

THE INFLUENCE OF ROI AND EPS INDICATORS ON THE INVESTMENT STRATEGY OF INDIVIDUALS (BVB)

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Abstract: *The current global economic crisis caused by the SARS-COV-19 pandemic, mobilizes society to protect personal assets, implicitly, through safe investments with favorable returns. One of the solutions for individuals remains to be the money investments in the share capital of the entities listed on a regulated stock market. Individual investment strategies are becoming increasingly diversified due to the current volatile environment. In the same year 2020, within the Bucharest Stock Exchange, there was a massive withdrawal of investments followed by reaching a historical maximum number of active investors, which contributed to the recovery of the loss of the previous stock market capitalization until the end of the year. This paper aims to determine a link between ROI and EPS factors and change the investment strategy of individuals active on the Romanian stock market (BVB). To demonstrate that there is a link between these variables, the study starts from the financial information extracted from the annual reports of the companies together with the data on the shareholding structure provided by the Bucharest Stock Exchange. The starting point consists of a factorial analysis of the investment strategy (codified by changing the structure of the shareholding of individuals) based on the evolution of ROI and EPS indicators during the time period studied 2016-2019.*

Keywords: ROI, EPS, Investments, BVB, financial audit

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