

**“Impact of capital structure on firms financial performance(evidence from the Petroleum sector Companies Listed on KSE)”**



*Submitted*

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## **Abstract**

The key motive behind this research is to examine the different elements that are effecting the financial performance of the firm which include leverage/debt ratio, growth, size and tangibility of the asset, and there relation with the return on asset and with each other. The outcomes of this study is centered on the petroleum industry registered in KSE Pakistan.

For the study different tools of statistics are used to explore the outcomes which are based on the sample data collected. Following are the different tools which are used in the research to find out the impact of above mention factors on the financial performance of the firm are descriptive statistics, multiple regression model, correlation matrix, correlation model. In this research the dependent variable is ROA which is used as proxy variable for the financial performance of the firm and independent variables are growth, size, leverage (proxy for capital structure), and tangibility. 7 firms are taken as the sample of study and the data is collected and analyzed for the 9 years (2005-2013).firms websites were used for the gathering of all the data.

In the findings of the research, it is examined that there is inverse relationship among the 3 independent variable (growth, tangibility, leverage) and the dependent variable (ROA). There is only size is the independent variable which is positively related with the return on the asset.

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