

Value relevance of accounting information and share price: A study of listed manufacturing companies in Sri Lanka

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Abstract

The purpose of this research is to provide empirical evidence concerning value relevance of accounting information such as Earning per Share (EPS), Net Assets Value Per Share (NAVPS), and Return On Equity (ROE) and Price Earnings Ratio (P/R) to Share Prices (SP) of manufacturing companies in Colombo Stock Exchange (CSE). Quantitative approaches were used in this study. For conducting this research, data were collected from secondary sources mainly from financial report of the selected companies, which were published by CSE in Sri Lanka. Findings of this research revealed that the value relevance of accounting information has the significant impact on share price and value relevance of accounting information is significantly correlated with share price.