

Determinants of Firm Financial Performance: An Empirical Investigation in Context of Public Limited Companies

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Abstract : In today's competitive environment, in order for a company to exist, it must continually improve its Performance by reducing cost, improving quality and productivity, and easy access to market. The purpose of this thesis is to check the firm financial growth and performance and which type of factors affect the firm financial performance. This paper examines the key determinants of firm financial performance. We will differentiate between financial and non financial drivers of the firm financial performance. For the measurement of the firm financial performance there are many ways but all the measure had been taken in aggregation, such as debt, tax rate, operating expenses, earning per share and economic conditions. This study has also been done in developed countries but these researches show that foreign companies face many difficulties in improving the firm financial performance. In findings we found that marketing expenditures and international diversification had a positive impact on firm valuation. In research also found that a firm's ownership composition, particularly the level of equity ownership by Domestic Financial Institutions and Dispersed Public Shareholders, and the leverage of the firm, tax rate and economic conditions were important factors affecting its financial performance.

Keywords : debt, tax rate, firm financial performance, operating expenses, dividend per share, economic conditions

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