

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

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FARMERS SATISFACTION ON MODERN EQUIPMENTS IN AGRONOMICS**Dr. S. SANGEETHA****ASST. PROFESSOR****DEPARTMENT OF COMMERCE INDUSTRY INTEGRATED****SRI KRISHNA ARTS & SCIENCE COLLEGE****COIMBATORE****K. MYILSWAMY****Ph.D. RESEARCH SCHOLAR, LRG GOVERNMENT ARTS COLLEGE FOR WOMEN, TIRUPUR; &****ASST. PROFESSOR OF COMMERCE PG & PA****KONGUNADU ARTS & SCIENCE COLLEGE****COIMBATORE****ABSTRACT**

Agronomy is the science and technology of producing and using plants in agriculture for food, fuel, fiber, recreation and land restoration. The word modernization is what getting into advance. In India, most of the people are depended on agriculture for their survival. Since the technology is changing day by day, each thing is being modernized. This is due to meet with the modern trend. To know the investment and return of investment of agriculturalist, awareness towards the modern equipments used in agriculture and level of satisfaction towards the use of modern equipments. The impact of these aspects of agriculture varies in different areas of the district. To have real understanding of the nature of agricultural development, scientific investigation and evaluation of different aspects of development become highly necessary. The entire agriculturalist in Thondamuthur in Coimbatore district. Information collected from Narasipuram and Alandurai about the number of people doing agriculture. Primary Method of data collection is used here by preparing the questionnaires and data collection method is interview schedule. Secondary data have collected from various books, magazines, journals, websites and reports. In this research simple percentage analysis, Chi – square and ANOVA have used for analysis purpose. If modernization continuous to be like this in future by introducing newer equipments in doing agriculture then it helps in involvement of a greater number of youngsters in this field and the availability should be increased.

KEYWORDS

agronomics, equipment, investment, returns, modernization.

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INTRODUCTION

Agronomy is the science and technology of producing and using plants in agriculture for food, fuel, fiber, recreation, and land restoration. Agronomy has come to encompass work in the areas of plant genetics, plant physiology, meteorology, and soil science. It is the application of a combination of sciences like biology, chemistry, economics, ecology, earth science, and genetics. Professionals in the field of agronomy are called agronomists.

The word modernization is what getting into advance. In India most of the people are depended on agriculture for their survival. Since the technology is changing day by day, each and every thing is getting modernized. This is due to meet with the modern trend. The task of modernization in agriculture where even more difficult and discouraging at the start of the planning era. But later with the advancement of the technology the concept of modernization in agriculture changed. Now the use of modern equipments in agriculture has been flourished all over the world. But it started implementing in India only from 1990's.

The tasks of modernization and structural change in agriculture were even more difficult and discouraging at the start of the planning era. The outmoded land tenure system, the primitive technology of cultivation and lack of an infrastructure for raising productivity proved formidable barriers to agricultural advance. The fact that these barriers have been overcome to an extent is one of the major successes of our planning effort.

Zamindari and other intermediary tenures have been almost eliminated. The technology of cultivation has changed substantially with the spread of high yielding varieties and the extension of irrigation, a change which was facilitated by the elaborate network of agricultural research and extension set up during the planning era.

Several changes have taken place in agricultural credit and marketing. The system of cooperative credit has spread, lessening the dependence of the cultivator on exploitative moneylending and trading practices. Institutional term finance for agriculture has growth with the reorientation of the banking system and the establishment of Land Development Banks, Regional Rural Banks and apex institutions like the Agriculture Refinance and Development Corporation.

OBJECTIVES OF THE STUDY

1. To know the investment & return of investment of agriculturalist by the use of modern equipments.
2. To find the agriculturalist awareness towards the modern equipments used in agriculture.
3. To know the level of satisfaction towards the use of modern equipments.

HYPOTHESES OF THE STUDY

H₀₁: There is no significant relationship between income and amount invested in agronomics.

H₀₂: There is no significant relationship between number of members in family and satisfaction on modern agronomics

H₀₃: There is no relationship between educational qualification and awareness on modern agronomics.

STATEMENT OF THE PROBLEM

The farmers of the district rely heavily on agriculture for earning their livelihood. The development of agriculture depends on various aspects such as type of soil, relief, vegetation, climatic conditions, attitudes of different social groups of farmers to agriculture, use of irrigation, HYV seeds, fertilizer, pesticides and insecticides, use of mechanical tools and implements, as well as proper scientific rotation of crops by which production be enhanced.

The impact of these aspects of agriculture varies in different areas of the district. There are distinct variations in the magnitude of these concepts both over space and time. To have real understanding of the nature of agricultural development, scientific investigation and evaluation of different aspects of development become highly necessary.

RESEARCH METHODOLOGY

RESEARCH DESIGN: Descriptive research include surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs, as it exists at present.

POPULATION: The entire agriculturalist in Thondamuthur in Coimbatore district. Information collected from Narasipuram and Alandurai about the number of people doing agriculture.

SAMPLING TECHNIQUE: Census survey is conducting for doing this research because the population is finite.

METHOD OF DATA COLLECTION: Primary Method of data collection is used here by preparing the questionnaires and data collection method is interview schedule.

TOOLS USED FOR DATA COLLECTION: Questionnaire is used by interview scheduling.

ANALYSIS: Simple Percentage analysis, Chi – Square and ANOVA

LIMITATIONS OF THE STUDY

1. The sample size is 85 so it does not cover the true information constraint.
2. Geographical area is the other constraint.

REVIEW OF LITERATURE

SHARMA (1988) in his study on farm mechanization in Punjab observed that the average returns on the tractor operated farms were 28.47 percent higher than the bullock operated farms. The higher income on tractor holdings was described to shift in the cropping patterns in favor of more remunerative enterprises, increased cropping intensity, higher expenditure on the yield, increasing technology and better preparation of land, timely, performance of operation.

V.M. RAO & P.D. JEROMI (RBI MUMBAI) (August 2000) on Modernizing Indian agriculture: Priority task and critical policies. The arrival of the new millennium has been heralded by numerous vision documents about the long-term prospects of the Indian economy. There is considerable anxiety about the likely course of the agricultural scenario in the country. Since India is a developing country and majority of the people are depending upon agriculture for their survival, the concept of modernization has a severe impact in society. And the policies made for that should be increased and the government should provide necessary help for agriculturalist people.

VANITHA & ANITHA REXALIN (2008) states that agriculture is the largest and most important sector of the Indian economy. But this sector remains most backward and about 40 per cent of rural population remain below the poverty line. Much of the rural population does not have access to common infrastructure like connectivity, electricity, health and safe drinking water. Complex characteristics of rural India include inaccessible terrain and dispersed villages, sub optimal utilization of natural resources, lack of extension of adequate privileges are detrimental to the socio-economic environment in India.

IOSR JOURNAL OF ENGINEERING (March 2012) Review on the Development of Physical Agricultural Technology in China. With the development of agriculture, modern physical agricultural technology has made a lot of research achievements, and more and more experts and farmers received more attention and recognition on physical agricultural technology. The characteristics of the practical physical agricultural technology was analyzed, the common problems and the development of the physical agriculture were discussed.

ANALYSIS AND INTERPRETATION OF DATA

TABLE 1

S. NO	PARTICULARS	FACTORS	NO. OF RES.	PERCENTAGE
1	GENDER	Male	58	68.24
		Female	27	31.76
2	AGE OF THE RESPONDENTS	18 – 30 Years	11	12.94
		31 – 45 Years	35	41.18
		45 – 60 Years	23	27.06
		Above 60 Years	16	18.82
3	EDUCATIONAL QUALIFICATION	No formal education	12	14.12
		Below High School	32	37.64
		High School	21	24.70
		Under Graduation	15	17.65
		Post-Graduation	05	5.89
4	INCOME LEVEL OF THE RESPONDENTS	Below Rs 10000	24	28.23
		Rs.10001 – Rs.30000	37	43.53
		Rs.30001 – Rs.60000	15	17.65
		Rs.60001 – Rs.100000	04	4.70
		Above Rs.100000	05	5.89
5	AREA OF LAND YOU POSSESS	Below 1 acre	13	15.29
		1-4 acre	36	42.36
		4-8 acre	18	21.18
		8-10 acre	7	8.23
		Above 10 acres	11	12.94
6	AREA OF LAND USED FOR AGRICULTURE	Below 1 acre	14	16.48
		1-4 acre	36	42.36
		4-8 acre	20	23.53
		8-10 acre	09	10.58
		Above 10 acres	06	7.05
7	YEARS OF EXPERIENCE IN FARMING	Below 5 years	06	7.05
		6 – 10 years	20	23.53
		11 – 15 years	19	22.35
		16 – 20 years	16	18.83
		Above 20 years	24	28.24
8	INDIVIDUAL AWARENESS TOWARDS THE USE OF MODERN EQUIPMENT	Highly Aware	15	17.64
		Aware	29	34.12
		Neutral	33	38.83
		Unaware	07	8.23
		Highly Unaware	01	1.18
9	type of modern equipments used in agriculture	Tractor	59	69.4
		Harvester	46	54.1
		Farm Digger	34	40
		Transplanter	33	38.8
		Bailer	8	9.41
		Laser leveler	9	10.6
		Fork lifter	2	2.35
		Power weeder	19	22.4
		Power Sprayer	30	35.3
Garden Driller	9	10.6		
10	THE FACTORS INFLUENCED BY THE AGRICULTURALIST TO USE MODERN EQUIPMENTS	Changing Trend	14	16.5
		Scarcity Of Water	11	12.9
		To Increase Production	20	23.5
		Labor Problem	51	60
		To Increase the quality	15	17.6

Source: Primary data

1. It is found that 68.24 per cent respondents are male.
2. It is found that 41.18 per cent respondent’s age is between 31 and 45 Years.
3. It is noted that 44.70 per cent respondent’s education qualification is below school level.
4. It is noted that 43.53 per cent respondent’s income level is between Rs.10, 001 and Rs.30, 000.
5. It is found that 42.36 per cent respondents are possessing 1-4 acre.
6. It is noted that 42.36 per cent respondents are using 1-4 acre land for agriculture
7. It is found that 28.24 per cent respondents having above 20 years of experience in farming.
8. It is noted that 38.83 per cent respondents’ individual awareness is neutral.
9. It is found that 69.4 per cent respondents Tractor as modern equipments used in agriculture.
10. It is found that 60 per cent of the respondents is using modern equipment for Labor Problem.

CHI – SQUARE TEST (χ^2)

H₀₁: There is no significant relationship between income and amount invested in agronomics.

H₀₂: There is no significant relationship between number of members in family and satisfaction on modern agronomics.

TABLE 2

CALCULATED VALUE	TABLE VALUE	DEGREE OF FREEDOM	RESULT LEVEL AT 5%
31.1492	0.12878	16	NOT SIGNIFICANT
16.7047	0.404947	16	NOT SIGNIFICANT

Source: Primary data

The calculated value is 31.1492 is greater than table value 0.12878. There is no significant relationship between income and amount invested in agronomics. Hence Null hypothesis is accepted at 5% level.

The calculated value is 16.7047 is greater than table value 0.404947. There is no significant relationship between income and amount invested in agronomics. Hence Null hypothesis is accepted at 5% level.

ANOVA TABLE

H₀₃: There is no relationship between educational qualification and awareness on modern agronomics.

TABLE 3

SOURCE OF VARIATION	SUM OF SQUARES (SS)	DEGREE OF FREEDOM (DF)	MEAN SQUARE	F	p - VALUE
BETWEEN ROWS	SS _R =98	r-1 = 4	MSR = 24.5	4.474	2.78
BETWEEN COLUMNS	SS _C =14.44	c-1 = 4	MSC = 3.6	0.6575	2.78
ERROR(RESIDUAL)	SS _E =87.6	(r-1)(c-1) = 16	MSE= 5.475		
TOTAL	SS _T = 200.04	rc-1 =24			

Source: Primary Data

BETWEEN COLUMNS: The calculated value 4.474 is higher than the table value 2.78. So H₀₃ is rejected, hence there is no significant relationship between rows.

BETWEEN ROWS: The calculated value is 0.6575 is lesser than 2.78. So H₀₃ is accepted, hence there is significant relationship between columns.

CONCLUSION

The conception of modernization is flourishing in every and each facet day by day. Likewise, in agriculture the word modernization features a severe impact. It's found that the modernization features a outstanding role within the agriculture and it additionally improved the quality of living and created the agriculturalist individuals self-dependent. If it continuous to be like this in future by introducing many new equipment in doing agriculture then it helps in involvement of a lot of range of kids during this field and therefore the accessibility ought to be magnified.

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RELATIONSHIP BETWEEN FINANCIAL RATIOS AND MARKET PRICE OF STOCK (AN EMPIRICAL STUDY FROM THE PHARMACEUTICAL SECTOR AT DHAKA STOCK EXCHANGE)

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ABSTRACT

This empirical investigation aims to examine the stock market's dependence on financial book value of pharmaceutical companies in Dhaka Stock Exchange. All of data were collected from the website of Dhaka Stock Exchange. There are many pharmaceutical companies listed on Dhaka Stock Exchange some of which are subsidiaries. Major players in this industry with higher revenues and stock prices were selected as sample to investigate the fact. And not all financial ratios were put together in this study. After close examination and critical past reviews few of the ratios were selected to conduct the test. The result suggested that there is a strong correlation between financial ratios and stock prices. Five ratios were selected: Earnings per Share, Return on Assets, Return on Equity, Financial Leverage, and Price - Earnings Ratio. Only Return on Equity showed negative relations with stock where the four other variables showed positive relationships. The paper adds value to pre-existing literature concerning the alleged existence of a significant link between market price of stock and financial ratio. Additionally, the research discovers a powerful connection between investors of pharmaceutical stock and the company's book value. The research is helpful for investors in this sector and also for pharmaceutical companies which are already listed on stock exchange or look forward to be being listed.

KEYWORDS

Dhaka stock exchange, stock price, pharmaceutical companies.

JEL CODE

G10

INTRODUCTION

Pharmaceutical Industry is a major player in the stock exchanges. IMS Health (2010) stated that world pharmaceutical market was valued at US\$ 875 billion with a growth rate of 4.1% over the previous year at the constant exchange rate. The volume of pharmaceutical industry has surged from USD 647 billion in 2005 to USD 875 billion in 2010, corresponding to an increase of 35.2%. In Dhaka Stock Exchange this sector plays an important role. There is a higher degree of variations in stock prices of companies. The stock prices change continuously. There are certain factors for which stock price changes during the trading period. The stock price depends on various factors which will be discussed in this paper.

Pech, Noguera, and White (2015) provide evidence that the estimates of financial ratios are the most favored used as a part of practices by equity analysts which have predictive power on one year future stock returns while no evidence of predictive power on two years stock returns. Wang and Lee (2010) use profitability, leverage, turnover, and solvency ratios in Taiwan to generate a matrix that offer an estimate of the strength of a company within the shipping industry. Lewellen (2004) argue that financial ratios are used as a tool of predicting for market stock returns. Bower and Bower (1969), Lewellen (2004), Shafana, Fathima, and Inunjariya (2013), Kheradyar, Ibrahim, and Mat Nor (2011), and Zahir (1992) also argue that financial ratios consider as an effective tool in predicting stock returns with the lowest level of risks as compared to historical returns, observations, movements, and other alternative variables. Chen and Shen (2009), Lewellen (2004) and Shafna et al.'s (2013) state that the most three effective and useful financial ratios in predicting the ability of stock returns are dividend yield ratio, book to market value ratio, and earning yield ratio among the most respected ratios. Jais, Jakpar, Doris, and Shaikh (2012) reveal that historical accounting signs can anticipate stock returns.

There is no research has been conducted on the factors from financial ratios that affect the stock price of DSE listed companies in this industry although few researches have been done to examine the stock price of enlisted companies in Bangladesh.

These findings have interesting theoretical and practical implications for companies in pharmaceutical industry who are listed or have potential to be listed in Dhaka Stock Exchange and for shareholders of companies in this industry. In particular, it is important to understand the market price movements of pharmaceutical industry in Bangladesh. Therefore, an understanding of factors that influence the market price ought to be useful for investors and shareholders of this industry.

The study tries to identify if there any relationship between financial ratios and stock price and also identify those ratios/factors which affect the share price of companies in pharmaceutical sector in Bangladesh. Information will be collected through financial statements and websites and the technique of regression analysis will be applied to find out the factors which affect the stock price of pharmaceutical companies.

Rest of this paper includes a literature where different dimensions affecting stock price was discussed. Then it is focused on methodology where the data collection and processing technique was explained. On the part of findings and analysis, multiple linear regressions were used to test the hypothesis. Finally, the paper concludes with overall view and limitation with the study.

LITERATURE REVIEW

Financial Ratios

Most of the previous studies revealed that manufacturing companies measure financial performance to evaluate the company's annual success by using ratio analysis (Majumder and Rahman, 2011; Islam and Mili, 2012; Salauddin, 2001; Chowdhury 2013; Arulvel and Ajanthan, 2013; Ahmed and Ahmed, 2014; Delen, et al. 2013; Singh and Samuel, 2012; Memon and Tahir, 2012). Financial measures are typically focused on profitability, the market value of the firm, return on assets, investment and equity, liquidity, and various other ratios (Ankrahnd Mensah, 2015) [2]. They link changes in stock price to firm specific factors [Ou and Penmann (1989), Holthausen and Larcke (1992), Lev and Thiagarajan (1993), Abarbanell and Bushee (1998), Beneish, Lee and Torpley (2001), Jain (2002), Kalaycı and Karata (2005)] [1].

Earnings Per Share

This is perhaps the most important factor for deciding the health of any company and they influence the buying tendency in the market (Mondal and Imran, 2021). Mehr-un-nisa and Nishat (2012) has investigated the impact of financial fundamental and macroeconomic factor on the stock price and found that previous year's stock price, company size and previous year EPS have significant impact on current year's stock price. Islam, Khan, Choudhury, and Adnan (2014) has investigated how the EPS affects share price and firm's value. They revealed that as EPS increases the share price also increases but not that much. EPS is only one of the factors affecting share price Bhatt and Sumangala (2012) has investigated the impact of EPS on market value of equity share. By applying correlation coefficient, they found the positive relationship between EPS and market value of equity share and by applying regression analysis they found the significant impact of EPS on the market value of equity shares. Menike & Prabath (2014) investigated that there is a significant and positive impact of accounting variables – earning per share on the stock price of Colombo stock exchange. Geetha and Swaminathan (2015), studied four automobile and IT industries (listed in BSE and NSE) for the period of five years as a sample and examine about the influence of earnings per share (EPS) towards the market price of the share. The paper is an attempt to analyze the

influencing factors which affects the movement of stock price either upward or down trend. The research shows that EPS has a significant effect on market price. But the dividend per share does not have positive or negative effect towards the market price. Malakar and Gupta (2002) did a study by using the data of eight major companies of cement industry in India for the period 1968 to 1988 and discovered that earning per share has significant impact on market price of share (MPS).

H1: There is a significant relationship between EPS and Market Price of Stock in the pharmaceutical industry.

Price-Earnings Ratio

There are relatively few empirical investigations that analyze the impact of price earnings ratio on stock prices.

Many researchers suggested that PE indicates the future market return. Some studies find that there is no significant relationship between PE Ratio and stock return. Ahmed (2003) performed regression analyses between PE Ratio and yearly stock returns from S&P 500 index in periods 1992–2001 and 1983 –2001 to examine correlation between both variables. He found that PE Ratio does not have significant relationship with yearly return both before and after risk-adjusted scenarios. Asri (2002a, 2002b) scrutinized the existence of low PE Ratio effects in Indonesia stock market using 267 stocks listed in Jakarta Stock Exchange and selected the period of 1994 –2000 as the focus of analysis. He found that low PE effect does not exist in Indonesian market. Fisher and Statman (2000) investigated the relation between price earnings ratio and future returns in stock market and found that P/E ratio are not good indicators of future stock returns over the short period of time (one to two years), but P/E ratio has better forecasting power when used to estimate stock returns over the longer period of time, while in more extensive way Rapach and Wohar (2005) by using a data sample from 1872 to 1997, reported the presence of little evidence of correlation between P/E ratio and future stock price changes in the short term, but high correlation has found over longer time perspective. Tandon (2013) examined empirically the impact of price earnings ratio on market price of share of 95 select companies listed on NSE-100 and found that price earnings ratio impacts significantly on market price of shares. Jaffe, Keim, and Westerfield (1989) analyze the relation between stock returns and earnings-to-price ratio, for the periods 1951-1986, in the US. De Pena, Javier, and Gil-Alana (2003) find that there is a strong earnings-price ratio effect in the Spanish Stock Market and that beta is able to explain the cross-section of expected returns jointly with earnings-price ratio.

H2: There is a significant relationship between P/E ratio and stock price in pharmaceutical industry.

Return on Equity

Brigham and Houston (2007:115), The Return on Equity is the ratio of net income to common equity measures the rate of return on common stockholders' investment. Gitman (2002:65), Return on Equity measures the return earned on the common stockholders' investment in the firm. Generally, the higher this return, the better off is the owners. According to Syamsuddin Return On Equity (ROE) is the ratio used to measure the ability of its own capital to generate benefits for all shareholders, both common stock and preferred stock. In general, of course, the higher the return or income earned, the better the position of the owner of the company (Lukman Shamsuddin, 2002: 64). This ratio examines the extent to which a company uses its resources to be able to provide a return on equity (Fahmi, 2011).

Majed et al (2012) discovered that three ratios of ROA, ROE and ROI together showed a strong and positive relationship with share prices with 45.7% relationship.

H3: There shows a positive relationship between ROE and stock price.

Return on Assets

ROA provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to generate income (Kasmir, 2012). According to Syamsuddin ROA also be an indicator that a company can use its financial resources to generate value for shareholders. The greater the ROA of a company meal, the better the company's financial performance.

H4: There shows a positive relationship between ROA and stock price.

Financial Leverage

Barakat (2014) also studied the effect of financial arrangement, leverage and profitability bon manufacturing companies of Saudi Arabia. He found a positive association between independent variables, return on equity and capital structure, and the dependent variable, stock market price.

Aggarwal and Zhao (2007) presented evidence on how the growth of firm might affect the association amid capital structure and performance. Firms with high level of growth had inverse association between financial leverage and firm value, while firms with low growth level had positive relation with financial leverage.

H5: There exists a relationship between financial leverage and market price of stock.

METHODOLOGY

Secondary Research

First of all, no one has conducted research on this topic. Though few researchers worked on similar topic, they didn't work on the exactly same topic. In order to know depth knowledge about the stock price of companies' researchers had gone through different articles published in Asia to identify factors which influence the market price of company. Based on literature review, a conceptual framework was developed to conduct the research purposefully.

Sampling Method and Data Collection

The population of the research was all the listed companies in the pharmaceutical industry of Dhaka Stock Exchange. There are total 32 companies listed on Dhaka Stock Exchange in the pharmaceuticals and chemicals sector. Snowball sampling was used to collect the data. Due to time and resource constraints, 14 companies were selected to collect the data. Among fourteen companies, two companies were subsidiaries.

Data was collected from financial statements of sampling companies and website of Dhaka Stock Exchange. To calculate the financial ratio quarterly financial statement was used.

TABLE 1

EPS	P/E Ratio	ROE	ROA	Debt-to-Equity	Market price
28.38	9.76462297	0.095713	0.045961	1.082477154	277.12
26.41	9.43619841	0.092131	0.036917	1.495654068	249.21
11.01	17.0971844	0.0382	0.013204	1.892971655	188.24
29.96	5.92890521	0.111464	0.038842	1.869723546	177.63
6.61	17.2889561	0.082673	0.04681	0.76614426	114.28
6.74	14.4020772	0.080848	0.043727	0.848919345	97.07
6.81	11.0646109	0.078523	0.040098	0.958285559	75.35
6.85	9.80729927	0.076165	0.036798	1.069832507	67.18
3.69	8.65311653	0.142329	0.100243	0.419838372	31.93
3.21	8.98753894	0.174247	0.125613	0.387180725	28.85
2.79	8.68458781	0.133151	0.094477	0.409347273	24.23
-0.23	-64.434783	-0.01068	-0.00693	0.542297118	14.82
3.02	133.52649	0.119755	0.016065	6.45435888	403.25
3.44	155.718023	0.134061	0.018617	6.200876518	535.67
1.40	440.75	0.058243	0.008355	5.970993559	617.05
1.52	296.532895	0.062868	0.008496	6.399710671	450.73
0.45	49.6222222	0.035005	0.020507	0.706943188	22.33
0.55	34.1272727	0.041638	0.025455	0.635731269	18.77
0.50	47.72	0.039286	0.023425	0.677060143	23.86
1.65	40.8060606	0.082114	0.052978	0.549971553	67.33
5.49	19.0528233	0.088811	0.065329	0.359427006	104.6
6.31	14.6561014	0.094412	0.060689	0.555652628	92.48
7.48	10.0254011	0.102694	0.061741	0.663294735	74.99
8.67	10.4163783	0.109029	0.07069	0.542346697	90.31
9.665	21.7444387	0.238558	0.122329	0.950129953	210.16
10.736	22.6331967	0.368429	0.185171	0.989667201	242.99
11.83	21.4566513	0.22749	0.118897	0.913332037	253.8
12.90	18.0335999	0.220844	0.114202	0.933799396	232.72
6.78	27.2699115	0.100212	0.03007	2.332600454	184.89
6.86	28.2813411	0.096299	0.027139	2.548295024	194.01
3.01	130.827243	0.025841	0.021902	0.179844531	393.79
4.35	69.0551724	0.035718	0.028888	0.236442334	300.39
45.72	22.9875328	0.916203	0.385837	1.374582271	1050.99
52.15	22.3493768	1.102098	0.36818	1.993363314	1165.52
64.23	23.9755566	1.547111	0.440209	2.514494241	1539.95
84.01	21.9028687	1.895227	0.525154	2.608897187	1840.06

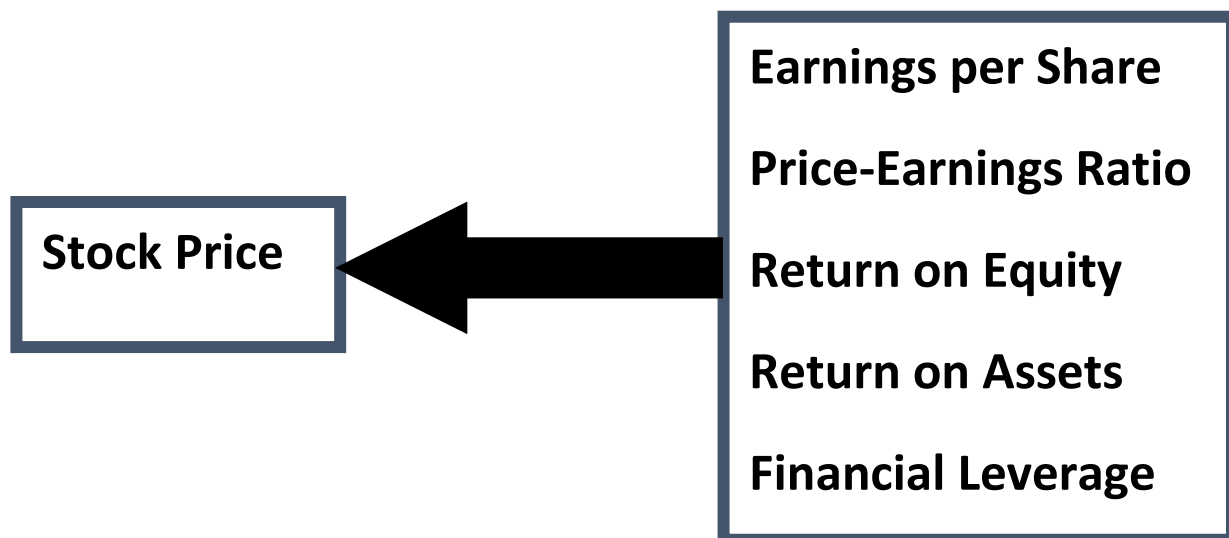
DATA ANALYSIS

To examine the question of research a multiple linear regression was conducted to determine if the independent variable predicts the dependent variable. Multiple linear regressions assess the relationships among a set of predictor variable on ratio variable. The independent variables include earnings per share, P/E ratio, return on assets, return on equity, and financial leverage. And market price of share is dependent variable. To analyze data the market prices were turned into logarithmic value. IBM SPSS software was used to run regression analysis. All of the logarithmic values of market prices were set as independent variable. The following regression equation was used:

$$Y=b1*x1+b2*x2+b3*x3+c$$

THEORETICAL FRAMEWORK

BOX 1



FINDINGS

TABLE 2: FINANCIAL PERFORMANCE

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.864 ^a	.746	.704	.30102

a. Predictors: (Constant), Leverage, ROA, PE, EPS, ROE

The R value is seen.864 from the model summary. So, R value for overall factors: EPS, ROE, ROA, P/E, Financial Leverage suggested a strong effect of five independent variables on dependent variable. The value of R square stands for.746 which represents 74.6% variation of the dependent variable is the effect of independent variables.

TABLE 3

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.993	5	1.599	17.643	.000 ^b
	Residual	2.718	30	.091		
	Total	10.712	35			

a. Dependent Variable: Mp

b. Predictors: (Constant), Leverage, ROA, PE, EPS, ROE

The significance level is.00 or less than 5% which means that the model was fit reasonably. There exists a significant association between the dimension of financial performance and market price of stock.

TABLE 4

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.554	.111		13.963	.000
	EPS	.028	.007	.963	3.677	.001
	PE	.002	.001	.324	2.163	.039
	ROE	-1.267	.720	-.980	-1.760	.089
	ROA	3.156	1.992	.733	1.584	.124
	Leverage	.107	.050	.346	2.126	.042

a. Dependent Variable: Market Price

Unstandardized Coefficients is the indication of how much the dependent variable varies with independent variable remaining all other independent variables constant. The beta coefficients point out how and to what extent numerical variables such as EPS, P/E ratio impact on the stock price.

The model of regression is:

$$\text{Market Price} = .028(\text{Earnings per Share}) + .002(\text{P/E Ratio}) - 1.27(\text{Return on Equity}) + 3.1(\text{Return on Assets}) + .11(\text{Debt-to-Equity}) + 1.55$$

CONCLUSION

There is a higher dependence of stock prices on financial ratios. The study focuses on a particular industry and five types of ratio. Market price of stock shows positive correlation with EPS, P/E ratio, ROA, and Debt-to-Equity. And it shows negative correlation with ROE. To gain good performance in the stock exchange a company in the pharmaceutical sector has to focus on these five ratios. The study could be broader with bringing more factors and then conducting factor analysis.

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