

PERFORMANCE REVIEW OF SELECTED
MODARABA COMPANIES
(1999-2003)



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EXECUTIVE SUMMARY

The research is about the performance review of selected modaraba companies. The primary object of this study to assess the perception regarding modaraba in Pakistan with in last five year. The main source of data collection is secondary approach. To get financial overview, annual reports of selected modaraba and brokerage houses analysis report on modaraba are used. The broad problem area of study is to find out modaraba, s performance in Pakistan in which researcher select four modaraba companies for five years from 1999 to 2003. These modaraba companies are trust modaraba, UDL modaraba and Paramount modaraba and first allied bank modaraba Research finds out why Modaraba not perform well during last decade. The examining different variables like return on modaraba certificates, return on equity, return on assets, return on total capital, business, innovation, management, and earning per share, dividend, and dividend payout ratio.

These figures of selected companies have been taken from their annual and different article of financial expert. Researcher analyzes what role can play government to strengthen the modaraba sector in term of technology innovation liquidity management. The researcher has done financial analysis of selected modarabas in term of ratios. Then an average of ratios is calculated to get inkling of performance of industry.

The performance trend is decreasing continuously but performance in current year is reawakening, reason may be decreased interest rates. Due to low interest rates, instead of keeping money in banks, people are moving toward stock market. Research result shows that people are not well aware about modarabas, modarabas main business in mutual fund that a form of modaraba business but it is found that people working there' are not sincere with the people who makes investment in this mode of business. Researcher analysis the report of the brokerage houses shows that management of modarabas not promoting modarabas business or modaraba's concept

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