

IMPACT OF ECONOMIC VARIABLES ON STOCK MARKET OF PAKISTAN

By

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Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	11-04-17	Cubicle	Chap: 4 Data integration and analysis discussion.	<i>Fatima</i>
6	28-04-17	Cubicle	Chap: 5 Discussion on critical debate.	<i>Fatima</i>
7	05-05-17	Cubicle	Chap: 6 Discussion on conclusion.	<i>Fatima</i>

APPROVAL FOR EXAMINATION

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at _____ that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature: *Kaleem A. Ghias* Date: 20.06.2017

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Abstract

Purpose- The purpose of the research is to examine the impact of economic variables on stock market of Pakistan. The selected economic variables are interest rate, exchange rate and consumer price index. To examine the stock market performance the following variables are used such as KSE-100 index, Turnover, Trade volume.

Methodology/sample- The nature of the research is Quantitative. By the help of quantitative models that are involved to examine the impact of change in economic variable that are interest rate, exchange rate and consumer price index on stock market of Pakistan. The data of this proposed research is collected from secondary sources and analyzed by the SPSS software. Regression is applied to analyzed the relationship between the dependent and independent variable.

Findings- It is found that Interest rate is significant, and have negative impact on dependent variable (KSE-100 Index) while Exchange rate and Consumer price index are insignificant. On dependent variables (Turnover and Trade Volume), there is no impact of independent variables (Interest rate, Exchange rate and Consumer price index).

Practical Implications- This research study explains the impact of change in the interest rate, exchange rate and consumer price index on stock market of Pakistan. It shows the changes of these variables and their positive impact or negative impact on stock market. This research provides better understanding of fluctuation of stock market and impact of these variables on it. This research will analyze data, conclude the results and draw recommendations based on those results that whether these variables have positive impact or negative impact on the stock market of Pakistan.

Keywords: *Economic variables, interest rate, exchange rate, consumer price index, stock market variables, KSE-100 index, Turnover, Trade volume.*

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