

# A STUDY ON RELATIONSHIP BETWEEN MARKET SHARE AND PROFITABILITY ON INSURANCE SECTOR IN SRILANKA

by

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## ABSTRACT

This study examines the relationship between market share and profitability of listed companies in insurance sector in Sri Lanka. The relationship between market share and profitability has become the subject for many academic researches as there are many debates regarding the generalizations of early researches on relationship between market share and profitability. The research aimed to find whether there is a relationship between market share and profitability level of selected companies. The market share was the independent variable and four profitability measures has used as dependent variables including ROI, ROE, ROA and NPM. The sample of the study consists with sixteen companies from insurance sector and secondary data has used in conducting the research. Data has collected for seven year time period from 2008 to 2014 from the published annual reports of the companies. Descriptive statistics and correlation analysis have used for analyze the data and scatter plots have used in presenting the results of the study. The key results of the study show a positive relationship between market share and profitability levels of the companies.

**Keywords:** Market share, Return on investment, Return on equity, Return on assets, Net profit margin

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