

capital structure analysis of listed companies in energy  
sector of pakistan



**Masters of Business Administration 4-(B)**

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## **EXECUTIVE SUMMARY**

The thesis is concerned to the identification of any capital structure being used by the firms in the energy sector of Pakistan. It identifies the determinants of the financing mix which affect the choice of funding in Pakistan industry. The thesis tests the financial mixture of various listed firms in the energy sector of Pakistan. The analysis was carried on 23 listed firms of the industry. The duration of analysis carried on was 11 years from year 1998- 2008. Various regression models are used for the analysis of the raw data of 23 firms over 11 years. From the analysis we conclude that there are various determinants which are affecting the choice of funding in the industry. These determinants are Total non-cash expenses, total assets and growth rate. The regression was carried on different time series as well. Years 2001-2003 showed significant relationship with the base year and thus affected the choice of funding of the industry. The theoretical framework is divided in two parts, including the review of the energy industry of Pakistan. This review includes latest facts and figures of the industry. Second part of the theoretical framework includes the review of the capital structure theories. Various theories are reviewed in the framework. The methodology consists of two paths adopted for the achievement of result. Primarily focused method was the regression analysis. In order to determine the accuracy of results various regression methods are adopted. Second method used for methodology is the graphical approach. Graphs of various companies are constructed over the periods of time in order to achieve time specific results.

## TABLE OF CONTENTS

<b>1.</b>	<b>BACKGROUND</b> .....	<b>1</b>
<b>2.</b>	<b>INTRODUCTION:</b> .....	<b>4</b>
2.1	THEORITICAL FRAMEWORK:.....	6
2.1.1	Modigliani-Miller Theory:.....	6
2.1.2	The Dynamic Trade-off Theory:.....	7
2.1.3	Static Trade-Off Theory.....	7
2.1.4	Pecking Order Theory.....	8
2.1.5	Signaling Theory.....	9
2.1.6	Differences of Capital Structures across industries:....	11
2.2	INTRODUCTION OF ENERGY SECTOR:.....	12
2.2.1	Energy Sector of Pakistan:.....	12
2.2.2	Latest News:.....	13
<b>3.</b>	<b>METHODOLOGY</b> .....	<b>15</b>
3.1	SOURCES OF DATA.....	15
3.2	POPULATION AND SAMPLE.....	15
3.3	INSTRUMENTS AND MEASURES:.....	16
3.4	DEPENDENT AND INDEPENDENT VARIABLES.....	16
3.4.1	Leverage (LG) (Dependent Variable).....	16
3.5	INDEPENDENT VARIABLES.....	18
3.5.1	Profitability (PF).....	18
3.5.2	Total Assets (TA) .....	19
3.5.3	Growth (GT).....	20
3.5.4	Total Non-Cash Expenses.....	22
3.5.5	Interest Coverage Ratio:.....	22
3.6	ANALYTICAL TECHNIQUE.....	23
3.6.1	Macro Variables.....	24
3.6.2	Fixed Effects Model:.....	24
3.7	LIMITATIONS OF THE STUDY:.....	25

<b>4.</b>	<b>ANALYSIS</b>	<b>26</b>
4.1	FIXED EFFECT MODEL:	26
	TABLE 4.1	26
	TABLE 4.2	28
	TABLE 4.3	30
	TABLE 4.4	32
	TABLE 4.5	34
	TABLE 4.6	36
4.2	POOLED OLS:	38
	TABLE 4.7	38
	TABLE 4.8	39
4.3	WEIGHTED LEAST SQUARE MODEL:	41
	TABLE 4.9	41
	TABLE 4.10	42
4.4	CONCLUSION:	44
	4.4.1 Total non-cash expenses:	45
	4.4.2 Growth Prospective:	45
	4.4.3 TOTAL ASSETS:	45
4.5	CHARTS ANALYSIS:	47
	Chart 4.1	47
	Chart 4.2	48
	Chart 4.3	49
	Chart 4.4	50
	Chart 4.5	50
<b>5.</b>	<b>CONCLUSION and RECOMMENDATIONS</b>	<b>52</b>
5.1	CONCLUSION	52
5.2	RECOMMENDATIONS	53
<b>REFERENCES:</b>		<b>55</b>