



A Study On Financial Performance Of Selected Newspaper Companies With References To Earning Per Share

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Abstract :

As per Kennedy and Macmillan, Monetary Execution is a logical assessment of the benefit and monetary strength of any business concern. Fiscal report examination endeavors to reveal the importance and meaning of the things formed in the benefit and misfortune record and asset report. This helps the executives in the development of sound working and monetary approaches. In this paper, the monetary presentation proportion of just profit per share in Contrast Papers is analyzed. Monetary effectiveness is viewed as a proportion of all out productivity and an administration manual for more noteworthy proficiency. The degree of productivity, liquidity, efficiency, and capital strength can be taken as last evidence of monetary effectiveness. Monetary effectiveness is coordinated towards assessing the liquidity, strength, and benefit of a worry, which is assembled. The word proficiency, as characterized by the Oxford Word reference, expresses that productivity is the achievement of, or the capacity to achieve, a task with a base use of time and exertion. As communicated by Peter Drucker, "doing the things the correct way is productivity."

• INTRODUCTION :

A monetary investigator will pass judgment on the presentation according to benefit and development perspective. A monetary organizer will be worried about the equivalent circulation of gains and abundance besides proficient usage of assets. A government assistance financial expert will be worried about the equivalent circulation of gains and abundance besides productive usage. From the public perspective the different marks of execution can be work age, innovative work, wellbeing schooling and financial improvement and so forth. Besides, various gatherings perspective execution in an unexpected way. The investors are keen on productivity while their administration is keen on the development of the organization. Along these lines, both of aspect viz. productivity and development ought to be considered while breaking down execution of an organization. A few scientists have involved productivity and development as estimation of execution.

• REVIEW OF LITERATURE

Specialist has explored different accessible distributions of the current writing to get the appropriate data and information with respect to the examination subject. As per the overview and survey of these writing clears, that Monetary Presentation is a creating idea and why certain examinations led in setting to the exhibition-based esteem added answering to the Indian business area.

• OBJECTIVE

To measure the financial performance of selected newspaper companies based on earning per share.

• HYPOTHESIS:

❖ Ho: Null Hypothesis:

There is no significant difference in Earning per Share of Selected Newspaper Companies.

❖ H1: Alternative Hypothesis:

There is significant difference in Earning per Share of Selected Newspaper Companies.

• ANALYSIS OF EARNING PER SHARE (EPS):

❖ Meaning :

This ratio is measured based on earnings per share.

❖ Components :

1. Net profit after interest, Tax and Preference dividend
2. Number of Equity Shares

❖ COMPUTATION AND INTERPRETATION :

This ratio is computed by dividing the Net profit after interest, tax and preference dividend by the number of equity share. It is expressed as an absolute figure. In the form of a formula, this ratio may be express as follows:

$$\text{Earning Per Share(EPS)} = \frac{\text{Net Profit after interest, Tax and Preference Dividend}}{\text{Number of Equity Share}}$$

As a rule, higher the EPS, better it is as well as the other way around. While deciphering this proportion, it should be seen whether there is any expansion in value investors because of retimed profit with no adjustment of quantities of extraordinary offer. For example, the instance of organization which is following an act of stopping back of benefit and which isn't underwriting its benefit via issue of extra offers, the understanding of EPS disregarding the impact of benefit furrowed back in the business on procuring, won't be proper. EPS assists in deciding the market with evaluating of the value portions of the organization. It likewise helps in assessing the organization's ability to deliver profit.

A venture ought to have a good proportion. To decide regardless of whether the proportion is good, it ought to be contrast and its own previous proportion or with the proportion of comparative firms in a similar industry or with the business normal.

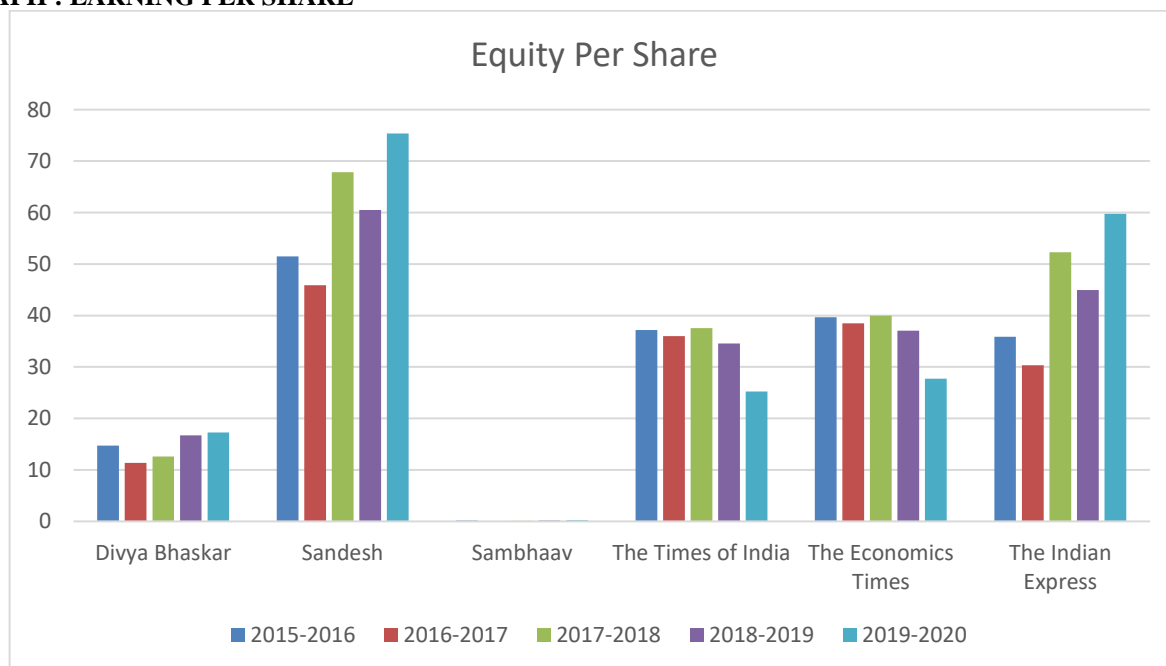
The Earning Per Share of selected Newspapers of Gujarat is given in the Table is as follows:

TABLE : EARNINGS PER SHARE

YEAR	NEWSPAPERS NAME					
	Divya Bhaskar	Sandesh	Sambhaav	The Times of India	The Economics Times	The Indian Express
2015-2016	14.73	51.47	0.14	37.20	39.67	35.90
2016-2017	11.37	45.90	0.05	36.01	38.48	30.33
2017-2018	12.58	67.83	0.11	37.53	40.00	52.26
2018-2019	16.70	60.52	0.16	34.57	37.04	44.95
2019-2020	17.27	75.35	0.24	25.24	27.71	59.78
Average	14.53	60.21	0.14	16.80	16.80	7.46
S.D.	2.55	11.92	0.07	5.09	5.09	11.92
C.V.	17.56	19.80	49.74	30.31	30.31	159.80
Min	11.37	45.90	0.05	25.24	27.71	30.33
Max	17.27	75.35	0.24	37.53	40.00	59.78

(Sources: Annual Reports and Accounts from 2015-2016 to 2019-2020)

GRAPH : EARNING PER SHARE



The above-mentioned Table and Graph the indicated fluctuating trends of the Earning Per Share of selected Newspapers of Gujarat from 2015-2016 to 2019-2020.

1. Divya Bhaskar

Table shows that the Earning Per Share of the Divya Bhaskar Newspapers during the year from 2015-2016 to 2019-2020, the highest ratio was 17.27% in the year of 2019-20 and lowest ratio was 11.37% in the year of 2016-17.

In the year 2015-16 the ratio was 14.73% which has been decreased 11.37% in 2016-17, further it has been increased up to 12.58% in the year of 2017-18. During the year of 2018-19, it increased up to 16.70%. It got fluctuated the ratios have been 17.27% during the year of 2019-20. It has been also shown in the Graph.

So, The Average Earning Per Share is 14.53%, The Standard Deviation is 2.55 and The Co-efficient variance is 17.56% which shows solvency of this Newspapers because the average Earning Per Share shows satisfactory Ratio of during the study period.

2. Sandesh

Table shows that the Earning Per Share of the Sandesh Newspapers during the year from 2015-2016 to 2019-2020, the highest ratio was 75.35% in the year of 2019-20 and lowest ratio was 45.90% in the year of 2016-17.

In the year 2015-16 the ratio was 51.47% which has been decreased 45.90% in 2016-17, further it has been increased up to 67.83% in the year of 2017-18. During the year of 2018-19, it decreased up to 60.52%. It got fluctuated the ratios have been 75.35% during the year of 2019-20. It has been also shown in the Graph.

So, The Average Earning Per Share is 60.21%, The Standard Deviation is 11.92 and The Co-efficient variance is 19.80% which shows solvency of this Newspapers because the average Earning Per Share shows satisfactory Ratio of during the study period.

3. Sambhaav

Table shows that the Earning Per Share of the Sambhaav Newspapers during the year from 2015-2016 to 2019-2020, the highest ratio was 0.24% in the year of 2019-20 and lowest ratio was 0.05% in the year of 2016-17.

In the year 2010-11 the ratio was 0.14% which has been decreased 0.05% in 2016-17, further it has been increased up to 0.11% in the year of 2017-18. During the year of 2018-19, it increased up to 0.16%. It got fluctuated the ratios have been 0.24% during the year of 2019-20. It has been also shown in the Graph.

So, The Average Earning Per Share is 0.14%, The Standard Deviation is 0.07 and The Co-efficient variance is 49.74% which shows solvency of this Newspapers because the average Earning Per Share shows satisfactory Ratio of during the study period.

4. The Times of India

Table shows that the Earning Per Share of The Times of India Newspapers during the year from 2015-16 to 2019-20, the highest ratio was 37.53% in the year of 2017-18 and lowest ratio was 25.24% in the year of 2019-20.

In the year 2010-11 the ratio was 37.20% which has been decreased 36.01% in 2016-17, further it has been increased up to 37.53% in the year of 2017-18. During the year of 2018-19, it decreased up to 34.57%. It got fluctuated the ratios have been 25.24% during the year of 2019-20. It has been also shown in the Graph.

So, The Average Earning Per Share is 16.80%, The Standard Deviation is 5.09 and The Co-efficient variance is 30.31% which shows solvency of this Newspapers because the average Earning Per Share shows satisfactory Ratio of during the study period.

5. The Economics Times

Table shows that the Earning Per Share of The Economics Times Newspapers during the year from 2015-16 to 2019-20, the highest ratio was 40.00% in the year of 2017-18 and lowest ratio was 27.71% in the year of 2019-20.

In the year 2015-16 the ratio was 39.67% which has been decreased 38.48% in 2016-17, further it has been increased up to 40.00% in the year of 2017-18. During the year of 2018-19, it decreased up to 37.04%. It got fluctuated the ratios have been 27.71% during the year of 2019-20. It has been also shown in the Graph.

So, The Average Earning Per Share is 16.80%, The Standard Deviation is 5.09 and The Co-efficient variance is 30.31% which shows solvency of this Newspapers because the average Earning Per Share shows satisfactory Ratio of during the study period.

6. The Indian Express

Table shows that the Earning Per Share of The Indian Express Newspapers during the year from 2015-16 to 2019-20, the highest ratio was 59.78% in the year of 2019-20 and lowest ratio was 30.33% in the year of 2016-17.

In the year 2015-16 the ratio was 35.90% which has been decreased 30.33% in 2016-17, further it has been increased up to 52.26% in the year of 2017-18. During the year of 2018-19, it decreased up to 44.95%. It got fluctuated the ratios have been 59.78% during the year of 2019-20. It has been also shown in the Graph.

So, The Average Earning Per Share is 7.46%, The Standard Deviation is 11.92 and The Co-efficient variance is 159.80 % which shows solvency of this Newspapers because the average Earning Per Share shows satisfactory Ratio of during the study period.

➤ **ANOVA Test of Earning Per Share :**
Calculation of one-way ANOVA in Excel
 Anova: Single Factor

TABLE : GROSS PROFIT RATIO ANOVA SINGLE FACTOR

Groups	Count	Sum	Average	Variance
Column 1	6	179.1031	29.85052	353.1324
Column 2	6	162.1331	27.02218	310.3448
Column 3	6	210.3049	35.05081	625.4063
Column 4	6	193.94	32.32333	452.0695
Column 5	6	205.59	34.265	781.9884

ONE WAY ANOVA TEST

Source of Variation	Sum of Square	Degrees of Freedom	Mean Square	F-Value	P-value	F-critical
Between Groups	260.9895	4	65.24738	0.129308	0.970312	2.75871
Within Groups	12614.71	25	504.5883			
Total	12875.7	29				

- ❖ Degree of freedom = 30-1= 29
- ❖ Table Value of 'F' =2.76
- ❖ Calculate Value of 'F' 0.13

$$\begin{array}{lcl}
 F_{cal} & < & F_{tab} \\
 \mathbf{0.13} & < & \mathbf{2.76} \\
 F_{cal} & < & F_{tab}
 \end{array}$$

Above table indicates the calculate value of 'F' is 0.13 and the table value of 'F' at 5% levels of significance is 2.76. So, the calculate value 'F' which is less than the table value. It indicates that the Null Hypothesis is accepted and Alternate Hypothesis is rejected. So, it indicates that there is no significant difference in Earning Per Share of selected Newspaper Companies.

• SUMMARY AND CONCLUSION

Earning per Equity Share of selected Newspapers of Gujarat during the study period shows an average 19.32. During the study period the Divya Bhaskar shows an average of 14.53, Sandesh shows an average of 60.21, Sambhaav shows an average of 0.14, The Times of India shows an average of 16.80, The Economics Times shows an average of 16.80, The Indian Express shows an average of 7.46,

One Way Anova-Test indicates that there was significant difference in the Earning per Equity Share in selected Newspaper Companies. Because the calculate value of F Ratio was less than the tabulate value. So, Null Hypothesis has been accepted and Alternative Hypothesis has been rejected.

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