Journal of Positive School Psychology http://journalppw.com
2023, Vol. 7, No. 5, 1562-1574

The Basic Determinants Of Financial And Economic Performance Of Firms: A Case Of Karachi Stock Exchange, Pakistan

Jai Kishan[1] , Dr. Allah Bux Lakhan[2] , Fiaz Ahmed Bhutto[3]

[1]*Assistant Professor, Institute of Business Administration, Shah Abdul Latif University, Khairpur, Sindh-Pakistan.*
[2]*Assistant Professor, Shah Abdul Latif University, Ghotki Campus, Sindh-Pakistan.*
[3]*Lecturer, Department of Business Administration, Shah Abdul Latif University, Ghotki Campus, Sindh, Pakistan.*

Abstract:
This study investigates potential relationships between the company's financial performance and capital structure, ownership structure, corporate governance, risk management, and economic indicators. It's also one of the few instances that looks at different factors influencing a company's performance in a developing market (Pakistan). In this study, 57 Pakistani corporate firms listed on the Karachi stock exchange from 2018 to 2022 are examined for their profitability and its relationship to multiple determinants. A fixed effect model is used to attempt and to explain the behavior under observation. Although the strength of the relationship varies across various performance areas, the results consistently suggest the possible correlation between a firm's financial success and economic indices, corporate governance, ownership structure, and capital structure. While there are contradictory findings for various variables, we find evidence to support the assumptions that corporate governance, risk management, and performance are positively correlated.

Keywords: Economic performance, Financial Performance, Ownership, corporate, management.

Introduction:

The efficiency of a firm holds paramount significance for investors, stakeholders, and the broader economy. High international interest rates for the performance of firms have a contractionary effect on domestic annual real GDP growth, according to research by (di Giovanni & Shambaugh, 2023), but this effect is more pronounced in nations with fixed exchange rates. The research then looks into potential channels through which interest rates in large countries affect economies in other leading and developing countries of the world.

The most plausible channel is the effect of foreign interest rates on domestic interest rates when compared to alternative possibilities, such as a trade effect.

A well-performing corporation can provide significant and long-term returns for its investors, who place a high value on the return on their investments. First, the home currency appreciates when domestic monetary policy tightens, according to (Inoue & Rossi, 2019) main results. Second, the United States' monetary contraction creates a persistent disparity between unobserved interest rate parity and financial assets. For large-scale economies, there is a negative correlation between the interest rate and the exchange rate.

Regardless of how severe or weak the contractionary effect of devaluation is, (Evcim,2023) clarified that an increase in interest rates most certainly avoids it.
Interest rates are expected to spike in contractionary to depreciation scenarios and crash in expansionary depreciation scenarios in

response to unfavorable net export shocks. Additionally, a financially successful company will increase employee pay, provide higher-quality products for its clients, and have more environmentally friendly production facilities. Additionally, higher profits will translate into higher future investments, which will raise people's incomes and create job prospects. Numerous research studies have been carried out to identify several financial and non-financial aspects that might either positively or negatively impact a firm's success. However, there is currently no one efficient model that can capture all variation.

It's interesting to note that while dealing with cross-border trade, interest rates and currency rates also interacted. This relationship plays a key role in the countries' economic cooperation for the process of sustainable development (Engel, 2022) According to classical economic theory, a country with a lower interest rate experiences short-term financial capital outflows, which exacerbates balance of payment deficits. A scenario like this can be effectively handled by decreasing a nation's currency in order to boost exports.

The topic of firm performance is the subject of ongoing discussion and an incomplete body of literature. Since the majority of research is based on data from industrialized economies, there is a greater disparity, particularly in the case of developing economies like Pakistan.

This study aims to conduct an empirical investigation of the ways in which Pakistani enterprises' financial performance is influenced by their economy, ownership patterns, capital structure, and risk management (Ahmed, 2021). Additionally, to locate empirical proof supporting the roles played by the capital structure, risk management, ownership patterns, and economy in maximizing shareholders' returns. Pakistan's economy is expanding, and there are many distinctions between the challenges faced by businesses in developed and developing nations, making the study relevant (Ismailov, 2018).

Inadequate corporate governance results in a concentration of ownership, which in turn gives owners more sway over policy decisions. Second, variations in the tax code may cause investors to act differently with regard to the return. Financial news streams are encouraged by national integration of the money and capital markets. The two main determinants of lending and borrowing amounts among the nations are the interest rate and the exchange rate (Inoue, 2022). The majority of the time, stock price appreciation is preferred in Pakistan; however, with the imposition of capital gain tax, investor interests have slightly organized and then updated according to a standard with a slighter change.

There may be firm-specific effects of several factors on financial performance. This research will add to the scant body of knowledge on Pakistani firm performance drivers.

The industrial revolution created a distinction between developed and underdeveloped economies worldwide. Underdeveloped people are finding it difficult to escape their current situation and catch up to the developed world. These nations must endeavor to reduce resource unemployment in order to progressively approach full employment in order to accomplish this goal. Increased employment results in increased production and money, which improves quality of life (Irshad et al. 2018).

Building infrastructure, establishing industries, and taking on novel and creative projects are all necessary for the efficient use of resources, and they all cost a lot of money. Investing in manufacturing industries, or production activities, is necessary for the utilization of resources. According to Kalirajan & Singh (2009), the private sector must engage in new initiatives in order to create the economy, and the government must encourage these efforts by providing the necessary infrastructure to allow the industry to expand.

Profit is the primary reason for every investment made by the corporate sector (Kyereboah-Coleman, 2007). The company wants to maximize the value of its owners and make enough money to keep running the firm and expand in the future. Numerous internal and external elements influence the firm's performance. It is crucial to remember that whereas external influences may apply to all or most organizations, internal factors are particular to a certain firm. The nation's laws and regulations, the market's perceptions and preferences, and the national economy are examples of external variables. For similar enterprises, the market and legislation are the same; nevertheless, they vary by industry. The economy has an impact on all industries, but it is nevertheless a significant and indisputable factor in determining how well a corporation does.

The structures and actions that direct a company entity's goal-setting, strategy and plan development, performance monitoring and reporting, and risk management are known as corporate governance for the techniques, tools and procedures (Reddy, 2010).

Scholars also believe that effective corporate governance policies improve a company's performance (Chugh et al., 2009). Stakeholder and shareholder models are the two types of company structure models. The production of wealth for owners is the primary focus of the shareholder model, whereas the stakeholder model addresses a wider range of issues, including the welfare of all stakeholders and the overall success of the organization (Maher & Andersson, 1999). Corporate governance is based on five guiding principles (Bocean, 2001).

(Javed & Iqbal, 2007) created indexes for board characteristics, transparency and disclosure, and shareholder and ownership characteristics in order to investigate the effects of corporate governance on firm performance. The study's findings show a strong correlation between indices and performance, with the exception of transparency and disclosure. The results of a more recent study by (Yasser et al. 2011) that looked at board qualities are likewise consistent with earlier research.

The aspect that underpins the division of ownership into categories is the separation of ownership and control. Owner-controlled businesses and managerially-controlled businesses are the two categories of ownership that Berle and Means distinguished in their ownership dichotomy. McEachern identified three types of externally managed enterprises after concluding that the existing theory was insufficient to explain ownership structure and its effects (quoted by Ugurlu, 2000).

It's interesting to observe that interest rates and currency rates interacted when discussing cross-border trade. In order for the nations to cooperate economically in the process of sustainable development, this relationship is essential (Engel, 2022). Classical economic theory states that short-term financial capital outflows from a nation with a lower interest rate worsen balance of payment imbalances. A situation such as this can be effectively managed by depreciating a country’s currency to increase exports.

There is a dearth of literature on the subject of company performance and continuous discussion about it. There is more of a discrepancy because most study is focused on data from industrialised economies, especially when it comes to developing economies like Pakistan.

Agency theory states that managers are more likely to maximize shareholder profit if they also have an ownership stake in the company (Dutta, 1999). Managers' ownership is restricted by wealth restrictions and managerial risk anxiety. Furthermore, more diversified managers may find ownership to be expensive (Jensen et al., 1992). Since the majority of insiders' shares are prohibited from trading, the number of tradable shares is inversely correlated with inside ownership for better strategies and policies (Lin et al., 2011). (Born, 1988).

The benefits and drawbacks of ownership concentration can be compared with increased monitoring, and occasionally the advantages may outweigh the drawbacks (Kaserer & Moldenhauer, 2008). Foreign institutional ownership and insider ownership have a negative relationship (Ugurlu, 2000).

One significant issue with ownership structure is agency conflict. There are two types of agency difficulties. The first one, which is more common in businesses with minimal internal ownership, is the one that arises between managers and shareholders. Second agency problems, on the other hand, are primarily found in businesses where ownership is concentrated in blocks and arise between large and small shareholders (Bohren et al., 2009). Reduced agency conflict and knowledge asymmetry are other benefits of high inside ownership (Ugurlu, 2000), which lowers the demand for capital signalling.

Research Questions:

i) What is impact of economic indicators on financial performance of a firm?

ii) What is impact of non-financial indicators on financial performance of a firm?

Literature Review:

A company's effectiveness is very important to stakeholders, investors, and the economy as a whole. According to study by (di Giovanni & Shambaugh, 2023), high international interest rates for the performance of enterprises have a contractionary effect on domestic annual real GDP growth; however, this effect is more prominent in countries with fixed exchange rates. The study then investigates possible avenues by which interest rates in developed nations could impact the economy of other developed and developing nations worldwide.

When weighed against other hypotheses, such a trade effect, the effect of international interest rates on domestic interest rates appears to be the most likely conduit.

An organization's financial performance not only determines how much its market value will increase, but it also influences the growth of the financial sector, which in turn drives the success of the real estate market and its role as a catalyst for financial development.

Numerous researchers have demonstrated a positive correlation between financial progress and economic advancement, as well as a negative correlation between economic hardship and progress. According to Caprio (1994), efforts to reorganize the financial sector resulted in high competence and progress. Because it makes it easier to raise funds, the financial section is crucial to the financial expansion. An established and well-run financial sector indicates the establishment of expanding financial performance through resourceful money distribution, which improves processes and the function of the firms.

Investors, who place a high importance on the return on their investments, can receive substantial and sustained profits from a well-performing company. First, the key findings of (Inoue & Rossi, 2019) show that when domestic monetary policy tightens, the native currency gains value. Second, there is a persistent discrepancy between financial assets and unobserved interest rate parity as a result of the US monetary contraction. The interest rate and exchange rate have a negative relationship in large-scale and medium scale economies in the analysis.

(Evcim,2023) made it clear that an increase in interest rates most definitely prevents the contractionary effect of devaluation, regardless of how strong or mild it is.

Operationally, financial performances are the results of carrying out financial actions. Financial performance typically shows the extent to which economic objectives are being met or have been met. Measuring the financial shape of an organization's guidelines and actions is done through economic activities. It is employed to determine the overall economic fitness of an organization over a specified time frame. The organizations' economic outcome and earnings size can be used to calculate their financial performance. The two primary factors that determine an organization's significance are risk and profitability. Financial conclusions that increase uncertainty will decrease the organization's worth; conversely, financial conclusions that increase profitability will increase the organization's value. Profitability and risk are two crucial components.

William (1988) came to the conclusion that managers and investors disagree less when the maximum leverage of firms is chosen on the basis of input and output.

Prior studies have typically distinguished between two categories of organizational success, such as creative and financial performance of firms to excel in the race of firms.

From 1986 to 1989, Molyneux and Thornton (1992) examined the profitability characteristics of the financial sector in eighteen European states. The findings of their study showed that government regulation had favorable effects on ROA and range of interest.

According to Avkiran (1995), a combination of financial ratios, benchmarking, performance against budget calculations, and other methods were used to determine the financial performance of the financial sector.

Bashir (2000) investigated performance-related parameters for Islamic banks between 1993 and 1998. Productivity and efficacy were predicted using both internal and external factors. The results of controlling the macroeconomic environment, the state of the economy, and taxation indicate that high loan-to-asset ratios and significant leverage are indicators of strong profitability.

In comparison to local banks, foreign-owned banks generate higher profits.

In eighty states, Demirguc-Kunt and Huizinga (2001) examined the performance of domestic and foreign banks. They showed that foreign banks perform better in terms of productivity and that profit margin, transparency, operational costs, tax rates, and effectiveness differ between domestic and foreign banks. In rising nations, it was, however, completely the opposite for the analysis and working towards the firms.

In order to ascertain the profitability performance of Malaysian banks, Guru et al. (2002) examined the operations of seventeen Malaysian consumer banks between 1986 and 1999. There were two types of output: external factors (shareholder equity, organization size, and external financial environment) and internal factors (liquidity, capital capabilities, and expense management). They discovered that banks had poor profit performance based on their research findings. According to Chowdhury (2002), Bangladesh's banking industry consists of a combination of state-owned and foreign-owned institutions. It is becoming increasingly crucial for banks to demonstrate their worthwhile enduring the stress brought on by both internal and external factors.

Greek banks' efficiency was investigated by Spathis and Doumpos (2002) based on the size of their properties. They used a variety of techniques to classify Greek banks based on the profitability and operational components and to show how the productivity and skill of small and large banks differed from one another.

Turkish commercial banks' economic performance index was examined by Muhammet Mercan et al. (2003) between 1989 and 1999. They demonstrated the relationship between the scope and mode of bank shareholder ownership and the financial performance of the banks.

According to Mazhar M. Islam's 2003 research, local and foreign banks in the Arab Gulf States have grown and performed well, which helps to explain why these banks have been doing well over the past several years.

The purpose of this study is to empirically investigate the manner in which the economy, ownership patterns, capital structure, and risk management of Pakistani firms affect their financial performance (Ahmed, 2021). Furthermore, to find empirical evidence demonstrating the contributions that ownership patterns, capital structure, risk management, and economy make to maximising returns to shareholders. The study is pertinent since Pakistan's economy is growing and the difficulties experienced by companies in developed and developing countries differ greatly (Ismailov, 2018).

Ownership becomes more concentrated as a result of poor corporate governance, giving owners greater influence over public policy. Second, differing tax codes may lead to different behaviour from investors in terms of return.

Adams and Buckle (2003) studied the elements that affect an organization's daily performance in the insurance market in Bermuda. They proposed that greater operational performance is exhibited by companies with high leverage, poor liquidity, and reinsurers.

European financial institutions' performance was examined by Goddard et al. in 2004. They found a very weak relationship between profitability as determined by return on equity and size. The British financial institutions show a positive relationship between profitability and off-balance-sheet trade.

Shiu (2004) used panel data to examine the performance factors of the UK Universal Insurance Corporation from 1986 to 1999. Based on the panel data results, three key indicators were used: investment yield, fractional alteration in shareholder money, and profit on shareholder investments.
He demonstrated that the performance of insurers had the best association by empirically testing twelve descriptive characteristics.

According to Ho and Zhu (2004), assessing an organization's performance has been linked to its daily competence and efficiency, which directly puts pressure on the organization's resilience.

Memon et al. (2010) investigated how companies performed in the textile sector and how money was arranged. They disclosed that the businesses operating in this category are not performing at the highest level of fund composition, and companies are not achieving economies of scale. According to Nosa and Ose (2010), obtaining successful funding is necessary for business progress and expansion in Nigeria. They suggested enhancing the management structure with a focus on risk management and commercial control in order to increase the company's performance.

Onaolapo and Kajola (2010) observed a significant although unenthusiastic relationship between the debt ratio and the financial success of the company.

The interest rate and the exchange rate are the two primary factors that influence lending and borrowing quantities between countries (Inoue, 2022). In Pakistan, stock price appreciation is generally preferred; however, since capital gains tax has been imposed, investor interests have been slightly organised and then updated in accordance with a standard that has undergone a little modification.

Financial success may be impacted by a number of elements that are unique to a given organisation. This study will broaden our understanding of the factors influencing Pakistani firms' performance.

Globally speaking, the industrial revolution distinguished between developed and developing economies. It is hard for underdeveloped people to get out of their existing circumstances and catch up with the developed world.

Research on the factors influencing the Croatian composite insurers' financial performance from 2004 to 2009 was done by Curak et al. (2011). Explanatory variables, which comprised both external factors unique to the economic environment and internal characteristics peculiar to insurance companies, were chosen as the driver of profitability. Through the use of panel data analysis, he looked into the effects of underwriting risk, return on equity, inflation, and firm size on profitability.

In Pakistan, Siddiqui and Shoaib (2011) studied how finance arrangements could be used to measure performance. They found that, when using ROE as a profitability metric, bank size had a significant impact on profitability.

Six variables were analyzed by Charumathi (2012) in her study on the financial performance of Indian life insurers. Size and liquidity of the company had a major and favorable impact on the profitability of life insurers in India; on the other hand, leverage, growth in gross written premiums, and equity volume had a substantial and negative impact. Furthermore, it was shown that underwriting risk and profitability were unrelated. The author made a number of proposals addressing capital market involvement, bolstering ties with banks, boosting foreign direct investment, and supervisory power and competition in the insurance business in order to improve the performance of insurance businesses.

Mehari and Aemiro (2013) looked into how the features of Ethiopian insurance businesses affected their overall performance. Nine insurance companies were examined during the study's 2005–2010 period using panel data analysis. The research findings indicate that insurers' performance is influenced by factors such as firm size, tangibility, and leverage, whereas age, liquidity, and increase in gross written premiums have minimal statistical significance.

Research Methodology and Estimation:

In this analysis the non-financial firms which are listed Karachi Stock Exchange. This study investigates potential relationships between the company's financial performance and capital structure, ownership structure, corporate governance, risk management, and economic indicators. It's also one of the few instances that looks at different factors influencing a company's performance in a developing market (Pakistan).

ROE = α + β1Income + β2 Inflation+ β3 Blockholding + β4 Inside ownership + β5 Debt-to-equity+ β6 Long-term debt to total assets + β7 short-term debt to total assets + β8 Firm size + β9 Current ratio + β10 Business risk + β11 Firm risk + εi

Descriptive Statistics:

This analysis is done on the basis of SPSS software for financial analysis and economic performance:

Variable	M	SD
Return on equity	44.21	68.123
Shareholder return	213.201	612.77
Income per capita	31611	733.11
Inflation	13.12	3.5
Corporate governance	.772	.512
Block holders	41.12	37.55
Inside ownership	14.12	21.12
Debt to equity ratio	1.50	2.912
Short term debt	93.55	129.12
Long term debt	68.312	199.23
Business risk	6.12	5.91
Firm risk	68.303	99.12
Sales growth	4.34	66.12
Size	9.87	1.89
Current ratio	2.04	5.23
Market analysis	161718.67	1409334.26
Dividend yield	8.99	8.12

The Fixed Effect Analysis of Summary:

Variables	B	SEB	B	P value of t-test
Constant	234.432		3.123	0.0012
Income	.009	.176	3.134	0.0045
Inflation	1.32	.021	.897	0.0067
Block holding	.153	.142	1.872	0.0043
Ownership	.203	.045	.324	0.0078
Debt equity ratio	.028	.5621	13.123	0.0056
SR debt	.029	.224	2.341	0.0000
LR debt	.018	.078	.777	0.0034
Risk	.423	.302	1.678	0.0023
Size	2.912	.234	3.321	0.0032
Current ratio	1.501	.923	1.231	0.0056
Firm risk	0.0123	.923	-1.032	0.045

To choose between fixed effect and random effects models, the Haussmann test was used. The fixed effects model was found to be significant, as indicated by the random effects model's non-significant for the said model having p-value of chi^2 was 0.04. At first, every variable exhibiting a significant association was tested; however, subsequently, the insignificant variables in the model were also eliminated, leaving the final model to contain only the significant variables.

Conclusion and Policy Recommendations:

Numerous scholars have investigated the financial performance of businesses and have put out a number of theories to account for the variation. Still, there is disagreement on the matter.

We try to respond to the following queries: What factors affect a company's financial and economic performance?

The Pakistani KSE 100-index includes 60 non-financial companies. The fixed effect model is used to these companies. If return on equity is used as a performance metric, our findings demonstrate that risk management, ownership structure, and economic conditions all significantly influence how financially successful the Pakistani businesses are in evaluation and performance.

Similar to how shareholder return, which is typically the primary concern of shareholders due to its potential to impact share prices, is measured, corporate governance, ownership structure, capital structure, and risk management all have a significant impact on a firm's performance.

This implies that businesses with sound capital structure and risk management practices will be more successful since excessive long-term debt financing lowers profitability by raising markup costs. Likewise, companies possessing well-maintained ownership structures stand to gain a competitive advantage due to an appropriate balance between oversight and management. Economic factors play a significant role in corporate performance as well, although they are outside of a firm's control. As such, appropriate steps should be made when creating strategies and objectives to reduce the negative effects of these elements and maximize the benefits.

According to the study's findings, companies with effective corporate governance frameworks and oversight will generate higher profits for their owners. The outcomes agree with those of earlier research. Based on the study's empirical results, we may generally draw the conclusion that companies with well-managed capital structures, ownership structures, and risk management generally perform better financially. Enhancing corporate governance procedures is also necessary to raise the value of investors' capital.

References:

1. Abel, B., Rabasco, E., & Toharia, L. (2004). Macroeconomía. Pearson Educación, Madrid

2. Ahmed, H., T., & Mazlan, N.,S. (2021). The impact of interest rate on exchange rate within ASEAN Countries: evidence from linear and nonlinear ARDL frameworks. Glob J Emerg Mark Econ, 13(1),7–34.

3. Ali, M.,S., Mujhid, S., Nasir, A., Shah, S., & Ali, M.,D. (2021). Basic transfer concept and external debt thresholds measures of selected South Asian economies. Multicult Educ, 7(1),302-322.

4. Adams, M., & Mike, B. (2003). The determinants of corporate financial performance in the Bermuda insurance

market. Applied Financial Economics, 1(3),133-143.

5. Abu-Rub, N. (2012). Capital structure and firm performance; Evidence from Palestine stock exchange. J. Money Invest. Bank, 2(3),109-117.

6. Akbar, M., Baig, H.,H. (2010). Reaction of Stock Prices to Dividend Announcements and Market Efficiency in Pakistan. Lahore J. Econ. 15(1):103-125.

7. Amidu, M., Hinson, R. (2006). Credit risk, Capital Structure and lending decisions of banks in Ghana. Banks and Bank Systems, 5(1),23-38.

8. Ang, J.,S., Cole, R.,A., & Lin, J.,W. (2000). Agency Costs and Ownership Structure. J. Finance, 5(1),81-105.

9. Bhagat, S., Bolton, B. (2008). Corporate governance and firm performance. J. Corporate Financ. 1(4),257-273.

10. Bocean, C.,G. (2001). Corporate governance and firm performance, Banks and Bank Systems, 5(1),23-39.

11. Bohren, O., Josefsen, M.,G., & Steen, P.,E. (2009). Dividends and stakeholder conflicts: A cleaner test. Economy, 5(3),2-32.

12. Born, J.,A. (1988). Insider Ownership and Signals: Evidence from Dividend Initiation Announcement Effects. Financ. Manage, 1(7),8-28.

13. Bashir, A., M. (2001). Assessing the performance of Islamic banks: Some evidence from the Middle East. Topics in Middle Eastern and North African Economies 3(2),11-29.

14. Brav, A., Jiang, W., Partnoy, F., & Thomas, R. (2008). Hedge fund activism, corporate governance and firm performance. J. Financ. 6(4),1729- 1775 .

15. Burkart, M., & Panunzi, F. (2005). Agency conflicts, ownership concentration, and legal shareholder protection. J. Financ. Intermediation, 15(1),1-31.

16. Chugh, L.,C., Meador, J.,W., & Kumar, A.,S. (2009). Corporate governance and firm performance: evidence from India. Journal of finance and accountancy, Banks and Bank Systems, 4(2),2-32.

17. Charumathi, B. (2012). On the Determinants of Profitability of Indian life insurers–an Empirical Study. In Proceedings of World Congress on Engineering, 1(2), 4- 6.

18. Ćurak, M., Sandra, P., & Klime, P. (2011). Firm and economic factors and performance: Croatian composite insurers. The Business Review, Banks and Bank Systems, 3(1),2-22.

19. Dutta, A.,S. (1999). Managerial Ownership, Dividend and Debt Policy in the US Banking Industry. Manag. Financ. 2(6),57-68.

20. De, S., & WAM, W., W. (2023). Assessing the applicability of uncovered interest parity in the South Asian frontier fnancial markets. South Asian J Finance, 3(2),99–111.

21. Di, J., Shambaugh, & J.C. (2008). The impact of foreign interest rates on the economy: the role of the exchange rate regime. J Int Econ, 7(2),341–361. https://doi.org/10.1016/j.jinteco.2007.09 .002 6.

22. Evcim, N., Yesilyurt, & M.,E. (2023). Spatial interaction and economic growth: a case of OECD countries. Future Bus J, 9(1),1–10.

23. Engel, C., Lee, D., Liu, C., & Wu, S. (2019). The uncovered interest parity puzzle, exchange rate forecasting, and Taylor rules. J Int Money Finance, 3(5),317–331.

24. Forbes, K.,J. (2002). How do large depreciations affect firm performance? Palgrave Macmillan, 4(1),214-238.

25. Gregg, P., Jewell, S., & Tonks, I. (2012). Executive pay and performance: Did bankers, bonuses cause the crises? Int. Rev. Financ.,1 (1),89-122.

26. Guru, K., & John, S. (2002). Determinants of commercial bank profitability in Malaysia. Journal of Money, Credit, and Banking, 1(7), 69-82.

27. Gurbuz, A.,O & Aybars, A., K. (2010). Corporate governance and financial performance with a perspective on institutional ownership: empirical evidence from Turkey. J. Appl. Manage. Account, 8(2), 21-38.

28. Ho, C,.T., & Dauw-Song, Z.(2004). Performance measurement of Taiwan's commercial banks. International Journal of Productivity and Performance Management ,5(3),425-434.

29. Havemann, R., & Webster, P. (1999). Does Ethical Investment Pay? Corporate governance: the foundation for corporate citizenship and sustainable businesses. Global corporate governance forum.

30. Javed, A.,Y., & Iqbal, R. (2007). The relationship between corporate governance indicators and firm value: A case study of Karachi stock exchange. MRPA Paper No.225, available at http://mpra.ub.unimuenchen.de/2225.

31. Iwuagwu , C., A. (2023). The US dollar and covered interest rate parity devia - tions: oil price channel. Available at SSRN 4385223 12.

32. Inoue, A., Rossi, B. (2019). The efects of conventional and unconventional monetary policy on exchange rates. J Int Econ 1(18), 419–447.

33. Irshad, M.,S., Xin, Q., Hui, Z., Arshad, H. (2018). An empirical analysis of Pakistan’s bilateral trade and trade potential with China: a gravity model approach. Cogent Econ Finance, 6(1),15-29.

34. Ismailov, A., Rossi, B. (2018). Uncertainty and deviations from uncovered interest rate parity. J Int Money Finance, 8(8), 242–259.

35. Jensen, G.,R., Solberg, D.,P., & Zorn, T.,S. (1992). Simultaneous Determination of Insider Ownership, Debt, and Dividend Policies. J. Financ. Quant. Anal. 2(2),247-263.

36. Kalirajan, K., Singh, K. (2009). The Impact of Globalization on Employment Generation in India: The case of

emerging 'Big Shopping Malls and Retailers'. The Foundation for Advanced Studies on International Development in Tokyo ASARC Working Paper 2009/18.

37. Khoa, B.,T., Huynh, T.,T. (2022). Predicting exchange rate under uirp framework with support vector regression. Assessment, 1(2),13-29.

38. Kaserer, C., Moldenhauer, B. (2008). Insider ownership and corporate performance: evidence from Germany, RMS,3(2),19-31.

39. Khan, T. (2006). Company Dividends and Ownership Structure: Evidence from UK Panel Data. Econ. J. 1(1),72-89.

40. Kyereboah-Coleman, A. (2007). Corporate governance and firm performance in Africa: A dynamic panel data analysis. International conference on corporate governance in emerging markets. Sabanci University, Istanbul, Turkey, November.

41. Lewellen, J., & Lewellen, K. (2004). Taxes and financing decisions. AFA 2005 Philadelphia Meetings Paper.

42. Lin, C., Ma, Y., & Xuan, Y. (2011). Ownership Structure and Financial Constraints: Evidence from a Structural Estimation. J. Financ. Econ. 1(2), 416-431.

43. Love, I., & Rachinsky, A. (2007). Corporate governance, ownership and bank performance in emerging markets: evidence from Russia and Ukraine. Siteresources-worldbank. Working Paper, http:// siteresources.worldbank.org/DEC/Resources/Corporate_Governnace.

44. Mehari, D., & Tilahun, A. (2013). Firm Specific Factors that Determine Insurance Companies performance in Ethiopia. European Scientific Journal, 1(2), 10-25.

45. Memon, F., Niaz, A., B., & Ghulam, A. (2012). Capital structure and firm performance: A case of textile sector of Pakistan. Asian Journal of Business and Management Sciences,1(9), 9-15.

46. Maher, M., & Andersson, T. (1999). Corporate governance: effects on firm performance and economic growth. OECD.

47. Ntim, C.,G. (2009). Internal corporate governance structures and firm financial performance: Evidence from South African listed firms. Department of accounting and finance, University of Glasgow.

48. Onaolapo, A., A., & Sunday, O., K. (2010). Capital structure and firm performance: evidence from Nigeria. European Journal of Economics, Finance and Administrative Sciences, 2(5), 70-82.

49. Peng, M.,W. (2004). Outside directors and firm performance during institutional transition. Strateg. Manage. J. 2(5), 453-471.

50. Reddy, K. (2010). The relationship between corporate governance practices and financial performance in New Zealand: An empirical investigation. The University of Waikato.

51. Su, G., & Vo, H.,T. (2010). The relationship between corporate strategy,

capital structure and firm performance: an empirical study of the listed companies in Vietnam. Int. Res. J. Financ. Econ., 6(3), 14- 28.

52. Shiu, Y. (2004). Determinants of United Kingdom general insurance company performance. British Actuarial Journal ,10(5), 1079-1110.

53. Theis, J., & Casey, M. (1999). An empirical investigation of agency relationships and capital structure of property management firms in the UK. Journal of property investment and finance. MCB university press.

54. Ugurlu, M. (2000). Agency costs and corporate control devices in the Turkish manufacturing industry. Journal of economic studies. MCB university press.

55. Wahla, K., Shah, Z.,A, & Hussain, Z. (2012). Impact of ownership structure on firm performance. Evidence from non-financial listed companies at Karachi stock exchange. Eurojournals publishing Inc., 5(1),23-38.

56. Xu, Z.,M, Lai, J.,Y, & Zhang, C.,Y. (2016) Revisiting causal link between interest rate diferential and exchange rate of China and the United States: frequency domain approach. J Wuhan Univ, 6(9),74–83.

57. Yasser, Q.,R, Entebang, H., & Abu, M., S. (2011). Corporate governance and firm performance in Pakistan: the case of Karachi stock exchange . J. Econ. Int. Financ. 3(8),482-491.