PERFECTIONING OF THE ANALYSIS OF RETURN ON A SHARE INTENDED FOR FUNDAMENTING ECONOMIC DECISIONS

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Abstract
The paper outlines an investigation into the return on a share and factors that determine the financial performance of a share. An important indicator of joint stock companies is the return on a share. Information on return on a share reflects not only the relationship over the distribution of profit of the company, but also can be used to and for assessing the investment potential of the joint stock company. In the article, we will investigate and analyse more deeply the return on a share, which is of particular importance to a wide range of users in the decision-making process, as it provides information regarding both the efficiency of investments in shares, as well as strategies regarding the economic performance and financial position of the joint stock company. Through this paper, I aimed to carry out a detailed analysis of the determinants of the return on a share. The analytical form of the relations between the return on an ordinary share and the causes of modification is presented in the factorial system recommended by the author. The recommended factorial system shows that the return on an ordinary share depends first of all on the return on ordinary share capital and, secondly, on the correlation coefficient between the book value and the market price of an ordinary share. Results of the causal analysis of the return on an ordinary share, according to the recommended factorial system, are of real interest and can be applied in the decision-making process in the following situations: when making decisions regarding the purchase, holding or sale of ordinary shares; to supervise the activity of the joint stock company to protect the shareholders' interests; to substantiate the conditions of additional issue of shares and the preparation of the public offer prospectus.

Keywords
joint-stock company, return on a share, financial performance, influencing factors, rates of return.

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M40, M41, M49

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