

Financial Analysis and Event Study of PTCL (Pre and Post Privatization)



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ABSTRACT

Pakistan Telecommunication Limited (PTCL) is one of the most important telecom industries of Pakistan that is playing a huge part in the monetary advancement of the nation and gives employment to many individuals. The proprietorship structure (Private or Public) has solid effect on firm money related performance. Pakistan Telecommunication Limited (PTCL) was privatized in 2005. This examination study explores the effect of privatization event on the organization's monetary performance and the performance of its stock .The study also explores literature on the privatization, financial performance and also explained the relationship of (pre & post) privatization event and financial performance. .A numbers of performance pointers are utilized to gauge the profitability, productivity, capital venture, yield, work and leverages. The paired sample t test for mean difference has been utilized for contrasting the pre and post privatization event performance. The study finds that financial and operational performance of the PTCL is affected negatively due to the privatization. The average share prices and number of trades were significantly affected though the effect is positive sometimes. The net profit margin, return on equity and earnings per share ratios shows decreasing trend in post privatization years. No notable or persuading confirmation is discovered which propose critical change in monetary and accounting performance pointers of privatization event on PTCL. At the end we also provide the recommendation and suggested area for future research.

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Table of Contents

INTRODUCTION.....	1
1.1 Study Background.....	1
1.2 History of privatization	2
1.3 The Effect of Privatization on Performance.....	2
1.4 An overview of PTCL.....	3
1.5 PTCL's privatization process.....	4
1.6 The purpose of the study	6
1.7 The study described the problem	6
1.8 The objectives of the study.....	6
1.9 The proposed method	7
1.10 Justification of the Study.....	7
PROBLEM DEFINITION AND REQUIRMENT ANALYSIS	9
2.1 Introduction.....	9
2.1.1 Background of the literature	10
2.2 Privatization events in Perspective of Pakistan.....	14
2.3 Privatization of Telecommunication sector.....	15
2.4 Privatization effect on operating Performance.....	17
2.5 Relationship between privatization and Financial Performance	19
2.6 Event study of pre & post Privatization	21
DESIGN AND IMPLEMENTATION	25
3.1 Research Design.....	25

3.1.1 Unit of Analysis.....	25
3.2 Data Collection and Analysis.....	25
TESTING AND DEPLOYMENT	27
4.1 Liquidity Ratio:	27
4.2 Leverage Ratio.....	28
4.4 Profitability Ratio.....	29
4.5 Dividends	30
4.6 Pre and Post Analysis of PTCL Stock.....	31
FUTURE ENHANCEMENT AND ACTION PLAN.....	35
CONCLUSION	36
6.1 Limitations and Future Research	37
REFERENCES.....	38

List of Tables

Table 4.1 Liquidity Ratios	27
Table 4.2 Leverage Ratio	28
Table 4.3 Profitability Ratio	29
Table 4.4 Paired Samples Statistics for Average Share Price(Avg.SP).....	31
Table 4.5 Paired Samples Statistics for Stock Return (SR).....	31
Table 4.6 Paired Samples Statistics Volume of Stock.....	32
Table 4.7 Paired Samples Statistics Number of Trades.....	32
Table 4.8 Paired Samples Statistics Operating Profit Margin	33
Table 4.9 Paired Samples Statistics Net Profit Margin.....	33
Table 4.10 Paired Samples Statistics Return on Equity.....	33
Table 4.11 Paired Samples Statistics Earning per Share	34