRAC Bank	9.	BBS Cables Limited	17.	City Bank
2.	LafargeHolcim Bangladesh	10.	British American Tobacco Bangladesh Co.	18.	Titas Gas Trans. & Dist. Co.
3.	National Bank	11.	Padma Oil Co.	19.	Eastern Bank
4.	Beacon Pharmaceuticals	12.	Bangladesh Export Import Company	20.	Bangladesh Submarine Cable Company Limited
5.	Pubali Bank L	13.	Olympic Industries	21.	Paramount Textile
6.	IDLC Finance	14.	Square Pharmaceuticals	22.	Meghna Petroleum
7.	LankaBangla Finance	15.	Beximco Pharmaceuticals		
8.	Singer Bangladesh	16.	The ACME Laboratories		

3.3 Data Collection Methods

Secondary data was collected from annual reports, Bangladesh bank, Dhaka stock exchange, Bangladesh Securities and Exchange Commission, and Investment Corporation of Bangladesh.

3.4 Conceptual Framework

Based on the literature review the conceptual framework is developed as follows:



3.5 Calculation of Independent Variables

The below table mentions the dependent variables, with their objectives and way of measure along with the references, that are used in this research. The reference section indicates that these formulae are also used by the researcher in his research.

Table 4. Independent variables

Variables	Measures	Formulae	Reference
Earnings per share (EPS)	Profitability	$\frac{\text{Net income - dividend on preferred stock}}{\text{Average outstanding shares}}$	Anwaar (2016)
Return on Asset (ROA)	Efficiency of utilizing assets to generate revenues	$\frac{\text{Net income}}{\text{Total Assets}}$	Anwaar (2016)
Return on equity (ROE)	How effectively investor's money is being employed	$\frac{\text{Net income after tax}}{\text{Average shareholder equity}}$	Anwaar (2016)
Net Profit Margin (NP)	Ability to translate profits from earnings	$\frac{\text{Net income after tax}}{\text{Total revenue}}$	Anwaar (2016)
Quick Ratio (QR)	Ability of meeting short term obligation	$\frac{\text{Current Assets - Inventories}}{\text{Current liabilities}}$	Anwaar (2016)

3.6 Dependent Variables

Year end share price (MP) is used as dependent variable in this research.

3.7 Model specification

Following regression models will be used for this study.

$$MP = \beta_0 + \beta_1 EPS + \beta_2 ROA + \beta_3 ROE + \beta_4 NP + \beta_5 QR + e$$

Where,

MP = Closing market price
β0 = Coefficient of Intercept (Constant)
β1 –- β5 = Coefficients of slope
EPS = Earnings per Share
ROA = Return on Assets
ROE = Return on Equity
NP = Net Profit Margin
QR = Quick Ratio
e = Error term

4. Result and Discussions

4.1 Descriptive statistics

The below table describes the descriptive statistics of all dependent and independent variables for a period of five years. The highest mean (216.92), std. deviation (530.99) and maximum value (3400.83) stands for closing market price (MP) compared to lowest mean (1.61), std. deviation (1.75) and maximum value (11.38) for quick ratio (QR).

Table 5. Descriptive statistics

	MP	EPS	ROA	ROE	NP	QR
Mean	216.9154	12.13600	6.556091	19.25227	15.48145	1.605364
Median	90.15000	4.335000	2.775000	15.92000	12.65000	1.085000
Maximum	3400.830	166.8700	25.00000	98.00000	48.10000	11.38000
Minimum	9.400000	0.170000	0.400000	1.230000	1.300000	0.150000
Std. Dev.	530.9920	26.35674	7.039357	16.47418	11.42291	1.746188
Skewness	4.797235	4.156278	1.161906	2.203848	0.888798	3.443160
Kurtosis	25.43760	20.50533	2.900796	9.423462	3.210103	17.55885
Jarque-Bera	2729.374	1721.203	24.79557	278.1563	14.68495	1188.832
Probability	0.000000	0.000000	0.000004	0.000000	0.000647	0.000000
Sum	23860.69	1334.960	721.1700	2117.750	1702.960	176.5900
Sum Sq. Dev.	30732822	75719.88	5401.227	29582.46	14222.64	332.3597
Observations	110	110	110	110	110	110

Source: Author's calculation

Return on asset (ROA) has a mean value of 6.56 with a std. deviations of 7.04, compared to the return on equity (ROE) which has a 19.25 mean value with a std. deviations of 16.47.the range value of return on asset (ROA) and return on equity (ROE) are 24.60 and 96.77 respectively. Earnings per share (EPS) have a mean value of 12.14 with a std. deviation of 26.36 where as Net profit margin (NP) has a mean of 15.48 with a standard deviation of 11.42. The range value for EPS and NP are 166.70 and 11.23 respectively.

4.2 Correlation Matrix

Correlation shows the direction and degree of association between the variables (Anwaar, M. 2016). The highest positive correlation (81.56%) prevails between MP and EPS, compared to the lowest positive correlation (1.10%) prevails between NP and QR. The correlation coefficient between ROA and ROE is 71.31% which means that ROA highly positively correlated with ROE.

Table 6. Correlation Coefficient Matrix

	MP	EPS	ROA	ROE	NP	QR
MP	1					
EPS	0.8155951095	1				
ROA	0.4958452646	0.4600217249	1			
ROE	0.3878552185	0.4053041695	0.7131236978	1		
NP	-0.1571285054	-0.1277772996	-0.1001808459	0.1306942089	1	
QR	-0.0948648331	-0.1570071616	0.0620246352	-0.2657944779	0.10609719716	1

Source: Author's calculation

The positive correlation also prevails between MP and ROA (49.58%), MP and ROE (38.78%), EPS and ROA (46.00%), EPS and ROE (40.53%), ROE and NP (13.07%), and NP and QR (36.35%). NP and QR have negative correlation with all variables except ROE and ROA respectively.

4.3 Regression Analysis

Panel regression analysis has been used to understand the impact of independent variables on dependent variable. The Hausman test is conducted to choose between random effect and fixed effect regression model. The test gives a P-value of 0.00000 that is <.05, indicates the rejection of null hypothesis. So, the fixed effect regression model in best fit for this study. In order to facilitate the analysis the polled test has also been conducted and compared with the output of the fixed effect model.

The summarized output of the Polled and Fixed model are given below.

Table 7. Result of Panel Regression

Variables	Pooled		Fixed Effect	
	Coefficient	P-value	Coefficient	P-value
Constant	-6.139329	0.9261	-13.77917	0.8333
EPS	15.01709	0.0000	15.24776	0.0000
ROA	12.39223	0.0830	12.41719	0.0788
ROE	-0.739095	0.8093	-0.710170	0.8143
NP	-2.024075	0.4722	-2.111525	0.4479
QR	3.194015	0.8712	6.603690	0.7365
R^2	0.686356		0.707247	
Adjusted R^2	0.671277		0.680899	
Durbin-Watson test	1.813960		1.846291	
F-statistic	45.51717		26.84278	
Prob(F-statistic)	0.000000		0.000000	

Source: Author's calculation

4.4 Fixed Vs Pooled effect regression

The value of R^2, Adjusted R^2 and Durbin-Watson test indicates that the fixed effect model performs better, compared to Pooled regression model. Therefore this study used the fixed effect model.

4.5 Goodness of Fit

The value of determination of coefficient (R^2) is .7072, indicates that this model has explained nearly one third of all of the variation in the response variable around its mean. In addition, 68.09 percent variation of dependent variable (share price) has been explained by the variations of all independent variables (earning per share, return on assets, and return on equity, net profit margin, and quick ratio). The Adjusted R^2 indicates that the additional input variables are adding value to the model at rate of 68.09%.

4.6 Measure of auto-correlation

The Durbin Watson test is used to measure the serial correlation in residuals from regression analysis. The value between 1.5 and 2.5 is considered as normal and Field (2009) advocates that there is a definite cause of concern if the value lies between less than 1 or more than 3. The value of Durbin-Watson test (1.846291) indicates the absence of autocorrelation.

4.7 Model significance

The value of F-statistics is 26.84278 and the p-value is .0000. Thus, the model is statistically significant at 1% level of significance and good fit for the study.

4.8 Regression Model

The study develops the following regression model:

MP = -13.77917+15.24776EPS + 12.41719ROA - 0.71017ROE - 2.11152NP + 6.60369QR + e

The earnings per share have a significant positive impact on share price at 1% level of significance (P=0.0000 that is <.01) with a coefficient value of 15.2477 which indicates that one unit increase (decrease) in EPS will result in 15.2477 times increase (decrease) in share price. There is also a significant positive impact of ROA (return on asset) on share price (MP) at 10% level of significance with a coefficient of 12.41719. In respect to quick ratio (QR), one unit increase will result in 6.603690 times increase in share price. But, the impact of quick ratio on share price is statistically insignificant due to the P-value (.7365) which is far more than .05 or .10. Moreover, both return on equity (ROE) and net profit margin (NP) have an insignificant inverse impact on share price with 0.8143 and 0.4479 p-values respectively. In addition, The coefficient values of ROE and NP indicates that one unit increase in ROE and NP will result in 0.710170 and 2.111525 times decrease in share price respectively.

4.9 Summary of Hypothesis testing

The below table describes the summary of findings which are identical with the findings of others researches, done on different population and sample.

Table 8. Summary of the findings

Hypothesis		Decision	Reference
H_{0a}	There is no significant impact of earning per share (EPS) on share price (MP)	Rejected	Menaje (2012), Idawati & Wahyudi (2015), and Ahmed (2015).
H_{0b}	There is no significant impact of return on asset (ROA) on share price (MP)	Rejected	Idawati & Wahyudi (2015), and Bagherzadeh, Safania & Roohi (2018).
H_{0c}	There is no significant impact of return on equity (ROE) on share price (MP)	Accepted	Anwaar (2016), and Puspitaningtyas. (2017).
H_{0d}	There is no significant impact of net profit margin (NP) on share price (MP)	Accepted	Utama & Weaksuana (2018).
H_{0e}	There is no significant impact o of quick ratio (QR) on share price	Accepted	Anwaar (2016).

5. Conclusion and Recommendations

This research investigates the impact of firms' performance on share price over a five year period from 2015 to 2019, on a sample of 22 firms out of 30, on DS30 Index, Bangladesh. This research uses five independent variables that are earnings per share, return on assets, and return on equity, quick ratio, and net profit margin that measure firms' performance and one dependent variable that is year-end share price. The Hausman test and comparative analysis of the outputs of pooled and fixed effect panel regression conveys that fixed effect regression model is best fit for the data analysis. Fixed effect model explains nearly one third of all of the variation in the response variable around its mean. Moreover, the additional input variables are adding value to the model at rate of 68.09%. The value of Durbin-Watson test indicates the absence of autocorrelation and the model is statistically significant and good fit for the study. This study finds that the earnings per share and return on assets have a significant positive impact on share price at 1% and 10% level of significance respectively. Investors should buy share if the earnings per share and return on asset of a firm increases, as in near future, the share price of that firm will increase and vice versa. The quick ratio also has also a positive impact on share price, but the result is statistically insignificant. The return on equity and net profit margin has a negative impact on share price that conveys that if the return on equity and net profit margin increases then the share price will be decreased. Investors should sell shares if the return on equity and net profit margin increases, as the share price will decrease in near future and vice versa. But the result is statistically insignificant. Moreover, this study helps all types of investors to invest in share, listed on DS30 index. It is also useful for the academician and researchers to gain knowledge and implement the knowledge in their field of work.

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