THE IMPACT OF VALUE RELEVANCE OF ACCOUNTING INFORMATION ON STOCK PRICE OF LISTED MANUFACTURING COMPANIES IN COLOMBO STOCK EXCHANGE

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ABSTRACT

This research study investigated the impact of value relevance of accounting information on stock price of manufacturing companies in Colombo Stock Exchange. Furthermore, the value relevance of accounting information can measure the financial ratios such as Earning, Per Share, Return on Equity, Net Assets Value per Share. This research study was used to analyze the data through main data analysis such as descriptive statistics, correlation analysis, and regression analysis. In addition, this research study was gathered from the annual reports of the manufacturing companies. Findings of the research study have revalued that the value relevance of accounting information has significant impact on stock price and the value relevance of accounting information is significantly correlated with stock price. Finally, the relevant information is such that it can influence the economic decision of users by helping them to evaluate past, present, and future events.

Keywords: The value relevance of accounting information, Stock price, Manufacturing companies, Colombo stock exchange

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