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The Effect of Analyzing Financial Ratios on the Market Price of Profitable Companies and Allied Companies in The Arab Republic of Egypt

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Abstract

This study aims to investigate how the adoption of the International Financial Reporting Standard (hereinafter referred to as IFRS) affected the market price of shares of a select group of profitable companies in In the Arab Republic of Egypt between 2017 and 2022. This study was conducted when the country's financial statements were made in accordance with its accounting standard. Since the Arab Republic of Egypt implemented IFRS in 2017, there has been a knowledge gap about the relationship between Financial Ratio Analysis and Market Price of Share. This study aimed to fill that gap. It only used data from the financial statements of the chosen firms and utilized multiple regression analysis. Earnings per share, net assets per share, liquidity ratio, debt ratio, return on asset, and return on equity were all employed as financial ratio proxies. The outcome demonstrates a good and significant relationship between profitable companies and affiliated companies in the Arab Republic of Egypt firms Market Price of Share for Earnings per Share, Net Assets per Share, Debt Ratio, and Return on Asset Ratio. Additionally, it was discovered that the in the Arab Republic of Egypt profitable enterprises, affiliated companies, and Agro-Allied Quoted firms' Market Price of Share are not significantly correlated with the liquidity ratio and return on equity ratio.

Keywords: Returns on asset; Returns of equity; Agriculture and agro-allied; Market price; Earnings per share; Net assets per share; Debt ratio; Liquidity ratio.

The general framework of the study

Introduction to the study

Basically, the accounting data provided by the financial statements and the analysis and interpretation of the financial ratios derived from these financial statements are used to assess the economic and financial well-being of companies (Muslim, 2018). Both current and potential investors use the information contained in the financial statements and the analysis and interpretation of financial ratios as a reference when deciding whether to invest or continue to invest in the shares of these companies. Additional research has shown that the market price of a company's shares can change in response to information in its financial ratios and financial statements (Kohansal et al., 2013; Dadrasmoghadam and Akbari, 2015; Enekwe, 2015; Musallam, 2018; Lawal A.T. et al., 2017); (Lawal A.I. et al., 2018). A company's good financial ratios are a strong indicator that it is operating profitably, maximizing the wealth of its shareholders, and attracting a healthy market price for its shares (Enekwe, 2015). In line with previous research, this paper examined the relationship between stock market price and financial ratios in the Arab Republic of Egypt from 2017 to 2022 using a selection of successful works. IFRS will be used by the market to prepare the financial statements as of 2017. As a result, this study contributes to the collection of information regarding the nature of the relationship between stock market price and financial ratios after the introduction of IFRS. The study variables consisted of the independent variable, which represents the analysis of financial ratios and the market price of profitable companies and allied companies in Egypt after the adoption of IFRS. The gap is known as there

is a difference in companies before and after the application and adoption of IFRS.

Research Questions: The following specific research inquiries needed responses:

Q1. How are the MPS of profitable enterprises and affiliated companies related to EPS now as the Arab Republic of Egypt has adopted IFRS?

Q2. What connection does NAPS have to MPS of profitable enterprises and affiliated businesses now that IFRS has been adopted in the in the Arab Republic of Egypt?

Q3. What connection exists between the MPS of successful businesses and related businesses after the Arab Republic of Egypt adopted IFRS after the implementation of IFRS in and LR?

Q4. What connection exists between MPS of profitable enterprises and affiliated businesses now that IFRS has been adopted in the Arab Republic of Egypt and DR?

Q5. What connection has to be made between ROA and MPS of successful businesses and affiliated firms following the introduction of IFRS in the Arab Republic of Egypt?

Q6. What connection does exist between ROE and MPS of profitable enterprises and affiliated businesses following the adoption of IFRS in the Arab Republic of Egypt?

Research Objectives

The association between MPS of companies' profitable and affiliated companies is the primary goal of this study. Listed companies and financial ratios following the implementation of IFRS. Taking into account the aforementioned concerns, the study's precise goals are as follows: Analyze the connection between EPS and MPS of profitable corporations and linked businesses. Analyze the connection between NAPS and the MPS of investigate businesses and businesses that are linked with them.

Examine the connection between LR and MPS of the investigate companies and connected companies.

Analyze the connection between DR and MPS of profitable companies and linked companies.

Examine the connection between ROA and MPS of profitable companies and linked companies.

Investigate into the connection between ROE and MPS of profitable companies and affiliated companies.

Research Hypotheses

By putting the following research hypotheses in the null form to the test, the aforementioned research questions were successfully answered in a way that furthered the study's goals.

Literature review:

Having adopted IFRS in the Arab Republic of Egypt, the researcher assumes the following:

Hypothesis 1: H0: There is significant correlation between MPS of the chosen companies' profitable and related companies and EPS.

Hypothesis 2: H0: There is significant correlation between MPS of chosen companies' profitable and related companies and NAPS.

Hypothesis 3: H0: there is significant correlation between the MPS of the chosen companies' lucrative affiliate companies and LR.

Hypothesis 4: H0: there is discernible connection between the MPS of the chosen companies' profitable and related companies.

Hypothesis 5: H0: There is significant correlation between MPS of the chosen companies' profitable and related companies and ROA.

Hypothesis 6: H0: There is substantial correlation between MPS of chosen companies' profitable and related enterprises and ROE.

Background to financial ratios

History of Financial Ratios Financial ratios shows the relationship between two values taken

from a company's financial statements. Financial ratios can be used to evaluate a company's performance across one or more accounting periods. It can also be used to combine the performances of more than two firms or to compare the performance of one firm to another. The denominator will be one of the two values, while the numerator will be the other number. Profitability ratios, liquidity ratios, financial stability ratios, and investor ratios are several categories of financial ratios. As including all financial ratios in this study would be exceedingly time-consuming, just one or two ratios from each of the categories of financial measures described above were chosen. An organization's primary goal is to maximize profit, and if it is unable to do so, it will cease to exist as a going concern and cease to operate. History of Financial Ratios Financial ratios shows the relationship between two values taken from a company's financial statements. Financial ratios can be used to evaluate a company's performance across one or more accounting periods. It can also be used to combine the performances of more than two firms or to compare the performance of one firm to another. The denominator will be one of the two values, while the numerator will be the other number. Profitability ratios, liquidity ratios, financial stability ratios, and investor ratios are several categories of financial ratios. Because of including all financial ratios in this study would be exceedingly time-consuming, just one or two ratios from each of the categories of financial measures described above were chosen. An organization's primary goal is to maximize profit, and if it is unable to do so, it will cease to exist as a going concern and cease to operate. The operating efficiency of the business is assessed using the profitability ratios (Kabajeh et al.,

2012; Agha, 2014; Osman and Iddrisu, 2015); (Lawal A. I. et al., 2017b). ROA, ROE, and ROI are the three principal profitability measures employed in relevant studies to assess a firm's profitability (Kabajeh et al., 2012; Osman and Iddrisu, 2015); (Babajide et al., 2016a). This study adopted ROA and ROE. ROI (Return on Assets): Using this formula, you can calculate a company's net income as a percentage of all its accessible assets. According to ROA, businesses with more assets ought to be able to generate more money. The ability of management to generate returns on the firm's resources is measured by ROA (assets). Since interest is the payment made to creditors in exchange for the capital they have provided to the company, the income amount utilized in this calculation is income before deduction of interest expenditure and taxation. The income before any distribution to people who contributed money to the company is the amount of the resultant adjusted income. Hence

$$\text{ROA} = \frac{\text{Profit before Interest and Tax}}{\text{Total Assets}}$$

Total Assets

The Common or Ordinary Shareholders of a Company are Entitled to the Residual Profits (Return on Equity, or ROE). These shareholders' portion of the profit is not fixed; the earnings may be paid out as dividends to shareholders or kept by the company as retained earnings. However, their return is measured by net profit after tax. To determine whether the owner's investment is profitable, a return on shareholder equity is determined. The paid-up share capital, share premium, reserves, and surplus less accumulated losses make up the shareholders' equity, or net value. It is also possible to determine net worth by deducting total obligations from total assets (Choudhry, 2012; Osman and Iddrisu, 2015); (Babajide et al.,

2016b). The ROE used in this study is determined as follows:

$$\text{ROE} = \frac{\text{Profit after Interest and Tax and Preference Dividends}}{\text{Net Worth (equity)}}$$

Net Worth (equity)

Current ratio, which is the primary liquidity ratio for this study, is chosen as the liquidity ratio. Other liquidity ratios include acid test ratio. Current asset is used as the numerator and current liability is used as the denominator to calculate liquidity ratio. It is used to assess a company's capacity to make short-term payments when they become due. (Lawal A. I. et al., 2015); (Kohansal et al., 2013); (Dadrasmoghadam and Akbari, 2015); and (Enekwe, 2015); (Musallam, 2018). Consequently, the liquidity ratio is as follows:

$$\text{LR} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Total Assets

Earnings per Share (EPS) measures the fraction of a company's earnings that may be attributed to each unit's common shareholders after tax and preference dividends. (Islam et al., 2014) argue that one of the primary causes of MPS is EPS. The denominator of the EPS calculation is the number of ordinary shares issued and the dividend ranking, while the numerator is profit after tax (hereinafter referred to as PAT) less preference dividends. Consequently, the EPS ratio is as follows:

$$\text{EPS} = \frac{\text{Profit after Tax (PAT)} - \text{Preference Dividend}}{\text{Numbers of ordinary share issued and ranking for dividend}}$$

Numbers of ordinary share issued and ranking for dividend

The net book value of a company's net assets that may be attributed to each unit of common shareholders is known as net asset per share (NAPS) (Muhammad et al., 2012). The denominator of NAPS is the number of ordinary shares issued and the dividend ranking, while the

numerator is the sum of all assets minus the sum of liabilities minus preference shares. Consequently, the NAPS ratio is as follows:

$$\text{EPS} = \frac{\text{Total Assets} - \text{Total Liabilities} - \text{Preference Shares}}{\text{Numbers of ordinary share issued and ranking for dividend}}$$

Numbers of ordinary share issued and ranking for dividend.

Market Prices of Share and Profitability

Any business's core mission is to create and maximize profit while also increasing shareholder wealth. It is for this reason, among others, that "good firms" and "good investments" are not the same thing (Osman and Iddrisu, 2015). A good firm "may be highly lucrative, with a correspondingly high ROE," according to (Osman and Iddrisu, 2015). However, if its stock price is bid up to a level in line with this ROE, its P/B ratio will also be high and the stock price may be trading at a price that is relatively high in comparison to profits, which will lessen its appeal as an investment. The company's strong ROE does not automatically mean that the stock is a wise investment. On the other hand, if their prices are low enough, struggling businesses with low ROEs can make solid investments. A firm's profits, in the words of Lynn (2012), Osman, and Iddrisu (2015), "are a significant determinant of share price. The worth of the shares to the shareholder increases as profits increase and are held by the company, and the price of the shares grows as investors are eager to access the higher earnings and are more and more prepared to pay the higher prices. The empirical data from studies conducted by AL Khalayleh (2001), Pankaj (2017), and Kabajeh et al. helped to validate these researchers' claims (2012). Profitability ratios were taken into account in this analysis from this perspective.

Theoretical Framework:

This study used the pecking order theory and is of the opinion that, when raising additional funds to finance a firm's assets, using retained earnings is preferred over increasing debt levels and issuing additional equity is the last resort (Myers and Majluf, 1984; Margitis and Psillaki, 2007; Otekunrin et al., 2017; Otekunrin et al., 2018). (Otekunrin et al., 2018). This argument is consistent with the primary expectation of this study, which is that quoted firms' market prices of shares, which are derived from retained earnings and capital structure components of the firms, will increase in proportion to the level of profitability ratios. Managers are accountable for making suitable financial decisions that would result in an acceptable mix of debt and equity that a corporation utilizes to finance its business in order to reduce the cost of capital and increase the value of the company (Damodaran, 2019). Therefore, the goal of the firms to minimize the cost of capital and maximize the value of the firms is being accomplished as increase in the level of profitability lead increase in level of Quoted firms Market Price of Share. The external and internal sources of finances are the two places where a corporation might get money, according to the pecking order hypothesis. Retained earnings from the company's previous fiscal year's operations are an internal source of funding for financing the firm's assets, whilst debt and fresh equity are external sources of funding for financing the firm's assets.

Empirical Evidences

With the usage of agriculture-related businesses, Dadrasmoghadam and Akbari (2015) analyzed the link between MPS and financial ratios from 1999 to 2009 and came to the conclusion that DR, LR, ROA, and ROE are positively and significantly associated to MPS. In addition, Miri et al. (2010) found a connection between ROA,

ROE, and MPS. Islam et al. (2014) looked into 22 banks' EPS, MPS, and firm value relationships and found that MPS does not rise as quickly as EPS. Pankaj (2017) looked into the connection between EPS, Price-Earnings ratio, and MPS and discovered that MPS and EPS are both substantially correlated. Pankaj (2017) used a multiple regression analysis to research the Indian automotive industry. (Muhammad et al., 2012) investigated the relationship between EPS, NAPS, and MPS of companies that were quoted and came to the conclusion that these financial metrics are unrelated and that investors used non-financial data to make MPS decisions. Using forty industrial Jordanian companies that were publicly traded, Abu (2003) investigated the relationship between the role of published accounting information and MPS for 2003 and came to the conclusion that MPS and the ratios of fixed assets to total assets, creditors to total cash sources, and wages to total expenses ratio are all negatively and significantly related. The correlation between accounting and market performance indicators between the years 2000 and 2007 was examined using 38 industrial Jordanian publicly traded enterprises, and it was found that there is a positive and significant relationship between cash flow. Al (2005) examined the relationship between published accounting information of insurance firms and MPS between the years of 1994 and 2004 using 110 publicly traded Jordanian firms. He came to the conclusion that market information is better able to predict MPS than accounting information. Osman and Indris' (2015) examined the relationship between ROA, ROE, and ROI along with the MPS for the years 2009 to 2013 using financial statements from the audited annual

reports of banking institutions on the Ghana Stock Exchange. They came to the conclusion that ROE and MPS are more significantly and positively related than ROA and MPS. Past research on the connection between financial ratios and MPS has undoubtedly yielded conflicting findings, leaving this field of inquiry open for additional investigation. This study studied the association between financial ratios (EPS, NAPS, ROA, ROE, LR and DR) and quoted firms MPS following the implementation of IFRS, in line with the empirical evidences stated above.

Material and Method

In this study, multiple regression analysis was used to analyze the link between financial ratios (using ESP, NAPS, LR, DR, ROA, and ROE as proxies for financial measures) and market price of shares. According to the existing literature (Osman and Iddrisu, 2015; Pankaj, 2017; Otekinrin et al., 2017), the relationship between financial ratios (EPS, NAPS, LR, DR, ROA and ROE) for profitable companies in the Arab Republic of Egypt and Agro-Allied Quoted firms with Market Price of Share was examined using multiple regression analysis. The secondary data came from the Annual reports of a for profitable companies in the Arab Republic of Egypt companies that were quoted between 2017 and 2022.

Population of the Study, Sample Size and Sampling Technique

Utilizing the stratified random sample a total of 19 companies were chosen as follows:
(19) Companies the population of this analysis is the Egyptian market exchange (hence referred to as NSE) between 2017 and 2022.

Table-1. Numbers of firms in each stratum that formed the sample size

SN	Sub-group (strata)	Total Number	Sample size
1	Quoted agro-allied companies	17 (100%)	15 (88.2%)
2	Quoted agriculture companies	5 (100%)	4 (80%)
	Total	22	19

Source: computed by researcher based on the criteria given above

According to the current Raosoft, Inc. online sample size calculator, the population of the study must include at least 50% of the listed firms in each stratum (business firms and agro-allied business firms). In this analysis, 80% of the profitable businesses and 88.2% of the stated agro-allied corporations were chosen. Before choosing the sample size, the following additional criteria have to be met:

- (i) Selected firms are quoted in the market of the Arab Republic of Egypt.
- (ii) It must be a firm in either business.

(iii) The financial statement variables from the company's audited annual reports for the years 2017 through 2022 must be accessible and available.

Model Specification

Dadrasmoghadam and Akbari (2015), Miri et al. (2010) and Pankaj (2017) , in this investigation, just one empirical model was used. The nature of the link between the independent factors and the dependent variable was examined using the multiple regression analysis. Following are the dependent variable and independent variables:

Table-2. Dependent and the Independent variables

	Independent variables Profitability Ratios	
1	EPS	$\frac{\text{Profit After Tax (PAT)} - \text{Preference Dividend}}{\text{Numbers of ordinary share issued and ranking for dividend}}$
2	NAPS	$\frac{\text{Total Assets} - \text{Total Liabilities} - \text{Preference Shares}}{\text{Numbers of ordinary share issued and ranking for dividend}}$
3	LR	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
4	DR	$\frac{\text{Total Debt}}{\text{Total Assets}}$
5	ROA ratio	$\frac{\text{Profit before Interest and Tax}}{\text{Total Assets}}$
6	ROE ratio	$\frac{\text{Profit after Interest and Tax and Preference Dividends}}{\text{Net Worth (equity)}}$
	Dependent variables	
7	MPS	Log (MPS)*

*The MPS was logged to limit the effect of outlier in the dependent variable.

3.3 The Study Model

Model 1: Financial Ratios of Firms (i.e. EPS, NAPS, LR, DR, ROA, ROE AND ROE) and Market Price of Shares (MPS)

$$MPS = \alpha_0 + \alpha_1 EPS_{it} + \alpha_2 NAPS_{it} + \alpha_3 LR_{it} + \alpha_4 DR_{it} + \alpha_5 ROA_{it} + \alpha_6 ROE_{it} + \epsilon_{it}$$

Where:

The dependent variable is MPS, calculated as the log of market price per share

$\alpha_0, \alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5$ and α_6 are regression coefficients with unknown values.

Earnings per Share = (EPS)

Net Assets per Share, or =NAPS

Liquidity Ratio = (LR)

Debt Ratio = (DR)

Stands for return on assets = ROA

Return on equity ratio = (ROE)

Residual = eit

Expected Apriori:

$\alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5$ and $\alpha_6 > 0$

Hence:

The expression " $\alpha_1 > 0$ " denotes the relationship between market share prices for quoted companies and earnings per share.

The expression " $\alpha_2 > 0$ " denotes a relationship between the market price of shares for quoted companies and the level of net assets per share.

The expression " $\alpha_3 > 0$ " indicates that the quoted firms' market price of shares increases in proportion to the liquidity ratio.

The expression " $\alpha_4 > 0$ ", the larger the debt ratio, the higher the quoted company's market price per share.

The expression " $\alpha_5 > 0$ " denotes a relationship between the market price of shares for quoted companies and the level of the return on assets.

According to the formula " $\alpha_6 > 0$," the higher the Return on Equity ratio, the higher the quoted firms' market price per share.

Results

Descriptive Statistics

Below is a list of the descriptive statistics for the variables in both empirical Model:

Table 3: Variable Descriptive Statistics for Empirical Model 1.

	LOGMPS	EPS	NAPS	LR	DR	ROA	ROE
Mean	1.170541	-0.056980	7.905059	1.148181	0.591559	0.701684	0.521507
Median	1.2293160	-0.046355	2.945094	0.995701	0.580017	0.846423	0.605462
Maximum	3.080179	1.505997	51.19000	4.767695	1.508465	2.615184	1.934375
Minimum	-0.302029	-1.000000	-5.070450	0.074694	0.052269	-1.914251	-1.823371
Skewness	0.218205	0.272839	2.019544	1.852471	1.343828	-1.357812	-1.204272
Kurtosis	2.588917	2.316772	6.290469	8.614709	7.735521	4.521591	4.514492
Jarque- Bera	1.249489	3.503389	103.7821	171.6558	108.5893	31.49061	30.83274
Probability	0.540330	0.183740	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	105.9900	-5.103104	707.9642	102.6012	53.51643	52.36154	38.91503
Sum Sq. Dev.	59.16026	45.67996	13010.52	46.10161	4.498522	71.66927	53.47753
Observations	91	91	91	91	91	91	91

Source: Author's computation using E-Views 9.1

The normalcy measurements are shown in Table 3 above. Given that the value of normal skewness is zero (0), the market price of shares (MPS) and earnings per share (EPS), which have skewness values of 0.218205 and 0.272839, respectively, respectively, reflect a normal distribution. Because both of these numbers are less than 3, which is the value for a normal distribution, the kurtosis for Market Price of Shares (MPS) and Earnings per Share (EPS),

which are currently 2.588917 and 2.316772, respectively, is platykurtic. This indicates that the Market Price of Shares (MPS) and Earnings per Share (EPS) are both below the sampling means of the variables. As a result, although if they reflect a normal distribution, the market price of shares (MPS) and earnings per share (EPS) are platykurtic. Considering the likelihood of the Jarque-Bera, we can rule out the six null hypotheses based on the statistics of earnings per

share (EPS), net asset per share (NAPS), liquidity ratio (LR), debt ratio (DR), return on asset (ROA), and return on equity (ROE), which are 0.183740, 0.000000, 0.000000, 0.000000, and 0.000000, respectively. This is due to their very statistically significant probability values. We can rule out each of the six null hypotheses by 0.000000. This is due to the high statistical significance of their probability values.

$$MPS = \alpha_0 + \alpha_1 EPS_{it} + \alpha_2 NAPS_{it} + \alpha_3 LR_{it} + \alpha_4 DR_{it} + \alpha_5 ROA_{it} + \alpha_6 ROE_{it} + e_{it}$$

Table-4. Regression Results of the Variables (2017-2022)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.623141	0.260548	2.051908	0.0521
EPS	0.630512	0.102419	6.301823	0.0000
NAPS	0.036489	0.005826	5.605419	0.0000
LR	0.035990	0.080791	0.301994	0.6399
DR	0.678308	0.263094	2.507301	0.0173
ROA	0.157282	0.078819	2.126854	0.0355
ROE	- 0.079454	0.093974	-0.894412	0.3932
R-squared	0.726402	<u>Mean dependent var</u> <u>S.D. dependent var</u> <u>Akaike info criterion</u> <u>Schwarz criterion</u> <u>Hannan-Quinn criter.</u> <u>Durbin-Watson stat</u>		1.172561
Adjusted R-squared	0.706320			0.923167
S.E. of regression	0.553034			1.420364
Sum squared resid	16.05365			1.613804
Log likelihood	-49.82165			1.501789
F-statistic	35.98554			0.752153
Prob.(F-statistic)	0.000000			

Source: Author's computation using E-Views 9.0.

Predictors: EPS, NAPS, LR, DR, ROA, ROE, ROI, CONSTANT,

Dependent Variable: MPS

According to Table (4) above, the EPS regression coefficient is positive (0.630512), the t-statistic is positive (6.301823), and the p-value is 0.0000, which is significant to 1% of the population. Based on this finding and in accordance with priori expectations, earnings per share (EPS) and the level of the stock market price are positively and significantly correlated (MPS). Net assets per share (NAPS) has a positive regression coefficient (0.036489), positive statistic (5.605419), and a p-value of

Regression Analysis

This regression analysis was done to look into the link between market price of shares (MPS) and financial ratios of companies (EPS, NAPS, LR, DR, ROA, and ROE) from 2017 to 2022.

MODEL 1: FIRMS' FINANCIAL RATIOS (including EPS, NAPS, LR, DR, ROA, and ROE), AND SHARE MARKET PRICE (i.e. MPS)

0.0000 significant 1%. According to this finding and a priori expectations, net asset per share (NAPS) is considerably and positively correlated with the level of the share's market price (MPS). The liquidity ratio (LR) has a positive regression coefficient (0.035990), a positive t-statistic (0.301994), and a p-value of 0.6399. According to this finding and a priori expectations, the liquidity ratio (LR) is positively but not substantially correlated with the level of the share's market price (MPS). The debt ratio (DR) has a positive regression coefficient (0.678308), a positive t-statistic (2.507301), and a p-value of 0.0165. Based on this finding and in accordance

with a priori expectations, debt ratio (DR) and the level of share market price are positively and strongly correlated (MPS). The return on assets ratio (ROA) has a positive regression coefficient (0.157282), positive t-statistic (2.126854), and a p-value of 0.0355 significant 1%.

4. Discussion

Based on this finding and in accordance with prior expectations, return on assets (ROA) ratio and the level of share market price are positively and strongly correlated (MPS). The return on equity ratio (ROE) has a negative regression coefficient (- 0.079454), negative t-statistic (- 0.894112), and a p-value of 0.3932. According to this finding, the level of the share market price is negatively and only tangentially related to the return on equity ratio (ROE) (MPS). This outcome differs from what was anticipated a priori for the return on equity ratio (ROE). The alternative hypothesis, Hypothesis 1, which claims that there is a significant relationship between EPS and selected Quoted For-Profit Companies and Associated Companies MPS after the adoption of IFRS in the Arab Republic of Egypt, is accepted. This is due to the Adjusted R-Square value of 70.63%, which is considered to be of relatively high value. After the the Arab Republic of Egypt adopted IFRS, Alternative Hypothesis 2 which asserts that there is a substantial association between NAPS and selected Quoted For-Profit Companies and Associated Companies MPS was approved. After the Arab Republic of Egypt adopted IFRS, Alternative Hypothesis 4 which asserts that there is a substantial relationship between DR and certain Quoted For-Profit Companies and Associated Companies MPS was accepted. After the Arab Republic of Egypt adopted IFRS, Alternative Hypothesis 5 which asserts that there is a substantial association between ROA and a

subset of quoted for-profit corporations and affiliated entities MPS was accepted. The Alternative Hypothesis 1, which asserts that there is a significant relationship between EPS and selected Quoted For-Profit Companies and Associated Companies MPS after the adoption of IFRS in the Arab Republic of Egypt, is accepted. However, Hypotheses 1, 2, 4, and 5, which are in a null form, are hereby rejected. After the Arab Republic of Egypt adopted IFRS, Alternative Hypothesis 2 which asserts that there is a significant association between NAPS and certain Quoted For-Profit Companies and Associated Companies MPS was also approved. Alternative Hypothesis 4, which asserts that there is a meaningful association between DR and certain Quoted For-Profit Companies and Associated Companies MPS after the Arab Republic of Egypt adopted IFRS, is also accepted. Alternative Hypothesis 5, which asserts that once the Arab Republic of Egypt adopted IFRS, there is a substantial association between ROA and a select group of quoted for-profit companies and associated companies MPS, is also accepted. Because the table's result indicates that LR and ROE are not significantly associated to certain Quoted For-Profit Companies and Associated Companies MPS following the introduction of IFRS in the Arab Republic of Egypt, Hypotheses 3 and 6, which are in a null form, are accepted. Therefore, Alternative Hypothesis 3, which asserts that there is a substantial association between LR and certain Quoted For-Profit Companies and Associated Companies MPS after the Arab Republic of Egypt adopted IFRS, is disproved. Alternative Hypothesis 6, which contends that when the Arab Republic of Egypt adopted IFRS, there is a significant association between ROE

and a select group of quoted for-profit companies and associated companies MPS, is also denied.

Conclusion:

The outcome demonstrates that Market Share Price of For-Profit Companies in the Arab Republic of Egypt and Associated's are favourably and significantly associated to Earnings per Share, Net Assets per Share, Debt Ratio, and Return on Asset. This finding is consistent with several of the existing findings in the empirical literature evaluated; examples of such existing studies include Miri et al. (2010), Dadrasmoghadam and Akbari (2015), and Pankaj (2017). However, there is little correlation between the liquidity ratio and the market share price of for-profit businesses in the In the Arab Republic of Egypt . The influence of the high taxation and preference dividends paid by the Arab Republic of Egypt For-Profit Companies and Associated considered for this study may be the cause of the negative but not statistically significant association between Returns on Equity. Overall, it suggests that if their management deploys and utilizes the businesses' assets effectively, for-profit companies and associated in the Arab Republic of Egypt will become more profitable, and thus, their profitability will increase, increasing the price of market share. The maximizing of shareholder wealth will result from this. As a result, the study's findings are consistent with the pecking-order hypothesis, which holds that when it comes to generating additional funds to finance a firm's assets, using retained earnings is favored, followed by increasing the debt level, and issuing additional equity, as the last resort.

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