

UNVERISTY NAME

Impact of Capital structure on Profitability Of Oil And Gas
Sector

Thesis

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ABSTRACT

In Pakistan's economy, the role of the oil and gas sector is very dynamic in the progression of the organization's growth. This research study is based on the impact of capital structure on profitability of oil and gas sector. This capital structure includes the organizations long-term and short-term debt, common equity, earning per shares and many other related techniques which are used to determine the organization performance. In this research study, the researcher emphasizes is on Modigliani and Miller's capital structure irrelevance proposition theory and model. The main functionality of M and M capital structure model and theory is effectively utilized by Weight average cost of capital (WACC) always remain constant and helpful for changing company capital structure. Type of research study is qualitative in nature. The outcome of this study is based on capital structure model that performing its firm operational functional activities associated with debt evaluated in terms of oil and gas sector. This equity is evaluated in terms of Short-term debt such as working capital requirements is also considered to be part of the capital structure.

Keywords: Capital structure, return on assets, WACC, return of equity, liquidity and profitability.