

Dedication

*VERY RESPECTFULLY AND HUMBLY,
I DEDICATED THIS WORK TO MY PARENTS
WHO SECRIFICES ALL THER DREAMES FOR MY STUDIES.*

Acknowledgment

First of all I would like to thank my supervisor Dr Taqadus Bashir who is very kind to me and without her supervision it is quite difficult to complete this dissertation. I would also like to thank Sir Shehzad Butt, not only give valuable input and constructive suggestions throughout this work, but also guide me when I was there student during the MBA program. I would also like to thank my family for their support both in my decision to go on to graduate studies in Bahria university and to start my new career. I am especially thankful my friends and group members Ahsan Imdad, Inam-ul-Haq, Nouman Hafeez, Hamza Hafeez, Usman shahid and Muhammad Ahmad Madni.

Abstract

Main purpose of this research study is to evaluate and investigate the determinants of firm financial performance in sugar industry of Pakistan by using the statistical method which includes the multiple regression, correlation and descriptive statistics. For the analysis of sugar industry performance the research use the five variables one is dependent that is profitability and other four are independent which include the leverage, liquidity, size and sales. The data use for this purpose in this research study is secondary based that is collected form published annual report of Karachi stock exchange that is related to 2010-2014. Eight sugar companies have been chosen purposively in KSE listening as on 31st December 2014. profitability of the eight sugar mills have been examine by using multiple regression modal. This research study is emphasis and concentrated on relationship among profitability, leverage liquidity, size, and sale. It is observed the relationship of leverage and liquidity is negatively associated with the profitability that is paid positive impact on the firm profitability. On the other side the relationship of sales and size also negatively associated with the profitability that means the financial performance of the sugar firms are decreasing day by day. The study also find out about asset utilization and firm leverage that effect on firm financial performance and the result of the study shows the negative relationship of asset utilization with the firm leverage. The result of this research study revel that overall profitability of Adam sugar mill, Chama sugar mill, Khanpur sugar mill, Mairpurkhas sugar mill, Haseeb Waqas sugar mill, Sanghar sugar mill and Husein sugar mill ltd is satisfactory.

Table of Contents

Chapter 1	1
Introduction	1
1.1 Area of study.....	6
1.3 Need for the study:.....	10
1.4 Objective of the study	11
1.5 Problem statement.....	12
1.6 Scope of the study	12
1.7 Research question:	12
1.8 Purpose of study.....	13
Chapter 2	15
Literature Review	15
2.2 Purpose of financial statements:	31
2.3 Purpose of Financial statements analysis:.....	32
2.4 Definitions of the term:.....	33
2.4.1 Annual report	33
2.4.2 Balance sheet	34
2.4.3 Assets	34
2.4.3 Fixed assets	34
2.4.4 Current assets and current liabilities	35
2.4.5 Equity and debt	35
2.4.6 Revenues	35
2.4.7 Expenses	36
2.4.8 Gross profit	36
2.4.9 Net profit.....	37
2.4.10 Ratios analysis	37
2.4.11 Leverages	37
2.4.12 Stockholders.....	38
Chapter 3	39
Research Methodology	39

3.1 Research methodology:.....	40
3.2 Qualitative methodology:.....	40
3.3 Quantitative methodology:.....	40
3.4 Research methodology in study	41
3.5 Population size	41
3.6 Sample size:	42
3.7 Time span:.....	42
3.8 Sources of data:.....	42
3.9 Procedure of the study:	43
3.11 Theoretical Framework.....	46
3.12 Development of Hypothesis.....	47
Chapter4	49
Data	49
Analysis	49
4.1 Data analysis:.....	50
4.1.1 Regression analysis:.....	50
4.1.2Multiple regression analysis.....	50
4.1.3 Types of the multiple regressions:	51
4.2 Results of regression analysis	52
4.3 Descriptive statistics	55
4.4 Correlation matrix.....	56
Chapter 5	57
Conclusion and Recomendation:	57
5.1 Conclusion	58
5.2 Recommendations:.....	59
5.3 Limitations of the study:	60
Bibliography:	61
Bibliography	61