

# **Quantitative Approach to Measure the Effect of Risk and Return of the Enterprise and Stock Split of its Shares on the Market Value of the Share -An Applied Study in Light of the Egyptian Market Determinants**

## **Abstract:**

The study aim at examing the effect of risk and return of the enterprise and stock split of its shares on the market value of the share. It also identify the differences between the sectors of the Egyptian market relative to the study variables, as well as the differences between the different ratios of stock split for enterprises under study and the ratios of stock split that had the most impact on the market value of the share.

The study was applied to a sample of 27 enterprises listed in the Egyptian market during the period 2014-2017. The study found that there is a significant positive effect of risk and return and the splitting of shares on the market value of the share, the most important indicators of risk and return impact on the market value of the stock are earnings per share, rate of return on investment, rate of return on equity, dividend per share, coupon returning, operational leverage, leverage, debt to assets , In addition to the existence of significant differences between the sectors of the Egyptian market for the coupon return indicator, there weren't significant differences between the sectors of the Egyptian market for the other indicators of risk and return, as well as there weren't significant differences between the sectors of the Egyptian market for stock split, there was the existence of significant differences between the different ratios of stock split for enterprises under study and the ratios of stock split most influential on the market value are respectively (1:10), (1:5).

**Keywords:** return, risk, stock split and market value of share.