



**“IMPACT OF FDI AND INFLATION ON
PERFORMANCE OF FIRMS - A STUDY ON
PHARMACEUTICAL INDUSTRY IN PAKISTAN”**

**A Thesis submitted to Department of Management Sciences in
part fulfilment of the requirement for the MBA degree**

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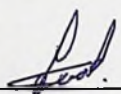
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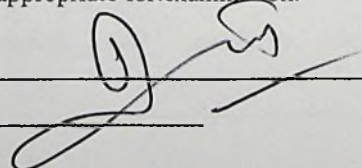
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ABSTRACT

The fundamental reason for this study was to analyze the effect of Foreign Direct Investment and inflation on performance of pharmaceutical industry from 2001 to 2012. Secondary data from authorized websites of KSE, World Bank and State Bank had been collected.

The yearly data was collected and variables that affect the performance were chosen. Foreign Direct Investment (FDI), Inflation (INF) had been taken as independent variable and for firm's performance Return on Equity (ROE) as dependent variable had been taken. Eviews software was used and the Correlation, Descriptive statistics and Regression used to find the relationship of the variables.

The study showed that foreign direct investment had a positive relation with return on equity but no level of significance; whereas inflation showed negative relation with return on equity 5% level of significance.

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