

Table of Contents

Abstract.....	3
 CHAPTER 1	
INTRODUCTION.....	5
1.1 Background of the Study	5
1.2 Problem Statement.....	11
1.3 Research Objectives.....	11
1.4 Research Questions.....	11
1.5 Hypothesis.....	12
1.6 Research Significance:.....	12
1.7 Research gap	12
 CHAPTER 2.....	
13	
LITERATURE REVIEW	13
2.1 Review of Capital Structure Theories.....	15
2.1.1 Modigliani & Miller Theories.....	16
2.1.2. Static Trade off Theory.....	19
2.1.3. Pecking Order Theory.....	21
2.1.4. Agency Cost Theory.....	23
2.2 Review of Variables.....	34
2.2.1 Board Size.....	34
2.2.2 Liquidity.....	38
2.2.3 Tangibility of Asset.....	40
2.2.4 Debt Ratio.....	41
2.2.5 Profitability.....	42
2.2.6 CEO/Chairman duality.....	45
 CHAPTER 3.....	
49	

RESEARCH METHODOLOGY	39
3.1. Econometric Model.....	39
3.3. Variable Description	40
 CHAPTER 4	
 ANALYSIS AND RESULTS	42
Table 4.1; Descriptive Analysis.....	42
Table 4.2; Correlation Analysis	43
Table 4.3; Regression Analysis.....	44
 CHAPTER 5	
 CONCLUSION AND RECOMMENDATIONS.....	48
5.1. Conclusion	48
5.2. Recommendations:.....	48
5.3. Limitations	49
5.4. Future implications	49
 REFERENCES:	50

Abstract:

The aim of this study was to check the impact of corporate governance variable on firm financing decisions. For this purpose, analysis is conducted on 50 companies listed in Pakistan stock exchange for the period between 2012_2016. Required secondary data was taken from the published annual reports of the selected firms. Board size, CEO and chairman duality, ownership concentration was taken as an independent variable whereas company specific were tangibility, profitability and liquidity. Debt ratio was taken as a dependent variable. Regression analysis along with Ordinary least square was used to determine the results. Results indicate board size, liquidity, profitability, tangibility have significant relation with firm financing decisions. Board size have positive relation with firm financing decision while tangibility, profitability and liquidity are negatively related with debt ratio. However, no significant relationship has been found between CEO and chair-man duality ownership concentration and firm financing decisions.

Key words:*Corporate Governance, Financing Decisions, Board Size, CEO Duality, Ownership Concentration, Karachi Stock Exchange*