

# **IMPACT OF CAPITAL EXPENDITURE ON FIRM'S PERFORMANCE IN AUTOMOBILE SECTOR OF PAKISTAN: MODERATING ROLE OF CASH FLOWS**

**BY**

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**BS (ACCOUNTING & FINANCE)**

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## PROJECT APPROVAL STATEMENT

### APPROVAL FOR EXAMINATION

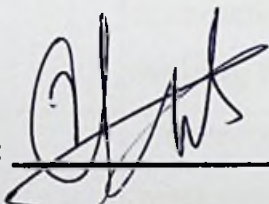
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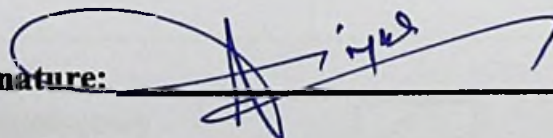
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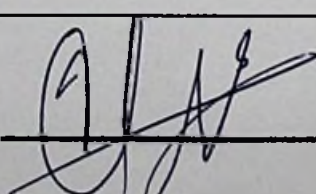
## Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	6/3/23	BUKC	Approval of topic and writing introduction	Hassan
2	20/3/23	BUKC	Correction of introduction and writing literature review	Hassan
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Progress Satisfactory

Progress Unsatisfactory

Remarks: satisfactory

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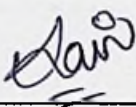
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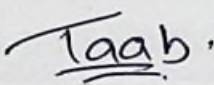
## DECLARATION OF AUTHENTICATION

I, hereby, declare that no portion of the work referred to in this project has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

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## Abstract

The purpose of the study was to find out how capital expenditures (CAPEX) influenced Pakistani automobile industries' performance. In this study, we used panel data analysis of companies that are listed in Pakistan stock exchange. The sample for this study comprises a panel dataset of automobile firms in Pakistan over a specific period. Secondary sources are used for collecting financial data, such as capital expenditure, company's performance indicator (return on assets), and cash flow variables. Multiple regression analysis is employed to analyze the relationship between capital expenditure and firm performance, while considering the moderating effect of cash flows. Based on this research, Pakistani automobile companies may become more profitable by raising their capital expenditures and appropriate cash flows. The study also examines how cash flows, a moderator that can either strengthen or diminish the link between CAPEX and performance of the firms, play a part. The study's findings could contribute to clarifying how capital expenditures and company performance relate to one another in Pakistan's textile industry. The study may have aided future research projects for the researchers.