

**“Relationship between Corporate Social Responsibility  
and Cost of Capital of the Firms listed at Karachi Stock  
Exchange”**



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## **Abstract**

*The present paper has measured the relationship between Corporate Social Responsibility and cost of capital of the firms listed at Karachi Stock Exchange. Social Responsibility is the independent variable of the study which is measured by the social and environmental criteria which is used by Malaysian institute of Accountants for CSR ratings of the Firms. In order to measure the dependent variable of the study which is cost of capital, the Weighted Average Cost of Capital have been used. The population of the study is comprised of all the companies listed at Karachi Stock Exchange and out of them 20 firms has been analyzed as the sample in accordance with the features of the study. The research is descriptive in nature and the hypothesis has been tested by the regression analysis after the analysis of data by the econometric software of E-views 8. The findings of the study have shown that after incorporation of control variables such as firm size and the age of firm, the positive and significant relationship exists between CSR and cost of capital of the firms listed at Karachi Stock Exchange where-as the results shows that relationship between one of the components of cost of capital such as cost of debt is significantly negative.*

## **Acknowledgement**

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