

***Factors affect share prices of companies  
listed in Pakistan Stock Exchange***



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## Factors Affect Share Prices in Pakistan Stock Exchange

**Abstract:**

The objective of this study research is to empirically investigate the effects of political instability, world economic crisis, inflation, exchange rate, high interest rate, dividend payment, company good will on the share prices of companies listed in Pakistan stock exchange. The researcher tests the results and conclude that H1, H2, H3, H6 and H7 is accepted whereas H4 and H5 is rejected after the analysis of data. The results proved that political instability, global crisis and inflation have negative impact on share prices of companies whereas good will and dividend payment have positive impact on the share prices of companies. It is recommended that Government should control political instability, inflation and take corrective measure to safe the economy by the effect of global crisis as these factors have very negative impact on share prices of the companies so it is necessary to control these factors for the growth of the economy. It is also recommended that companies should focus on the goodwill and dividend policy of the company , as it is proved that the goodwill also affect the demand and share prices of companies because most of the investor prefer to invest in highly well reputed companies and dividend payment also have positive impact on share prices.

## Factors Affect Share Prices in Pakistan Stock Exchange

## Table of Contents

Chapter 1.....	1
INTRODUCTION .....	1
1.1 Concept .....	1
1.2 Topic.....	10
1.3: Tittle .....	10
1.4: Problem Statement .....	10
1.5: Research Questions .....	10
1.6: Reseach Objective.....	10
1.7: Background of Stock Exchange .....	11
1.8: Overview of the Pakistan Stock Exchange .....	11
Chapter 2.....	13
LITERATURE REVIEW .....	13
2.1 INTRODUCTION .....	13
2.2: Concept .....	13
2.3 Political Instability and Stock Prices.....	17
2.3: National disaster and stock prices .....	19
2.4 Stock Prices and Inflation.....	20
2.5 Bad News and Stock Prices .....	22
2.6 Dividend Policy and Stock Prices.....	23
2.7 Interest Rate and Share Prices .....	25
2.8 Exchange Rate and Share Prices .....	26
2.9 Global Crisis and Share Prices .....	28
2.10 Company Goodwill and Share Prices .....	30
2.11 Research Gaps.....	31
2.12: Theoretical Framework.....	32
2.13 Hypothesis.....	34
Chapter 3.....	36
RESEARCH METHODOLOGY .....	36
3.1 Introduction .....	36
3.2: Business Research.....	36
3.3: Research Approach .....	38

## Factors Affect Share Prices in Pakistan Stock Exchange

3.4: Survey Research .....	40
3.5: Methods Collecting Data.....	41
3.51: Primary Data .....	41
3.52: Secondary data .....	42
3.60: Data analysis .....	43
3.61: Regression model.....	45
3.62: Qualitative Method Analysis.....	45
3.63: Quantitative Method Analysis .....	46
3.7: Research Population .....	47
3.8: Research Sample.....	47
3.81: Sample Size .....	49
3.9: Unit of Analysis .....	50
Chapter 4.....	52
ANALYSIS AND FINDINGS .....	52
4.1: Introduction .....	52
4.2: Population Study.....	52
4.3: Analysis of Questionnaire .....	53
4.4: Contributed Aspects .....	75
4.6: Factors Affect Share Prices .....	77
4.7: Regression Analysis.....	78
4.8: Coefficient Model .....	79
4.9 Regression model:.....	80
4.10: Expected and Observed Sign.....	81
4.11: Analysis of Interviews .....	82
Chapter 5.....	88
CONCLUSIOSN, RECOMMENDATIONS AND SUMMARY .....	88
5.1: Introduction .....	88
5.2: Summary .....	88
5.3: Recommendations and Conclusion Based on Questionnaires .....	90
5.4: Conclusion and Recommendation: .....	91
5.5: Limitation of the study.....	92
Bibliography .....	93