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**“ANALYSIS OF CAPITAL STRUCTURE AND FIRM PERFORMANCE
IN CEMENT SECTOR OF PAKISTAN.”**



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ABSTRACT

The aim of the study was to carry out the capital structure analysis and the overall organizations performance regarding Cement sector in Pakistan as per the requirement of KSE. The selection of financing is one the most indispensable facets being influenced by a progressive financial director as they describe the overall firm's value. However, the most significant decisions for managers of finance that they used to made are to define the firm's value and its frequently known financing choices. However, Managers invariably strive to keep capital structure that optimizes the wealth of shareholders by undercutting business and financial risks of the organization. The crux of the research study was to perform the capital structure analysis and the organization's performance amidst cement sector which is registered in the KSE. Entire five firms registered in the KSE are regarded as the population amongst the study and such organizations have its place in Cement sector. In this way, the research study was carried out with the help of secondary data. By the same token, the study is also being descriptive which entails the quantitative method for inferential analysis and data analysis. On reflection to the findings particularly Adjusted R square, a fluctuation was found in the midst of the study within the performance of the firm of cement sector that is also registered at the KSE owing to the fluctuations in aggregate debt to equity. The study exhibits that the firm's capital structure is factors influencing the firm performance of cement sector registered in the KSE. The study revealed in the findings with the help correlation analysis that there has been strong positive correlation between firm performance and capital structure. The research study also explores that, the findings out of the researched data are ideal for obtaining a verdict against the influence of entire debt to equity on profitability which is return on equity and return on asset of cement sector registered in the KSE. There has been a dire urgency for the organizations registered in the KSE in a bid to have a balanced capital structure that delivers them ability to overcome financial crises and gives shareholders an infallible safety package in the events of depression. Hence, firms in KSE tend to deploy fewer debt amidst the capital structure while making numerous organizations to incur limited interest, thus not escalating the firm risks might be exposed to as debt tend to undercut performance. The research study recommendations are that there has been important for the organizations registered amidst KSE to put in place tactics which might elevate their profit stream and use the gains made out of the entire operations to avail additional resources and overhaul their overall financial progress.