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The effect of cash dividends on the market share price of industrial companies listed at Amman stock exchange

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The aim of this study was to investigate the effect of cash dividend distributions on market prices of industrial companies listed on the ASE. To achieve this objective, a simple random sample of industrial companies listed on the Amman Stock Exchange (ASE) was selected (25) industrial companies, and the study tool was assimilated in the financial statements and published clarifications for the sample companies, its validity and reliability were verified. Using the simple and multiple regression analysis, the study found that there is an effect on the share of the net profit of the company, the lot of the share of the profits distributed in the market share price and the effect of the distribution of profits in the price of the market share. The profit distribution variable was able to explain by a relatively high percentage the variables in the price while the net profit variable was able to explain by a small percentage the change in market price. The study recommended the need to develop a culture and mechanisms to deal with accounting performance indicators to clarify the share of the distributed dividends. The study also recommended that companies should follow the policy of stable distributed profits in order to achieve satisfaction of shareholders on the returns of their investments,and the need to apply different studies on different sectors to see the impact of dividends on companies by sector.

Keywords: profit distribution, market share price

INTRODUCTION

There is a need for cooperation in the fields of business to exchange mutual benefit between the various parties, in order to provide benefits for all, as the owners of money buy the needs of workers on the one hand, the worker does his work on the other hand, after which the distribution of income between the parties as agreed. With the advent of technological development in the fields of business, the diversity of expertise and the complexity of operations between contractors, all this led to the need to impose administrative control on the relationship between the investor (the owner of the money) and the companies (The worker), so the financial markets were established to be the link between the parties.

Financial markets play a pivotal and important role, it represents the point of contact between investors and companies by mobilizing savings and transforming them into investments that contribute to the economic development of countries and thus provide a solid foundation for the national economy (Ramadan and Judeh, 2000). Investment in ordinary shares is one type of investments in securities. Its basic concepts have been crystallized as a result of the development and maturity of financial markets (Tamimi and Salam, 2004).

The study of the movement of securities prices is important in the world of finance and investment. Many researchers have tried, since the last century, to describe the factors behind the changes in the prices of securities and try to study and interpret them to benefit from them in knowing the future of these prices (Bursali and Abdel Salam, 2005).

The stock markets in any country represent an investment opportunity and an important attraction for domestic and foreign capital. In recent years, there has been a vigorous effort in most developing countries to improve their investment climate by creating the conditions and circumstances for attracting investments. Without these markets, the country cannot get financial resources and skills needed to develop their investment activities (Nour and Al-Fadl, 2003).

The problem of the study and its questions

The decision to distribute profits in companies is an important decision taken by the administration in the company because these decisions have a direct impact on the investor and the company. The main objective of any investor is to achieve the highest percentage of profits, namely the current profits, which result from the annual distribution process, In this regard, the research investigates the effect of cash dividends on the market share price of public shareholding companies (Nour and Al-Fadl, 2003), especially in new and developing companies that need financing, hence, this study investigates the effect of cash dividends on the market share price of public shareholding companies by answering the following main question:
Is the price of the market share in Jordanian industrial companies affected by dividends?

This question is divided into the following sub-questions:
1. Is the share price of the Jordanian industrial companies affected by the lot of share of the distributed dividends?
2. Is the share price of the Jordanian industrial companies affected by the share's lot of net profits?

The importance of the study

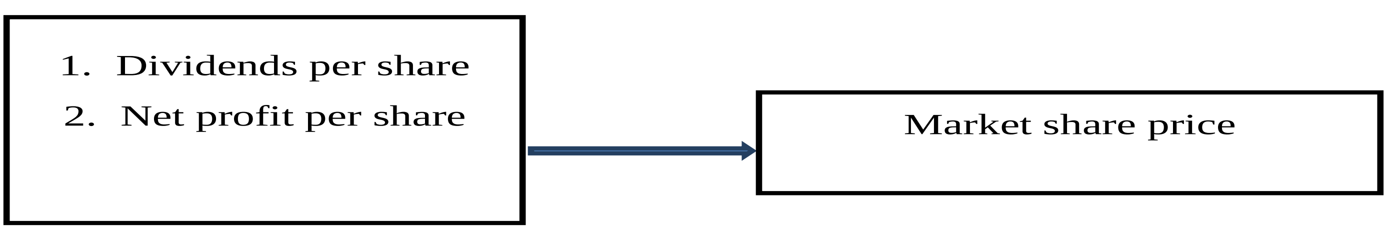
The importance of this study stems from its attempt to identify the impact of the share's lot of the company's profits distributed in the market share price, which may help the investor to make future investment decisions based on sound scientific indicators in order to facilitate the investment process by new investors and to assist interested parties and stakeholders, for example lenders, to determine the ability of these companies to achieve their goals and its sustainability.

The Purpose of the Study

The main objective of this study is to attempt to identify the potential relationship between the distribution of profits in the listed companies in the ASE and the market share price of these companies by measuring:
1. The impact of share price of the cash dividends distributed in the stock trading price of the Amman Stock Exchange.
2. The impact of net profit per share in the Amman Stock Exchange.

Study model

Independent variable
(Distribution of profits and has two levels)The dependent variable



Hypotheses of the study

In light of the problem of the study, its questions and objectives, the hypotheses of the study were formulated as follows:

H01 Main hypothesis: There is no statistically significant effect at the level of (0.05) for the distribution of profits at the market price per share.

The following sub two hypotheses are derived from the main hypothesis:

H01.1 There is no statistically significant effect at the level of significance (0.05) for the share's lot of net profits in the market price per share.

H01.2 There is no statistically significant effect at the level of significance (0.05) for the share's lot of the dividends distributed in the market price per share.

Procedural Definitions

Share price: is the monetary value paid on the date of purchase of the stock, which is determined by the factors of supply and demand in the financial markets. "(Al-Zahir, 2003). It is defined as the total value of the share in the market in addition to all the costs paid by the investor for the share.

Earnings per share: This is the earnings per share and represents the earning of one dinar over a specified period of time (Al-Zaher, 2003). It is defined as a net profit divided by the number of shares issued by the company.

Dividends: are the cash flow received by shareholders as a tangible loss on their investments in the shares of the company they hold (Bursali and Abdulsalam, 2005). Procedurally, it is defined as a lot of each share of the paid profits.

REVIEW OF RELATED LITERATURE

The theoretical literature and previous studies related to the subject of the study have been dealt with as follows

First: theoretical literature

This aspect dealt with the industrial sector in Jordan, the definition of the price of the share, the price of the share of the distributed dividends, the importance of the distributed dividends, the policies of distribution of profits from the net profit, and the rules of distribution of profits.

Industrial Sector in Jordan

The industrial sector is one of the most important sectors of the Jordanian economy and is an important pillar of development in the countries. The industrial sector plays a major role in the economic development process. It contributes about a quarter of the gross domestic product directly and has the largest forces capable of influencing economic systems. Therefore, the industrial sector takes a major role in raising the standard of living of individuals in terms of assimilation within the labor market, and upgrading their skills. Jordan enjoys a strategic location and a stable security and stability in the region, making it a center for attracting foreign and domestic investments in various sectors, especially the industrial sector. In 2014, total industrial exports amounted to (90%) of total commodity exports (Chamber of Industry Report, 2015).

Industry is one of the strategic options for achieving comprehensive development and economic stability through its added value in the national economy. The development of industry is the backbone or the essence of the development process. Industrialization has a leading role in this process, and the level of progress of nations and peoples is linked to the extent of their industrial development.

The industrial sectors in Jordan have worked under government protection. The industry has grown modestly and far from international competition, which has contributed to the service of the local market without taking it to international quality standards.

With the changes that Jordan is witnessing in the pursuit of globalization of its economy and its linkage to international and regional economic blocs, industry has emerged from the crucible of a policy of protection to a policy of openness and engagement in a competitive environment of quality in production and price competition.

The accession process to the World Trade Organization (WTO), the European Partnership Agreement, the Free Trade Agreement with the United States of America and the Free Trade Agreement with the United States of America constituted a challenge to the national industry, forcing them to consider the need to develop a comprehensive national competitive industrial policy that would increase the competitiveness of the industrial sector (Ministry of Industry and Trade Statistics, 2011).

The Government of Jordan has adopted a comprehensive reform of the capital market based on building on the achievements of the last 20 years, in order to enhance the growth of the private sector, expand and diversify the Jordanian economy, and to promote international standards in the regulation of the stock market. The most important features of the new trend are the institutional changes in the capital market, the use of electronic trading, settlement and clearing systems, the removal of all obstacles to investment, the strengthening of the control of the capital market to the highest level of transparency and the integrity of dealing with securities, in line with the trend towards globalization and openness to the external world.

The concept of share price

The share price is defined as the value at which the share is sold in the market. This value may be higher, or lower than the book value or nominal value. If the company performs well and profits are realized, the market price of the share is expected to be higher. The share price is expected to fall below the book value or nominal value (Zerri and Farah, 2001).

Although the share price is the sum of multiple factors and the result of complex relationships, it is not possible to determine its respective effect on that price, but there are some practical methods that help determine the share price at a given time.

The methods of determining the share price are based on the depth of the financial and statistical analysis of the components of the share price. The components of the price-setting function include the expected cash flows from the investment in the share (E) and the expected rate of return on the investment in the share (R). The simple relationship between the former employees to determine the share price (P) is expressed as follows:

Share price

In order to ensure the accuracy of the results and using the equation P = E / R, the researcher examined the actual stock prices and the changes that occurred by obtaining the daily stock prices from the ASE publications, as follows:

1. Use the price of the market share on the day of the announcement of dividends for companies that distributed profits to investors.
2. Using the weighted average of the closing price of the last five days of each year for companies that did not distribute dividends to investors (Zerri and Farah, 2001).

Earnings per share

The dividend distribution policy is considered one of the most important financing policies in companies because of its direct relationship with shareholders and its impact on the share price on the stock exchange. It relates to the decision to divide the company's net profits between dividends distributed to shareholders and retained earnings. It is affected by the company's cash dividend policy. On the other hand, the share price is also affected by the growth rate of the company, which is directly affected by the amount of profits being held and reinvested in the company. By reaching the highest possible price, achieving that goal requires the choice of a cash dividend policy that balances the amount of return distributed to shareholders and the growth rate of profit (Wahalen&Baginski 2003).

Dividends are defined as "the distribution of part of the profits of the company among its shareholders based on a decision of its board of directors and in accordance with the profitability of the company and its liquidity" (Midani, 2009). It is also defined as dividends to shareholders from current or accumulated profits for previous years. The timing of these distributions is subject to for the approval of the Board of Directors of the Company (Al-Hindi, 2009).

In other words, dividends are the income that the investor gets from the purchase of the stock, or is part of the so-called return on investment. Dividend income is one of the important measures that measures the overall performance of a company and makes it possible to make comparisons with other companies and helps to identify the extent of the change in the number of the issued shares (Hanafi, 2005).

The importance of distributed profits

The ratio of earnings per share of dividends is an important financial indicator that reflects the performance of the company's administration to cover its position in the market. The increase should give the administration an important role for investors and shareholders. It gives the financial analyst the right to assert that the company has a strong position in the market, while their decline indicates deterioration in performance and therefore a situation of weakness reflected in the price of their shares in the financial market (Zubaidi, 2000).

This ratio (earnings per share of dividends) is very important for all interested parties from management, shareholders and investors. It is a tangible indication that the organization can distribute more profits if it wishes, or hold more profits to increase the book value of its shares. The share of profit indices that have received significant attention lately as it has been assigned an independent standard within the accounting standards issued by the accounting bodies (Huwaydi, 2000).

Dividend distribution policies

The company may find itself in front of many possible policies, and choose the policy model in the distribution of profits that fit their circumstances, which leads to maximize the value of the company, the most important of these models can be summarized as follows:

- Distribution of a fixed percentage of profits: This is called the rate of cash distribution in which this percentage is determined in light of the analysis of past and expected conditions and variables, and this ratio changes in some cases in some cases, but the average over time remains constant.
- The low and regular dividend profits added to it increases according to the company's conditions: This model is an average distribution of profits from other policies, the regular distribution is periodically set at a low level and allows for the possibility of paying increases according to the company's position each year. The advantages of the low profit and regular profit policy are the flexibility available to the company and the degree of certainty provided to the investor in respect of a minimum of the annual dividend.
- Stable distribution policy, in this case, the company pays dividend of stable value to the shareholders. The administration does not allow the rate of profit distribution to fluctuate according to the change in the company's profits. Most companies tend to this method.

Some companies, especially small or new ones, may resort to some alternatives to distribute profits so that they can hold as much of the profits as possible in reserves so that they can finance some of these projects because these companies are not well known by banks or investors, in the financial markets, making their shares in the financial market slow by investors, and the unwillingness of banks to finance such new companies (Al-Zaher, 2003).

Retained earnings per share

The retained earnings are defined as the "part of the distributable surplus realized by the Corporation from its operation, not paid in the form of cash dividends and shown in the financial position of the corporation as part of the special funds component." Instead of distributing the entire surplus to the shareholders, the institution may allocate part of that surplus in several separate accounts called "reserves" (Al-Zahari, 2012).

In fact, there are two alternatives for investing in profits:

- Dividends are distributed to shareholders at a certain rate, and each shareholder invests in such dividends.
- The holding of profits and the company itself invests these profits in internal or external investments through which to get a certain return.

There is no doubt that the cost of retained earnings is the opportunity cost of not distributing the annual profits to the shareholders, where the institution holds them until they are needed, and the opportunity cost is equivalent to the profits that were held, that is equal to the return that should be received by shareholders if the profits are not retention (Sayyah& Al Amiri, 2006).

Net profit per share

Profit in the accounting sense is an increase in total revenues over the total costs during a certain period, that is, the difference between the value of realized returns and its cost and this can be clarified in the following equation:

$P = TR - TC$ ……….. (1)

Where:

P: Accounting profit

TR: Total Revenue

TC: Total Cost

The companies seek to achieve the goal of increasing the wealth of owners by achieving appropriate profits, i.e. not less than those achieved by other enterprises, which are exposed to the same degree of risk and distribution to them after retaining part of them in the form of compulsory and optional reserves, or miscellaneous allocations, and profits not prepared for distribution (Ramadan and Judeh, 2000).

In general, the distribution of profits to shareholders is subject to three rules:

- The net profits rule: This rule means that a dividend should not be distributed unless the profits are actually realized (net profit) by the accrual basis or the profits of previous years (retained earnings) and the objective is to prevent shareholders from withdrawing their investments from the company's capital (Hanafi, 2005).
- Financial insolvency rule: Financial insolvency means that the company cannot meet its obligations on due dates. It also means that the company's assets are insufficient to cover its liabilities. Therefore, the company must refrain from making any distributions. The purpose of this rule is to avoid compromising capital, which is a guarantee for lenders and creditors to recover their money (Khan and Gharaibeh, 2005).
- Rule of Capital inadequacy: This rule prohibits the distribution of dividends from the capital to protect the lenders. The capital is defined as the original amount paid by the shareholders, which appears in the list of financial position in the ordinary share field and its separation from the capital, also known as the nominal value of the ordinary shares because it represents the value written on the face of the share certificate (Gitman&Zutter, 2012).

PREVIOUS STUDIES

The researcher examined a number of studies related to the subject of the present study. The first of these studies was the study by Yilmaz and Gulay (2006) aimed at identifying the effect of cash distributions on stock prices and trading volume of all the companies listed in the Istanbul market, during the period from 1995 to 2003, where the number of companies (310). The results of the study showed a rise in the prices of shares before the payment of cash dividends and then the decrease in those prices after the payment of cash dividends. The volume of trading rises when the cash dividends are announced, but after Cash dividends the trading volumes are settled.

The study of Waqqad aims to identify the effect of the policies in the distribution of profits on the market value of shares and the volume of trading on the Amman Stock Exchange. The study examined three independent variables for the distribution of profits: And the price of the share of cash and in-kind distributed profits and the share of cash and in-kind profits distributed together. The study sample consisted of (23) insurance companies listed on the ASE during the period 2000-2006,the results of the study showed a statistically significant correlation between the lot per share of the cash dividends of the profits and the market price per share, the share of cash and kind profits distributed together and the market share price, and a statistically significant correlation between the share of the cash and in-kind profits distributed together and the volume of trading of the share, and the absence of a significant statistical correlation between the share of the distributed in-kind profits and the market price per share.

Al-Zaher (2003) conducted a study aimed at determining the importance of the role of the policy of distributing profits in commercial banks in determining the market value of these banks' shares during the period from 2003 to 2007. The study concluded that there is no uniform policies followed by banks to distribute profits that the policy of one bank is subject to change over time, and the direction of the relationship between the average price of the market share and price per share of the distribution of profits and its share of retained earnings and their statistical significance vary from bank to bank. The results also showed that the dividends have a greater impact on the share price of the profit effect that is held to increase the share of the price per share dividend adds to the share price greater amount than adding an increase per share of retained earnings.

Nour and Al-Fadl (2003) measured the relationship between dividends and extraordinary market returns of listed companies in the Jordanian financial market, and their impact on the profitability, size and degree of systemic risk of the company. The study concluded that the Jordanian investor is not indifferent to the accounting information when making his investment decisions, but the results of the study indicate his interest in the annual profits published in the annual financial reports of the companies. As for the Iraqi investor, the main influence on his investment decisions is the political situation that casts a shadow on the economic situation of the country, and investors in the two markets are of the kind that does not prefer to hold profits in preference to distribution.

Bursali and Abdul Salam (2005) conducted a study aimed at searching for the factors influencing profit distribution policies, in addition to determining the applicability of the theory of excess cash flows to the Kuwaiti market during 2005-2008. The study found a significant difference between the companies distributed cash profits; in terms of operating profit, investment opportunities, asset size and indebtedness. Where profit-taking companies were characterized by a higher profitability, a higher market share, higher debt and lower indebtedness, and cash dividend companies had higher growth potential, contrary to the expectations of the excess cash flow theory. There was no evidence to confirm the Agency's cost problem associated with excess cash flows.

The study of McManus and Thomas (2009) aimed to demonstrate the relationship between dividends and return on equity in the UK market in the light of the impact of several factors, including the size of the company between 2001 and 2007. The study found a positive non-linear relationship between dividends and the return of the stock, and also found that the size of the company has an adverse effect on the relationship between dividends and earnings per share.

Zorb and Sherab (2006) conducted a study aimed at identifying the effect of net profits, cash dividends distributed, retained earnings, equity in shares and the date of the announcement of the distribution of cash profits on the demand of stock investors in the Palestine market to buy shares of listed companies that make profits between 2003-2008, and they found that the share of profit affects the share price of the market, and that the impact of the share of cash dividends distributed is greater than the impact of the share of retained earnings on both the price and values of the stock trading in the market, and the price of the share of net profit exceeds change in market price.

The study of Chavaliand Nusratunnisa (2013) aimed to find an impact on the distribution of profits on share price performance in Indian companies. The sample size was (67) companies that announced dividend distributions from 2007 to 2011. The study used "study the event" method to investigate the effect of the distribution of profits on stock prices, which was calculated twenty days before the announcement of the distribution of profits and twenty days after the announcement of the distribution of profits, it was concluded that stock market prices are affected significantly for the announcement of distribution of dividends on the date of distribution, That the market value of the stock is generally rising before the announcement of the distribution of the shares' profits.

The study of Yang and Wu (2015) aimed to test the impact of the announcement of cash dividends before and after the date of loss of the right to receive profits, and the study sample was composed of companies listed in the Taiwan Stock Exchange during the period from 2001 to 2012, "study the event" method has been used for this purpose, and there was a significant increase in the share price during the ten days before the date of loss of right to receive dividends, greater than ten period days after the date of loss of the right to dividends.

What distinguishes the current study from the previous studies

- This study was differentiated from the study of (Waqqad, 2008) and the study (Al-Zahir, 2003) and the study of (Noor and Al-Fadl, 2008) as being the effect of the distribution of cash profits in public industrial companies on the stock prices of these companies, specifically the industrial companies listed on the Amman Stock Exchange .
- The present study was distinguished from the study of Bursali and Abdulsalam (2005), the study of McManus and Thomas (2009), the study of Yilmaz and Gulay (2006), the study of Zorb and Sherab (2006), and the study population represented by the industrial companies listed on the Amman Stock Exchange.

METHOD AND PROCEDURES

The method of study and its procedures included the study methodology, its society, and its sample, the method of obtaining its data, the data collection tool, and the mechanism of its analysis.

Methodology of the Study

In order to achieve the objectives of the study, the correlation study that follows the descriptive method was used to identify the effect of the financial variables: price per share of distributed dividends, price per share of retained earnings and share's price of net profit of the company derived from the financial statements in the market price of listed industrial and service companies on the Amman Stock Exchange.

The Population of the Study and its Sample

The study population consisted of the industrial companies listed on the Amman Stock Exchange, which published its financial statements continuously during the period of time between 2011-2015, which reached (66) industrial companies.

The sample of the study consisted of (25) industrial companies selected by simple random way, representing about (38%) of the population of the study.

Study Tool

The study tool was assimilated in the financial statements and published disclosures for the sample companies, which represented the results of their work during the period of time (2011-2015) in addition to the Amman Stock Exchange's bulletin during the same period. The financial statements can be considered as true and constant as they are audited by an independent external auditor.

Data acquisition procedures were conducted through the websites in general and the Amman Stock Exchangewebsite in particular. Financial data for the financial period from 2011 to 2015 were obtained for the sample companies.

After obtaining this data, the share of the distributed dividends and the price of the share of the net profits were extracted and analyzed and processed statistically to determine the effect of these ratios on the share price.

Data Analysis Methods

In order to draw conclusions and information from the data collected by the researcher, and in line with the objectives of the study, the researcher used the method of multiple regression analysis to test the main hypothesis of the study, and used simple regression analysis to test the sub-hypotheses stemmed from the main hypothesis.

RESULTS OF THE STUDY

In order to reach the results of the study and achieve its objectives, the hypotheses were tested using the simple regression method to test the sub-hypotheses and the method of multiple regression analysis to test the main hypothesis. The following are the results of the study as follows:

Results related to the testing of sub-hypotheses

The first sub-hypothesis states: "There is no statistically significant effect at the level of significance of ($\alpha \leq 0.05$) for the share's price of net profits in the market price per share." To test this hypothesis, a simple linear regression analysis was used to show the effect of the share of the company's net profit on the market price of the stock. Table 1 indicates the result of this test.

Table 1: The results of the simple regression analysis of the share price of the net profit of the company in the market share price.

R^2	Adj.R^2	F		Coefficients	Beta		
		Value	Sig		Value	T	Sig
0.243	0.237	39.518	0.000	Const. X1	1.057 9.875	11.111 6.286	0.000 0.000

Table 1 shows that the value of F is (39.518), which is a statistically significant value at (0.000) which is less than ($\alpha \leq 0.05$) as stated in the hypothesis. This means rejecting the first zero hypotheses and recognizing the impact of the share's price on the net profit of the company in the market price per share. As shown in the previous Table 1, the adjusted adjustment factor (ADJ. R2) is (0.237), which means that the value of the market price of the shares is explained by this percentage in the change in stock per share of the net profits of the company.

The second sub-hypothesis states: "There is no statistically significant effect at the level of significance (α ≤ 0.05) for the share'sprice of the dividends distributed in the market price per share." To test this hypothesis, simple linear regression analysis was used to show the effect of the share of the company's net profit on the market price per share. Table 2 indicates the result of this test.

Table 2 shows the analysis of the results of the simple regression of the independent sub-variable (Earnings Per Share) and its effect on the dependent variable (market value of the stock).

Table 2: The results of the simple regression analysis of the share's price of the dividends distributed in the market share price

R^2	Adj.R^2	F		Coefficients	Beta		
		Value	Sig		Value	T	Sig
0.193	0.187	29.494	0.000	Const. X2	1.488 0.903	19.045 5.431	0.000 0.000

The value of F is (29.494) which is a statistically significant value at the level of (0.000) this means that the second zero hypothesis is rejected. This indicates that there is an effect of the share's price of the profits distributed in the market price per share. The same Table 2 shows that the coefficient of determination (Adj. R2) reached (0.187), which means that the market share prices are explained by this percentage of the difference in the share's price of the distributed profits.

Results on testing the main hypothesis

The first main hypothesis was that "there is no statistically significant effect at the level of significance (0.05) for the distribution of profits on the market price per share." To test this hypothesis, a multiple regression analysis was used to show the effect of the distribution of profits on the market price per share. Table 3 indicates the result of this test.

Table 3: The results of the multiple regression analysis of the effect of dividend distribution at market price per share

R^2	Adj.R^2	F		Coefficients	Beta		
		Value	Sig		Value	t.	Sig
0.312	0.295	18.297	0.000	Const. X1 X2	1.167 8.462 0.701	11.524 4.521 3.438	0.000 0.000 0.001

Table 3 shows the results of the multiple regression analysis of the effect of profit distribution as a separate variable at its three levels combined in the price of the market share. The value of (F) (18,297) which is a statistical significant at the level of (0.000) and this means rejecting the main zero hypothesis, meaning that there is a statistical effect to the distribution of profits in the price of the market share, as shown in Table 3 itself that the coefficient of determination of the profits distribution (Adj.R2) reached to (0.295), which is relatively high if the coefficient exceeded the limit of (0.25) that is the market value of shares explained by this coefficient of variance in earnings per share.

The results of the analysis in Table 3 showed that the value of the fixed limit in the multiple regression equation of the relationship between the financial variables and the market share price was (1.167), and the coefficient of change of the share's price variable of the distributed profits was (8.462), and that the coefficient of change in share's price of net profit reached (0.701). The coefficient of change in the share's price variable of retained earnings was (-0.819).

DISCUSSION OF FINDINGS OF THE STUDY

Based on the statistical tests and testing the hypotheses of the study, the study reached a number of results, and the following is the discussion of these results

Discussion of findings of the sub-hypotheses

1. The first sub-hypothesis test shows that there is a statistically significant effect of the share's lot of the net profit in the market share price, which in the opinion of the researcher is due to the role of share lot of net profits to attract investors and maintain current investors.
2. By testing the second sub-hypothesis, it was found that there is a statistically significant effect of the share's lot of the profits distributed in the market price per share. This is in the opinion of the researcher due to the important role of this percentage which indicates the profitability of the company and its ability to distribute dividends to the shareholders. Raising the shares of those companies that distribute profits from the losses that are holding those profits.

Discussion of the main hypothesis findings

The main hypothesis test shows that there is a statistically significant effect of the share lot of net profits, dividends and retained earnings in the market share price. This is due to the important role of stock distributions in determining investors' investment decision either to stay or maintain or abandonment or increase in investment in those companies, and the results of this study were agreed with the study of (Yilmaz and Gulay, 2006)the study of Zorb and Sherab, 2006 and the study of McManus and Thomas (2009).

RECOMMENDATIONS

Based on the findings of the study, the following recommendations were made:

1. Spread the culture of the importance of indicators of financial performance in the stock market, and the seriousness of the absence of it, and the consequent negative implications on investment decisions for investors, as this culture helps to increase investment in the company and thus the price of stock market shares of companies rise.
2. Companies should follow a stable dividend policy as this policy achieves satisfaction with shareholders as a result of their cash returns.
3. The importance of the continuation of the Jordanian industrial companies to maintain the positive relationship that emerged between their net profits and dividends and market share price.
4. Re-apply this study to a different sample of companies listed on the Amman Stock Exchange, to clarify the importance of profits in other companies and identify the factors that affect it.
5. To draw attention to further studies on the factors affecting the market value of shares in Jordanian companies.

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