

**"Does Capital Structure Enhances Shareholders Wealth? A study on Petroleum Sector of Pakistan."**



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## **Abstract**

This paper examines the relationship between capital structure and firms financial performance. The core objective of this study is to know and to examine the relationship between capital structure and firms financial performance of listed manufacturing firms in Karachi stock exchange, duration ranging from 2011 to 2015. The study is started from impact of capital structure and firms financial performance with sample of 6 petroleum firms representing data from 2011 to 2014. Return of Asset, Debt to Assets and Debt to Equity ratios and correlation and regression analysis were used to measure the shareholders wealth. Comparative ratio analysis and correlation and regression analysis were applied to check the significance of this model. Data collection was done through Karachi stock exchange and the official websites of the company, this way of data collection is called secondary data collection. Findings of this paper could help the managers about what level to use capital structure to finance the operations of firms.

## **Acknowledgement**

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## **Dedication**

I dedicate this thesis to my family members who are all oceans of love and mountains of encouragement for me.

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