Advances in Social Sciences Research Journal – Vol.6, No.8
Publication Date: Aug. 25, 2019
DoI:10.14738/assrj.68.6801.
Asuquo, M. V., & Offiong, P. E. (2019). The Dominance of EVA Over EPS, ROE, And Roce In Stock Return Analysis: The Nigerian Evidence. *Advances in Social Sciences Research Journal, 6(8)* 296-305.

The Dominance of EVA Over EPS, ROE, And Roce In Stock Return Analysis: The Nigerian Evidence

Dr. Mary V. Asuquo
Department of Accounting, University of Uyo
Akwa Ibom State, Nigeria

Dr. Patience E. Offiong
Department of Accounting, Obong University
Akwa Ibom State, Nigeria

ABSTRACT

The study examined the dominance of EVA over accounting measures of EPS, ROE and ROCE in the evaluation of stock returns in Banks in Nigeria. Data were obtained mainly from the Nigerian Stock Exchange (NSE) and the selected Money Deposits Banks in Nigeria. Data consisted of daily stock prices and the Banks' Financial Reports for a period of ten years, 2008-2017. A total of ten (10) banks listed of NSE were selected making a total of one-hundred (100) observations. Both descriptive as well as analytical data techniques were adopted. The results of the findings, especially the relative information content analysis reveals that EVA does not dominate any of the three accounting measures of EPS, ROE and ROCE in stock returns evaluation. However, the incremental information content test result shows that complementing EVA with ROE gives a better assessment of stock returns than using these two measures independently. We, therefore, recommend that EVA should be adopted as a complementary measure to ROE in stock returns evaluation because it is a useful measure.

Key terms: Economic Value added (EVA), Earnings Per Share (EPS), Returns on Equity (ROE), Returns on Capital employed (ROCE), Stock Returns (STR)

INTRODUCTION

In 1991, Stern and Stewart designed a measure called Economic Value Added (EVA) as a tool for the assessment of corporate performance. In his proposition, Stewart (1991) stressed that EVA was needful because of 'limitations' inherent in traditional accounting measures such as ROE and EPS in assessing corporate performance. Stewarts (1991) with other supporters asserted that accounting measures are 'flawed' with deficiencies', thus making the measures not too relevant in the measurement of corporate performance such as stock returns. Amongst other arguments put forward was the neglect of cost of equity in the measurement of accounting income, refusal to capitalize some capital expenditure such as advertisements and Research and development (R&D) and unsatisfactory treatment of provisions and reserves. Tom address these 'deficiencies', Stewart proposed some corrective measures resulting in a better measure called economic value added (EVA). He asserted that EVA is a better measure on contemporary basis than traditional accounting measures as earnings and earnings measure.

Following Stern Stewart (1991) assertions and in house studies, some companies started adopting EVA measures in corporate performance evaluation and/or incentive compensation. The companies include AT&T, Coca Cola, Eli Lilly, Georgia Pacific,

Polaroid, Quaker Oats, Sprint, Teledyne and Tenneco (Biddle, Bowen and Wallace, 1997) EVA studies also spread in several countries such as France, Japan, Australia, USA, UK (Worthington and West 2004, Polder art, 2010). EVA measure has been accredited as a real deal for finding bargains, a total productivity measure and a better tool for assessment tool stock returns than accounting measures.

In spite of the spread of EVA in many countries of the world, extant literature shows a gap in studies in developing economies. With the benefits of EVA highlighted, it is needful to undertake this study in a developing economy such as Nigeria. This study is important because as an alternative performance assessment tool to earnings and earnings measure, EVA could be useful to investors and business analyst in stock returns evaluation.

The main objective of this study is to compare EVA with selected traditional accounting measures of performance in Stock Returns analysis. Specific objectives are;

(i) to compare information content of EVA with ROE, ROCE and EPS in Stock Return analysis
(ii) to assess the incremental information content of EVA beyond that provided by ROE, ROCE and Earnings per Share in stock returns analysis.

The following research hypotheses were formulated for the study,

(i) EVA does not provide more information than ROE, ROCE and EPS for stock return analysis
(ii) EVA does not add information beyond that provided by ROE, ROCE and EPS in Stock Return.

The study is organized in four sections. Following the introduction is section two, literature review, section two, Section three is for methodology, section four is data analysis and discussion while section five is the conclusion and recommendation.

LITERATURE REVIEW

Stock returns is a flow of financial fortune to an investor measured by the dividend received and capital appreciation between two dates. Stock Market Returns are the returns that the investors generate out of the stock market. Stock returns as a flow of financial benefits from shares which is the sum of dividends inflow and capital appreciation (Melton and Modigliani). Stock returns can be positive or negative. A positive return means that the stock has grown in value, while a negative return means that it has lost value (Keythman, 2018). Assessment of stock returns from time to time is essential because existing and potential investors need to gauge the wellbeing of listed firms in the capital market, and the evaluation of stock returns also reveals the wealth an investor expects from his business portfolio or resources.

As a rate of yield that an investor enjoys by holding stock, stock returns is driven by two essential factors, that is, dividend payout and capital appreciation. Dividend is the amount declared by respective companies yearly or as the case may be. Dividend paid out is influence by the profitability of a firm. Investors' expectation is that dividend should be regular and should also grow by the year to boost stock returns. Capital appreciation, on the other hand, is an expected inflow in stock returns measured by the difference in share prices between two dates. Increases in stock market prices is a welcome news for investors because it signifies value addition to stock returns. From accounting studies, stock returns have often been evaluated using traditional accounting measures such as earnings, returns on equity (ROE), returns on capital employed (ROCE) and earnings per share (EPS).

Return on Equity (ROE) as a performance measure of stock returns disclose a relationship between after tax profit (now profit for the year) a company earned in comparison to the total amount of shareholder equity found on the statement of financial position (Joshua, 2017). Like the interest on saving account, ROE reports the net amount earned in one period as a percentage of each naira contributed by stockholders and retained in the business. By relating earnings to shareholders' equity, an investor can quickly evaluate how much cash comes from existing assets. Return on equity increases when the expected rate of return from new assets is higher than the rate of interest on the debt financing. A company that earns a higher return with borrowed funds than it pays in interest on those funds increases its return on equity (Wild, 2005). For instance, according to Woolridge and Gray, 2006, ROE of 15 – 20 % are generally considered good. Companies with high returns relative to their shareholder's equity pay their shareholders well and create substantial assets for every naira invested, and in the long run, they are likely to have higher stock prices that will enhance their return.

EPS shows how much profit is earned for each of common stock outstanding. Earnings per share (EPS) is another conventional accounting measure which is very strategic in stock returns analysis. EPS may be basic or diluted. EPS is basic if the report is based on outstanding common shares, but diluted if it is based on outstanding common shares plus additional shares of common stock that would arise if convertible preferred stock were exchanged for common stock (Horngren, Harrison and Oliver, 2009). Most companies calculate EPS at the end of each quarter or/and year and report it either on the income statement or in the notes to the financial statement. There are basic reasons EPS is popular. According to Philips, Libby and Libby (2006), earnings per Share is popular because: (i) current earnings can predict future dividend and stock prices, for instance, if a company generate increased earnings in the current year, it will be able to pay high dividend in future. Thus, EPS influences expectation about future dividend which investor factor into stock price. (ii) By considering earnings on per share, adjustment can be made for effect of additional shares issued which will result in a clearer picture of what increase mean for each investor. However, some scholars have argued that EPS is not appropriate tool for comparing two companies due to the fact that net income, which is the basis for preparing EPS, is affected by differences in estimate of bad debts, method of inventory costing, estimated useful lives of non-current assets, and estimates of losses from contingent liabilities (Philips, Libby and Libby 2006).

Returns on capital employed (ROCE) is an accounting ratio that determine a company's profitability and the efficiency the capital is applied (Weeman, 2003). Return on Capital Employed (ROCE) is another popular traditional accounting measure used in evaluating stock returns. ROCE measures the proportion of adjusted earning to the amount of capital and debt required. It is a long-term profitability ratio because it shows effectiveness of assets in performance while taking into consideration long-term financing. For a company to continue in business operations for a long time, its return on capital employed should be higher than its cost of capital. ROCE is generally used to assess how efficient and profitable a company is from year to year. ROCE is measured as the ratio of earnings before interest and tax to total assets minus current liability. For decades, accounting scholars have established through empirical studies that accounting measures such as earnings and returns on capital employed are useful in performance evaluation and stock returns analysis.

In the early 1990's, the advocates of EVA questioned the adequacy of traditional accounting measures such as ROE, EPS and ROCE as efficient tools for assessing corporate performance, especially the generation of information for assessment of stock returns. For instance, Stewarts (1991), the primary advocate and supporter of EVA criticized the traditional accounting measures for failure to incorporate cost of equity. Stewarts (1991) upholds that cost of equity

should be neglected in income measurement because capital is expensive in a market economy. More so, he asserted that except cost of equity is charged out before income is measured, what is earned is not true reflection of income generated for investors. Also, Stewarts (1991) criticized writing off advertisement and Research and development, on grounds that these costs have the potential of yielding future sales and profit. His argument is that these costs should be capitalized and amortized over a given period of time. Several other adjustments were proposed for provisions for bad debts, leases and other reserves, which details are exemplified in his Book, the Quest for Value. Stewart (1991) advocated that adjustments should be made in income and capital to reflect the proposed adjustments. According to Stewart (1991), the resulting figure, EVA, is the best measure of firms' shareholders' wealth,

In an attempt to provide evidence on the superiority of EVA over traditional accounting measures in assessment of wealth and stock returns, Stewart (1991, 1994) commissioned studies using US based companies, in one of such studies; Stewart concluded that EVA has almost 50% correlation with shareholders' wealth compared to accounting measures of EPS, ROE and ROCE. As he put it;

> **EVA is the single best measure of wealth creation on a contemporaneous basis (and) is almost 50% better than its closest accounting-based competitors including (EPS, ROE and ROCE) in explaining changes in shareholders' wealth (Stewart 1994:75).**

Following Stewarts (1991) and other supporters' claim, scholars have responded by conducting numerous studies to evaluate the claims of EVA's superiority over traditional accounting measures in stock returns analysis. Some of these studies are as reviewed. In 2017, Panigrahi investigated the relationship between performance measurement tools of EPS, EVA and dividend per share, with shareholders' wealth from 2003 – 2012. Panel data design was adopted in the study. The sample of 280 observations was studied. Ordinary Least Square (OLS) regression was used to test the relationship between performance measures tools and shareholders' value. The result showed that EPS, EVA and Dividend per share have a high positive impact on Created Shareholders' Value (CSV).

Also, Maditinos and Theriou (2005) examined whether EVA or the traditional accounting measures such as ROI, ROE and EPS are associated more strongly with stock returns. Pooled time series, cross sectional data of 163 listed companies in the Athen Stock Exchange (ASE) over the period 1992- 2001 was used in this study. This gave a total observation of 977 out of 984 after excluding extreme observations. Test of relevant information content conducted in this study revealed that stock returns are more closely associated with EPS than EVA, ROI and ROE.

Panigrahi, Zanaduddin and Azizan (2014) investigated the influence of economic value (EVA), earnings per share (EPS), returns on equity (ROE), returns on asset (ROA), returns on net worth (RONW) and returns on capital employed (ROCE) on Created Shareholders Value (CSV) in Malaysia. The research design adopted in the study was panel data. Main source of data for this study was secondary covering a period of 10 years (2003 to 2012). The sample companies were construction companies that are listed in main board of Bursa Malaysia Stock Exchange. Multiple regressions was the analytical tools used in the study. The result showed that EVA and EPS was found to exert significant influence on CSV, ROA influence CSV negatively and significantly, while RONW and ROCE influence CSA insignificantly. Thus, it was concluded that (i) EVA exert significant influence on CSA, but that EVA was not reported by the companies and

is not been used by investors for their investment decisions. (ii) EPS as a traditional measure influence shareholders value creation positively.

Sharma and Kumar (2012) examined whether EVA can be used as a tool of performance measures while investing in Indian market and provide evidence about its superiority as a financial performance measured as compared to conventional performance measures as compared to conventional measures in Indian companies. The results of the study revealed that investor should be used EVA along with traditional measures in firm valuation and making investment strategy.

Abdoli, Shurrarzi and Farokhad (2012) examined the relationship between economic value added, residual income and shareholder value. The study was conducted on 85companies listed on Tehran stock exchange during 2006-2009 except for investment and holding companies. Simple and multi-variable regression methods were used to test the hypothesis. The result indicated that economic value added and residual income have significant relationship with the shareholders created value.

Lee and Kim (2009) conducted a study using six measures of economic value added (EVA), refined economic value (REVA), market value added (MVA), Cash flow (CFO), returns on asset (ROA) and returns on equity (ROE) for evaluation of market adjusted returns (MAR). The study was carried out in USA for the period 1985-2004 in hospitality industry consisting of Hotels, Restaurants and Casinos. A Pooled regression analysis was used for data analysis The conclusion reached was that EVA is not superior to other available measurements in accounting.

Kim (2006) examined the relative and incremental information content of EVA and traditional performance measures: earnings and cash flow. Regression analysis was employed to tests the information content of EVA. The result indicated that earnings are more useful than cash flow in explaining the market value of hospitality firm's .and that EVA had little explanatory power. Also, incremental information content test showed that EVA makes only a marginal contribution to information content beyond earnings and cash flow. Conclusively, it was found that EVA is superior to traditional accounting measures in association with equity market value.

Ahmad (2006) examined the claim of EVA advocates of its superiority as financial metrics compared with other measures. The study was conducted on 2252 firms from the UK market. Panel data regression was used to test the relative information content of EVA and other accounting measures, and the incremental information content of EVA component in explained stock return. It was found that net profit after tax and net income outperform EVA and Residual Income in explaining stock return.

METHODOLOGY

The sample period covered by this study span 2008 – 2017, ten years' span. A total of ten Deposit Money banks listed on the Nigerian Stock Exchange (NSE) formed the sample companies for this study. Although the total banks listed on this category were 14 banks, the number was reduced to 10 due to the constraints of non-availability of financial report of some banks on the Nigerian Stock Exchange in some years slated for this study. Banks which met our criteria, with unbroken record of published annual accounts were First Bank [FBN plc], Guaranteed Trust Bank [GTB plc], First City Monument Bank [FCMB], Union Bank African [UBA Plc]. Zenith bank Plc, Access bank plc, Diamond Bank PLC, Fidelity bank plc, Union bank plc and

Wema bank plc. With ten banks studied for a ten-year period, we had a total of 100 observations.

In this study, data came from secondary sources obtained mainly from financial reports of the banks for the period covered and the Nigerian Stock Exchange Reports. Both, univariate and multivariate regression analysis were conducted for the assessment of variables of the study. Also, we conducted both the relative information content and incremental information content analysis tests. The relative information test sought to establish a measure that stands out among comparative measures, while incremental information sought to establish if a measure adds to an existing measure. SPSS package was used processing data for the study.

Variable description and Measurement

A total of four independent variables and one dependent variable are used in this study. The independent variable ares ROE, EPS, ROCE and EVA, and dependent variable is stock returns

1. Stock Return is a measure of two important components namely dividend and capital appreciation. The formula is adopted from Melton and Modigliani ( ). It is measured mathematically with the following formula

$$\frac{P_{it} - P_{r(t-1)} + Div}{P_{r(t-1)}} \times 100 \quad \text{or} \quad \frac{P_{it} - P_{r(t-1)} + Div}{}$$

2. Returns on equity [ROE] is a measure of return for equity holders measured with profit for the year and equity capital. It is expressed mathematically as follows:

$$\frac{\text{Profit for the year}}{\text{Total Equity}}$$

3. Earnings Per Share [EPS] is what each share attracts. It is measured as earnings over number of equity shares in issue.

Mathematically,

$$\frac{\text{Profit after tax}}{\text{Equity shares in issue}}$$

4. Returns on capital employed [ROCE] is a return on capital employed and it is derived by earnings before interest and tax over the total capital employed in the business. Mathematically it is represented as follows:

$$\frac{\text{Profit before tax}}{\text{share capital + reserves + loan capital}}$$

5. Economic Value Added is given by Net profit after tax (now profit for the year) minus weighted Average cost of capital multiplied by Capital employed. EVA is modeled as follows:

NOPAT – weighted Average Cost of capital x capital Employed

Valuation of Model

Easton and Hariss (1991) valuation model is adopted for this study. Easton and Harris (1991) developed a formal valuation model linking earnings and earnings changes to raw stock

$(\Delta P_{jt} + d_{jt})/P_{jt-1} = kp[\Delta A_{jt}/P_{jt-1}] + (1-k)[A_{jt}/P_{jt-1}] + w_{jt}$ (1)

where

P_{jt} = price per share of firm j at time t,

d_{jt} = dividends per share of firm j over time period t,

P_{jt-1} = price per share of firm j at time t-1,

ΔA_{jt} = change in earnings per share of firm j from time period t-1 to t.

A_{jt} = earnings per share of firm j over time period t

The model is adopted with modifications. First, the independent variable is substituted for ROE, ROCE and EPS measured by levels only. The model is applied for relative and incremental measure. Models for hypothesis one is for analysis of the relative information content, while models 2 is for the analysis of incremental information content.

Model for Hypothesis 1

$STK = \beta + \beta_1 EVA + \beta_2 EVA + \varepsilon$ ----------Equation2

$STK = \infty_0 + \infty_1 ROE + \infty_2 ROE\ \varepsilon$ ---------- Equation 3

$STK = \alpha + \alpha_1 EPS + \alpha_2 EPS\ \varepsilon$ ----------Equation 4

$STK = \boldsymbol{\gamma + \gamma_1} ROCE + \boldsymbol{\gamma_2} ROCE\ \varepsilon$ ----------Equation 5

Model for Hypothesis 2

$STK = \beta + \beta_1 ROE + \beta_2 EVA + \varepsilon$ ----------Equation 6

$STK = \alpha + \alpha_1 EPS + \alpha_2 EVA + \varepsilon$ ----------Equation 7

$STK = \boldsymbol{\gamma + \gamma_1} ROCE + \gamma_2 EVA + \varepsilon$ ----------Equation 8

RESULT AND DISCUSSION

The results of the test conducted are shown in this section. The results of the relative information content test is shown in tables 4.2 and 4.3, while the results of the incremental information content are shown in tables 4.4 and 4.5.

Relative Information Content Test:

This is a test to establish which measure among comparatives measures best defines or measure a refereed variable measured by $R^{2.}$

Table 4.2: Relative information contents of EVA, ROE, ROCE and EPS

Regression	Variable	R^2	Variable	R^2	Variable	R^2	Variable	R^2
Univariate (Sample)	EVA	0.052	ROE	0.005	ROCE	0.001	EPS	0.000

Source: Researchers' computation (2019)

Table 4.3: Two tails statistical test of the relative information contents

Regression Var	P-value	Variables	P-value	Var	P-value	Variables	P-value	Variables	P-value	Variable	P/R^2 r
Pairwise											
EVA/		ROE/		ROCE/		EVA/		ROE/		EVA/	
ROE	0.088	ROCE	0.750	EPS	0.922	ROCE	0.088	EPS	0.803	EPS	0.096

Source: Researchers' computation (2019)

Two steps are followed to evaluate the relative information content usefulness. First, the R^2s from the univariate (simple regressions of stock returns and each of the independent variables of ROE, ROCE, EPS, EVA) regressions are arranged in ascending order, from the highest value of R^2 to the lowest Value of R^2., from the left to the right. Second, a two tailed test of pairwise measure is conducted for the four independent variables, resulting in six pairs. The significant test reveals whether the difference in the R^2s are significant or is simply a mere chance.

Firstly, Table 4.2 shows the results of R^2s from simple regressions which have ROE, ROCE, EPS, EVA as independent variables. As shown in table 4.2, EVA has the highest R^2 of 0.052, followed by ROE of 0.005, ROCE of 0.001. P-values from two tails statistical test of the relative information contents for four independent variables of ROE, ROCE, EPS and EVA resulting in six pairwise comparisons. Table 4.3 showed P-values from two tails statistical test of the relative information contents for six pairwise comparisons. The P-values of the six pairwise comparison are EVA/ROE (0.088), ROE/ROCE (0.750), ROCE/EPS (0.922), EVA/ROCE (0.088), ROC/EPS (0.803) and EVA/EPS (0.096). Since our statistical test is conducted at 5% significance, the result shows that none of the comparison is statistically significant (each is higher than 0.05)

Incremental Information Content Test.

This is a test to establish whether a measure adds information content beyond that already contained in another measure. It is a composite measure to establish whether two are better than one in explaining changes in dependent variable. The results of the tests are shown in Tables 4.4 and 4.5.

Table 4.4 Incremental information content test of EVA on EPS, ROE and ROCE

Regression	Variable	R^2	Variable	R^2	Variable	R^2
Multivariate pairwise	ROE/EVA	0.066	ROCE/EVA	0.054	EPS/EVA	0.052
Univariate (sample)	ROE	0.005	ROCE	0.001	EPS	0.000
Difference		0.061		0.053		0.052

Source: Researchers' computation (2019)

Table 4.5 Test statistics of incremental information for shareholders' value created

Variable	Co efficient of measures	T-ratio	F-ratio	P-value
ROCE	0.049	0.463	2.499	0.088
EVA	0.233	-2.225		
ROE	0.119	1.127	3.057	0.052
EVA	0.251	2.376		
EPS	0.022	-0.208	2.409	0.096
EVA	0.231	-02.194		

Source: Researchers' computation (2019)

To obtain incremental usefulness, a multivariate (pairwise) regression analysis and a univariate regression analysis are conducted. For instance, R^2 from univariate regression where ROE is an explanatory variable for Stock Return is compared with R^2 from a multivariate (pairwise) regression where ROE and EVA are explanatory variables for Stock Return, to obtain the difference or incremental value. Where the differences are statistical significant, it shows that combining EVA with ROE give a better explanation of Stock Returns than when ROE or EVA is used as a single measure in evaluating Stock Returns.

As shown in table 4.5, we conducted three incremental tests of ROE/EVA, ROCE/EVA and EPS/EVA. The result of the incremental multivariate (pairwise) regression of ROE/EVA, ROCE/EVA, and EPS/EVA showed R^2 of 0.066, 0.054 and 0.052 respectively. Comparing R^2 of ROE and EVA with the R^2 of ROE gives a difference or incremental value of 0.061; comparing R^2

of ROCE/EVA with the R^2 of ROCE gives a difference or incremental value of 0.053; while comparing R^2 of EPS/EVA with the R^2 of EPS gives a differences or incremental value of 0.052. From the test of significance shown in table 4-5, only the multivariate (pairwise) regression of ROE and EVA is statistically significant with a P-value of 0.052. The combination of ROCE/EVA and EPS/EVA are not significant at significant level of 0.05. The result shows that using both ROE and EVA gives better assessment of Stock Returns than using ROE alone for the evaluation of stock returns.

In general, the overall result, especially the relative information usefulness shows that EVA does not out performed ROE, ROCE and EPS in explaining Stock Returns in Nigerian banks. A similar finding was made by Biddle, Bowen and Wallace (1997), Chen and Dodd, 1997.

CONCLUSION AND RECOMMENDATION

This study was prompted by the claim that Economic value added (EVA) is a better measure compared to conventional accounting measure. In the study, EVA was compared with ROE, EPS and ROCE in explaining stock returns. Based on the relative and incremental test results, EVA was not found to outperformed ROE, EPS and ROCE in explaining stock return in banking industry in Nigeria. However, our findings show that EVA has some value relevant when combined with ROE. The combination of ROE and EVA give a better explanation of Stock Return than when each of the components are used independently. Based on the conclusion, we recommend that EVA should be used as a complimentary measure with ROE in assessing Stock Returns in Banks in Nigeria.

References

Abdoli, M. Shurrarzi, M. and Farokhad, A. (2012). Economic value added us. Accounting Residual income; which one is better criterion for measurement of created shareholders value? *World Applied Science Journal*, 17(7): 874-881.

Ahmad, 1. (2006). Is economic value added more associated with stock return than accounting earnings? The UK evidence. *International journal of management Finance,* 2; 4; 343-352.

Altaf, N (2016). Economic Value Added or earnings: What explains market value in Indian Firm? *Future Business Journal,* 2:152-166.

Anderson, A., Bey, R. and Weaver, S. (2004). Economic Value Added Adjustments: Much to do about nothing. A proposal for presentation at the Midwest Finance Associate meetings, University of Tula, Ok 74104 (918) 631-2946, beyrp@utulsa.edu.

Awan, A. Siddique, K. and Sarwar, G. (2014). The effect of Economic Value Added on Stock Return: Evidence from selected companies of Karachi Stock Exchange. *Research Journal of Finance and Accounting*, 5(23): 140-152.

Biddle, G., Bowen, R., and Wallace, J. (1997). Does EVA beat earnings? Evidence on association with stock returns and firm values. *Journal of Accounting and Economics* 24:301-336.

Carroll, A. B (1979). A three- Dimensional Conceptual Model of Corporate Performance. *The Academy of Management Review,* 4(4): 497-505.

Horngren, C., Harrison, W. and Oliver, M. (2009). Accounting: 8th edition, New Jersey: Prentice Hall, Pg 1243.

Hunsaker, E. (2018). Stockholders' theory Vs Stakeholders theory. Bizfluent.https:-8483188-stockholder-theory-vs-stakeholder theory html.13 April. (Retrieved on 5th June, 2018).

Jakub, S. Viera, B. and Eva, K. (2015). Economic Value Added as a Measurement tool of Financial Performance, Procedia Economics and Finance, 26: 484-489.

Joshua, V. (2017). Return on Equity (ROE) and Income Statement Analysis.

Keythman, B. (2018). How to calculate Daily Stock Return,https://pocletsense.com/calculate-daily-stock-return-5138-html. (Retrieved 22nd June, 2018).

Kim W, (2006). EVA and traditional accounting which metric is a better predictor of market value of Hospital companies. *Journal of Hospital and Tourism Research* 30(1): 34-49.

Lee, S and Kim, W G. (2009). EVA, refined EVA, MVA, or traditional performance measures for the hospitality industry? International Journal of Hospitality Management 28 (2009) 439–445

Maditinos, D., Sevic, Z. and Theriou, N. (2005). Performance Measures: Traditional Accounting Measures versus Modern Value based Measure. A paper presented at 3rd International Conference on Accounting and Finance in Transition (ICAFT), pp 1-20.

Nuttawat, V., Robin, L. and Yi, Y. (2008). Economics value added (EVA) and sector Returns. *Asian Academy of Management journal of Accounting and finance*, 4(2):21-41.

Panigraphi, S., Zanaduddin, Y. and Azizan, A. (2014). Comparing Traditional and Economic Performance measures for creating Shareholders' value: a perspective from Malaysia. *International Journal of Academic Research in Accounting, Finance and Management Science,* 4(4): pp 280- 289.

Panigraphi, S. K. (2017). Economic Value Added and Traditional Accounting Measures for Shareholders' wealth Creation. *Asian Journal of Accounting and Government*, 8: 125-136.

Phillips, F., Libby, R. and Libby, P. (2006). Fundamental of Financial Accounting, New York: Mc Graw Hill.

Poldervaart, R. (2010). EVA versus Traditional Performance Measures in Europe: Analyses on Stock-Based Performance and Influence of IFRS. Unpublished Masters' Thesis, Erasmus University, Rotterdam, pp. 4-59

Shaked, I., Micheal, A. and Leroy, P. (1997) Creating Value through EVA: Myth or Reality.www.strategy and.pwc.com, (Retrieved on 5th June, 2018).

Sharma A. and Kumar, S. (2012). EVA versus conventional performance measures: Empirical evidence from Indian, proceedings of ASBBS; 19(1); 804-815

Sharma, A and Kumar, S. (2010). Economic Value Added (EVA) – Literature Review and Relevant issues. *International Journal of Economic and Finance*, 2 (2): 200-220.

Shubita, M. (2013). The information content of Economic Value Added and Residual Income. Evidence from Jordan. *Journal of Economics and Sustainable Development*, 4(13):124-131.

Visaltanachoti, N. Luo, R. and Yi, Y. (2008). Economic Value Added and Sector Returns. *Asian Academy of Management Journal of Accounting and Finance,* 4(2): 21-41.

Woolridge, J. and Gray, G. (2017). Applied Principles of Finance. Wikipedia the free encyclopedia. (Retrieve on 14th June

Worthington, A. C. and West, T. (2004). Australian Evidence Concerning the Information Content of Economic Value Added. *Australian Journal of Management* 29(2): 201-224.

Wild, J (2005). Financial Accounting for Decision making: 3rd edition, New York: Mc Graw Hill.

