VALIDITY OF CAPITAL ASSET PRICING MODEL ON KSE-30 INDEX

By

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Supervisor – Student Meeting Record

No.	Date	Place of meeting	Topic of discussion	Signature of student
5	5\June\15	Faculty Cubicle	Finalizing of Questionnaire	
6	10\Aug\15	Faculty Cubicle	Discussion on Data Analysis	
7	25\Dec\15	Faculty Cubicle	Checking of Data Analysis and Finalizing of thesis	

APPROVAL FOR EXAMINATION

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ABSTRACT

Purpose-The aim of this study is to find the validity of Capital asset pricing model (CAPM) in Karachi Stock Exchange-30 index, Pakistan.

Methodology/sample- KSE 30-index 10 companies has been selected for the model validity. To analyze the data, statistical tests has been applied. To find the difference between actual return and expected return paired sample t-test is applied. The study involved use of secondary data. Data from Karachi Stock Exchange and State Bank of Pakistan collected and analyzed.

Findings- The analysis and comparative results clearly showed that CAPM is not the valid tool for the Karachi Stock Exchange-30 index, Pakistan.

Practical Implications- This study is to help and provide an idea to the investors about the expected returns and risk of KSE-30 Index Pakistan. This research paper will provide detailed idea to investors, portfolio managers and management students to understand the main challenges and benefit of Capital asset pricing model (CAPM) in under developed country like Pakistan.

Keywords: capital asset pricing model, risk, return, kse-30 index, Pakistan.

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