

06
UNIVERSITY OF SRI LANKA

**THE IMPACT OF FOREIGN EXCHANGE RATES ON ALL SHARE
PRICE INDEX OF LISTED COMPANIES IN SRI LANKA**

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ABSTRACT

Stock market plays an important role in the economic development of a country. Numbers of studies have been investigated impact between exchange rate and All share price index in Sri Lanka. But in the context of Sri Lanka, not many studies can be found in this area. The main purpose of this research study is find out the impact between exchange rate and All share price Index of Sri Lankan companies. To test this assertion, this study looks into the nature relationship and impact.

The All share price Index was the dependent variable and three exchange rate has used as independent variables including Us Dollar rate, Pound Steling Rate, Eu Euro Rate. For major research objective, which is related to the specific research objectives and three major research question were developed and tested. A survey was conducted to gather secondary data by selecting 297 listed companies in CSE. that data was analyzed using Univariate Analysis and Bivariate Analysis. The correlation Analysis and regression Analysis selected to do the above bivariate analysis.

The result indicate there is appearing to be a Moderate positive correlation between the Exchange rate and All share price Index. In this study Exchange rate has a positive significant regression coefficient on All share price Index. Finally, The key results of the study show a positive relationship between Exchange rate and All share price Index.

Key words: Us Dollar rate, Pound Steling Rate, Eu Euro Rate, All share Price Index

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