

**IMPACT OF INTERIM FINANCIAL STATEMENTS
INFORMATION ON SHARE PRICES**



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ABSTRACT

Sri Lanka is a developing country in the South Asian region. However, the Colombo Stock Exchange has a leading place among the South Asian capital markets, which is an emerging stock market. Investments in stock market are essence to develop economy of any country and they should have enough and sufficient information which are related to investors' decisions. On the other hand, the quality of information is essential through the published financial statements. Stock market regulators and accounting standards setters try to improve the quality of financial statements in order to increase the transparency level in financial reporting. Recently, interim reports become an important source of information's that provide users with timely information to make decisions.

The purpose of this study was to examine the impact of Interim financial statements information on share prices with listed company in Colombo stock exchange. The study utilized set of data from Interim Financial Statements consists of 25 listed companies with four quarters for a two year data (2012-2013) in Colombo stock exchange. The relationship between level of quality in Interim financial information and Share prices were discussed in this study. The correlation & regression analysis were tested through using SPSS package.

The coefficient of correlation provides a positive significant relationship between share prices and quality of interim financial statements information. And also regression analysis provides there is no significant influence quality of interim financial statements information on share price in selected 25 companies in CSE.

This study will help the Investors(Shareholders), policy makers, decision making authorities and Listed companies(Managers), to better orient themselves towards considering and adopting efficient ways of increasing their level of quality of Interim Financial Statements Information(IFSS Information).

Key variables: User specific quality of IFSS information Primary quality of IFSS information, Secondary quality of IFSS information and Share price

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