

*Impact of market and unique risk on market  
prices of share in Pakistan Stock Exchange*



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## **ABSTRACT**

This study tests the influence of risks on return of stock. The different risks used in this study are market risk, unique risk and total risk. The study was based on ten industries. Return of stock can be taken from thirty companies of ten sector (cement sector, chemical sector, fertilizer sector, glass and ceramics, transport sector, pharmaceutical sector, automobile assembler, cable and electrical goods, textile composite sector and refinery) three companies from each sector. Using the index figures of stock exchange of Pakistan and the prices of equity, return of equity, market risk, unique risk and total risk is calculated. A combined and sector-wise association between the risks and returns of equity was analyzed in this study. Different type of instrument have been used to find out the connection between various risks and returns of equity like, mean, standard deviation, correlation, regression and the outcomes are interpreted by the correlation, percentage of impact and significance level, through MS Excel, and find out that there was a strong positive and significant impact of unsystematic risk on stock return.

## Table of Contents

Chapter 1 .....	5
Introduction:.....	5
1.1. Background of study:.....	5
1.2. Theoretical support: .....	7
1.3. Research question: .....	8
1.4. Objectives of study: .....	8
1.5. Significance of study.....	8
1.6. Limitation of study:.....	9
Chapter 2:.....	10
Literature review:.....	10
2.1Theortical Foundation.....	10
2.2 Empirical study:.....	19
2.3 Theoretical Framework:.....	26
2.4 Hypothesis: .....	27
Chapter 3:.....	27
Methodology .....	<b>Error! Bookmark not defined.</b>
3.1 Sampling Technique .....	28
3.1.1 Sample: .....	28
3.1.2 Reasons: .....	28
3.1.3 Criteria: .....	28
3.2 Sources Of Data: .....	28
3.3 Variables of study: .....	29
3.4 Operational Defination.....	29

3.5 Regression Model: .....	29
3.6 Instrument: .....	30
Chapter 4:.....	31
Anaylsis: .....	31
4.1 Impact of market, unique and total risk on all non financial sector :.....	31
4.2Sector Anaylsis: .....	32
4.2.1 Impact of market, unique and total risk on returns (Chemical sector):.....	32
4.2.2 Impact of market, unique and total risk on returns (Refinery):.....	34
4.2.3 Impact of market, unique and total risk on returns (Glass and ceramics):.....	35
4.2.4 Impact of market, unique and total risk on returns (Cement sector):.....	36
4.2.6 Impact of market, unique and total risk on returns (Transport sector):.....	38
4.2.7 Impact of market, unique and total risk on returns (automobile assembler):.....	39
Impact of market, unique and total risk on returns (cable and electrical good):.....	40
4.2.8 Impact of market, unique and total risk on returns (pharmaceutical sector):.....	41
4.2.9 Impact of market, unique and total risk on returns (Textile Composite Sector):.....	42
Chapter 5:.....	44
Conclusion and Recomendation.....	44
5.1 Recommendation and Future research:.....	45
References:.....	46