



**DETERMINANTS OF SHARE PRICES OF LISTED COMPANIES IN
THE HOTEL & TOURISM INDUSTRY IN SRI LANKA**

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ABSTRACT

In the stock market, price of a share plays a vital role, because price of the stocks fluctuate every day, and no stock is completely safe. Price of share is significantly influenced by a number of internal and external factors. Such factors that influence share prices could be either firm specific Earning per share, Dividend per share, Book value per share and etc. or external factors such as foreign exchange, Interest rate, government regulations and etc.

The purpose of this research is to provide empirical evidence concerning Earning per share, Dividend per share and Book value per share on Share price of Hotel and Tourism sector. Here selected this sector among twenty business sectors and based on five years (2011 to 2015) data of thirty Hotels listed in Colombo Stock Exchange considered for this study. Data were collected randomly from secondary sources (mainly from annual financial reports of the selected hotels, Publication of Central Bank and share price summary which were published by Colombo Stock Exchange). The collected data analyzed and evaluated through Correlation Analysis and Multiple Regression Analysis by using the Statistical Package in Social Science version 19.0

According to analysis conclusion can be made that there are significant variation in the impact of Earning per share, Dividend per share and Book Value per share on its share price of the listed hotels in CSE.

Finally this research revealed that the Earning per share, Dividend per share and Book value per share significantly impact on share prices of Sri Lankan hotels. The findings of this study indicated that positive impact of Earning per share, Dividend per share and Book value per share on share prices in Sri Lankan hotels and Tourism industry. This provides decision makers with information about future share prices. The impact of Dividend per share and Book value per share are also the factors that decision makers should pay close attention to protect their investment and earn more benefit though the investment in Sri Lankan hotels.



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