

## **Determinants of the Price Earnings Ratio in the Manufacturing Industries in Jordan**

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### **ABSTRACT**

This study aimed to investigate the factors that explain the behavior of the Price/Earnings Ratio, whereas the study's main purpose is to establish a relationship between the Price/Earnings ratio and the factors that determine it. The study collected the financial data for the period 2000 – 2013 from the Amman Stock Exchange for the companies in the Jordanian Manufacturing Sector. The results (OLS regression) showed that Tobin's Q, Dividend Growth, Leverage and Size had the most significant effect on the Price/Earnings ratio where Tobin's Q and Leverage had a positive effect indicating that the investor's confidence increases with higher firm market value and higher firm debt dependency. However, Size and Dividend Growth had significant but negative relationship with the Price/Earnings Ratio.

**Keywords:** Price\Earnings Ratio, Tobin's Q, Leverage, Dividend Growth, Jordan, Firm Size.

### **INTRODUCTION**

The financial market, especially the stock market, attracted considerable attention of researchers, investors and individuals. However, understanding the behavior of the financial market is a rather daunting task. Many researchers and academics attempted to conduct empirical work to identify the behavior of the market in terms of variations in stock prices and to determine the factors that affect its direction. The Price/Earnings Ratio is believed by many to be one of the most significant indicators of stock prices. This indicator is usually considered by researchers, market analysts, fund managers and investors a reliable variable to understand and predict the behavior of stock prices as it sheds light on the direction of their investment funds. Beaver and

Morse's (1978) was the first study that determined the effect of earnings growth and risk as the main determinants of the Price/Earnings ratio. Other studies such as that conducted by Afza and Taher (2012) found that the Dividend payout ratio and Tobin's Q were the most significant variables affecting the Price/Earnings ratio. In Jordan, few studies analyzed the stock market from different perspectives with emphasis on the determinants of the Price/Earnings Ratio. All the studies agree that the Price/Earnings Ratio is considered one of the main factors directing investors' decisions in the stock market. Using a different set of variables, this study will examine the effect of dividend payout ratio, dividend growth, leverage, liquidity, Tobin's Q and size on the Price/Earnings ratio for the manufacturing sector in Jordan. In addition, as investors understand the factors that will cause this volatility in the Price/Earnings ratio they will have more confidence in their investment decision and be able to make better decisions.

### **1.1 Study Problem and Question**

The variation in stock prices is caused by many factors that are unknown and hard to determine. Due to

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these factors many stock valuation methods appeared in order to help investors reach solid and sound investment decisions. The study's main purpose is to establish a relationship between the Price/Earnings ratio and the factors that determine it. This can be achieved by trying to answer the following question: Is there an existing relationship between the factors Dividend Payout Ratio, Dividend Growth, Leverage, Tobin's Q, Liquidity, Company Size and the Price/Earnings ratio? By answering this question the study will establish this relationship and determine the effect each factor has on the Price/Earnings ratio and the direction in which the ratio will be affected whether it is positive or negative.

### 1.2 Importance of the study

The Price/Earnings ratio is considered to be at large among theorists and academics one of the main factor directing investment decisions in stocks. However, in Jordan, as far as the study is concerned, few similar works were conducted in this area. Therefore, the study contributes positively by helping investors understand the determinants that affect the Price/Earnings ratio and provide assistance in the investment decision. This allows investors to have more confidence in their decisions and base these decisions on solid indicators that explain the variation in the Price/Earnings ratio for the manufacturing industry of Jordan.

### 1.3 Study Objectives

The study aims to identify the determinants of the Price/Earnings ratio in the Jordanian stock market for the manufacturing industries. The effect of the following variables dividend payout ratio, dividend growth, leverage, liquidity, Tobin's Q and size on the Price/Earnings ratio will be examined in order to understand the cause of the volatility in the values of the ratio among the companies of the manufacturing sector in Jordan. The study will closely examine the effect each variable has on the ratio by performing a statistical

analysis and regression to establish and describe these effects which highlight the most significant variables affecting its variation.

## 2. Literature Review

This section begins by reviewing one of the earliest studies that attempted to find the determinants of the Price/Earnings ratio. The study of Beaver and Morse (1978) attempted to determine the effect of earnings growth and risk as the main determinants of the Price/Earnings ratio over the period 1956 – 1974. The study model was performed on the inverse of the ratio where the E/P ratio was used as the dependent variable and the independent variables were risk and earnings growth. The independent variables explained 50 percent of the variation in the ratio which left a lot unexplained and further study was suggested. Deaves, Miu and White (2006) argue that the E/P ratio is less affected by very low or even negative aggregate earnings, and uses dividend yield, dividend payout, earnings growth, economic growth, inflation, monetary growth, bond yield, and market return to determine their effect on E/P ratio. The study concluded that the dividend payout ratio, earnings growth and the dividend yield are all significant, where the payout ratio had a negative sign and both the earnings growth and dividend yield had a positive sign. Using a different set of variables, Bhayo, Khan and Shaikh (2011) found a positive relationship between net profit margin and the E/P ratio, and a negative relationship for the growth in total assets.

An analysis by Ward and Stathoulis (1993) set the following variables as determinants of the Price/Earnings Ratio: Expected Payout Return, Required Return and Dividend growth. The results show positive significant correlation between Return on Equity, dividend payout and Price/Earnings ratio. While, Ramcharran (2002) found that only the growth in dividends is significantly related to the Price/Earnings ratio.

Tian and Zheng (2008) used 12 different variables as determinants of Price/Earnings ratio. The results showed that turnover rate of total assets,  $\beta$ -coefficient, share earning rate, asset-liability ratio, equity ratio, return on net assets and current equity scale had high effect and explanatory ability on the Price/Earnings ratio. While, Capital bonus payout rate, dividend growth rate, turnover rate of total assets, return on net assets and share earning rate all had negative correlation with Price/Earnings ratio.

Al Jabri (2009) also used a different set of variables in Amman Stock Exchange (ASE) as determinants of the Price/Earnings ratio, the results show that growth ratio and payout ratio have a positive relationship with Price/Earnings ratio. While, Afza and Taher (2012) found that leverage is negatively related to the Price/Earnings ratio in ASE. Tawfiq and Thunibat (2009) examined the determinants of three valuation multiples in ASE and found that P/E ratio is significantly and positively related to dividend payout ratio.

Sezgin (2010) attempted to study the short and long-term relationship between the Price/Earnings ratio and Stock Returns as well as Dividend Yield. The study concluded that Stock Returns had a negative effect on the Price/Earnings Ratio and Dividend Yield affects the Price/Earnings ratio positively on the long run.

Afza and Taher (2012) investigated price-to-earnings ratio as a function of dividend payout ratio, Tobin's Q, leverage, variability in market prices, earnings growth, market return and size. Results demonstrated that dividend payout ratio and Tobin's Q remained the most important determinants of Price/Earnings ratios for pooled as well as time-series analysis and that leverage had a significant negative relation with P/E ratio. Similar results were obtained by Premkanth (2013), who found a positive relationship between Price/Earnings and dividend Payout.

A study by Ramadan (2014) aimed to reveal the variables explaining the variation in the Price/Earnings

ratio. The results of the study showed that the independent variables with the most significant positive effect on the Price/Earnings ratio were: the dividend payout ratio, earning growth rate and Tobin's Q. The dividend payout ratio had the most effect on the ratio out of all the variables, indicating that investors are more than willing to pay a higher price for stocks that have higher dividend payout ratios. The study also revealed that firm size is significantly negatively related to the ratio showing that investors are more confident investing in small firms rather than large firms.

The studies reviewed in this section found many related and consistent results that identified the most significant independent variables that determine the Price/Earnings ratio. The most common variables that found to be significant and have positive effect on the Price/Earnings ratio are the dividend payout ratio, dividends growth and Tobin's Q. This study uses the last two variables in its model to examine their effect on the P/E ratio.

### **3. Data and Methodology**

#### **3.1 The Population and Sample of the Study**

The study population consists of all companies of the publicly listed manufacturing companies in the ASE during the period 2000 – 2013. The companies were selected based on the following criteria:-

- Jordanian manufacturing companies were actually listed in the ASE.
- Companies survived through the whole period of the study.
- All required financial data and variables were available for the companies throughout the period.
- The company has not merged with other companies.

The application of these criteria on the population of the study resulted in a sample of 44 manufacturing companies.

### 3.2 Definition of the study variables

#### 3.2.1 The dependent variable: Price/Earnings Ratio (Price/Earnings):

The Price/Earnings ratio can be calculated as follows (Ross et al 2010):-

Price/Earnings = stock price per share / earnings per share

#### 3.2.2 The independent variables:

- *Dividend growth*: “Describes the growth rate of common stock dividends on a per share basis over any given historical period.” (Megginson and Smart, 2008) Measured by the difference between the dividends being paid out at period t and period t-1 for firm i.

The Price/Earnings Ratio has a positive relationship with the dividend growth where investors are optimistic about the growth in dividends, which is an indicator of a firm’s well-being and profitability. This dividend growth is part of the growth in earnings of the Price/Earnings ratio and investors are expecting their earnings to increase due to this growth. Thus, a higher dividend growth is an indicator of higher expected earnings and therefore results in a higher Price/Earnings Ratio (Graham et al, 2009) and (Baker and Powell, 2009).

- *Liquidity*: “Measures the firm’s ability to satisfy its short-term obligations as they come due.” It is measured as the current ratio “which is calculated as current assets divided by current liabilities”, of firm i for time period t (Megginson and Smart, 2008).

Liquidity refers to the ease and quickness with which assets can be converted to cash. The more liquid a firm’s assets the less likely the firm will experience any problems when trying to meet its short term obligations. This is why liquidity is linked to the firm’s probability of avoiding financial distress. Yet it is unfortunate that when a firm invests in liquid assets it sacrifices the opportunity to invest in more profitable investments. With all else being equal, stocks considered to be highly liquid command higher Price/Earnings ratio and the stocks that are considered to be of a less liquid nature

command lower Price/Earnings ratios. Investors perceive liquidity the same way they perceive safety and therefore these stocks are considered safer and investors are willing to pay higher prices for them hence these stocks will have higher Price/Earnings ratios (Chandra, 2011).

- *Leverage*: The amount of debt the firm uses to finance its assets computed as the ratio of total debt to total assets, of firm i for time period t. The extent to which a firm is willing to borrow, or the amount of debt the firm uses to finance its assets is known more technically as Leverage. Investors are signaled by firm leveraging decisions. The leverage position affects the common stock price negatively. An over leveraged firm from the investor’s point of view has an increased financial risk.

Leverage increases the firm’s probability of not meeting its debt obligations in time. This negative effect on the stock price will cause the price to fall and therefore the Price/Earnings Ratio to decrease. Since the firm’s leverage is increasing then it is probable that the firm will not meet its debt obligations and is perceived to be more risky by investors and thereby they will request compensation for the added risk incurred by holding the stock. This compensation would come in the form of an increase in the stocks return and a decrease in the stock’s price which will in turn cause the Price/Earnings ratio to fall as well (Bolten, 2000) and (Chandra, 2011).

- *Tobin’s Q*: “Is used to reflect the market value of an organization”. Measured by the ratio of total market value to total book value of assets, of firm i for time period t. Tobin’s Q is a theory developed on the connection between stock prices and investment spending. Tobin’s Q is defined as the ratio of the company’s market capitalization value and the replacement cost of capital. When the company’s market capitalization value is higher than the replacement cost of capital, in this case the company can issue stock and receive from the stocks a somewhat higher price than that it is paying for facilities and equipment. Because the

company could issue relatively fewer shares of its stocks for its purchase of new investment goods, its investment spending would increase. On the other hand, when the company's market value is lower than the cost of capital, the company will not purchase new investment goods so that its investment spending would be small. A positive relationship exists between Tobin's Q and the stock price where the higher the stock's price the greater Tobin's Q. "During the great depression in the United States, the stock prices slumped. In 1933, the stocks were worth only about one tenth of the value of late 1929. Tobin's Q reached unprecedented lower levels so that the rate of investment spending also fell to a very low extreme. Now, if the previous two explanations are combined together, the following conclusion of monetary policy is naturally obtained: When the money supply grows, the stock price goes up, Tobin's Q increases, the investment spending grows, and the total spending rises. Therefore, a positive relationship between Tobin's Q and the Price/Earnings Ratio will be witnessed (Forrest, 2014).

- *Firm size*: Measured as sales, of firm i for time period t. It is closely related to the firm's growth opportunities, and as it takes advantage of these opportunities it becomes larger in size and increases in value. Therefore, it is perceived by investors to be more successful and valuable. This perception of success and value will cause stock prices to rise and in return cause a higher Price/Earnings ratio (Anderson and Brooks, 2006).

### 3.3 The Study Hypotheses

The following illustrates the main assumption of the study:-

- $H_0$ : There is no significant relationship Dividend Growth, Tobin's Q, Leverage, Liquidity, size and the Price/ Earnings Ratio for the industrial firms in Jordan.

- $H_1$ : There is a significant relationship between Dividend Growth, Tobin's Q, Leverage, Liquidity, size and the Price/ Earnings Ratio for the industrial firms in Jordan.

### 3.4 The Study Model

Following similar previous work such as: Afza and Tahir (2012) and Premkanth (2013) , the current study will use the Ordinary Least Square (OLS) method based on pooled data, to evaluate the factors determining the multiplier using annual data collected for the manufacturing sector in the Amman Stock Exchange (ASE).

The regression model to be used can be specified as:

$$PE_{it} = \alpha + \beta_1 Q_{it} + \beta_2 LEV_{it} + \beta_3 DG_{it} + \beta_4 LIQ_{it} + \beta_5 SIZE_{it} + U_{it} \dots \dots \dots (3.1)$$

- PE = Price/earnings ratio for firm i at time t.
- Q= Market capitalization divided by Total assets for firm i at time t.
- LEV = Total Debt / Total Assets for firm i at time t.
- DG = Dividend per share at time  $t_1$  minus dividend per share at time  $t_0$  divided by Dividend per share at time  $t_0$ .
- LIQ = Current assets divided by current liabilities for firm i at time t.
- SIZE= calculated as the firm i's Log(sales) at time t.
- U=Disturbance term.

## 4. Empirical Analysis

The following section illustrates the results of the statistical analysis and regression analysis performed on the data collected from 44 companies in the manufacturing industry from the Amman Stock Exchange for the period 2000 – 2013. Some of the data was excluded from the analysis such as: negative Price/Earnings Ratios, zero Sales and zero Earnings.

### 4.1 Descriptive Analysis

In what follows, the analysis describes the values of the mean and the corresponding variables. Also, multi-

collinearity tests are conducted and their results are discussed as well. The statistical tools used to describe the data are illustrated in Table 1. The mean value of 21.23 for the Price/Earnings ratio implies that investors are willing to pay on average 21.23 JOD for every 1 JOD in earnings. Dividend Growth has a mean value of 0.08 indicating that although dividends are being paid out, the growth level of these dividends is 8% on average. The mean Leverage value of 25.42 implies that companies on average rely heavily on debt to cover their short-term obligations. The mean value of Tobin's Q is 1.35 indicating that on average company stocks are overvalued by 35%. The mean value of Liquidity is 3.53, which implies that companies within the industry hold on average liquid assets. The mean value of 7.14 for size which is equivalent to 13,894,857 JOD indicates that companies on average in the industry are of a large nature.

The standard deviation values across all variables are high indicating that the data is well spread and volatile when compared to the Mean. We can see from the table that the value of the standard deviation for the Price/Earnings ratio is 18.48 which is distant from the mean value of 21.23 and the values are well spread within the range of a minimum of 3.73 and a maximum of 133.59 which indicates that the data is well spread and volatile. This is also true for the other variables: Dividend growth has a standard deviation of 0.45 distant from the mean value of 0.08 and the values are well spread within the range of a minimum of -1 and a maximum of 2.25 which indicates that the data is well spread and volatile. Leverage has a standard deviation of 17.07 distant from the mean value of 25.42 and the values are well spread within the range of a minimum of 0.44 and a maximum of 88.41 which indicates that the data is well spread and volatile. Liquidity has a standard deviation of 2.51 distant from the mean value of 3.53 and the values are well spread within the range of a minimum of 0.50 and a maximum of 16.99 which

indicates that the data is well spread and volatile. Tobin's Q has a standard deviation of 0.90 distant from the mean value of 1.35 and the values are well spread within the range of a minimum of 0.21 and a maximum of 5.70 which indicates that the data is well spread and volatile. Size has a standard deviation of 0.69 distant from the mean value of 7.14 and the values are well spread within the range of a minimum of 4.23 and a maximum of 8.93 which indicates that the data is well spread and volatile.

The correlation matrix in Table 2 depicts the relationship between the variables. There is a minimum value of (-0.08) with Leverage and a value of (-0.33) with Size. Also, the table indicates that no multicollinearity exists between the independent variables and that the correlation values are not large enough to be considered significant. However, Liquidity and Leverage have a correlation coefficient of 0.57 which requires further investigation.

Further testing for multicollinearity between the variables was conducted. The results of the Variance Inflation Factors (VIF) test are shown in Table 3. Since there is a constant variable being used, the Centered VIF values are considered. The value of 1.39 for the Dividend payout ratio is less than 10 which indicates that no multicollinearity exists. Dividend growth has a value of 1.57, Leverage has a value of 1.97, Liquidity has a value of 1.54, Tobin's Q has a value of 3.72 and size has a value of 1.74 and all values are less than 10 which indicates that no multicollinearity exists between the variables (Wooldridge,2013).

#### 4.2 Regression Analysis

The regression analysis began by performing an OLS regression in order to determine how each variable: Dividend Growth, Leverage, Liquidity, Tobin's Q and Size affect the Price/Earnings ratio of the companies under study. Table 5 shows the results of the pooled data Ordinary Least Square regression model where the  $R^2$  is equal to 0.23, F statistic is significant but Durbin Watson shows the presence of autocorrelation. The correlation

matrix previously showed that no multicollinearity existed between the variables and further testing proved that multicollinearity is not present among the variables, this indicates that the variables have other areas of concern that require closer attention such as: heteroscedasticity, autocorrelation and the stationarity of the time series.

The time series are tested using the Unit Root test in order to check for stationarity and serial correlation in the study's variables. The results of the test are shown in table 6. The table indicates that the Prob. values are zero and therefore the null hypothesis that the variables have a unit root does not apply and is rejected which implies that serial correlation is not present in the variables time series and therefore the estimates are stationary.

The results of the heteroscedasticity test shows that the Prob. Chi square value is 0.01, which is lower than the chosen value of 0.05 and is significant. This indicates that the null hypothesis cannot be rejected and we cannot assume homoscedasticity. The high value of 1.95 for Durbin-Watson compared to the critical value range of 1.72 – 1.80, which implies the existence of autocorrelation. The model was adjusted in order to account for such effects by using the Newey-West method in order to rectify the effect of heteroscedasticity and autocorrelation by introducing a lag variable and the corresponding results are shown in Table 7. We can clearly see that the Durbin-Watson value rose from 1.95 to 2.19 which falls outside the accepted critical value range for Durbin – Watson of  $DL = 1.71 - DU = 1.82$ . The value of  $R^2$  is equal to 0.26 but leading to a significant F – statistic at 13.23.

The results of Table 6 are not acceptable which requires further investigation for fixed and random effects. The Hausman Test was conducted and the results of table 7 imply that Random effects do exist and the model requires such adjustment. This is indicated by the probability value of 0.65 which is insignificant at 0.05 level and therefore the null hypothesis that Random

effects exist cannot be rejected and we must accept the null hypothesis that Random effects exist.

When the model was adjusted for Random effects the results of the model improved as shown in table 8. Therefore, relying on the results of the regression model with the adjustments for random effects implies that a relationship exists between the Price/Earnings ratio and the independent variables. Table 8 shows a significant relationship between Dividend Growth, Tobin's Q, Size and the lag variable  $Price/Earnings_{t-1}$  at the 0.01 level. Leverage is also significant at the 0.05 level. The t-statistic value for Tobin's Q is 4.42 and its Coefficient value is 6.75 indicating that Tobin's Q has a positive significant effect on the Price/Earnings ratio. It can be inferred that investors are more inclined to invest in companies with high growth opportunities. And that Tobin's Q is a strong predictor of the Price/Earnings ratio. These results are consistent with the empirical results performed by Afza and Taher (2012) and Ramadan (2014).

The t-statistic value for Size is -4.66 and a Coefficient value of -10.81 indicate that Size has a negative significant effect on the Price/Earnings ratio, which implies that investors are more inclined to invest in smaller companies rather than larger companies. This is due to the fact that smaller companies are perceived to have higher future growth opportunities and therefore are more appealing. This is found to be true for the study of Afza and Taher (2012), which also resulted in a negative significant relationship between size and the Price/Earnings ratio.

Dividend growth was also found to be significant and negatively related to the Price/Earnings ratio where the t-statistic value for Dividend growth was -2.91 and a coefficient value of -6.67. The findings are consistent with that of Tian and Zheng (2008) who found a negative relationship between the Price/earnings ratio and the Dividend growth. The t-statistic value for Leverage was 2.27 and a Coefficient value of 0.21, This

indicates that a positive and significant relationship exists with the Price/Earnings ratio. This result is consistent with Taani and Bany Khaled (2011), but inconsistent with Afza and Taher (2012).

Liquidity was found to have an insignificant negative relationship with the Price/Earnings ratio with a t-statistic value of 1.15 and a Coefficient value of 0.7. The study by Taani and Bany Khaled (2011) also found Liquidity to be insignificant. The lag variable (Price/Earnings<sub>t-1</sub>) was found to be significant indicating a significant relationship with the Price/Earnings ratio with a positive sign. The variable's t-statistic value was 2.64 and the Coefficient value equals 0.19.

To conclude the results, the regression analysis showed that three of the variables have significant and positive effects on the Price/Earnings ratio namely: Tobin's Q, Leverage and the Lagged variable (Price/Earnings<sub>t-1</sub>). Size and Dividend Growth have a negative significant effect on the ratio, while Liquidity was insignificant. The Size variable is considered to have the highest effect on the Price/Earnings ratio followed by Tobin's Q, Leverage and the Lagged variable then liquidity. Dividend growth had the lowest effect on the Price/Earnings ratio.

## 5. Conclusions and Recommendations

### 5.1 Conclusions

The empirical analysis performed by the regression model resulted in the following variables being of most significance: Tobin's Q, Size, Dividend growth, and Leverage. Tobin's Q resulted in a significant positive relationship with the Price/Earnings Ratio. This indicates that a company's growth opportunities act as a powerful factor in predicting the Price/Earnings ratio. The result is consistent with both theory and previous literature such as the study conducted by Afza and Taher (2012), where a positive significant relationship exists between Tobin's Q and the Price/Earnings ratio. The study also examined other variables such as firm size as a factor determining

the Price/Earnings ratio, this resulted in a negative relationship with the Price/Earnings ratio which is inconsistent with theory yet consistent with the results of Afza and Taher (2012). This indicates that investors have more confidence and are more inclined to invest in small firms with more room for future growth.

As it follows, a positive, significant relationship exists between Leverage and the Price/Earnings ratio this is inconsistent with theory and the work conducted by Afza and Taher (2012) yet consistent with the work of Taani and Bany Khaled (2011) whose findings are not in line with that of the theory. They also found negative insignificant relationship between liquidity and the Price/Earnings ratio similar to the results of this study. Although theory strongly suggests that dividend growth has a positive relationship with the Price/Earnings ratio, but this study resulted in a significant negative relationship between the dividend growth and the Price/Earnings ratio. Yet, these results are consistent with those obtained by Ward and Stathoulis (1993). This implies that investors are more inclined to direct their investments towards companies with lower dividend growth rather than higher which is not rational and against theory.

### 5.2 Recommendations:

The study presents the following recommendations:

- Manufacturing companies in Jordan should aim to increase dividend payouts in order to make their company more appealing to investors and aid them in the decision making process.
- Companies should also pay attention to Tobin's Q and aim to increase its value as it indicates the availability of future growth opportunities.
- For future research, other external factors such as: political situations (the Arab Spring) and economic factors (economic world crisis) to be taken into consideration and accounted for in the analysis.

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## محددات نسبة سعر السهم الى ربحيته في القطاع الصناعي الأردني

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### ملخص

هدفت هذه الدراسة إلى المساهمة بشكل إيجابي إلى مساعدة المستثمرين من خلال تحديد أهم المتغيرات التي تسبب الاختلاف في نسبة سعر السهم إلى ربحيته، في حين أن الغرض الرئيسي من الدراسة هو تأسيس علاقة ما بين نسبة سعر السهم إلى ربحيته والعوامل التي تحدده. جمعت الدراسة البيانات المالية للفترة 2000 - 2013 من سوق عمان المالي لشركات القطاع الصناعي في الأردن، ومن خلال استخدام نموذج الانحدار البسيط. وجدت الدراسة أن نسبة توزيع الأرباح، وتوبين Q، وحجم الشركة، ومعدل نمو الأرباح لهم تأثير جوهري على النسبة. كما بينت الدراسة أن معدل توزيع الأرباح وتوبين Q لهما علاقة طردية، في حين كانت العلاقة عكسية بين الحجم ونمو الأرباح.

**الكلمات الدالة:** نسبة سعر السهم إلى ربحه، الرافعة المالية، Tobin Q، نمو الأرباح الموزعة، الأردن، حجم الشركة.

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