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"(Determinants of capital structure in textile sector of Pakistan)"



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ABSTRACT

The main objective of the study is to identify potential determinants of capital structure for Pakistan's textile industry. Evaluating the capital structure is the most critical and decisive for any part of the company because it directly affects the cost and value of the company. For this, the research will examine the different key factors that influence the company's capital structure. The thesis is by its nature "quantitative", where the results and discussions would be based on scientific calculations of the selected variables. The thesis has exploited linear regression analysis, using SPSS software to determine the relationship between the dependent variable (capital structure) and the independent variables (company size, profitability and liquidity). The result of the study shows that there is a significant correlation between the structure of capital (dependent variable) and company size, profitability and liquidity (independent variable) in the textile sector of Pakistan. The factors sustained and the result of the study have helped to fascinate and develop a foundation of optimal capital structure determinants that can help textile companies in Pakistan to make effective and precise decisions relating to the needs of the capital structure. Furthermore, this study and its results can help decision makers to better adapt to the realization and consideration of ways to manage the capital structure of the textile industry.

Keywords –

Capital Structure, Textile Sector of Pakistan, Financial Leverage