

Research Topic

**Determinants of Corporate Cash Holdings: A Case of
Non-Financial Firms of Pakistan**



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ABSTRACT

It is necessary for every organization or association to keeping up fitting level of liquidity because it is important key towards the smooth operations of firms. For the purpose of reinvest by looking on other assets (physical), installments to shareholders and stay money in the firm, then managers must have skills and ability to grip huge extent of firm resources as cash and its counterparts (Almeida et al, 2002).

In case of working capital prerequisites, capital structure, payments of dividend, cash flow management, management of investments and assets, a firm holds certain level of money which is portrayed by its arrangements. In the writing, the effect of all above mentioned variables is regularly examined under view of Myer's Pecking Order Theory, Tradeoff Model, and Jensen's Theory Free Cash Stream e.g. Ferreira and Vilela (2004), Ozkan and Ozkan (2002), and Opler et al. (1999). The present research concentrates on factors that determine the corporate cash holding's level in case of non-manufacturing firms of Pakistan. Besides, dataset for period of 2006 to 2013 for the firm's size, cash flow, uncertainty in cash streams, growth opportunities, dividend payments, and net working capital has been measurably broke down to decide the effect of these variables on cash holdings. The discoveries of present research are in similarity in terms of prior exploration and mirror that cash stream, firm's size, net working capital, instability of cash flow, and leverage essentially influence the money possessions of non-financial companies in case of Pakistan.

Table of Contents

1. INTRODUCTION.....	2
1.1. <i>Background:</i>	2
1.2. <i>Problem Statement</i>	8
1.3. <i>Objective of study</i>	8
1.4. <i>Scope of the study</i>	8
1.5. <i>Scheme of the study</i>	9
2. LITERATURE REVIEW.....	10
2.1. <i>Financial Constraints & Investments</i>	16
2.2. <i>Cash Flow-Investment Sensitivity:</i>	19
2.3. <i>Financial Development and Investment-Cash Flow Sensitivity:</i>	24
2.4. <i>Impact of Financial Crises on Investment Cash Flow Sensitivities:</i>	28
2.5. <i>Development of Hypothesis:</i>	33
3. RESEARCH METHODOLOGY	34
3.1. <i>Sample Technique:</i>	34
3.2. <i>Data sources:</i>	35
3.3. <i>Variables:</i>	35
3.4. <i>Econometric model:</i>	35
3.5. <i>Panel data analytic Models:</i>	38
4. RESULT AND DISCUSSION.....	40
4.1. <i>Descriptive Analysis:</i>	40
4.2. <i>Correlation Matrix:</i>	41
4.3. <i>Fixed Effect Regression Model Analysis:</i>	42
4.4. <i>Conclusion:</i>	46
4.5. <i>Recommendations:</i>	47
4.6. <i>Future Research:</i>	48
4.7. <i>Research Limitation:</i>	48
<i>References:</i>	49