

TOPIC: THE IMPACT OF INVESTING AND FINANCING DECISIONS ON FIRM PERFORMANCE IN TEXTILE SECTOR OF PAKISTAN

BY

ASHMAL MUHAMMAD AMIN	60112
MOHID MUHAMMAD ALI	64928
SYED ADEEL ALI	60122

A Project submitted to Department of Management Studies, Bahria Business School, Bahria University – Karachi Campus, in partial fulfillment of the requirement for BS A&F Degree



BS (ACCOUNTING & FINANCE)

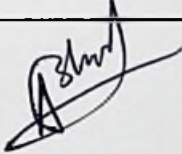
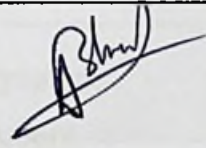
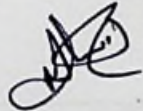
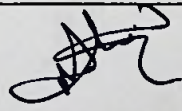
SPRING-2023

Bahria University Karachi Campus

1st Half Semester Progress Report

Name of Student(s)	Ashmal Muhammad Amin, Mohid Muhammad Ali, Syed Adeel Ali
Enrolment No.	02-112191-018, 02-112192-009, 02-112191-032
Thesis/Project Title	The impact of investing and financing decisions on firm performance in textile sector of Pakistan.

Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	06-03-2023	Cubicle	Title	
2	30-03-2023	Cubicle	Discussion Introduction	
3	27-04-2023	Cubicle	Literature review	
4	04-05-2023	Cubicle	Methodology	

Progress Satisfactory Progress Unsatisfactory

Remarks: satisfactory

Project Approval Statement

APPROVAL FOR EXAMINATION

Candidates' Name: Ashmal Muhammad Amin Enrolment No: 02-112191-018

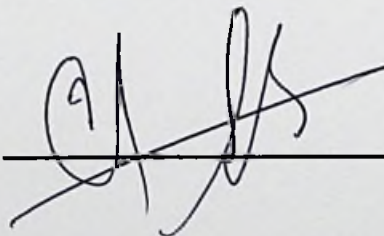
Candidates' Name: Mohid Muhammad Ali Enrolment No: 02-112192-009

Candidates' Name: Syed Adeel Ali Enrolment No: 02-112191-032

Project/Thesis Title: the impact of investing and financing decisions on firm performance.

I hereby certify that the above candidates' thesis/project has been completed to my satisfaction and, to my belief, its standard appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 18% that is within the permissible limit set by the HEC for thesis/project MBA/BBA/BS (A&F), BS (Economics). I have also found the thesis/project in a format recognized by the department of management sciences.

Signature of Supervisor: _____



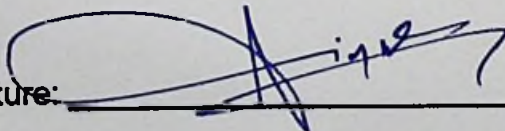
Date: _____

1/8/23

Name of Supervisor: _____

Raiser Abbass

HOD's Signature: _____



Date: _____

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.

Student's Signature: _____

Student's Signature: _____

Student's Signature: _____

Table of Contents

CHAPTER 01	1
1. INTRODUCTION	1
1.1 Research Problem:.....	3
1.2 Research Objective:.....	3
1.3 Research Question:.....	3
CHAPTER 02	4
2. LITERATURE REVIEW	4
2.1 Theoretical Review	4
2.2 Empirical Review:	5
2.3 Research Gap:.....	6
2.4 Research Hypothesis:	6
CHAPTER 03	7
3. METHODOLOGY	7
3.1 Introduction.....	7
3.2 Operational Definitions of the Variables.....	7
3.3 Research Design	8
3.4 Nature of the Data and Sources:	9
3.5 Population and Data Collection:.....	9
3.6 Measurement of the Variables.....	9
3.7 Conceptual Framework:	10
3.8 Econometric Models of the Study:	10
3.9 Panel Regression Models for RM and FS.....	11
3.10 Fixed Effect Model (FEM)	11
CHAPTER 04	12
4 Descriptive Statistics	12
4.1 Diagnostic Tests.....	13
4.1.1 Heteroscedasticity	13
4.1.2 Multi collinearity	13
4.1.3 Autocorrelation	14
4.2 Regression Analysis	14
4.2.1 Panel Regression	14
4.2.2 Model Selection.....	15
4.3 Hypothesis Testing	15

4.4 Hypothesis results	16
CHAPTER 05.....	17
Discussion:	17
Research limitations and Future Directions.....	17
Conclusion:.....	17
REFERENCES	19
APPENDICES	21

Acknowledgment

First, we are thankful to Allah, who is the holder of our breaths, without His orders nothing is possible. In completing our project, we took help and guidelines of some respected people, who deserve our appreciation and we are thankful to them. We would like to show our deepest gratitude to **Professor Qaiser Abbas**, Course Supervisor, and Bahria University for giving us helpful guidelines for this project through numerous online consultations. We are thankful to all those who have directly and indirectly provided us with guidance us in completing this report. Our project Coordinator **Ma'am Fazeelat Masood** as well as our Dean and our H.O.D who gave us this golden opportunity to do this project on the topic "THE IMPACT OF INVESTING AND FINANCING DECISIONS ON FIRM PERFORMANCE IN TEXTILE SECTOR OF PAKISTAN; evidence from Pakistan Textile Company Limited". This has also helped us by the extensive research we undertook due to which we explored many more new things, which will be helpful in our practical and work life.

We would also like to thank our classmates who gave valuable comments and suggestions on this proposal, which inspired us to improve our report. We would also like to thank our parents who helped and supported us during these hard times and motivated us a lot in finalizing this project within the limited period. We thank all the people for their direct and indirect help due to which we were able to complete our report.

Abstract

The goal of the study was to determine how Pakistani textile companies' performance affected by investing and financing decisions. Panel data from the annual reports of businesses engaged in Pakistan's textile industry used in the study for this aim. A longitudinal research design and quantitative research methodology are used. The panel data results show a considerable and favorable influence of investing and financing decisions on business performance. According to the data, Pakistani textile companies may experience better performance by improving their investing and financing decisions. This suggests that in order to enhance their financial performance, Pakistani textile companies should prioritize capital investments and financing. For Pakistani textile companies looking to make strategic investment decisions, the research's findings may be helpful. The findings of this study can also help investors and policymakers in the textile industry make better investment decisions. The study may have influenced how the researchers conduct future studies.

Keywords: *Investing Decision, Financing Decision, Firm Performance*