The Effect of Firm's Specific variables on firms' financial performance: A Global Sectorial Analysis

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Abstract

This study investigated the impact of Corporate Diversification, investment, Capital structure, and dividend policies on a firm's financial performance. The dependent variables taken for measuring the financial performance of the firms included ROE, ROA, and Tobin's q. The independent variables were taken as investment, dividend as well as capital structure policies. Moreover, corporate diversification variables are represented by product diversification and geographic diversification. Other variables like the size of assets and the age of firms were taken as control. The hypothesis stated that divided policy, investment policy, and corporate diversification have a positive impact on a firm's financial performances and capital structure has a negative impact on a firm's financial performance. The data is collected from 10 multinational firms of different sectors. These firms are Bosch Pvt Ltd, Toyota Motors Ltd, Sanofi Aventis Pharmaceuticals Ltd, Pfizer Pharmaceuticals Ltd, Coca-Cola beverages Ltd, Pepsi Ltd, McDonald's Ltd, Nestle Ltd, Reckitt Benckiser Ltd, and Unilever Ltd. The firms' data are collected from 25 countries. The countries include Argentina, Australia, Austria, Brazil, Canada, China, Ecuador, France, Germany, India, Indonesia, Italy, Japan, Malaysia, Mexico, New Zealand, Peru, Romania, Spain, Switzerland, Thailand, Turkey, UAE, UK, and the USA. The data is examined annually from 2015 to 2019 in panel form. The regression analysis, descriptive statistics, correlation matrix, and ANOVA methods are used for the estimation, interdependency, and correlation between the variables. The results are based on sectorial analysis as the firms belong to the consumer, pharmaceutical, automobile, food, and FMCG sectors.

Keywords: *Firms specific, Financial performance, Corporate diversification, Financial structure, Control variables, Multinational firms, International countries, ROE, ROA, Tobin's q.*

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INTRODUCTION

Businesses needs to realize that how to get maximum profit with minimum risk. By exploring the international markets and opportunities provided to them they can easily globalized their products in the international markets. Corporate diversification system becomes significant for the extension and development of firms in cutthroat and dynamic conditions. The goal of corporate expansion is to expand benefit, portion of the overall industry, obligation limit, development opportunity, hazard decrease, and the need to utilize human and monetary assets proficiently (Afza et al. 2008). At the point when firms go for enhancement or diversification, they need additional capital or investment. Expanded firms need more obligation financing than non-diversified firms Lewellen (1971). The compelling monetary design augments the incentive for investors.

Changes in monetary or modern conditions empower the management to diversify their business (Phung and Mishra 2016). Most organizations to acquire benefit give their investors adequate pay in return. Profitability can basically be depicted as the action at which an association can capitalize on its accessible assets and resources effectively and proficiently, just as change them into extraordinary profits. Profitability benefit organizations with further developing their market environment by upgrading negative shocks and putting resources into further developing them (Devi A & Devi S, 2014) . According to Bobakova (2003), the management of an organization must realize a profit for carrying out every business.

In this challenged, competitive and globalized environment there is a need for survival and better financial performance of the sectors. Therefore businesses has to diversify and introduce different products and services in the different markets. The financial structures are of three types in the finance theory: investing, financing, and dividend policies (Zulkafli et al. 2015)

Financial performance is usually measured through return on assets (Nawaz, Salman and Shamsi, 2015) and return on equity (Taani k, 2013) and Tobin's q (Rashid, Ahmed and Irfan, 2019). (Nicoleta Bărbut,ă-Misu, Mara Madaleno and Vasile Ilie, 2019) investigate how financial variables and exogenous crises influence firms' financial performance, and how these factors may help managers in decision-making to increase their firm's wealth. In the growing economies organizations are expected to distinguish critical commitment and their success is one of the most relevant apprehensions for many business stakeholders such as investors, creditors, workers, vendors and governments (Bhayani, 2010; Madrid, Auken & Perez, 2007). A decent capital structure empowers a business venture to use the accessible assets completely. An appropriately planned capital structure guarantees the assurance of the monetary necessities of the firm and raise the assets in such extents.

1.1 Problem Statement

In this study the author aims to examine the dividend policy, investment policy, corporate diversification and capital structure effect on firm's financial performance. Dividend policy of an organization are significant elements that

numerous investors think about when concluding what stocks to put resources into. Dividends can assist investors with procuring an exceptional yield on their venture, and an organization's dividend policy is an impression of its monetary presentation. An organization's dividend strategy directs the measure of dividends paid out by the organization to its investors and the recurrence with which the dividends are paid out. At the point when an organization creates a gain, they need to settle on a choice on how to manage it. This research studies that they can either hold the benefits in the organization (held income on the monetary record), or they can appropriate the cash to investors as dividend. Corporate diversification leads to success but sometimes they are in relatable that's because there is a reason that not every business can diversify accordingly. Diversification is a corporate strategy to enter into a new products or product lines, new services or new markets, involving substantially different skills, technology and knowledge. Diversifying into new business areas not only gives you the opportunity to significantly increase your income, but it also protects you in the event your core business takes a temporary or long-term nosedive.

Capital structure maximizes the company's market price of share by increasing earnings per share of the ordinary shareholders. It also increases dividend receipt of the shareholders. But some financial and investing decisions could damage its reputation. The main issue is the debt ratio The higher the debt content in the capital structure of a company, the higher will be the risk of variation in the expected earnings available to equity shareholders. Capital structure relates to how much money—or capital—is supporting a business, financing its assets, and funding its operations.

This research which be helpful in analyzing the concepts of corporate diversification, investment policy, dividend policy and capital structure by relating them with the firm's financial performance. The firm's policies will be well defined and elaborative and the global study will make it more effective and reachable.

Gap Analysis

Benito, Colino, Guerras-Martín, & Vicente (2020) investigated the individual impact of geographical diversification and its effect combined with product diversification on small and medium-sized enterprises' (SMEs) performance. The results explained that geographic diversification and financial performance of the firms are positively significant. However, study targeted only SME's on international level as our study targeted multinational large scale firms. Prada, Pablo, Rodríguez, María & Romero, Desiderio. (2018) also studied the effect of product and geographic diversification on company performance. They found out that that geographic diversification is an effective and prized strategy in economic recessions, when the company has enough geographical existence. However, this study fall short in explaining the effect of international diversification.

Karim, M., & Rashid, A. (2021) studied the impact of equity liquidity, firm investment and financial performance: an assessment of the role of financial development. The results stated that increased financial performance decreases reduces the

investment-favoring and performance enhancing role of equity liquidity. Bindu, C. (2021) studied the impact of capital structure on financial performance of two and three wheeler companies in India. The results revealed that capital structure has a negative influence on the financial performance of these companies. Rahman. A (2018) investigated the effect of dividend policy on firm's performance in cement sector of Pakistan. The results stated that a significant positive relationship between earning per share EPS and return-on-equity R.O.E was found. NG'ANG'A CAROLINE NDUTA (2016) studied the effect of dividend policy on financial performance of firms listed on the Nairobi securities exchange. The results stated that the relationship between firm financial performance and dividend policy is positive. However, the above mentioned studies were country based case studies and can be influenced by country specific factors.

There is a significant gap in the empirical literature relating to the dividend policy, investment policy, capital structure and corporate diversification subjects of enterprises in global settings. This study will fill that gap as most of the studies targeted only limited firms and countries. But this study targets many firms and countries of different economical statuses.

1.3 Research Objectives

The research objectives of the study has four aims. One is to find the relationship between dividend policies and firms financial performance. The second one is to find the impact between capital structure and the firm's financial performances. The third one is to find the association between corporate diversification and the firm's financial performances. The fourth one is to find the effective relationship between investment policy and the firm's financial performance. The main objective of the study is to find the effect of corporate diversification, investment, capital structure and dividend policies on firms' financial performance or profitability.

The data is collected from 10 multinational firms of different sectors. These firms are Bosch Pvt Ltd, Toyota Motors Ltd, Sanofi Aventis Pharmaceuticals Ltd, Pfizer Pharmaceuticals Ltd, Coca cola beverages Ltd, Pepsi Ltd, McDonalds Ltd, Nestle Ltd, Reckitt Benckiser Ltd and Unilever Ltd. The firms' data are collected from 25 countries. The countries includes Argentina, Australia, Austria, Brazil, Canada, China, Ecuador, France, Germany, India, Indonesia, Italy, Japan, Malaysia, Mexico, New Zealand, Peru, Romania, Spain, Switzerland, Thailand, Turkey, UAE, UK and USA. The data is examined annually from 2015 to 2019 in panel form.

Research Question
Does corporate diversification positively affects the firm's financial performance?
Does Capital structure negatively affects the firm's financial performance?
Does Dividend policy positively affects the firm's financial performance?
Does Investment policy positively affects the firm's financial performance?

1.5 Significance

This study focused on the removing the gaps faced by the organizations in making financing and investing decisions on a global scale. The study contains variables which defines the relationship between profitability and the investing, financing and diversification policies among the global environments. The sectorial analysis defines the overall impact of profitability on the different sectors the industries represents which includes consumer, automobile, pharmaceutical, fmcg and food. The shifting outcomes are the reasons of various situation and monetary state of the individual nations. For the most part, the outcomes propose that diversification further develops firms' financial performance yet there is a need of proper administration of broadening choices as pointless expansion can prompt a lessening in firms' financial performance. The capital structure showed huge effect on firms' financial performance which proposes that there is need for a compelling blend of obligation and value to diminish the capital expense, which can expand the productivity, and worth of the organizations.

LITERATURE REVIEW

Many theoretical approaches are introduced in the market to measure the relationship between the financial performance and firm's specific variables. These are divided into industrial theory approaches and resource-based approaches. Spearheading works in this field focusing on industry impacts on one hand or firm-explicit consequences for the other hand as key execution determinants, enlivened different scientists to give a more complete view on the issue (Hanggraeni et al., 2019). McGahan and Porter (2002), critically ascribed who have with the end goal of their review utilized a broad data set covering all areas inside the United States. They demonstrated firm-explicit variables to impact business execution all the more altogether and extraordinarily in contrast with modern elements. Simultaneously, it was observed that the significance of individual impacts on execution shifts across areas. A few ongoing investigations have additionally affirmed the pervasiveness of the firm-explicit factors in impacting business execution.

In present period, economy of a nation should be image of progress and improvement. How monetary and non-monetary establishments are performing is of main point of contention of premium for market analysts, investors, financial backers, specialists, and strategy creators. Firm performance is a financial classification that mirrors the capacity of firms in utilizing HR and material assets to accomplish the objectives of the firm (Le, 2005). Firm performance is additionally to consider the proficiency of utilizing business implies during the creation and utilization process. Firm execution shows the connection between the results and information assets utilized during the time spent business tasks of undertakings (Truong and Tran, 2009).

To address challenges and make due in the business sectors, firms settle on diversification choices. The organizational management choose whether to go for related or disengaged diversification. In case firms settle on related expansion, that gives great result and diminishes all out hazard. However, if management goes for disengaged diversification, it may impact negatively on firm value. A corporate

diversification strategy deals with expansion of the business and offers a profit maximization approach for the firm. The modern portfolio theory of Markowitz (1952) states that diversification in various investment projects leads to minimize risk and maximize expected return.

The studies states that diversification is significant and can possibly build the organizations' monetary exhibition. Accordingly, the effect of expansion on the organizations' monetary exhibition relies upon its compelling management.

When making diversification decisions, firms consider financial structure is a significant factor which affects the firms' financial performance. Financial structure decision is very critical decision with great implications for the firm's performance. Legitimate administration of financial choices (speculation, financing, working capital, and profit strategy) is fundamental for the organizations' financial exhibition (Butt et al. 2010).

Geographically diversified firms have higher R&D expenditures, advertising expenses, operating income, ROE and ROA than industrially diversified firms. (Kim and Mathur, 2008) find this out. Furthermore, higher R&D consumptions make an incentive for multi-portion worldwide firms, however not for single-fragment worldwide firms. This outcome suggests that there exists a communication impact among modern and geographic diversification.

(Modigliani and Miller 1964) recommend that with an expansion in assessments and deductible interest expenses, a firm favors debt financing rather than equity financing. At first they disagree that capital structure affects financial performances of firms but later they think about the impacts of expense safeguard and capital market defect. They overhaul their contentions and clarify that capital structure affects financial performances of the firms. (Nasser J. 2016) investigated the impact of capital structure on the financial firm performance of industrial companies in Turkey. The results indicated that capital structure has a negatively significant impact on firm's financial performances. (Mumtaz 2013, Zadeh 2012, Ahmad 2012 and Onaolapo and Kajola 2010), also defined the negative relationship between capital structure and financial firm performance. The negative impact of capital structure on the firms' financial performance confirms the Pecking Order Theory of (Myers and Majluf 1984) which explains that when firms go for more debt financing, they earn less profit. (Ngoc Bao Vuong, Trang Thi Quynh Vu and Payel Mitra 2017) studied the impact of capital structure on firm's financial performance: evidence from United Kingdom. Capital structure ratios are used and results indicated a negative relationship with firm's financial performance. (Rashid, H. A., & Bilal, A. R. 2020) also confirms this.

Dividend policy affects firm's financial performance or not this discussion is so vast the literature tries to cover it. (Ali et al. 2015) discovers that dividend policy positively affects the firm's financial performance. (Hunjra 2018) proves a significant role of dividend payments towards the firm's financial performance. It define that dividend is less risky as compared to capital gain. Therefore, investors prefer dividend instead of receiving capital gain. This means that dividend payments increase the value of

the firm. (KANAKRIYAH, Raed, 2020) studies the association between dividend policy and a corporation's financial performance in emerging countries, as well as the have an effect on financial performance of the firm's. The study's conclusion is that dividend policy has a statistically significant impact on company financial performance. (Nduta and Caroline, 2016) examines the effect of dividend policy on financial performance of firms listed on the Nairobi securities exchange. The results also indicated a significant positive relationship between dividend policy and firm's financial performance. (Das, P. K. 2020) evaluate the impact of dividend policy on financial performance of selected companies registered in Bombay Stock Exchange. The result indicates a positive but low dividend payout ratio.

(Titman et al. 2004) and (Cooper et al. 2008) state investment decision has a negative impact on financial performance. The organizations having an interest in fixed assets are more opposed to have liquid assets. Accordingly, firms having more liquid assets are probably going to exploit ordeal speculation openings.

Some of the control variables are also used in the study such as size and age. Firm size has a positive impact on the firm's financial performance (Titman and Wessels 1988); (Frank and Goyal 2003); (Hunjra et al. 2014). (Md. Sumon Hossain & Abu Naser Mohammad Saif, 2019) conducts a study on impact of firm size on financial performance of firms. The listed firms from Dhaka stock exchange were taken. The results indicated that firm size has positive significant impact on firm's financial performance and the age has a negative insignificant impact on the financial performances of the firms.

2.1 Theoretical Framework

2.1.1 Dividend Policy:

Dividend policy implies how much money is appropriated to investors. Dividend policy is not really set in stone through two significant components, one is the choice to deliver profits to investors and the other is to hold the benefits to reinvest them in later undertakings. The organization is answerable for adjusting the need to augment the abundance of the organization's proprietors with the need to give adequate assets to fund development projects, which is a significant job that goes about as a component to control regulatory advantage.

Modigliani – Miller theory was proposed by Franco Modigliani and Merton Miller (1961). They were the originators in recommending that profits and capital gains are comparable when an investor thinks about profits from venture. The main thing that impacts the valuation of an organization is its profit, which is an immediate consequence of the organization's venture strategy and future possibilities. When the investment policy is known to the investor, he won't require any extra contribution on the historical dividends of the organization. The investment decision is dependent on the investment policy of the company and not on the dividend policy.

This theory likewise accepts that dividends are insignificant by the exchange contention. By this rationale, the dividends dissemination to investors is

counterbalanced by outer financing. Because of the dissemination of dividends, the cost of the stock reductions and will invalidate the increase made by the investors on account of the dividends.

On the other hand, the Residual Theory of Dividends states that dividend will be paid if the company has residual net income after meeting the funding needed for a profitable investment for the company (Gitman & Zutter, 2014). Along with the residual dividend policy a business holds no abundance cash at some random moment. All extra money should be either reinvested in the business or reallocated among the investors.
Flaws in the capital market make it uncommon for an organization to follow an unadulterated leftover dividend policy. Most organizations rather follow smooth dividend policies that call for dividends that show some connection with the businesses over a wide span of time income.

2.1.2 Pecking Order Theory:

The pecking order theory states that managers display the following preference of sources to fund investment opportunities: first, through the company's retained earnings, followed by debt, and choosing equity financing as a last resort.

Stefano Caselli, Giulia Negri (2021) stated that companies prioritize their sources of financing (from internal financing to equity) and consider equity financing as a last resort. Internal funds are used first, and when they are depleted, debt is issued. When it is not prudent to issue more debt, equity is issued. This theory maintains that businesses adhere to a hierarchy of financing sources and prefer internal financing when available, and debt is preferred over equity if external financing is required.
Murray Z. Frank, Vidhan K. Goyal (2008) stated that pecking order theory comes from Myers (1984), who in turn was influenced by the earlier institutional literature, including the book by Donaldson (1961). Myers (1984) argues that adverse selection implies that retained earnings are better than debt and debt is better than equity. This ranking was motivated with reference to the adverse selection model in Myers and Majluf (1984). The ordering, however, stems from a variety of sources, including agency conflicts and taxes.

2.1.3 Internal Funds Investment Theory

This theory defines that the desired capital stock and, hence, investment depends on the level of profits. Several explanations have been offered. Jan Tinbergen, for example, has argued that realized profits accurately reflect expected profits. Since investment presumably depends on expected profits, investment is positively related to realize profits. Alternatively, it has been argued that managers have a decided preference for financing investment internally.

Dale Jorgenson (1967) stated that policies intended to build profits straightforwardly are probably going to be the best. These policies helps in decreasing the corporate personal expense rate, permitting firms to devalue plant and equipment all the more quickly, in this manner diminishing their available pay, and permitting investment

tax reductions, a gadget to lessen firms' tax liabilities.

Neo classical theory stated that desired capital stock is determined by output and the price of capital services relative to the price of output. The price of capital services depends, in turn, on the price of capital goods, the interest rate, and the tax treatment of business income. As a consequence, changes in output or the price of capital services relative to the price of output alter the desired capital stock, hence, investment.

Nicholas Kaldor (1908-1986), a Hungarian-born Cambridge economist in the post-war period, introduced the concept of Tobin's Q in an article – (1966) Marginal Productivity and the Macro-Economic Theories of Distribution: Comment on Samuelson and Modigliani – published in the Review of Economic Studies.

The letter 'Q' did not appear in the term until Tobin's article a year later – A General Equilibrium Approach to Monetary Theory – published in the Journal of Money, Credit and Banking. The results shows us that stock price movements will be reflected in consumption and investment changes. However, empirical evidence has revealed that Tobin's discoveries are not as tight as one would have expected. This is mainly because companies do not blindly base their decisions regarding fixed investments on movements in the stock price, rather they examine the current value of expected profits and future interest rates.

2.1.4 Agency Theory

Agency encounters have often been noticed as a cause for diversification strategies. Some studies relate corporate diversification to managers' growth preferences, while others focus on the risk-return trade-off between owners and managers. Agency theory suggests that managers' objectives might wander from profit enlargement. Diversification allows managers to achieve goals that are unrelated to firm performance i.e. growth in physical size and risk-reduction.

2.2 Hypothesis Development

Xiaorong Li & Kami Rwegasira (2008) examines diversification and corporate performance relationship in the framework of agency theory. The finding is also inconsistent with the notion that managerial discretion contributes to the diversification decision and results in discount firm value. The robustness test confirms these results after controlling for other firm level variables. The conclusion stated that the understanding in Western literature about diversification performance provided by the agency theory may not be automatically applicable to the case of China's companies, and a highly diversified corporate practice could still be beneficial in China.

H1: Corporate diversification have a significant and positive affect on the firm's financial performance

Some theories stated a positive relationship between capital structure and firm's

financial performance and some stated a negative relationship. Yat Hung et al. (2002); Salim and Yadav (2012) find a negative impact of capital structure on the firms' financial performance because the increase in leverage enhances the chances of bankruptcy cost which in turn decreases financial performance. Safieddine and Titman (1999) stated a positive impact of debt financing on the firms' financial performance. Gleason et al. (2000), capital structure and firms' financial performance have a negative relationship.

H2: Capital structure have a significant and negative affect on the firm's financial performance

Different results are seen in the studies that defines that a dividend policy has positively affected the firm's financial performance. Butt et al. (2010); Ali et al. (2015) find that dividend policy positively affects the
firm's financial performance. Dividends should be provided to shareholders from the company as a good gesture resulting more shares purchasing.

H3: Dividend policy have a significant and positive affect on the firm's financial performance

Nghia Nguyen Trong, Cong Thanh Nguyen (2020). The research finds that overinvestment is negatively associated with firm performance. Debt or dividend policy separately can moderate the negative effect of overinvestment on firm performance. This means that investment should be in balance mode. Overinvestment would make it negative and firm's financial performance will also be decreased.

H4: Investment policy have a significant and positive affect on the firm's financial performance

Firm size has positive or negative affect on firm's financial performance. Meiryani, Jajat, Olivia and Zaidi (2020) studies the effect of firm's size on corporate performance. The results indicated that firm size has no effect on the corporate performances of the firms. While on the other hand larger firm size indicates that the company is experiencing growth and the financial market will respond positively to that. Dewi, Y. T. & Hatane, S. E. (2015).

Mallinguh, Wasike and Zoltan (2020) conducted a study on the business sector, firm age, and performance: the mediating role of foreign ownership and financial leverage. The results stated that except for ownership, the business sector, firm age, foreign ownership level, and financial leverage significantly influence performance. Firms' performance improves with age. The more the businesses ages, more their productivity, profitability, and equity ratios increases and their debt ratios decreases.
H5: The control variables such as firm size and age has a significant and positive affect on firm's financial performance

METHODOLOGY

DATA:

In this study secondary data has been used. Ten multinational firms are selected from different industrial sectors such as consumer, automobile, pharmaceuticals, food and fmcg. These firms are Bosch Pvt Ltd, Toyota Motors Ltd, Sanofi Aventis Pharmaceuticals Ltd, Pfizer Pharmaceuticals Ltd, Coca cola beverages Ltd, Pepsi Ltd, McDonalds Ltd, Nestle Ltd, Reckitt Benckiser Ltd and Unilever Ltd. The firms' data are collected from 25 international countries. These countries includes Argentina, Australia, Austria, Brazil, Canada, China, Ecuador, France, Germany, India, Indonesia, Italy, Japan, Malaysia, Mexico, New Zealand, Peru, Romania, Spain, Switzerland, Thailand, Turkey, UAE, UK and USA. The data is examined annually from 2015 to 2019 in panel form. The data is collected from the annual reports of the firms.

3.1. Graphical Analysis
BOSCH PVT LTD
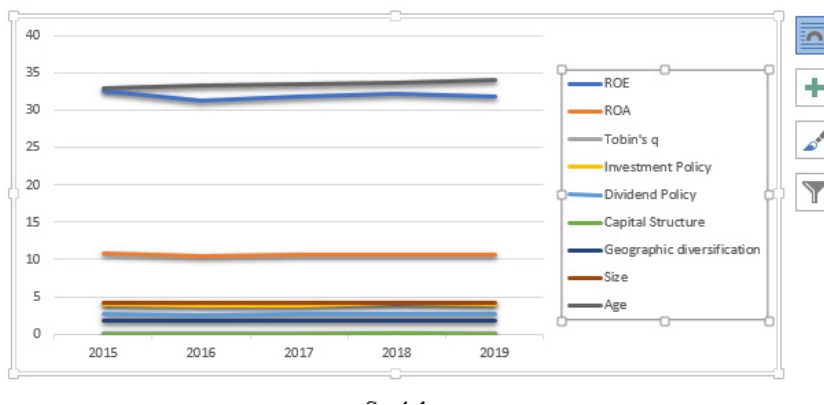
Graph 1

TOYOTA MOTORS LTD
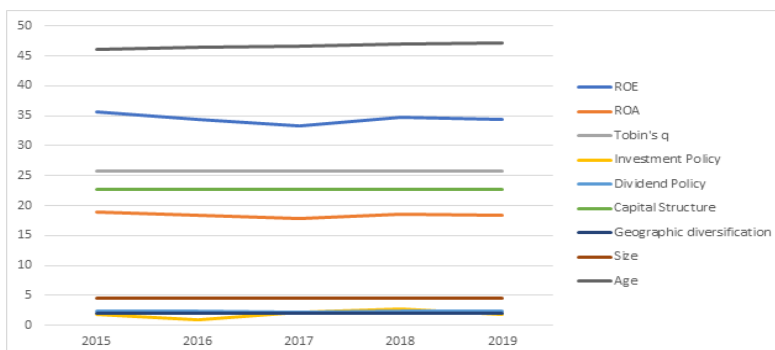
Graph 2

Pfizer Pharmaceuticals Ltd
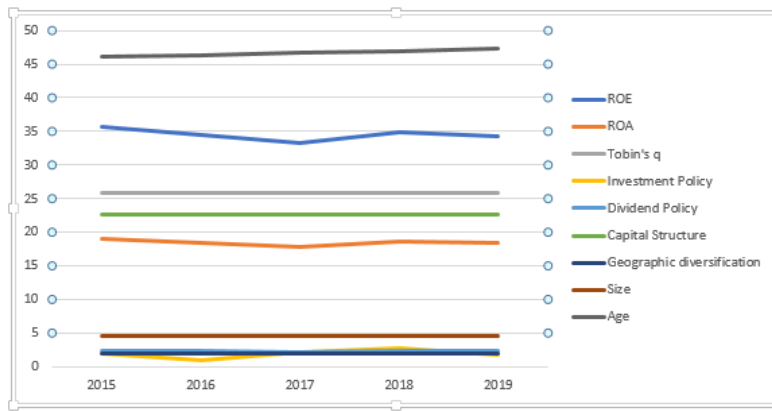
Graph 3

Sanofi Aventis Pharmaceuticals Ltd
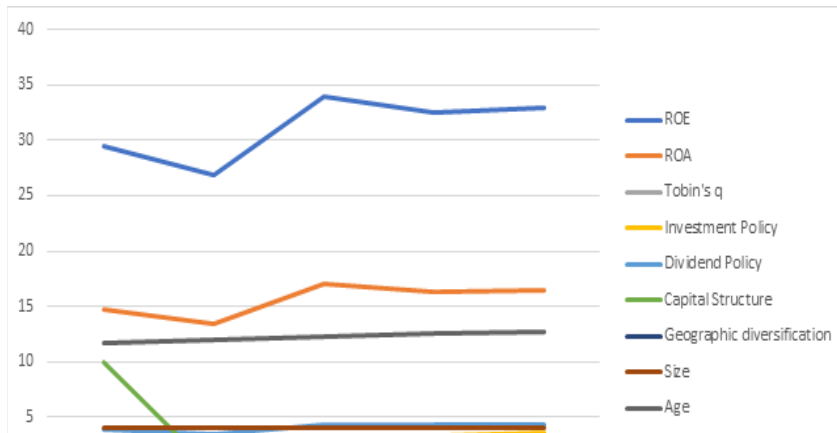
Graph 4

Coca Cola Beverages Pvt Ltd
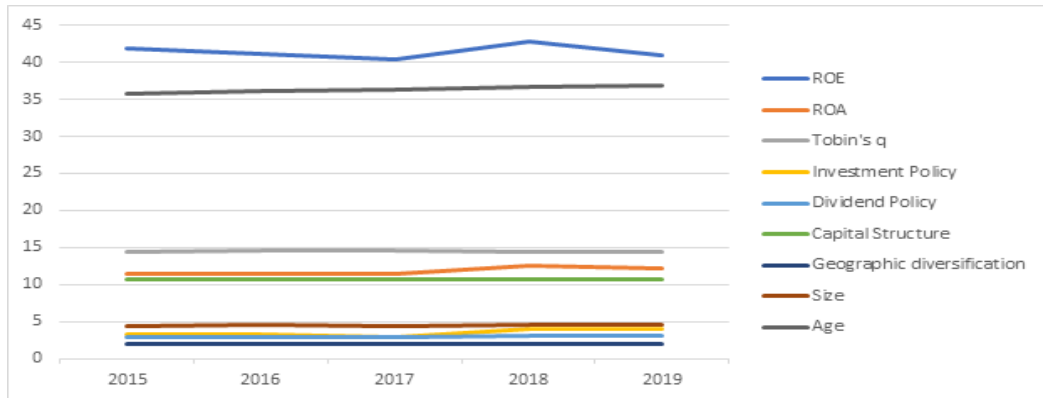
Graph 5

McDonalds Pvt Ltd
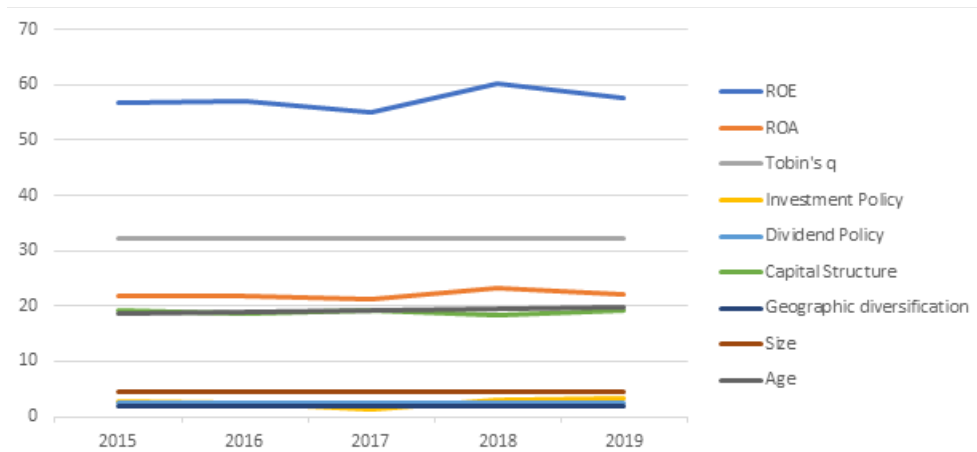
Graph 6
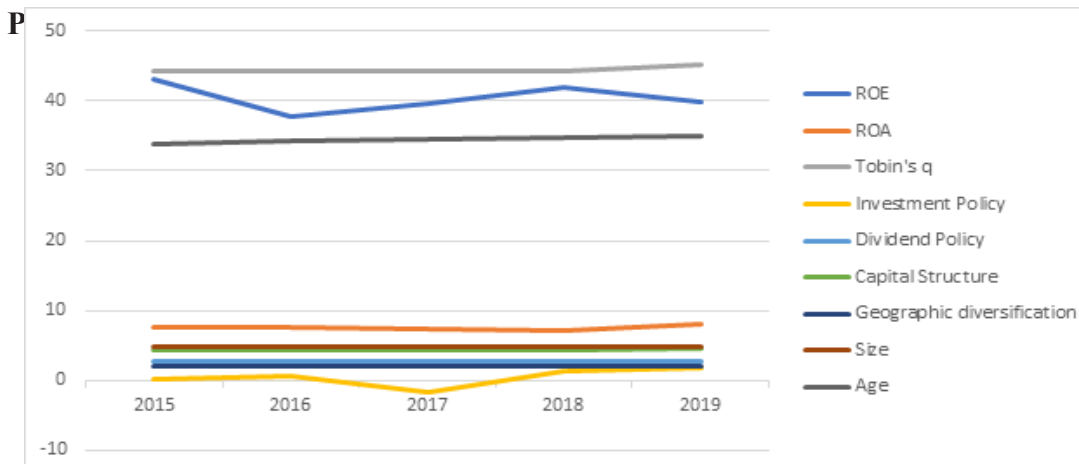
Graph 7

Nestle Pvt Ltd
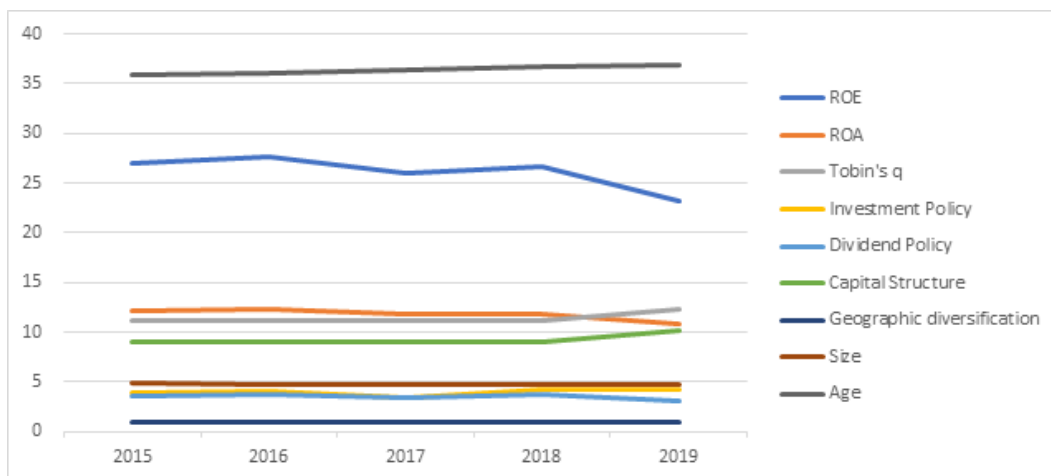
Graph 8
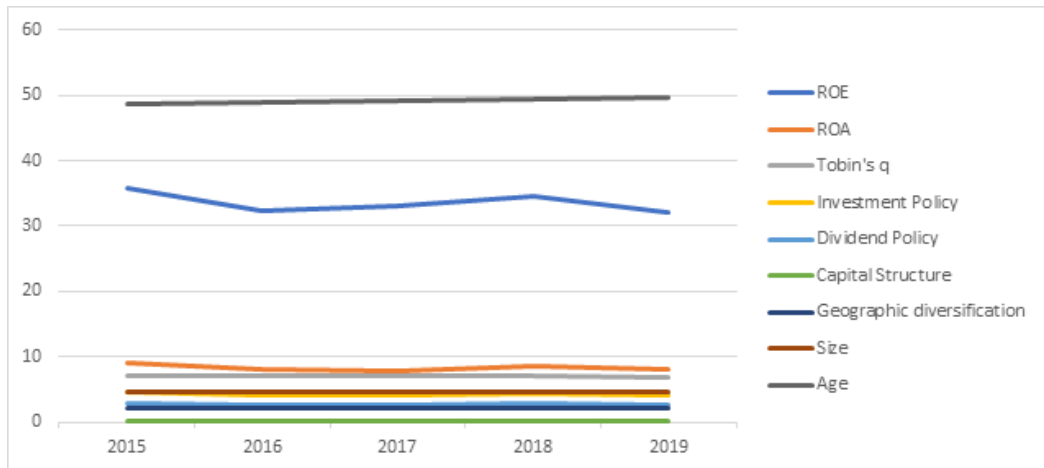
Graph 9

Unilever Pvt Ltd
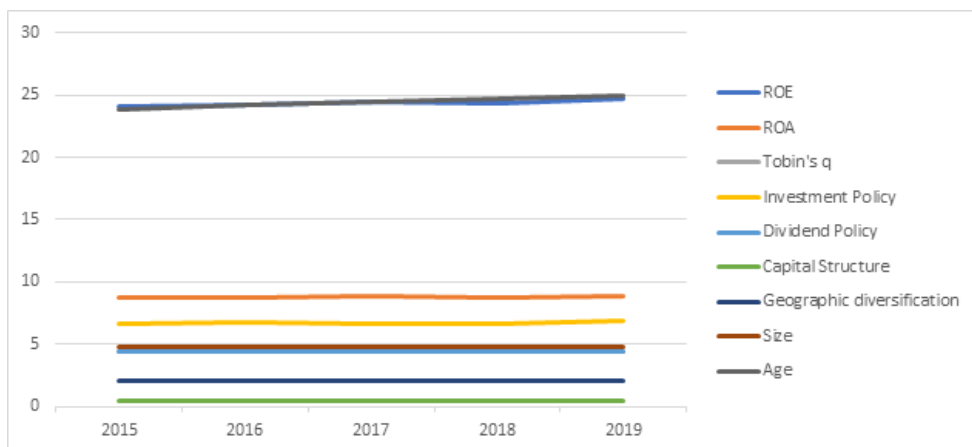
Graph 10

The above graphs shows the trend analysis of the 10 firms used in the study. The time series is on x axis and the firm specific variables such as ROE, ROA, Tobin's q, Investment policy, Dividend policy, Capital structure, Geographic diversification, size and age.

MODELLING FRAMEWORK:

We use the following equations to analyze the results:

$ROE_{i,t} = \beta1\_SIZE_{i,t} + \beta2\_AGE_{i,t} + \beta3\_INVPOL_{i,t} + \beta4\_DIVPOL_{i,t} + \beta5\_CPTLSTR_{i,t} + \beta6\_PD_{i,t} + \beta7\_GD_{i,t} +, \varepsilon$ ……. (1)

$ROA_{i,t} = \_\beta1\_SIZE_{i,t} + \beta2\_AGE_{i,t} + \beta3\_INVPOL_{i,t} + \beta4\_DIVPOL_{i,t} + \beta5\_CPTLSTR_{i,t} + \beta6\_PD_{i,t} + \beta7\_GD_{i,t} +, \varepsilon$ ……. (2)

$Tobin's\ q_{i,t} = \beta1\_SIZE_{i,t} + \beta2\_AGE_{i,t} + \beta3\_INVPOL_{i,t} + \beta4\_DIVPOL_{i,t} + \beta5\_CPTLSTR_{i,t} + \beta6\_PD_{i,t} + \beta7\_GD_{i,t} +, \varepsilon$ ……. (3)

The dependent variables are defined as, "ROE" represents return on equity of the firms, "ROA" represents return on assets of the firms, "Tobin's q" represents the ratio of the market value of equity plus book value of the liabilities divided by the book value of assets of the firms. The independent variables are defined as, "SIZE" represents natural log of total assets, "AGE" represents age difference of starting time and existing time of the firm, "INVPOL" represents change in the investment in fixed assets, "DIVPOL" represents dividend per share, "CPTLSTR" represents total debts to total assets ratio, "PD" represents product diversification, "GD" represents geographic diversification means foreign sales to total sales ratio and "ε" represents fixed error term. Table 3.2 defines the summary of the variables with their references.

Study Issue	Varaible	Symbols	Definition	References
	Return on assets	ROA	Net income Available to Common Shareholders/Book value of assets	Afza et al. (2008); Iqbal et al. (2012)
Firms Financial Performance	Return on equity	ROE	Net income/Shareholders equity	Afza et al. (2008); Iqbal et al. (2012)
	Tobin's q	TQ	The market value of equity plus book value of liabilities divided by book value of Assets	Wernerfelt (1997); Afza et al. (2008)
Corporate Diversification	Product Diversification	PD	Value 1, if a firm operates in more than one product, otherwise 0.	Afza et al. (2008);
	Geographic Diversification	GD	Foreign sales divided by Total sales.	Schmid & Walter (2012)

Financial structure	Investment Policy IP	I N V POL	Change in Investment in Fixed Assets	Aivazian et al. (2005)
	Capital Structure	C P T L - STR	Total debts divided by total assets	Bhaduri (2002)
	Dividend Policy	D I V POL	Total dividends paid out in a year/out-standing common shares	Oloidi and Adeyeye (2014)
Control Variables	Size	SIZE	Natural Log of Total Assets	Hunjra et al. (2014)
	Age	AGE	Difference between the year in which the firm starts and the year in which the firm exists in the sample	Muritala (2012); Hunjra et al. (2014)

Table 3.2 Variables Summary

EMPIRICAL ANALYSIS
Different procedures are selected to estimate the resultant in the positive assurance of the literature and the problem.

ANOVA
This test compares the means of groups in order to determine if there is a difference between them. (Mouhamadou Thile Sow) used ANOVA to Examine the Relationship between Safety & Security & Human Development.

BOSCH PVT LTD (Consumer Sector)

Countries	ROE Mean	ROE Std. Dev.	ROA Mean	ROA Std. Dev.	Tobin's q Mean	Tobin's q Std. Dev.	Size Mean	Size Std. Dev.	Age Mean	Age Std. Dev.	Geographic div. Mean	Geographic div. Std. Dev.	Product Div. Mean	Product Div. Std. Dev.	Capital Structure Mean	Capital Structure Std. Dev.	Investment Pol Mean	Investment Pol Std. Dev.	Dividend Pol Mean	Dividend Pol Std. Dev.
ARGENTINA	51.552	9.635783	17.184	3.211928	0.001	5.10E-11	4.46308	0.030001	131	1.581139	0.02	1.06E-07	1	0	0.000445	3.31E-05	3.104	0.214313	4.14	0.736614
AUSTRALIA	43.368	8.33918	14.456	2.779727	0.001	5.57E-11	4.80094	0.014277	131	1.581139	0.02	1.55E-18	1	0	0.001054	8.57E-05	9.562	1.795291	3.576	0.725693
AUSTRIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BRAZIL	30.816	1.296333	10.272	0.432111	0.001	6.24E-11	4.59258	0.022297	131	1.581139	0.02	6.91E-08	1	0	0.00049	2.72E-05	4.178	0.215801	2.612	0.135167
CANADA	23.376	1.296333	7.792	0.432111	0.001	1.14E-10	4.475	0.02917	131	1.581139	0.02	1.11E-07	1	0	0.000685	5.15E-05	3.19	0.212955	1.992	0.135167
CHINA	31.152	1.245921	10.384	0.415307	0.001	5.68E-11	4.59712	0.022068	131	1.581139	0.02	6.84E-08	0	0	0.000516	2.85E-05	4.224	0.214313	2.64	0.132665
ECUADOR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FRANCE	41.136	1.296333	13.712	0.432111	0.001	4.87E-11	4.71646	0.016784	131	1.581139	0.02	6.18E-08	1	0	0.000582	2.47E-05	5.556	0.217094	3.472	0.135167
GERMANY	33.216	1.296333	11.072	0.432111	0.001	3.83E-11	4.62502	0.020688	131	1.581139	0.02	6.54E-08	1	0	0.000484	2.50E-05	4.504	0.214313	2.812	0.135167
INDIA	31.752	1.245921	10.584	0.415307	0.001	3.83E-11	4.60532	0.021639	131	1.581139	0.02	8.00E-08	1	0	0.000445	2.39E-05	4.304	0.214313	2.69	0.132665
INDONESIA	40.896	9.59002	13.632	3.196673	0.001	9.67E-11	4.1955	0.055261	131	1.581139	0.02	2.19E-07	1	0	0.000459	6.32E-05	1.684	0.214313	3.252	0.732987
ITALY	32.352	1.245921	10.784	0.415307	0.001	7.73E-11	4.41548	0.033452	131	1.581139	0.02	1.25E-07	1	0	0.000605	5.15E-05	2.784	0.214313	2.74	0.132665
JAPAN	41.232	1.245921	13.744	0.415307	0.001	3.98E-11	4.71758	0.016756	131	1.581139	0.02	6.38E-08	1	0	0.000416	1.71E-05	5.57	0.212955	3.48	0.135167
MALAYSIA	33.216	1.296333	11.072	0.432111	0.001	3.77E-11	4.62464	0.020713	131	1.581139	0.02	7.39E-08	1	0	0.000477	2.46E-05	4.498	0.215801	2.812	0.135167
MEXICO	34.416	1.296333	11.472	0.432111	0.001	5.51E-11	4.63998	0.020002	131	1.581139	0.02	8.63E-08	1	0	0.000503	2.51E-05	4.66	0.212955	2.912	0.135167
NEW ZEALAND	31.392	1.245921	10.464	0.415307	0.001	6.50E-11	4.60048	0.021906	131	1.581139	0.02	8.42E-08	1	0	0.000542	2.99E-05	4.256	0.217094	2.66	0.132665
PERU	31.392	1.245921	10.464	0.415307	0.001	1.18E-10	4.39546	0.035013	131	1.581139	0.02	1.36E-07	1	0	0.000675	6.09E-05	2.658	0.215801	2.66	0.132665
ROMANIA	32.232	4.221886	10.744	1.407295	0.001	5.61E-11	4.46092	0.030148	131	1.581139	0.02	1.13E-07	1	0	0.000487	3.66E-05	3.088	0.215801	2.53	0.421426
SPAIN	31.776	1.296333	10.592	0.432111	0.001	5.69E-11	4.60572	0.021639	131	1.581139	0.02	7.99E-08	1	0	0.000527	2.86E-05	4.306	0.217094	2.692	0.135167
SWITZERLAND	32.832	1.245921	10.944	0.415307	0.001	4.97E-11	4.61952	0.020969	131	1.581139	0.02	7.78E-08	1	0	0.000622	3.32E-05	4.446	0.217094	2.78	0.132665
THAILAND	44.568	1.27731	14.856	0.42577	0.001	5.46E-11	4.75064	0.015509	131	1.581139	0.02	4.94E-08	1	0	0.000616	2.43E-05	6.008	0.215801	3.758	0.135536
TURKEY	30.096	1.296333	10.032	0.432111	0.001	4.84E-11	4.58284	0.022803	131	1.581139	0.02	8.10E-08	1	0	0.000556	3.19E-05	4.086	0.217094	2.552	0.135167
UAE	17.832	1.245921	5.944	0.415307	0.001	6.46E-11	4.35988	0.037965	131	1.581139	0.02	1.18E-07	1	0	0.000445	4.20E-05	2.45	0.212955	1.53	0.132665
UK	38.256	1.296333	12.752	0.432111	0.001	2.96E-11	4.70106	0.0174	131	1.581139	0.02	6.33E-08	1	0	0.000446	1.92E-05	5.364	0.214313	3.35	0.132665
USA	39.672	1.245921	13.224	0.415307	0.001	3.15E-11	4.6854	0.01803	131	1.581139	0.02	6.66E-08	1	0	0.000458	2.05E-05	5.174	0.214313	3.232	0.135167
All	31.94112	12.04311	10.64704	4.014371	0.00092	0.000272	4.209225	1.253663	120.52	35.70841	0.0184	0.005448	0.88	0.326269	0.000501	0.000198	3.98616	1.939553	2.67496	0.992984
F-Value	57.67		57.67		1.05E+14		12883.63		2860.16		1.82E+08		NA		142.31		110.42		55.75	
P-Value	0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	

Table 3.3 a

Table 3.3 a

Table 3.3 a shows that the effects of all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 57.67, ROA value is 57.67 and Tobin's q value is 1.05E+14.

TOYOTA MOTORS (Automobile Sector)

Countries	ROE Mean	ROE Std. Dev.	ROA Mean	ROA Std. Dev.	Tobin's q Mean	Tobin's q Std. Dev.	Size Mean	Size Std. Dev.	Age Mean	Age Std. Dev.	Geographic div. Mean	Geographic div. Std. Dev.	Product Div. Mean	Product Div. Std. Dev.	Capital Structure Mean	Capital Structure Std. Dev.	Investment Pol Mean	Investment Pol Std. Dev.	Dividend Pol Mean	Dividend Pol Std. Dev.
ARGENTINA	18.022	13.06234	8.092	0.054037	1.733563	1.55E+00	7.695916	0.002786	80	1.581139	0.001994	1.57E-04	1	0	0.545264	7.49E-02	1.817184	0.136693	3.466	2.511699
AUSTRALIA	18.632	2.059325	11.952	2.245556	1.473413	8.17E-02	7.728791	0.006561	80	1.581139	0.005375	1.69E-03	1	0	0.608739	1.01E-02	2.379313	0.869317	3.446	0.142408
AUSTRIA	20.842	7.554344	11.06	0.056569	1.971365	0.991494	7.824711	0.002069	80	1.581139	0.003663	0.00116	1	0	0.548647	0.054646	1.711286	0.099511	4.008	1.452539
BRAZIL	17.306	13.07537	9.908	0.0502	1.728126	1.88E+00	7.779082	0.002299	80	1.581139	0.002989	4.74E-04	1	0	0.671938	6.17E-02	1.504947	0.221131	3.328	2.514233
CANADA	26.198	18.49242	5.404	0.058992	3.267392	2.84E+00	7.533513	0.004056	80	1.581139	0.001937	2.77E-04	1	0	0.62618	1.13E-01	1.264542	0.184145	5.038	3.555857
CHINA	15.152	12.18249	9.5	0.056569	1.504743	1.50E+00	7.761718	0.002393	80	1.581139	0.002761	3.54E-04	1	0	0.58534	6.39E-02	1.552461	0.190135	2.914	2.342676
ECUADOR	16.608	20.21913	9.5	0.054037	2.130685	3.250888	7.761718	0.002393	80	1.581139	0.002392	9.85E-05	1	0	0.567085	0.0638	1.771564	0.066251	3.194	3.888448
FRANCE	22.194	17.08924	11.072	0.054037	2.652263	2.59E+00	7.825029	0.002067	80	1.581139	0.003171	2.43E-04	1	0	0.627469	5.50E-02	1.564271	0.132408	4.268	3.286536
GERMANY	10.784	7.972266	10.796	0.055498	0.969813	6.72E-01	7.814519	0.002118	80	1.581139	0.002752	1.86E-04	1	0	0.605999	5.63E-02	1.754445	0.116719	2.074	1.533307
INDIA	20.438	11.62494	11.22	0.056569	1.945407	1.77E+00	7.830753	0.00204	80	1.581139	0.003387	5.36E-04	1	0	0.41843	5.33E-02	1.504947	0.221131	3.93	2.235531
INDONESIA	19.024	10.69177	4.26	0.056569	1.637852	1.18E+00	7.440096	0.005037	80	1.581139	0.00047	6.33E-05	1	0	0.533812	1.43E-01	4.099074	0.523886	3.658	2.055972
ITALY	26.416	10.36679	5.34	0.056569	2.708623	1.42E+00	7.528555	0.004103	80	1.581139	0.000362	4.02E-05	1	0	0.494241	1.24E-01	6.774341	0.523886	5.08	1.993728
JAPAN	26.592	13.52528	15.54	0.056569	0.958228	3.34E-02	7.966875	0.00149	80	1.581139	0.000512	2.09E-05	1	0	0.457954	3.85E-02	11.34256	0.523886	5.114	2.600746
MALAYSIA	26.124	12.32598	10.948	0.0502	2.762168	2.03E+00	7.820452	0.002089	80	1.581139	0.000447	2.28E-05	1	0	0.386253	5.45E-02	10.35825	0.523886	5.024	2.370513
MEXICO	32.27	10.17279	10.76	0.056569	3.690772	1.73E+00	7.813105	0.002125	80	1.581139	0.000423	2.10E-05	1	0	0.499618	5.60E-02	10.94936	0.523886	6.206	1.956727
NEW ZEALAND	24.972	15.87097	9.108	0.0502	2.862268	2.46E+00	7.744517	0.00249	80	1.581139	0.000393	2.14E-05	1	0	0.633628	6.69E-02	6.470544	0.523886	4.802	3.051659
PERU	43.316	24.22779	4.572	0.054037	6.886179	5.81E+00	7.467615	0.004725	80	1.581139	0.000317	2.81E-05	1	0	0.544572	1.33E-01	7.518198	0.523886	8.33	4.659125
ROMANIA	49.806	21.15604	7.36	0.056569	8.338711	5.89E+00	7.657645	0.003044	80	1.581139	0.000438	3.26E-05	1	0	0.650837	8.30E-02	8.9607	0.447768	9.578	4.068497
SPAIN	40.196	13.3574	9.48	0.056569	5.472801	2.76E+00	7.761094	0.002396	80	1.581139	0.000404	2.17E-05	1	0	0.566502	6.39E-02	9.249266	0.447768	7.73	2.568774
SWITZERLAND	38.656	12.90168	8.3	0.056569	5.163937	2.58E+00	7.706385	0.002719	80	1.581139	0.000343	1.81E-05	1	0	0.528639	7.28E-02	12.50262	0.447768	7.434	2.480893
THAILAND	32.312	13.38606	11.328	0.0502	3.994769	2.39E+00	7.834585	0.002022	80	1.581139	0.000346	1.33E-05	1	0	0.511658	5.32E-02	8.501817	0.447768	6.214	2.574515
TURKEY	34.27	10.44309	8.536	0.055498	4.083814	1.97E+00	7.717792	0.002648	80	1.581139	0.000383	2.18E-05	1	0	0.428688	7.02E-02	5.097559	0.447768	6.59	2.008258
UAE	61.214	28.27386	6.392	0.054037	12.4523	9.33E+00	7.600399	0.003474	80	1.581139	0.000481	4.46E-05	1	0	0.526397	9.48E-02	11.15579	0.447768	11.772	5.437032
UK	32.22	11.25194	2.456	0.032863	3.718326	2.02E+00	7.895102	0.001758	80	1.581139	0.000466	4.43E-02	1	0	0.081646	4.43E-02	11.53849	0.447768	6.196	2.164216
USA	27.902	13.64285	6.472	0.00332	3.109735	2.22E+00	7.921467	0.001655	80	1.581139	0.000477	2.04E-05	1	0	0.510323	4.31E-02	10.76147	0.447768	5.366	2.623944
All	28.05864	17.61278	8.77424	2.934137	3.48869	3.793095	7.737257	0.133471	80	1.419905	0.000147	0.00148	1	0	0.526394	0.134868	6.0862	4.108205	5.3904	3.389466
F-Value	3.138		213.4		3.47		9811.32		0.00		51.49		NA		12.02		478.89		3.154	
P-Value	0.00		0.00		0.00		0.00		1.00		0.00		NA		0.00		0.00		0.00	

Table 3.3 b

Table 3.3 b

Table 3.3 b shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant

difference between the means of the different levels of the variable except product diversification. The F value of ROE is 3.138, ROA value is 213.4 and Tobin's q value is 3.47.

PFIZER PHARMACEUTICALS LTD (Pharmaceutical Sector)

Countries	ROE		ROA		Tobin's q		Size		Age		Geographic div.		Product Div.		Capital Structure		Investment Pol		Dividend Pol	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
ARGENTINA	43.68	2.027498	23.296	1.081333	6.856	2.05E-06	4.639986	0.019999	168	1.581139	0.02	8.63E-08	1	0	0.00091	7.59E-11	4.66	0.212955	2.912	0.135167
AUSTRALIA	15.78	2.027498	8.416	1.081333	6.855999	5.13E-06	4.195507	0.055275	168	1.581139	0.02	2.19E-07	1	0	0.00091	2.53E-10	1.684	0.214313	1.052	0.135167
AUSTRIA	26.1	1.989975	13.92	1.06132	6.856	2.68E-06	4.415478	0.03345	168	1.581139	0.02	1.25E-07	1	0	0.00091	1.27E-10	2.784	0.214313	1.74	0.132665
BRAZIL	42.18	2.027498	22.496	1.081333	6.856	2.29E-06	4.624637	0.020716	168	1.581139	0.02	7.39E-08	1	0	0.00091	1.15E-10	4.498	0.215801	2.812	0.135167
CANADA	39.9	1.989975	21.28	1.06132	6.856	2.45E-06	4.600488	0.021895	168	1.581139	0.02	8.42E-08	1	0	0.00091	9.92E-11	4.256	0.217094	2.66	0.132665
CHINA	24.9	1.989975	13.28	1.06132	6.856001	4.67E-06	4.395452	0.035017	168	1.581139	0.02	1.36E-07	1	0	0.00091	1.59E-10	2.658	0.215801	1.66	0.132665
ECUADOR	28.95	1.989975	15.44	1.06132	6.856	2.48E-06	4.460919	0.030146	168	1.581139	0.02	1.13E-07	1	0	0.00091	1.37E-10	3.088	0.215801	1.93	0.132665
FRANCE	40.38	2.027498	21.536	1.081333	6.856	2.46E-06	4.605737	0.021633	168	1.581139	0.02	7.99E-08	1	0	0.00091	9.77E-11	4.306	0.217094	2.692	0.135167
GERMANY	15.78	2.027498	8.416	1.081333	6.855999	5.13E-06	4.195507	0.055275	168	1.581139	0.02	2.19E-07	1	0	0.00091	2.53E-10	1.684	0.214313	1.052	0.135167
INDIA	26.1	1.989975	13.92	1.06132	6.856	2.68E-06	4.415478	0.03345	168	1.581139	0.02	1.25E-07	1	0	0.00091	1.27E-10	2.784	0.214313	1.74	0.132665
INDONESIA	0	0	0	0	0	0.00E+00	0	0	168	1.581139	0	0.00E+00	1	0	0	0.00E+00	0	0	0	0
ITALY	62.25	8.429413	33.2	4.495687	1.7507	9.26E-08	4.992277	0.001828	168	1.581139	0.045055	2.20E-03	1	0	0.7	3.49E-08	10.478	0.044385	4.15	0.561961
JAPAN	35.04	0.227486	18.688	0.121326	44.164	1.79E-06	4.78304	0.002978	168	1.581139	0.02	1.08E-09	1	0	43.6	1.79E-06	0.48	1.537433	2.336	0.015166
MALAYSIA	48.54	0.227486	25.888	0.121326	44.164	1.34E-06	4.92518	0.002146	168	1.581139	0.02	6.10E-10	1	0	43.6	1.34E-06	0.482	1.297178	3.236	0.015166
MEXICO	46.71	0.201246	24.912	0.107331	44.164	1.94E-06	4.9082	0.002215	168	1.581139	0.02	8.04E-10	1	0	43.6	1.90E-06	0.138	1.038109	3.114	0.013416
NEW ZEALAND	18.42	0.246475	9.824	0.131453	44.164	4.86E-06	4.50442	0.005636	168	1.581139	0.02	1.85E-09	1	0	43.6	4.80E-06	0.438	2.307557	1.228	0.016432
PERU	23.1	0.259808	12.32	0.138564	44.164	2.72E-06	4.60244	0.004511	168	1.581139	0.02	1.26E-09	1	0	43.6	2.71E-06	0.488	2.009147	1.54	0.017321
ROMANIA	46.53	0.268328	24.816	0.143108	44.164	1.97E-06	4.9067	0.002215	168	1.581139	0.02	7.99E-10	1	0	43.6	1.90E-06	0.322	1.101985	3.102	0.017889
SPAIN	47.37	0.246475	25.264	0.131453	44.164	1.34E-06	4.91442	0.002171	168	1.581139	0.02	6.16E-10	1	0	43.6	1.31E-06	0.354	1.133239	3.158	0.016432
SWITZERLAND	35.04	0.227486	18.688	0.121326	44.164	1.79E-06	4.78304	0.002978	168	1.581139	0.02	1.08E-09	1	0	43.6	1.79E-06	0.476	1.538727	2.336	0.015166
THAILAND	42.84	0.227486	22.848	0.121326	44.164	1.48E-06	4.871	0.002446	168	1.581139	0.02	6.94E-10	1	0	43.6	1.45E-06	0.314	1.129084	2.856	0.015166
TURKEY	23.37	0.246475	12.464	0.131453	44.164	4.46E-06	4.60788	0.004423	168	1.581139	0.02	1.23E-09	1	0	43.6	4.39E-06	0.346	1.827465	1.558	0.016432
UAE	41.07	0.246475	21.904	0.131453	44.164	1.50E-06	4.8527	0.002497	168	1.581139	0.02	7.20E-10	1	0	43.6	1.50E-06	0.4	1.295122	2.738	0.016432
UK	47.85	0.259808	25.52	0.138564	44.164	1.89E-06	4.91888	0.002146	168	1.581139	0.02	0.00E+00	1	0	43.6	1.87E-06	0.372	0.967275	3.19	0.017321
USA	41.07	0.246475	21.904	0.131453	44.164	1.57E-06	4.8527	0.002497	168	1.581139	0.02	7.21E-10	1	0	43.6	1.54E-06	0.39	1.283374	2.738	0.016432
All	34.518	13.80399	18.4096	7.362129	25.77771	19.27812	4.478883	0.945885	168	1.419905	0.020202	0.006446	1	0	22.70036	21.84098	1.9152	2.535668	2.3012	0.920266
F-Value	215.26		215.26		2.45E+14		9319.43		0.00		1103.7		NA		8.00E+14		24.77		215.26	
P-Value	0.00		0.00		0.00		0.00		1.00		0.00		NA		0.00		0.00		0.00	

Table 3.3 c
Table 3.3 c shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 215.26, ROA value is 215.26 and Tobin's q value is 2.45E+14.

SANOFI AVENTIS PHARMACEUTICALS (Pharmaceutical Sector)

	VARIABLES																			
	ROE		ROA		Tobin's q		Size		Age		Geographic div.		Product Div.		Capital Structure		Investment Pol		Dividend Pol	
Countries	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
ARGENTINA	54.672	14.94701	27.336	7.473505	1.074315	6.05E-02	4.475003	0.029189	44	1.581139	0.000343	1.81E-05	1	0	0.528639	7.28E-02	0.502	2.005747	6.834	1.868376
AUSTRALIA	32.772	8.622895	16.386	4.311448	0.81646	6.88E-02	4.463076	0.029997	44	1.581139	0.000438	3.26E-05	1	0	0.650837	8.30E-02	0.462	1.303944	4.378	1.283226
AUSTRIA	43.98	12.5837	21.99	6.291852	0.949682	0.053739	4.592589	0.022295	44	1.581139	0.000404	2.17E-05	1	0	0.566502	0.063894	0.444	2.306627	7.33	2.097284
BRAZIL	44.96	15.38945	22.48	7.694725	1.101461	4.49E-02	4.597103	0.022066	44	1.581139	0.000346	1.35E-05	1	0	0.511658	5.32E-02	0.322	1.101985	5.62	1.923681
CANADA	44.236	9.011197	22.118	4.505599	1.103315	5.88E-02	4.716447	0.016781	44	1.581139	0.000383	2.18E-05	1	0	0.428688	7.02E-02	0.35	1.134438	6.59	2.008258
CHINA	41.376	10.28962	20.688	5.144815	0.881929	7.82E-02	4.62501	0.020698	44	1.581139	0.000481	4.46E-05	1	0	0.526397	9.48E-02	0.62	1.330226	5.172	1.286204
ECUADOR	0	0	0	0	0	0.00E+00	0	0	0	0	0	0.00E+00	0	0	0	0.00E+00	0	0	0	0
FRANCE	44.768	12.03416	22.384	6.017082	1.358583	3.84E-02	4.463076	0.029997	44	1.581139	0.000464	2.06E-05	1	0	0.081646	4.43E-02	1.862	0.692113	5.596	1.504271
GERMANY	40.912	20.80597	20.456	10.40298	0.958228	3.34E-02	4.592589	0.022295	44	1.581139	0.000512	2.09E-05	1	0	0.457954	3.85E-02	1.772	0.614833	5.114	2.600746
INDIA	37.808	13.08931	18.904	6.544653	1.129349	3.30E-02	4.475003	0.029189	44	1.581139	0.000397	1.29E-05	1	0	0.409583	3.84E-02	1.994	0.708294	4.726	1.636163
INDONESIA	47.808	8.982222	23.904	4.491111	9.817282	8.86E-01	4.597103	0.022066	44	1.581139	0.02	1.55E-18	1	0	0.000749	4.16E-05	8.162	1.33044	5.976	1.122778
ITALY	44.24	0.226274	22.12	0.113137	6.856	1.24E-06	4.716447	0.016781	44	1.581139	0.02	3.76E-08	1	0	0.00091	4.08E-11	8.848	0.044385	5.53	0.028284
JAPAN	32.528	15.71258	16.264	7.856289	1.7507	3.19E-07	4.852704	0.002523	44	1.581139	0.005335	3.09E-06	1	0	1	0.00E+00	2.812	0.135167	4.066	1.964072
MALAYSIA	39.632	0.200798	19.816	0.100399	6.856	9.64E-07	4.852704	0.002523	44	1.581139	0.02	4.28E-08	1	0	0.00091	6.61E-11	7.928	0.044385	4.954	0.0251
MEXICO	32.368	0.216148	16.184	0.108074	6.856	1.54E-06	4.62501	0.020698	44	1.581139	0.02	4.61E-08	1	0	0.00091	5.81E-11	6.472	0.040866	4.046	0.027019
NEW ZEALAND	21.616	0.235966	10.808	0.117983	6.856	2.26E-06	4.607887	0.004446	44	1.581139	0.02	6.93E-08	1	0	0.00091	8.68E-11	4.326	0.043559	2.702	0.029496
PERU	38	0.226274	19	0.113137	6.855999	1.13E-06	4.852704	0.002523	44	1.581139	0.02	5.32E-08	1	0	0.00091	4.74E-11	7.598	0.044385	4.75	0.028284
ROMANIA	0	0	0	0	0	0.00E+00	0	0	0	0	0	0.00E+00	0	0	0	0.00E+00	0	0	0	0
SPAIN	0	0	0	0	0	0.00E+00	0	0	0	0	0	0.00E+00	0	0	0	0.00E+00	0	0	0	0
SWITZERLAND	15.52	1.06132	7.76	0.53066	1.330532	2.99E-07	4.463076	0.029997	44	1.581139	0.02	1.06E-07	1	0	0.7	1.10E-07	3.104	0.214313	1.94	0.132665
THAILAND	20.896	1.081333	10.448	0.540666	1.330532	3.59E-07	4.592589	0.022295	44	1.581139	0.02	6.91E-08	1	0	0.7	8.04E-08	4.178	0.215801	2.612	0.135167
TURKEY	15.936	1.081333	7.968	0.540666	1.330532	2.09E-07	4.475003	0.029189	44	1.581139	0.02	1.11E-07	1	0	0.7	7.53E-08	3.19	0.212955	1.992	0.135167
UAE	21.12	1.06132	10.56	0.53066	1.330532	2.94E-07	4.597103	0.022066	44	1.581139	0.02	6.84E-08	1	0	0.7	8.24E-08	4.224	0.214313	2.64	0.132665
UK	32.08	12.80625	16.04	6.403124	1.7507	2.33E-07	4.62501	0.020698	NA	NA	0.005334	2.29E-06	1	0	1	0.00E+00	3.472	0.135167	4.01	1.600781
USA	31.728	13.53178	15.864	6.765891	0.935629	3.71E-02	4.716447	0.016781	44	1.581139	0.000477	2.04E-05	1	0	0.510323	4.31E-02	5.396	0.967822	3.966	1.691473
All	31.15824	17.52263	15.57912	8.761313	2.52919	2.812633	4.062947	1.510917	38.5	14.6729	0.008597	0.009443	0.88	0.326269	0.379101	0.335417	3.12152	2.939058	4.02176	2.348055
F-Value	13.012		13.01		1251.75		28413.24		478.95		1929326		NA		360.87		52.73		13.09	
P-Value	0.00		0.00		0.00		0.00		0.00		0.00		NA		0.00		0.00		0.00	

Table 3.3 dTable 3.3 d shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 13.01, ROA value is 13.012 and Tobin's q value is 1251.75.

COCA COLA BEVERAGES PVT LTD (Food Sector)

Countries	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
ARGENTINA	43.04	2.12264	10.76	0.53066	1.330532	1.55E-07	4.605316	0.021654	131	1.581139	0.02	8.00E-08	1	0	0.7	6.90E-08	4.304	0.214313	2.69	0.132665
AUSTRALIA	55.532	2.162665	13.888	0.540666	1.330532	2.68E-07	4.716447	0.016781	131	1.581139	0.02	6.18E-08	1	0	0.7	6.00E-08	5.356	0.217094	3.472	0.135167
AUSTRIA	44.992	2.162665	11.248	0.540666	1.330532	2.08E-07	4.62501	0.020698	131	1.581139	0.02	6.54E-08	1	0	0.7	8.13E-08	4.504	0.214313	2.812	0.135167
BRAZIL	16.832	2.162665	4.208	0.540666	1.330532	5.40E-07	4.195507	0.05283	131	1.581139	0.02	2.19E-07	1	0	0.7	1.65E-07	1.684	0.214313	1.052	0.135167
CANADA	27.84	2.12264	6.96	0.53066	1.330532	3.04E-07	4.415478	0.03345	131	1.581139	0.02	1.25E-07	1	0	0.7	1.27E-07	2.784	0.214313	1.74	0.132665
CHINA	46.592	2.162665	11.648	0.540666	1.330533	1.12E-07	4.659986	0.019999	131	1.581139	0.02	8.65E-08	1	0	0.7	5.17E-08	4.66	0.212955	2.912	0.135167
ECUADOR	42.24	2.12264	10.56	0.53066	6.855999	2.71E-06	4.597103	0.022066	131	1.581139	0.02	6.84E-08	1	0.00091	1.28E-10	4.224	0.214313	2.64	0.132665
FRANCE	52.256	0.242652	13.064	0.060663	44.164	1.33E-06	4.9292	0.002102	131	1.581139	0.02	5.99E-10	1	0	43.6	1.28E-06	0.72	1.799514	3.266	0.015166
GERMANY	39.392	0.286217	9.848	0.071554	44.164	1.72E-06	4.80626	0.002817	131	1.581139	0.02	9.12E-10	1	0	43.6	1.68E-06	0.482	1.504982	2.462	0.017889
INDIA	29.536	0.242652	7.384	0.060663	44.164	2.30E-06	4.68066	0.003785	131	1.581139	0.02	1.07E-09	1	0	43.6	2.29E-06	0.328	1.574951	1.846	0.015166
INDONESIA	44.616	11.96573	16.104	0.060663	44.164	1.72E-06	3.21964	1.788151	131	1.581139	0.02	6.28E-08	1	0	43.6	1.70E-06	0.328	0.8336044	4.026	0.015166
ITALY	60.448	0.262907	15.112	0.065727	44.164	1.72E-06	4.99228	0.001809	131	1.581139	0.02	5.99E-10	1	0	43.6	1.10E-06	0.328	1.000835	3.778	0.016432
JAPAN	34.08	0.452548	8.52	0.113137	1.7507	3.65E-07	4.504412	0.005651	131	1.581139	0.009075	3.68E-05	1	0	0.7	1.43E-07	3.408	0.044385	2.13	0.028284
MALAYSIA	43.616	2.191182	23.904	4.491111	9.817282	8.86E-01	4.800942	0.014274	131	1.581139	0.02	5.55E-18	1	0.001232	8.61E-05	9.562	1.795291	5.976	1.122778
MEXICO	41.776	0.242652	17.944	0.060663	44.164	1.34E-06	4.06662	0.001551	131	1.581139	0.02	5.00E-10	1	0	43.6	1.33E-06	0.262	0.822265	4.486	0.015166
NEW ZEALAND	56.928	2.168576	14.232	0.542144	6.855999	1.50E-06	4.726815	0.016386	131	1.581139	0.02	6.02E-08	1	0	0.00091	7.38E-11	5.688	0.215801	3.558	0.135536
PERU	31.04	2.12264	7.76	0.53066	6.856	2.68E-06	4.463076	0.029997	131	1.581139	0.02	1.06E-07	1	0	0.00091	1.37E-10	3.104	0.214313	1.94	0.132665
ROMANIA	41.792	2.162665	10.448	0.540666	6.856001	2.92E-06	4.592589	0.022295	131	1.581139	0.02	6.91E-08	1	0	0.00091	1.00E-10	4.178	0.215801	2.612	0.135167
SPAIN	43.744	5.40234	7.968	0.540666	6.855999	3.52E-06	4.475003	0.029189	131	1.581139	0.02	1.11E-07	1	0	0.00091	1.11E-10	3.19	0.212955	1.992	0.135167
SWITZERLAND	43.616	2.191182	23.904	4.491111	9.817282	8.86E-01	4.800942	0.014274	131	1.581139	0.02	1.55E-18	1	0.001232	8.61E-05	9.562	1.795291	5.976	1.122778
THAILAND	56.928	2.168576	14.232	0.542144	6.855999	1.50E-06	4.726815	0.016386	131	1.581139	0.02	6.02E-08	1	0	0.00091	7.38E-11	5.688	0.215801	3.558	0.135536
TURKEY	31.04	2.12264	7.76	0.53066	6.856	2.68E-06	4.463076	0.029997	131	1.581139	0.02	1.06E-07	1	0	0.00091	1.37E-10	3.104	0.214313	1.94	0.132665
UAE	41.792	2.162665	10.448	0.540666	6.856001	2.92E-06	4.592589	0.022295	131	1.581139	0.02	6.91E-08	1	0	0.00091	1.00E-10	4.178	0.215801	2.612	0.135167
UK	33.376	18.74207	8.344	4.685518	5.4848	3.07E-06	3.673307	2.053523	131	1.581139	0.016	8.94E-03	1	0	0.000728	4.07E-06	3.336	1.873267	2.086	1.17138
USA	31.872	2.162665	7.968	0.540666	6.855999	3.52E-06	4.475003	0.029189	131	1.581139	0.02	1.11E-07	1	0	0.00091	1.11E-10	3.19	0.212955	1.992	0.135167
All	41.39744	11.12054	11.76864	5.028319	14.46165	16.69708	4.511365	1.619211	131	1.419905	0.019403	0.002771	1	0	10.66046	18.58726	3.53048	2.62557	2.94216	1.25708
F-Value	22.52		44.82		3386.3		2.502		0.00		8.232		NA		2.47E+11		38.21		44.82	
P-Value	0.00		0.00		0.00		0.00		0.00		0.00		NA		0.00		0.00		0.00	

Table 3.3 e
Table 3.3 e shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 22.52, ROA value is 44.82 and Tobin's q value is 3386.3.

MCDONALDS PVT LTD (Food Sector)

	VARIABLES																			
	ROE		ROA		Tobin's q		Size		Age		Geographic div.		Product Div.		Capital Structure		Investment Pol		Dividend Pol	
Countries	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
ARGENTINA	85.036	26.41477	32.706	10.15936	4	8.35E-07	4.686	0.019494	69	1.581139	0.016212	8.73E-03	1	0	0.37739	1.29E-01	3.232	0.135167	3.634	1.128818
AUSTRALIA	57.612	0.420381	22.158	0.160997	1.716318	1.27E-01	4.808	0.004472	69	1.581139	0.02	9.12E-10	1	0	0.456454	4.57E-02	0.434	2.172149	2.462	0.017889
AUSTRIA	43.196	0.353101	16.614	0.136492	1.77305	2.54E-07	4.678	0.004472	69	1.581139	0.02	1.07E-09	1	0	0.436	2.29E-08	1.036	1.973608	1.846	0.015166
BRAZIL	75.724	0.357393	29.124	0.136492	1.77305	4.00E-08	4.928	0.004472	69	1.581139	0.02	6.10E-10	1	0	0.436	1.34E-08	0.462	1.303944	3.236	0.015166
CANADA	28.736	0.38585	11.052	0.147885	1.77305	4.32E-07	4.506	0.008944	69	1.581139	0.02	1.85E-09	1	0	0.436	4.80E-08	0.444	2.306627	1.228	0.016432
CHINA	36.036	0.407038	13.86	0.155885	1.773049	8.33E-08	4.6	0.007071	69	1.581139	0.02	1.26E-09	1	0	0.436	2.71E-08	0.502	2.005747	1.54	0.017321
ECUADOR	72.584	0.415909	27.918	0.160997	1.77305	2.39E-07	4.908	0.004472	69	1.581139	0.02	7.99E-10	1	0	0.436	1.90E-08	0.322	1.101985	3.102	0.017889
FRANCE	73.896	0.38585	28.422	0.147885	1.77305	9.42E-08	4.918	0.004472	69	1.581139	0.02	6.16E-10	1	0	0.436	1.31E-08	0.35	1.134438	3.158	0.016432
GERMANY	61.448	0.355415	23.634	0.136492	1.77305	1.13E-07	4.838	0.004472	69	1.581139	0.02	7.52E-10	1	0	0.436	1.64E-08	0.274	1.157035	2.626	0.015166
INDIA	30.842	0.382191	11.862	0.147885	1.77305	2.26E-07	4.538	0.004472	69	1.581139	0.02	1.46E-09	1	0	0.436	3.16E-08	0.434	2.172149	1.318	0.016432
INDONESIA	45.35	9.789116	17.442	3.765723	1.832761	1.34E-01	4.642	0.219135	69	1.581139	0.02	3.01E-08	1	0	0.41638	4.39E-02	1.036	1.973608	1.938	0.418414
ITALY	40.718	3.104814	15.66	1.216499	769.2308	6.64E-05	4.416	0.032094	69	1.581139	0.02	1.25E-07	1	0	0.00091	1.27E-10	2.784	0.214313	1.74	0.132665
JAPAN	81.43	3.103683	31.32	1.193985	1.014	1.09E-07	4.718	0.016432	69	1.581139	0.02	6.38E-08	1	0	0.00091	7.51E-11	5.57	0.212955	3.48	0.132665
MALAYSIA	65.8	3.162396	25.308	1.216499	1.014	1.35E-07	4.626	0.023022	69	1.581139	0.02	7.39E-08	1	0	0.00091	1.15E-10	4.498	0.215801	2.812	0.135167
MEXICO	68.14	3.162396	26.208	1.216499	1.014	6.25E-08	4.64	0.018708	69	1.581139	0.02	8.63E-08	1	0	0.00091	7.59E-11	4.66	0.212955	2.912	0.135167
NEW ZEALAND	62.244	3.104816	23.94	1.193985	1.014	1.84E-07	4.6	0.018708	69	1.581139	0.02	8.42E-08	1	0	0.00091	9.92E-11	4.256	0.217094	2.66	0.132665
PERU	38.844	3.104816	14.94	1.193985	1.014	1.36E-07	4.394	0.035071	69	1.581139	0.02	1.36E-07	1	0	0.00091	1.59E-10	2.658	0.215801	1.66	0.132665
ROMANIA	0	0	0	0	0	0.00E+00	0	0	69	1.581139	0	0.00E+00	0	0	0	0.00E+00	0	0	0	0
SPAIN	62.994	3.162322	24.228	1.216499	1.014	8.24E-08	4.606	0.023022	69	1.581139	0.02	7.99E-08	1	0	0.00091	9.77E-11	4.306	0.217094	2.692	0.135167
SWITZERLAND	65.05	3.103683	25.02	1.193985	1.014	1.21E-07	4.62	0.018708	69	1.581139	0.02	7.78E-08	1	0	0.00091	9.46E-11	4.446	0.217094	2.78	0.132665
THAILAND	87.938	3.170894	33.822	1.219824	1.014	1.08E-07	4.75	0.018708	69	1.581139	0.02	4.94E-08	1	0	0.00091	5.89E-11	6.008	0.215801	3.758	0.135536
TURKEY	59.718	3.163727	22.968	1.216499	1.014	8.70E-08	4.584	0.024083	69	1.581139	0.02	8.10E-08	1	0	0.00091	1.03E-10	4.086	0.217094	2.552	0.135167
UAE	35.8	3.103683	13.77	1.193985	1.014	1.45E-07	4.36	0.037417	69	1.581139	0.02	1.18E-07	1	0	0.00091	2.21E-10	2.45	0.212955	1.53	0.132665
UK	75.628	3.163727	29.088	1.216499	1.014	1.38E-07	4.686	0.019494	69	1.581139	0.02	6.66E-08	1	0	0.00091	6.84E-11	5.174	0.214313	3.232	0.135167
USA	78.39	3.103683	30.15	1.193985	1.014	1.09E-07	4.7	0.019494	69	1.581139	0.02	6.33E-08	1	0	0.00091	7.82E-11	5.364	0.214313	3.35	0.132665
All	57.32616	21.68144	22.04856	8.339108	32.12529	151.0681	4.47	0.929027	69	1.419905	0.019048	0.004272	0.96	0.196748	0.190002	0.216175	2.59144	2.296347	2.44984	0.926568
F-Value	61.65		61.658		86906312		1973.26		0.00		2.68E+01		NA		287.69		16.64		61.65	
P-Value	0.00		0.00		0.00		0.00		0.00		0.00		NA		0.00		0.00		0.00	

Table 3.3 f
Table 3.3 f shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 61.65, ROA value is 61.658 and Tobin's q value is 86906312.

PEPSI BEVERAGES PVT LTD (Food Sector)

Countries	ROE Mean	Std. Dev.	ROA Mean	Std. Dev.	Tobin's q Mean	Std. Dev.	Size Mean	Std. Dev.	Age Mean	Std. Dev.	Geographic div. Mean	Std. Dev.	Product Div. Mean	Std. Dev.	Capital Structure Mean	Std. Dev.	Investment Pol Mean	Std. Dev.	Dividend Pol Mean	Std. Dev.
ARGENTINA	0.4066	0.050787	0.0798	0.009176	44.164	1.79E-06	4.78304	0.002978	124	1.581139	0.02	1.08E-09	1	0	0.0436	1.79E-09	0.48	1.537433	2.336	0.015166
AUSTRALIA	0.4642	0.066548	0.0804	0.01176	49.708	1.24E+01	4.88166	0.020129	124	1.581139	0.02	0.00E+00	1	0	0.0492	1.25E-02	2.274	4.073688	3.164	0.37233
AUSTRIA	0.47	0.074923	0.0726	0.01274	44.164	1.89E-06	4.91888	0.002146	124	1.581139	0.02	0	1	0	0.0436	1.87E-09	0.192	0.910231	3.19	0.017321
BRAZIL	0.358	0.024525	0.0756	0.004278	44.164	1.48E-06	4.871	0.002446	124	1.581139	0.02	6.94E-10	1	0	0.0436	1.45E-09	0.302	1.131844	2.856	0.015166
CANADA	0.38524	0.006204	0.0778	0.005119	44.164	4.46E-06	4.60788	0.004423	124	1.581139	0.02	1.23E-09	1	0	0.0436	4.39E-09	0.356	1.825782	1.558	0.016432
CHINA	0.4644	0.004219	0.0758	0.003701	44.164	1.50E-06	4.8527	0.002497	124	1.581139	0.02	7.20E-10	1	0	0.0436	1.50E-09	0.4	1.295125	2.738	0.016432
ECUADOR	0.4724	0.073214	0.0804	0.01176	44.164	1.57E-06	4.8527	0.002497	124	1.581139	0.02	7.21E-10	1	0	0.0436	1.54E-09	0.392	1.282759	2.738	0.016432
FRANCE	0.4066	0.050787	0.0726	0.01274	44.164	1.89E-06	4.91922	0.002171	124	1.581139	0.02	7.07E-10	1	0	0.0436	1.90E-09	0.292	1.035867	3.194	0.013416
GERMANY	0.3578	0.024458	0.0798	0.009176	44.164	1.94E-06	4.9082	0.002215	124	1.581139	0.02	8.04E-10	1	0	0.0436	1.90E-09	0.436	1.21286	3.114	0.013416
INDIA	0.313	0.01373	0.0756	0.004278	44.164	1.34E-06	4.92518	0.002146	124	1.581139	0.019955	1.02E-04	1	0	0.0436	1.34E-09	0.462	1.303944	3.236	0.015166
INDONESIA	0.324	0.003873	0.0778	0.005119	44.164	4.86E-06	4.50442	0.005636	124	1.581139	0.02	1.85E-09	1	0	0.0436	4.80E-09	0.444	2.306627	1.228	0.016432
ITALY	0.3154	0.0127	0.0758	0.003701	44.164	2.72E-06	4.60244	0.004511	124	1.581139	0.02	1.26E-09	1	0	0.0436	2.71E-09	0.502	2.005747	1.54	0.017321
JAPAN	0.3848	0.046602	0.0742	0.00295	44.164	2.23E-06	4.93116	0.206952	124	1.581139	0.02	3.92E-10	1	0	0.0436	1.90E-09	0.288	1.089344	3.55	1.360717
MALAYSIA	0.47	0.074923	0.0688	0.004868	44.164	1.34E-06	4.91442	0.002171	124	1.581139	0.02	6.16E-10	1	0	0.0436	0.00E+00	0.35	1.134438	3.158	0.016432
MEXICO	0.4642	0.066548	0.0726	0.01274	44.164	1.97E-06	4.9067	0.002215	124	1.581139	0.02	7.99E-10	1	0	0.0436	1.31E-09	0.322	1.101985	3.102	0.017889
NEW ZEALAND	0.4066	0.050787	0.0756	0.004278	44.164	1.67E-06	4.83454	0.002641	124	1.581139	0.02	7.52E-10	1	0	0.0436	0.00E+00	0.274	1.157035	2.626	0.015166
PERU	0.35742	0.024352	0.0778	0.005119	44.164	3.22E-06	4.53514	0.005255	124	1.581139	0.02	1.46E-09	1	0	0.0436	0.00E+00	0.434	2.172149	1.318	0.016432
ROMANIA	0.313	0.01373	0.0778	0.003701	44.164	1.99E-06	4.7422	0.003246	124	1.581139	0.02	9.32E-10	1	0	0.0436	0.00E+00	0.676	1.940497	2.126	0.015166
SPAIN	0.324	0.003873	0.0736	0.008444	44.164	1.55E-06	4.85206	0.002534	124	1.581139	0.02	7.26E-10	1	0	0.0436	0.00E+00	0.294	1.149556	2.736	0.015166
SWITZERLAND	0.4764	0.070896	0.0716	0.012422	44.164	1.80E-06	4.79418	0.00289	124	1.581139	0.02	1.06E-09	1	0	0.0436	0.00E+00	0.274	1.255852	2.396	0.015166
THAILAND	0.4066	0.050787	0.0818	0.003701	44.164	1.33E-06	4.9292	0.002102	124	1.581139	0.02	5.99E-10	1	0	0.0436	0.00E+00	0.72	1.799514	3.266	0.015166
TURKEY	0.4832	0.07024	0.0758	0.003701	44.164	1.72E-06	4.80626	0.002817	124	1.581139	0.02	9.12E-10	1	0	0.0436	0.00E+00	0.482	1.504982	2.462	0.017889
UAE	0.4066	0.050787	0.0726	0.01274	44.14344	4.60E-02	4.68066	0.003785	124	1.581139	0.02	1.07E-09	1	0	0.0436	0.00E+00	0.328	1.574951	1.846	0.015166
UK	0.4066	0.050787	0.0758	0.003701	44.164	1.12E-06	4.99228	0.001809	124	1.581139	0.02	5.99E-10	1	0	0.0436	0.00E+00	0.328	1.000835	3.778	0.016432
USA	0.4724	0.073214	0.0688	0.004868	44.164	1.63E-06	4.96594	0.078882	124	1.581139	0.02	2.88E-10	1	0	0.0436	0.00E+00	0.086	0.764088	3.602	0.615524
All	0.404378	0.073379	0.075632	0.007939	44.38494	2.479443	4.820482	0.139183	124	1.419905	0.019998	2.03E-05	1		0.043824	0.002504	0.45552	1.525026	2.67432	0.765487
F-Value	7.26		0.948		1.00		46.2		0.00		1.00		NA		1		0.30		27.7	
P-Value	0.00		0.00		0.47		0.00		1.00		0.47		NA		0.47		0.9993		0.00	

Table 3.3
Table 3.3 g shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 7.26, ROA value is 0.948 and Tobin's q value is 0.47.

NESTLE PVT LTD (FMCG Sector

	ROE		ROA		Tobin's q		Size		Age		Geographic div.		Product Div.		Capital Structure		Investment Pol		Dividend Pol	
Countries	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
ARGENTINA	29.046	1.8209.43	16.734	0.7804.04	0.81.646	6.85 E-03	4.80.626	0.002.805	15.1	1.581.139	0.000.655 E-05	2.28		1	0	0.6508.27	8.80E-03	3.19	0.01.7321	5.57.8	0.26.0135
AUSTRALIA	25.016	15.584.42	13.006	6.6792.4	0.89.953	5.60 E-03	4.79.6	0.002.891	15.1	1.5811.29	0.00.039.5	2.14E-05	1	0	0.65.262.5	6.69E-02.2	1.69	0.9675.15	6.00.2	2.22.6547
AUSTRIA	21.71	15.660.93	13.59	5.5661.14	1.06.190.6	0.105.121	4.92.92	0.002.115	15.1	1.5811.29	0.00.051.7	2.51E-05	1	0	0.56.457.2	0.133.276	2.49	1.2259.9	6.53	1.94.8705
BRAZIL	22.39	10.523.1	14.31	4.6394.7	0.94.914.6	5.35 E-03	5.28.737.2	1.357.359	15.1	1.5811.29	0.00.164.5	2.78E-06	1	0	0.57.968.5	6.69E-02	2.42	0.2086.95	6.77	1.56.6157
CANADA	22.978	11.601.9	14.562	4.8865.29	1.00.566.2	1.66 E-01	4.78.650.6	0.005.785	15.1	1.5811.29	0.00.035.2	2.18E-05	1	0	0.58.469.5	1.37E-01	5.09	2.2560.57	6.85.6	1.62.8843
CHINA	22.18	0.1.979.9	14.22	0.0645.53	6.85.6	1.02 E-06	4.85.206.4	0.002.526	15.1	1.5811.29	0.02	4.46E-06	1	0	0.00.091	6.76E-11	7.55.5	0.0445.85	6.74	0.02.5284
ECUADOR	29.05	0.1.979.9	12.45	0.0645.53	6.85.6	1.75 E-06	4.79.6	0.002.891	15.1	1.5811.29	0.02	4.50E-06	1	0	0.00.091	5.67E-11	6.63.5	0.0445.85	6.15	0.02.5284
FRANCE	29.648	0.1.756.99	16.992	0.0752.99	6.85.6	1.10 E-06	4.92.92	0.002.115	15.1	1.5811.29	0.02	2.29E-06	1	0	0.00.091	5.16E-11	9.06	0.0452.77	5.66.6	0.02.51
GERMANY	29.576	0.1.942.42	12.506	0.0852.47	6.85.6	1.45 E-06	4.80.626	0.002.805	15.1	1.5811.29	0.02	4.22E-06	1	0	0.00.091	7.64E-11	6.52.5	0.0445.85	6.26.5	0.02.7749
INDIA	22.272.2	0.1.591.2	9.5.55	0.0510.56	6.85.6	2.10 E-06	4.65.066.5	0.002.756	15.1	1.5811.29	0.02	6.62E-06	1	0	0.00.091	7.06E-11	5.11.4	0.0427.78	5.19.6	0.02.7019
INDONESIA	0	0	0	0	0	0.00 E+00	0	0	15.1	1.5811.29	0	0.00E+00.0	0	0	0	0.00E+00	0	0	0	0
ITALY	0	0	0	0	0	0.00 E+00	0	0	15.1	1.5811.29	0	0.00E+00.0	0	0	0	0.00E+00	0	0	0	0
JAPAN	0	0	0	0	0	0.00 E+00	0	0	15.1	1.5811.29	0	0.00E+00.0	0	0	0	0.00E+00	0	0	0	0
MALAYSIA	42.442	12.697.09	15.618	5.5701.81	0.99.455.5	4.75 E-03	4.65.066.7	0.002.756	15.1	1.5811.29	0.00.042.5	2.10E-05	1	0	0.49.961	5.60E-02	4.52	1.9457.05	6.20.6	1.95.6727
MEXICO	22.56	12.956.09	15.26	5.9811.93	1.04.022.5	9.14 E-03	4.80.626.1	0.002.809	15.1	1.5811.29	0.00.035.5	2.96E-05	1	0	0.51.128.5	1.14E-01	4.50.2	2.0516.59	5.08	1.99.2725
NEW_ZEALAND	22.148	2.6.082.13	9.6.92	1.1169.91	49.7.08	1.24 E+01	4.78.650.4	0.005.784	15.1	1.5811.29	0.02	0.00E+00.0	1	0	49.2	1.25E+01	5.57	0.2601.25	5.16.6	0.97.233
PERU	22.33	0.1.213.44	9.5.7	0.0519.62	66.1.66	1.89 E-06	4.85.206.6	0.002.527	15.1	1.5811.29	0.02	0.00E+00.0	1	0	49.6	1.87E-06	6.20.4	2.0035.92	5.19	0.01.7321
ROMANIA	16.252	0.1.061.6	7.0.08	0.0654.97	66.1.66	1.79 E-06	4.78.206.6	0.002.975	15.1	1.5811.29	0.02	1.08E-09	1	0	49.6	1.79E-06	4.46.4	2.2485.5	2.33.6	0.01.5166

Table 3.3 H

Table 3.3 h shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 12.56, ROA value is 31.25 and Tobin's q

value is 252.36.

RECKITT BENCKISER PVT LTD (FMCG Sector)

Countries	ROE Mean n	ROE Std. Dev.	ROA Mean n	ROA Std. Dev.	Tobin's q Mean n	Tobin's q Std. Dev.	Size Mean n	Size Std. Dev.	Age Mean an	Age Std. Dev.	Geographic div. Mean an	Geographic div. Std. Dev.	Product Div. Mean an	Product Div. Std. Dev.	Capital Structure Mean n	Capital Structure Std. Dev.	Investment Pol Mean n	Investment Pol Std. Dev.	Dividend Pol Mean n	Dividend Pol Std. Dev.
ARGENTINA	25.0608	1.443857	6.208	0.428626	6.856	2.68E-06	4.463076	0.029997	177	1.581139	0.02	1.06E-07	1	0	0.00091	1.37E-10	3.104	0.214313	1.94	0.132665
AUSTRALIA	36.466	15.08343	9.024	3.758235	9.817282	8.86E-01	4.800942	0.014274	177	1.581139	0.02	1.55E-18	1	0	0.001232	8.61E-05	6.248	2.925256	5.976	1.122778
AUSTRIA	45.9392	1.329994	11.376	0.431602	6.855999	1.50E-06	4.726815	0.016386	177	1.581139	0.02	6.02E-08	1	0	0.00091	7.38E-11	5.688	0.215801	3.352	0.135536
BRAZIL	33.7384	1.383941	8.356	0.431602	6.856001	2.92E-06	4.592589	0.022295	177	1.581139	0.02	6.91E-08	1	0	0.00091	1.00E-10	4.178	0.215801	2.612	0.135167
CANADA	25.756	1.431111	6.28	0.425911	6.855999	3.52E-06	4.475003	0.029189	177	1.581139	0.02	1.11E-07	1	0	0.00091	1.11E-10	3.19	0.212955	1.99	0.135167
CHINA	34.1104	1.375726	8.448	0.428626	6.855999	2.71E-06	4.597103	0.022066	177	1.581139	0.02	6.84E-08	1	0	0.00091	1.28E-10	4.224	0.214313	2.64	0.132665
ECUADOR	28.4224	1.409663	7.04	0.425911	6.856001	2.73E-06	4.517875	0.026459	177	1.581139	0.02	8.41E-08	1	0	0.00091	1.20E-10	3.52	0.212955	2.2	0.132665
FRANCE	44.8728	1.35225	11.112	0.434189	6.856	2.18E-06	4.716447	0.016781	177	1.581139	0.02	6.18E-08	1	0	0.00091	7.54E-11	5.556	0.215094	3.472	0.135167
GERMANY	36.3728	1.362769	9.008	0.428626	6.856	2.48E-06	4.62501	0.020698	177	1.581139	0.02	6.54E-08	1	0	0.00091	7.89E-11	4.304	0.214313	2.812	0.135167
INDIA	34.7568	1.37185	8.608	0.428626	6.856	2.22E-06	4.605316	0.021654	177	1.581139	0.02	8.00E-08	1	0	0.00091	8.23E-11	4.304	0.214313	2.69	0.132665
INDONESIA	13.5872	1.563234	3.368	0.428626	6.855999	5.13E-06	4.195907	0.055275	177	1.581139	0.02	2.19E-07	1	0	0.00091	2.53E-10	1.688	0.214313	1.052	0.135167
ITALY	22.4752	1.467772	5.568	0.428626	6.856	2.68E-06	4.415478	0.03345	177	1.581139	0.02	1.25E-07	1	0	0.00091	1.27E-10	2.784	0.214313	1.74	0.132665
JAPAN	44.9864	1.328445	11.14	0.431911	6.856	1.87E-06	4.717596	0.016737	177	1.581139	0.02	6.38E-08	1	0	0.00091	7.51E-11	5.576	0.212955	3.48	0.132665
MALAYSIA	36.324	1.36824	8.996	0.431602	6.856	2.29E-06	4.624637	0.020716	177	1.581139	0.02	7.39E-08	1	0	0.00091	1.15E-10	4.498	0.215801	2.812	0.135167
MEXICO	37.6336	1.35288	9.32	0.425911	6.856	2.05E-06	4.639986	0.019999	177	1.581139	0.02	8.63E-08	1	0	0.00091	7.59E-11	4.66	0.212955	2.91	0.135167
NEW_ZEALAND	34.3688	1.397336	8.512	0.434189	6.856	2.45E-06	4.600488	0.021895	177	1.581139	0.02	8.42E-08	1	0	0.00091	9.92E-11	4.256	0.217094	2.66	0.135167
PERU	21.4568	1.486624	5.316	0.431602	6.856001	4.67E-06	4.395452	0.035017	177	1.581139	0.02	1.36E-07	1	0	0.00091	1.59E-10	2.658	0.215801	1.66	0.132665
ROMANIA	24.9312	1.453158	6.176	0.431602	6.856	2.48E-06	4.460919	0.030146	177	1.581139	0.02	1.13E-07	1	0	0.00091	1.37E-10	3.088	0.215801	1.93	0.132665
SPAIN	34.7728	1.394912	8.612	0.434189	6.856	2.46E-06	4.605737	0.021633	177	1.581139	0.02	7.99E-08	1	0	0.00091	9.77E-11	4.306	0.217094	2.692	0.135167
SWITZERLAND	35.904	1.388409	8.892	0.434189	6.856	1.92E-06	4.619529	0.02096	177	1.581139	0.02	7.78E-08	1	0	0.00091	9.46E-11	4.446	0.217094	2.78	0.132665
THAILAND	48.5248	1.325366	12.016	0.431602	6.856	1.81E-06	4.750606	0.015516	177	1.581139	0.02	4.94E-08	1	0	0.00091	5.89E-11	6.008	0.215801	3.758	0.135536
TURKEY	32.9952	1.405971	8.172	0.434189	6.855999	2.45E-06	4.582859	0.022798	177	1.581139	0.02	8.10E-08	1	0	0.00091	1.03E-10	4.086	0.217094	2.552	0.135167
UAE	19.7768	1.486624	4.9	0.425911	6.856001	5.09E-06	4.359857	0.037987	177	1.581139	0.02	1.18E-07	1	0	0.00091	2.21E-10	2.45	0.212955	1.53	0.132665
UK	41.7864	1.338882	10.348	0.428626	6.856	1.41E-06	4.685399	0.01802	177	1.581139	0.02	6.66E-08	1	0	0.00091	6.84E-11	5.174	0.214313	3.232	0.135167
USA	43.3216	1.333991	10.728	0.428626	6.856	2.17E-06	4.701049	0.017385	177	1.581139	0.02	6.33E-08	1	0	0.00091	7.82E-11	5.364	0.214313	3.35	0.132665
All	33.53362	9.334325	8.30496	2.322533	6.974451	0.603984	4.579011	0.140228	177	1.419905	0.02	8.65E-08	1	0	0.000923	6.52E-05	4.22192	1.295246	2.72128	0.982929
F-Value	36.83		33.37		55.8		147.7		0.00		0.204		NA		69.85		18.25		69.62	
P-Value	0.00		0.00		0.00		0.00		1.00		1.00		NA		0.00		0.00		0.00	

Table 3.3 i shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 36.83, ROA value is 33.37 and Tobin's q value is 55.8.

A. UNILEVER PVT LTD (FMCG Sector)

	VARIABLES																				
	ROE		ROA		Tobin's q		Size		Age		Geographic div.		Product Div.		Capital Structure		Investment Pol		Dividend Pol		
Countries	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	
ARGENTINA	21.03 5	0.139 256	5.09 2	0.054 027	0.964	6.57 E-05	4.783 027	0.003 964	55	1.551 139	0.0 2	4.61 E-05	1	0	0.000 91	5.51 E-11	6.47 2	0.040 566	4.04 6	0.027 019
AUSTRALIA	51.07 6	5.841 21	11.9 52	2.345 556	1.051 962	7.15 E-02	4.800 942	0.014 274	55	1.551 139	0.0 2	1.55 E-15	1	0	0.000 769	4.16 E-05	5.16 2	1.220 44	5.97 6	1.122 775
AUSTRIA	25.75 5	0.145 562	11.0 6	0.056 569	0.964	5.92 E-05	4.918 565	0.003 162	55	1.551 139	0.0 2	3.76 E-05	1	0	0.000 91	4.05 E-11	5.54 5	0.044 255	5.52	0.025 254
BRAZIL	25.75 5	0.129 555	9.90 5	0.050 2	0.964	4.39 E-05	4.870 991	0.003 419	55	1.551 139	0.0 2	4.25 E-05	1	0	0.000 91	6.41 E-11	7.92 5	0.044 255	4.95 4	0.025 1
CANADA	14.04 5	0.151 555	5.60 4	0.055 992	0.964	1.26 E-07	4.607 557	0.004 446	55	1.551 139	0.0 2	6.95 E-05	1	0	0.000 91	5.65 E-11	4.52 6	0.043 259	2.70 2	0.029 496
CHINA	24.69 5	0.145 562	9.5	0.056 569	0.964	1.07 E-07	4.552 704	0.003 525	55	1.551 139	0.0 2	5.22 E-05	1	0	0.000 91	4.74 E-11	7.59 5	0.044 255	4.75	0.025 254
ECUADOR	24.69 5	0.145 562	9.5	0.056 569	0.964	5.26 E-05	4.552 704	0.003 525	55	1.551 139	0.0 2	5.22 E-05	1	0	0.000 91	4.95 E-11	7.59 5	0.044 255	4.75	0.025 254
FRANCE	25.75 5	0.139 256	11.0 72	0.054 027	0.964	7.04 E-05	4.919 164	0.003 1	55	1.551 139	0.0 2	3.76 E-05	1	0	0.000 91	4.05 E-11	5.55 5	0.044 255	5.52 6	0.027 019
GERMANY	25.06 5	0.145 073	10.7 96	0.055 495	0.964	3.75 E-05	4.905 195	0.003 22	55	1.551 139	0.0 2	3.62 E-05	1	0	0.000 91	4.26 E-11	5.62 6	0.043 259	5.59 5	0.027 749
INDIA	29.17	0.147 645	11.2 2	0.056 569	0.964	2.59 E-05	4.925 189	0.003 124	55	1.551 139	0.0 2	3.22 E-05	1	0	0.000 91	4.02 E-11	5.97 5	0.044 255	5.61	0.025 254
INDONESIA	11.07 5	0.145 562	4.26	0.056 569	0.964	2.42 E-07	4.504 412	0.004 651	55	1.551 139	0.0 2	9.76 E-05	1	0	0.000 91	1.10 E-10	2.60 5	0.044 255	2.12	0.025 254
ITALY	13.55 6	0.150 266	5.54	0.056 569	0.964	1.04 E-07	4.602 454	0.004 502	55	1.551 139	0.0 2	6.97 E-05	1	0	0.000 91	5.50 E-11	4.26 5	0.044 255	2.67	0.025 254
JAPAN	65.60 6	0.150 266	15.5 4	0.056 569	0.964	5.02 E-05	5.066 647	0.001 54	55	1.551 139	0.0 2	2.65 E-05	1	0	0.000 91	3.02 E-11	12.4 55	0.044 255	7.77	0.025 254
MALAYSIA	25.66 5	0.129 555	10.9 45	0.050 2	0.964	5.02 E-05	4.914 409	0.003 155	55	1.551 139	0.0 2	3.41 E-05	1	0	0.000 91	4.29 E-11	5.75 5	0.044 255	5.67 4	0.025 1
MEXICO	27.97 5	0.145 562	10.7 6	0.056 569	0.964	5.22 E-05	4.908 712	0.003 227	55	1.551 139	0.0 2	4.47 E-05	1	0	0.000 91	4.27 E-11	5.60 6	0.043 259	5.55	0.025 254
NEW_ZEALAND	25.67 5	0.129 555	9.10 2	0.050 2	0.964	5.17 E-05	4.554 569	0.003 621	55	1.551 139	0.0 2	5.55 E-05	1	0	0.000 91	4.96 E-11	7.25 5	0.044 255	4.55 4	0.025 1
PERU	11.55 5	0.129 256	4.57 2	0.054 027	0.964	1.20 E-07	4.555 147	0.006 262	55	1.551 139	0.0 2	5.15 E-05	1	0	0.000 91	1.02 E-10	2.65 5	0.044 255	2.25 6	0.027 019
ROMANIA	19.13 5	0.145 562	7.56	0.056 569	0.964	5.05 E-05	4.742 199	0.003 255	55	1.551 139	0.0 2	5.75 E-05	1	0	0.000 91	5.59 E-11	5.69	0.045 277	2.65	0.025 254
SPAIN	24.64 5	0.145 562	9.45	0.056 569	0.964	6.23 E-05	4.552 066	0.003 527	55	1.551 139	0.0 2	4.46 E-05	1	0	0.000 91	4.76 E-11	7.55 5	0.044 255	4.74	0.025 254
SWITZERLAND	21.57 5	0.145 562	5.2	0.056 569	0.964	6.64 E-05	4.794 155	0.003 559	55	1.551 139	0.0 2	4.50 E-05	1	0	0.000 91	5.67 E-11	6.62 5	0.044 255	4.15	0.025 254
THAILAND	29.45 2	0.129 116	11.0 25	0.050 2	0.964	4.90 E-05	4.929 197	0.003 114	55	1.551 139	0.0 2	3.29 E-05	1	0	0.000 91	5.04 E-11	9.06	0.045 277	5.66 4	0.025 1
TURKEY	22.19 4	0.147 241	5.52 6	0.055 495	0.964	5.54 E-05	4.506 261	0.003 509	55	1.551 139	0.0 2	4.22 E-05	1	0	0.000 91	7.64 E-11	6.52 5	0.044 255	4.26 5	0.027 749
UAE	16.61 5	0.139 256	6.59 2	0.054 027	0.964	1.09 E-07	4.680 667	0.003 756	55	1.551 139	0.0 2	6.62 E-05	1	0	0.000 91	7.04 E-11	5.11 4	0.043 775	2.19 6	0.027 019
UK	65.22 6	1.216 215	2.45 2	0.032 252	64.16 4	4.56 E-06	4.504 42	0.006 696	55	1.551 139	0.0 2	1.55 E-09	1	0	0.045 41	4.26 E-04	0.64	1.206 627	1.22 5	0.016 492
USA	16.52 5	0.050 125	6.67 2	0.020 252	64.16 4	1.54 E-06	4.925 15	0.003 146	55	1.551 139	0.0 2	6.10 E-10	1	0	0.045 6	5.42 E-07	0.66 2	1.205 964	2.25 6	0.015 166

Table 3.3 j

Table 3.3 j shows that the effects all the variables are statistically significant as P values are less than 0.05. This means there is a statistically significant difference between the means of the different levels of the variable except product diversification. The F value of ROE is 229.45, ROA value is 213.4 and Tobin's q value is 350257.

DESCRIPTIVE STATISTICS

The panel regression model is used to analyze the data to find the indication among size, product diversification, investment policy, geographic diversification, dividend policy, capital structure and age with ROE, ROA and Tobin's q. Following tables shows the descriptive stats companies wise,

a. **BOSCH PVT LTD** (Consumer Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	34.71861	11.57287	0.001000	4.575244	0.956522	4.332783	0.020000	2.907565	0.000545	131.0000
Median	33.00000	11.00000	0.001000	4.608100	1.000000	4.330000	0.020000	2.810000	0.000514	131.0000
Maximum	58.44000	19.48000	0.001000	4.812600	1.000000	11.57000	0.020000	4.870000	0.001194	133.0000
Minimum	16.56000	5.520000	0.001000	4.130100	0.000000	1.440000	0.020000	1.380000	0.000388	129.0000
Std. Dev.	7.777060	2.592353	0.000000	0.142191	0.204824	1.605254	8.81E-08	0.624710	0.000137	1.420403
Skewness	0.601000	0.601000	0.000000	-0.860058	-4.477215	1.646497	0.096350	0.435596	2.382980	4.19E-18
Kurtosis	4.530121	4.530121	0.000000	3.567793	21.04545	8.610950	3.839184	4.295959	10.01581	1.700000
Jarque-Bera	18.14161	18.14161	0.000000	15.72237	1944.555	202.8149	3.552362	11.68442	344.6930	8.097917
Probability	0.000115	0.000115	0.000000	0.000385	0.000000	0.000000	0.169283	0.002902	0.000000	0.017441
Sum	3992.640	1330.880	0.115000	526.1531	110.0000	498.2700	2.299999	334.3700	0.062670	15065.00
Sum Sq. Dev.	6895.024	766.1139	0.000000	2.304894	4.782609	293.7597	8.84E-13	44.48992	2.14E-06	230.0000
Observations	115	115	115	115	115	115	115	115	115	115

Table 4.2 a

The descriptive statistics table 4.2a shows that ROE has a positive mean of 34.71, ROA has also positive mean of 11.57%. Tobin's q also has positive mean of 1%. Firms selected were having different size and portfolio structure. The standard de-

viation of ROE is 7.7% of mean value. Standard deviation of ROA is 2.59% deviation from mean value .Mean of the size was 4.57 and the standard deviation was 14.50% from the mean value. Product diversification mean is 95.65% whereas standard deviation was 20.48. Mean of investment policy was 4.33 whereas the standard deviation was found as 1.60% from the mean value. Geographic diversification mean was 2% whereas standard deviation was 0.0008% from the mean value. Dividend policy mean has value of 2.90 and standard deviation of 0.62 %. The mean of capital structure is 0.0545% and the standard deviation is 0.0013%. The mean age is 131 and the standard deviation is 1.42%

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a. **TOYOTA MOTORS LTD** (Automobile Sector)

b. **TOYOTA MOTORS LTD** (Automobile Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	28.05864	8.774240	3.488690	7.737257	1.000000	6.086200	0.001467	5.390400	0.526394	80.00000
Median	26.16000	9.400000	1.986291	7.762333	1.000000	6.195104	0.000487	5.030000	0.525274	80.00000
Maximum	94.28000	15.58000	24.74096	7.967960	1.000000	13.00243	0.007501	18.13000	0.819207	82.00000
Minimum	2.130000	2.400000	0.439135	7.431232	1.000000	1.010431	0.000283	0.410000	0.038805	78.00000
Std. Dev.	17.61278	2.934137	3.793095	0.133471	0.000000	4.108203	0.001480	3.389466	0.134868	1.419905
Skewness	1.007804	-0.097121	2.654469	-0.675154	0.000000	0.125989	1.390996	1.009585	-1.109285	4.71E-18
Kurtosis	4.133061	2.918811	12.23799	2.828848	0.000000	1.398246	4.869149	4.128303	6.055035	1.700000
Jarque-Bera	27.84635	0.230840	591.2774	9.649096	0.000000	13.69328	58.50621	27.86534	74.24631	8.802083
Probability	0.000001	0.890992	0.000000	0.008030	0.000000	0.001063	0.000000	0.000001	0.000000	0.012265
Sum	3507.330	1096.780	436.0862	967.1572	125.0000	760.7750	0.183396	673.8000	65.79930	10000.00
Sum Sq. Dev.	38466.04	1067.556	1784.058	2.208992	0.000000	2092.791	0.000271	1424.572	2.255498	250.0000
Observations	125	125	125	125	125	125	125	125	125	125

Table 4.2 b

The descriptive statistics table 4.2b shows that ROE has a positive mean of 28.05, ROA has also positive mean of 8.77. Tobin's q also has positive mean of 3.48. Firms selected were having different size and portfolio structure. The standard deviation of ROE is 17.6% of mean value. Standard deviation of ROA is 2. 93% deviation from mean value and Tobin's q standard deviation is 3.79 .Mean of the size was 7.73 and the standard deviation was 13.30% from the mean value. Mean of investment policy was 6.08 whereas the standard deviation was found as 4.10% from the mean value. Geographic diversification mean was 1.467% whereas standard deviation was 1.48% from the mean value. Dividend policy mean has value of 5.39 and standard deviation of 3.38 %. The mean of capital structure is 0.526% and the standard deviation is 1.419%. The mean age is 80 and the standard deviation is

	ROE	ROA	TOBIN'S Q	SIZE	PD	GD	INVPOL	DIVPOL	CPTLSTR	AGE
Mean	35.86513	19.12807	26.70630	4.663458	1.000000	0.021086	2.003613	2.391008	0.013032	167.9832
Median	39.30000	20.96000	44.16400	4.629742	1.000000	0.020000	1.790000	2.620000	0.020000	168.0000
Maximum	68.40000	36.48000	44.16401	4.993608	1.000000	0.047613	10.51000	4.560000	0.047613	170.0000
Minimum	13.50000	7.200000	1.750700	4.130078	1.000000	0.020000	-3.180000	0.900000	0.000900	166.0000
Std. Dev.	12.10969	6.458482	18.93812	0.252920	0.000000	0.005064	2.566253	0.807310	0.011498	1.414113
Skewness	0.051125	0.051125	-0.160725	-0.469878	0.000000	4.594266	1.238807	0.051125	0.552253	0.011731
Kurtosis	2.651929	2.651929	1.039608	2.242756	0.000000	22.31400	5.865104	2.651929	3.230239	1.709471
Jarque-Bera	0.652558	0.652558	19.56790	7.222261	0.000000	2268.239	71.13916	0.652558	6.311686	8.260657
Probability	0.721604	0.721604	0.000056	0.027021	0.000000	0.000000	0.000000	0.721604	0.042602	0.016078
Sum	4267.950	2276.240	3178.049	554.9515	119.0000	2.509272	238.4300	284.5300	1.550790	19990.00
Sum Sq. Dev.	17305.98	4922.013	42320.99	6.401687	0.000000	0.003026	777.1083	76.90648	0.015601	235.9664
Observations	119	119	119	119	119	119	119	119	119	119

Table 4.2c
The descriptive statistics table 4.2c shows that ROE has a positive mean of 35.86, ROA has also positive mean of 19.12%. Tobin's q also has positive mean of 26.7%. Firms selected were having different size and portfolio structure. The standard deviation of ROE is 12.1% of mean value. Standard deviation of ROA is 6.45% deviation from mean value .Tobin's q standard deviation is 18.93%. Mean of the size was 4.66 and the standard deviation was 23.29% from the mean value. Mean of investment policy was 2 whereas the standard deviation was found as 2.56% from the mean value. Geographic diversification mean was 2% whereas standard deviation was 0.05% from the mean value. Dividend policy mean has value of 2.39 and standard deviation of 0.62 %. The mean of capital structure is 1.3% and the standard deviation is 1.1%. The mean age is 167.9 and the standard deviation is 1.41%.

SANOFI AVENTIS PHARMACEUTICALS LTD (Pharmaceutical Sector)

Table 4.2d
The descriptive statistics table 4.2d shows that ROE has a positive mean of 35.40, ROA has also positive mean of 17.7%. Tobin's q also has positive mean of 2.87%. Firms selected were having different size and portfolio structure. The standard deviation of ROE is 14.05% of mean value. Standard deviation of ROA is 7.02% deviation and Tobin's q 2.87 is from mean value .Mean of the size was 4.61 and the standard deviation was 0.12% from the mean value. Mean of investment policy was 3.57 whereas the standard deviation was found as 2.88% from the mean value. Geographic diversification mean was 0.009% whereas standard deviation was 0.003% from the mean value. Dividend policy mean has value of 4.57 and standard deviation of 1.93 %. The mean of capital structure is 0.43% and the standard deviation is 0.32%. The mean age is 44 and the standard deviation is 1.42%.

COCA COLA BEVERAGES PVT LTD (Food Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	40.92256	11.76864	14.46165	4.511363	0.848000	3.530480	0.019403	2.942160	10.66046	131.0000
Median	41.28000	10.96000	6.856000	4.614351	1.000000	3.430000	0.020000	2.740000	0.700000	131.0000
Maximum	64.48000	28.92000	44.16400	4.993600	1.000000	11.57000	0.020000	7.230000	45.60000	133.0000
Minimum	0.000000	0.000000	0.000000	0.000000	0.000000	-2.130000	0.000000	0.000000	0.000000	129.0000
Std. Dev.	11.22876	5.028319	16.97082	0.619211	0.360466	2.625570	0.002771	1.257080	18.58726	1.419905
Skewness	-0.345959	1.241784	1.130231	-6.205538	-1.938600	0.645955	-4.865609	1.241784	1.216679	3.86E-18
Kurtosis	3.641163	5.384642	2.409537	45.44812	4.758195	4.286087	27.38345	5.384642	2.481677	1.700000
Jarque-Bera	4.634582	61.7428	28.42881	10186.86	94.39590	17.30757	3589.835	61.7428	32.23899	8.802083
Probability	0.098540	0.000000	0.000001	0.000000	0.000000	0.000174	0.000000	0.000000	0.000000	0.012265
Sum	5115.320	1471.080	1807.706	563.9204	106.0000	441.3100	2.425375	367.7700	1332.557	16375.00
Sum Sq. Dev	15634.54	3135.215	35713.09	47.54443	16.11200	854.8084	0.000952	195.9509	42840.29	250.0000
Observations	125	125	125	125	125	125	125	125	125	125

Table 4.2e

The descriptive statistics table 4.2e shows that ROE has a positive mean of 40.92, ROA has also positive mean of 11.7%. Tobin's q also has positive mean of 14.4%. The standard deviation of ROE is 11.2% of mean value. Standard deviation of ROA is 5.02% deviation from mean value and Tobin's q value is 16.97. Mean of the size was 4.57 and the standard deviation was 14.50% from the mean value. Product diversification mean is 95.65% whereas standard deviation was 20.48. Mean of investment policy was 4.33 whereas the standard deviation was found as 1.60% from the mean value. Geographic diversification mean was 2% whereas standard deviation was 0.0008% from the mean value. Dividend policy mean has value of 2.90 and standard deviation of 0.62 %. The mean of capital structure is 0.0545% and the standard deviation is 0.0013%. The mean age is 131 and the standard deviation is 1.42%.

MCDONALDS PVT LTD (Food Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	59.71475	22.96725	33.46385	4.656250	1.000000	2.699417	0.019842	2.55191	0.197919	69.00000
Median	61.66000	23.71500	1.251697	4.660000	1.000000	2.885000	0.020000	2.635000	0.000910	69.00000
Maximum	113.4900	43.65000	769.2309	4.930000	1.000000	6.250000	0.022145	4.850000	0.557481	71.00000
Minimum	27.85000	10.71000	1.014000	4.250000	1.000000	-3.180000	0.002070	1.190000	0.000910	67.00000
Std. Dev.	18.60117	7.154405	154.0626	0.157614	0.000000	2.280557	0.001772	0.794934	0.217061	1.420143
Skewness	0.008004	0.007982	4.587186	-0.157069	0.000000	-0.600864	-8.891851	0.007982	0.215481	-4.23E-18
Kurtosis	2.451377	2.451360	22.04271	2.695331	0.000000	2.621364	87.35799	2.451360	1.099204	1.700000
Jarque-Bera	1.506219	1.506302	2233.970	0.957550	0.000000	7.937588	37162.65	1.506302	18.99577	8.450000
Probability	0.470900	0.470881	0.000000	0.619548	0.000000	0.018896	0.000000	0.470881	0.000075	0.014625
Sum	7165.770	2756.070	4015.662	558.7500	120.0000	323.9300	2.381060	306.2300	23.75027	8280.000
Sum Sq. Dev	41174.43	6091.075	2824500.	2.956212	0.000000	618.9013	0.000374	75.19844	5.606723	240.0000
Observations	120	120	120	120	120	120	120	120	120	120

Table 4.2 f

The descriptive statistics table 4.2f shows that ROE has a positive mean of 59.71, ROA has also positive mean of 22.96%. Tobin's q also has positive mean of 33.46%. The standard deviation of ROE is 18.6% of mean value. Standard deviation of ROA is 7.15% deviation from mean value and Tobin's q is 154% .Mean of the size was 4.6 and the standard deviation was 0.15% from the mean value. Mean of investment policy was 2.69 whereas the standard deviation was found as 2.28% from the mean value. Geographic diversification mean was 0.019% whereas standard deviation was 0.017% from the mean value. Dividend policy mean has value of 2.55 and standard deviation of 0.79 %. The mean of capital structure is 0.197% and the standard deviation is 0.217%. The mean age is 69 and the standard deviation is 1.42%.

PEPSI BEVERAGES PVT LTD (Food Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	0.404378	0.075632	44.38494	4.820482	1.000000	0.455520	0.019998	2.674320	0.043824	124.0000
Median	0.403000	0.076000	44.16400	4.853500	1.000000	0.160000	0.020000	2.740000	0.043600	124.0000
Maximum	0.598000	0.096000	71.88400	5.067800	1.000000	8.590000	0.020000	4.500000	0.071600	126.0000
Minimum	0.295000	0.050000	44.06118	4.494500	1.000000	-3.180000	0.019773	1.200000	0.043600	122.0000
Std. Dev.	0.073379	0.007939	2.479443	0.139183	0.000000	1.525026	2.03E-05	0.765487	0.002504	1.419903
Skewness	0.696288	-0.533522	11.04549	-0.813070	0.000000	0.930387	-11.04573	-0.158626	11.04573	0.000000
Kurtosis	3.285923	4.883297	123.0047	2.881010	0.000000	8.409939	123.0081	2.693646	123.0081	1.700000
Jarque-Bera	10.52613	24.39862	77547.58	13.84630	0.000000	170.4684	77551.92	1.013029	77551.92	8.802083
Probability	0.005179	0.000005	0.000000	0.000985	0.000000	0.000000	0.000000	0.602592	0.000000	0.012265
Sum	50.54730	9.454000	5548.117	602.5603	125.0000	56.94000	2.499773	334.2900	5.478000	15500.00
Sum Sq. Dev.	0.667666	0.007813	762.3073	2.402116	0.000000	288.3873	5.12E-08	72.66027	0.000778	250.0000
Observations	125	125	125	125	125	125	125	125	125	125

Table 4.2g
The descriptive statistics table 4.2g shows that ROE has a positive mean of 0.40, ROA has also positive mean of 0.07%. Tobin's q also has positive mean of 44%. The standard deviation of ROE is 0.07% of mean value. Standard deviation of ROA is 0.007% deviation from mean value .Mean of the size was 4.82 and the standard deviation was 0.139% from the mean value. Mean of investment policy was 0.455 whereas the standard deviation was found as 1.52% from the mean value. Geographic diversification mean was 0.01% whereas standard deviation was 0.0002% from the mean value. Dividend policy mean has value of 2.67 and standard deviation of 0.765 %. The mean of capital structure is 0.043% and the standard deviation is 0.002%. The mean age is 124 and the standard deviation is 1.41%.

NESTLE PVT LTD (FMCG Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	29.66209	13.38300	12.90693	5.340574	1.000000	4.471182	0.010816	3.973545	10.45577	131.0000
Median	26.95000	10.72500	4.040494	4.807071	1.000000	4.675000	0.013651	3.570000	0.549450	131.0000
Maximum	55.72000	49.81000	71.88400	7.806501	1.000000	9.090000	0.020001	7.960000	71.60000	133.0000
Minimum	10.99000	2.400000	0.728543	4.494500	1.000000	-3.180000	0.000283	1.110000	0.000910	129.0000
Std. Dev.	10.62311	8.230187	18.09921	1.171504	0.000000	2.798581	0.009324	1.633283	18.85314	1.420686
Skewness	0.665419	2.316922	1.303370	1.548438	0.000000	-0.247116	-0.055340	0.543196	1.396281	4.38E-18
Kurtosis	2.606190	9.598427	3.120314	3.445191	0.000000	2.376741	1.059913	2.826248	3.211360	1.700000
Jarque-Bera	8.828485	297.9705	31.21051	44.86552	0.000000	2.899951	17.30752	5.547839	35.94745	7.745833
Probability	0.012104	0.000000	0.000000	0.000000	0.000000	0.234576	0.000174	0.062417	0.000000	0.020798
Sum	3262.830	1472.130	1419.763	587.4631	110.0000	491.8300	1.189714	437.0900	1150.135	14410.00
Sum Sq. Dev.	12300.71	7383.221	35706.37	149.5939	0.000000	853.6943	0.009475	290.7699	38743.04	220.0000
Observations	110	110	110	110	110	110	110	110	110	110

Table 4.2h

The descriptive statistics table 4.2h shows that ROE has a positive mean of 29.66, ROA has also positive mean of 13.83%. Tobin's q also has positive mean of 12.9%. The standard deviation of ROE is 10.6% of mean value. Standard deviation of ROA is 8.23% deviation and Tobin's q value is 18.09 from mean value .Mean of the size was 5.34 and the standard deviation was 1.17% from the mean value. Mean of investment policy was 4.77 whereas the standard deviation was found as 2.79% from the mean value. Geographic diversification mean was 0.01% whereas standard deviation was 0.009% from the mean value. Dividend policy mean has value of 3.97 and standard deviation of 1.63 %. The mean of capital structure is 10.45% and the standard deviation is 18.85%. The mean age is 131 and the standard deviation is 1.42%.

RECKITT BENCKISER PVT LTD (FMCG Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	33.53362	8.304960	6.974451	4.579011	1.000000	4.221920	0.020016	2.721280	0.000923	177.0000
Median	34.64000	8.500000	6.856000	4.608148	1.000000	4.260000	0.020000	2.700000	0.000910	177.0000
Maximum	60.96000	15.24000	10.99152	4.812626	1.000000	9.250000	0.022000	7.230000	0.001302	179.0000
Minimum	12.09600	2.880000	6.855992	4.130078	1.000000	1.440000	0.020000	0.900000	0.000910	175.0000
Std. Dev.	9.354325	2.322533	0.603984	0.140228	0.000000	1.295246	0.000179	0.982929	6.52E-05	1.419905
Skewness	-0.096681	-0.077535	5.218948	-0.856715	0.000000	0.506761	11.04572	1.589367	5.079550	0.000000
Kurtosis	2.699696	2.742918	29.82870	3.614267	0.000000	4.304409	123.0080	8.531771	27.72718	1.700000
Jarque-Bera	0.664436	0.468824	4316.295	17.25607	0.000000	14.21204	77551.84	212.0044	3722.046	8.802083
Probability	0.717331	0.791036	0.000000	0.000179	0.000000	0.000820	0.000000	0.000000	0.000000	0.012265

Table 4.2i
The descriptive statistics table 4.2i shows that ROE has a positive mean of 33.53, ROA has also positive mean of 8.34%. Tobin's q also has positive mean of 6.97%. The standard deviation of ROE is 9.33% of mean value. Standard deviation of ROA is 2.32% deviation from mean value and Tobin's q standard deviation is 0.60%. Mean of the size was 4.57 and the standard deviation was 0.14% from the mean value. Mean of investment policy was 4.22 whereas the standard deviation was found as 0.14% from the mean value. Geographic diversification mean was 0.02% whereas standard deviation was 0.0001% from the mean value. Dividend policy mean has value of 2.72 and standard deviation of 0.98 %. The mean of capital structure is 0.0009% and the standard deviation is 0.00006%. The mean age is 177 and the standard deviation is 1.41%.

UNILEVER PVT LTD (FMCG Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
Mean	24.36696	8.774240	4.422718	4.801526	1.000000	6.714080	0.020016	4.387120	0.004311	88.00000
Median	24.75000	9.400000	0.964000	4.848263	1.000000	7.520000	0.020000	4.700000	0.000910	88.00000
Maximum	46.45000	15.58000	44.16401	5.067768	1.000000	12.47000	0.022000	7.790000	0.043602	90.00000
Minimum	10.82000	2.400000	0.964000	4.494466	1.000000	-3.180000	0.020000	1.200000	0.000696	86.00000
Std. Dev.	8.074996	2.954131	11.76624	0.147182	0.000000	2.774892	0.000179	1.467069	0.011604	1.419906
Skewness	0.545402	-0.097121	3.096267	-0.714054	0.000000	-0.820869	11.04572	-0.097121	3.096505	-5.18E-13
Kurtosis	3.433181	2.918811	10.58691	2.632039	0.000000	4.191791	123.0080	2.918811	10.58909	1.700000
Jarque-Bera	7.174464	0.230840	499.5241	11.32753	0.000000	21.43578	77551.90	0.230840	499.7276	8.802083
Probability	0.027675	0.890992	0.000000	0.003469	0.000000	0.000022	0.000000	0.890992	0.000000	0.012265
Sum	3045.870	1096.780	552.8397	600.1907	125.0000	839.2600	2.502001	548.3900	0.538896	11000.00
Sum Sq. Dev.	8085.490	1067.536	17167.10	2.686147	0.000000	954.8030	3.97E-06	266.8840	0.016698	250.0000
Observations	125	125	125	125	125	125	125	125	125	125

Table 4.2j

The descriptive statistics table 4.2j shows that ROE has a positive mean of 24.36, ROA has also positive mean of 8.77%. Tobin's q also has positive mean of 4.42%. The standard deviation of ROE is 8.07% of mean value. Standard deviation of ROA is 2.93% deviation and Tobin's q value is 11.76% from mean value .Mean of the size was 4.81 and the standard deviation was 0.147% from the mean value. Mean of investment policy was 6.71 whereas the standard deviation was found as 2.77% from the mean value. Geographic diversification mean was 0.02% whereas standard deviation was 0.0001% from the mean value. Dividend policy mean has value of 4.38 and standard deviation of 1.46 %. The mean of capital structure is 0.04% and the standard deviation is 0.011%. The mean age is 88 and the standard deviation is 1.41%.

CORRELATION MATRIX

Correlation matrix method is used to find out the interrelationship among the variables in the study. The following tables are the correlation matrixes companies wise,

BOSCH PVT LTD (Consumer Sector)

	ROA	ROE	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROA	1.000000									
ROE	1.000000	1.000000								
TOBIN'S Q	0.000000	0.000000	0.000000							
SIZE	0.299031	0.299031	0.000000	1.000000						
PD	0.098203	0.098203	0.000000	-0.032944	1.000000					
INVPOL	0.357206	0.357206	0.000000	0.871980	0.014511	1.000000				
GD	0.000129	0.000129	0.000000	0.047838	0.002813	0.045143	1.000000			
DIVPOL	0.970806	0.970806	0.000000	0.361450	0.091714	0.397716	0.021715	1.000000		
CPTLSTR	0.096353	0.096353	0.000000	0.274406	0.045387	0.529205	0.029146	0.107314	1.000000	
AGE	-0.012007	-0.012007	0.000000	-0.052401	6.69E-18	-0.000808	-0.015079	-0.011568	-0.081307	1.00000

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Table 4.3a
The Table 4.3a reveals Pair wise correlation. Positive and negative signs represent the direction of association and the nature of relationship is indicated by the value of correlation coefficient. As seen from the table the correlations among the dependent and independent variables are being clearly stated. ROE and ROA both are positively correlated with size, product diversification, investment policy, geographic diversification, dividend policy and capital structure. But on the other hand, age is negatively correlated with both ROE and ROA. While Tobin's q shows no correlation.

TOYOTA MOTORS LTD (Automobile Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROE	1.000000									
ROA	-0.217084	1.000000								
TOBIN'S Q	0.933830	-0.262534	1.000000							
SIZE	-0.175167	0.612415	-0.243050	1.000000						
PD	0.000000	0.000000	0.000000	0.000000	0.000000					
INVPOL	0.466200	-0.154920	0.360823	0.159048	0.000000	1.000000				
GD	-0.381937	0.391320	-0.304709	0.171016	0.000000	-0.753540	1.000000			
DIVPOL	0.999856	-0.220076	0.934001	-0.175054	0.000000	0.467134	-0.387346	1.000000		
CPTLSTR	-0.005830	0.221975	0.070514	-0.271047	0.000000	-0.379140	0.268362	-0.006924	1.000000	
AGE	-0.062108	0.021177	-0.038457	-0.005060	0.000000	-0.011612	0.010265	-0.064346	0.234618	1.000000

Table 3.5b

The table 4.3b shows that ROE is positively correlated with investment policy and dividend policy. But is negatively correlated with size, geographic diversification, capital structure and age. ROA is positively correlated with size, geographic diversification, capital structure and age. ROA is negatively correlated with investment policy and dividend policy. On the other hand Tobin's q is positively correlated with investment policy, dividend policy and capital structure. But is negatively correlated with size, geographic diversification and age.

PFIZER PHARMACEUTICALS LTD (Pharmaceutical Sector)

c. PFIZER PHARMACEUTICALS LTD (Pharmaceutical Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROE	1.000000									
ROA	1.000000	1.000000								
TOBIN'S Q	0.171681	0.171681	1.000000							
SIZE	0.866772	0.866772	0.613400	1.000000						
PD	0.000000	0.000000	0.000000	0.000000	0.000000					
INVPOL	0.287333	0.287333	-0.715606	-0.074351	0.000000	1.000000				
GD	0.458882	0.458882	-0.270102	0.300713	0.000000	0.691920	1.000000			
DIVPOL	1.000000	1.000000	0.171681	0.866772	0.000000	0.287335	0.458882	1.000000		
CPTLSTR	0.520303	0.520303	0.615702	0.760222	0.000000	-0.034009	0.590776	0.520303	1.000000	
AGE	-0.037524	-0.037524	-0.011049	-0.027410	0.000000	0.144522	0.012763	-0.037524	-0.005885	1.000000

Table 4.3c

The table 4.3c shows that ROE is positively correlated with investment policy, dividend policy, size, geographic diversification and capital structure. But is negatively correlated with age. ROA is positively correlated with investment policy, dividend policy, size, geographic diversification and capital structure. But is negatively correlated with age. On the other hand Tobin's q is positively correlated with size, dividend policy and capital structure. But is negatively correlated with investment policy, geographic diversification and age.

d. SANOFI AVENTIS PHARMACEUTICALS LTD (Automobile Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROE	1.000000									
ROA	1.000000	1.000000								
TOBIN'S Q	0.086024	0.086024	1.000000							
SIZE	0.103228	0.103228	0.413825	1.000000						
PD	0.000000	0.000000	0.000000	0.000000	0.000000					
INVPOL	-0.088568	-0.088568	0.796157	0.493079	0.000000	1.000000				
GD	-0.394873	-0.394873	0.673607	0.205813	0.000000	0.733341	1.000000			
DIVPOL	0.960628	0.960628	0.027796	0.099991	0.000000	-0.155129	-0.432974	1.000000		
CPTLSTR	-0.257433	-0.257433	-0.767396	-0.195658	0.000000	-0.529970	-0.355221	-0.207275	1.000000	
AGE	0.143513	0.143513	-0.017719	-0.033652	0.000000	0.064140	0.000164	0.143499	0.039441	1.000000

Table 4.3d

Table 4.3d

The table 4.3d shows that ROE is positively correlated with size, age and dividend policy. But is negatively correlated with investment policy, geographic diversification and capital structure. ROA is positively correlated with size, dividend policy and age. ROA is negatively correlated with investment policy, geographic diversification and age. On the other hand Tobin's q is positively correlated with investment policy, dividend policy, size and geographic diversification. But is negatively correlated with capital structure and age.

a. **COCA COLA BEVERAGES LTD** (Food Sector)

	ROA	ROE	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROA	1.000000									
ROE	0.605317	1.000000								
TOBIN'S Q	0.233472	0.212691	1.000000							
SIZE	0.191448	0.398184	-0.025807	1.000000						
PD	-0.033262	-0.051387	0.022631	0.081217	1.000000					
INVPOL	0.532022	0.243986	-0.612078	0.294877	-0.029661	1.000000				
GD	0.238925	0.308983	0.168665	0.425829	-0.091580	0.085676	1.000000			
DIVPOL	1.000000	0.605317	0.233472	0.191448	-0.033262	0.532022	0.238925	1.000000		
CPTLSTR	0.161793	0.187061	0.985053	-0.056750	0.029656	-0.676873	0.118570	0.161793	1.000000	
AGE	0.071858	-0.016992	0.000860	0.079756	0.015756	0.117483	0.081644	0.071838	2.68E-07	1.000000

Table 4.3e

The table 4.3e shows that ROE is positively correlated with investment policy and dividend policy. But is negatively correlated with size, geographic diversification, capital structure and age. ROA is positively correlated with size, geographic diversification, capital structure and age. ROA is negatively correlated with investment policy and dividend policy. On the other hand Tobin's q is positively correlated with investment policy, dividend policy and capital structure. But is negatively correlated with size, geographic diversification and age.

b.   **MCDONALDS LTD** (Food Sector)

	ROA	ROE	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROA	1.000000									
ROE	1.000000	1.000000								
TOBIN'S Q	-0.213704	-0.213684	1.000000							
SIZE	0.651421	0.651415	-0.318209	1.000000						
PD	0.000000	0.000000	0.000000	0.000000	0.000000					
INVPOL	0.445207	0.445203	0.005989	-0.188434	0.000000	1.000000				
GD	0.094394	0.094407	0.017177	-0.018628	0.000000	-0.023974	1.000000			
DIVPOL	1.000000	1.000000	-0.213704	0.651421	0.000000	0.445207	0.094394	1.000000		
CPTLSTR	-0.246396	-0.246393	-0.187227	0.455166	0.000000	-0.783952	-0.168049	-0.246396	1.000000	
AGE	0.036325	0.036313	-4.47E-05	0.015017	0.000000	0.122028	0.134880	0.036325	-0.003369	1.000000

Table 4.3f

The table 4.3f shows that ROE is positively correlated with investment policy, dividend policy, size, geographic diversification and age. But is negatively correlated with capital structure. ROA is positively correlated with size, geographic diversification, investment policy, dividend policy and age. ROA is negatively correlated with capital structure. On the other hand Tobin's q is positively correlated with investment policy & geographic diversification. But is negatively correlated with size, dividend policy, age and capital structure.

c.   **PEPSI BEVERAGES LTD** (Food Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROE	1.000000									
ROA	-0.122160	1.000000								
TOBIN'S Q	0.114935	0.208884	1.000000							
SIZE	0.310418	-0.101209	0.048666	1.000000						
PD	0.000000	0.000000	0.000000	0.000000	0.000000					
INVPOL	0.084591	0.186986	0.072368	-0.057236	0.000000	1.000000				
GD	0.095081	0.029891	0.008034	-0.065377	0.000000	-0.032188	1.000000			
DIVPOL	0.280250	-0.089896	0.109384	0.980338	0.000000	-0.060641	-0.063097	1.000000		
CPTLSTR	0.115038	0.208612	0.999993	0.048338	0.000000	0.071804	0.008064	0.109033	1.000000	
AGE	-0.049909	0.062957	0.126995	0.019367	0.000000	0.363452	-0.063495	0.037246	0.127000	1.000000

WTable 4.3g

The table 4.3g shows that ROE is positively correlated with investment policy, dividend policy, size, geographic diversification and capital structure. But is negatively correlated with age. ROA is positively correlated with investment policy, geographic diversification, capital structure and age. ROA is negatively correlated

with size and dividend policy. On the other hand Tobin's q is positively correlated with investment policy, dividend policy, capital structure, size, geographic diversification and age.

NESTLE PVT LTD (FMCG Sector)

	ROA	ROE	TOBIN'S Q	PD	IN-VPOL	GD	DIVPOL	CPTL-STR	AGE	SIZE
ROA	1.000000									
ROE	0.384014	1.000000								
TOBIN'S Q	-0.342051	-0.406651	1.000000							
PD	0.000000	0.000000	0.000000	0.000000						
INVPOL	0.226207	0.036174	-0.177966	0.000000	1.000000					
GD	-0.388711	-0.232192	0.656689	0.000000	0.125622	1.000000				
DIVPOL	0.488993	0.717807	-0.366929	0.000000	0.241844	-0.345649	1.000000			
CPTLSTR	-0.285270	-0.442037	0.982644	0.000000	-0.198325	0.520817	-0.320905	1.000000		
AGE	-0.060825	-0.133012	0.018700	0.000000	0.061010	-0.004238	-0.092993	0.019897	1.000000	
SIZE	0.316066	-0.184970	-0.324670	0.000000	0.164862	-0.379194	-0.098953	-0.252365	-0.034469	1.000000

Table 4.3h
The table 4.3h shows that ROA is positively correlated with investment policy, size and dividend policy. But is negatively correlated with geographic diversification, capital structure and age. ROE is positively correlated with investment policy and dividend policy. ROE is negatively correlated with geographic diversification, capital structure, age and size. On the other hand Tobin's q is positively correlated with age and geographic diversification. But is negatively correlated with size, investment policy and dividend policy.

RECKITT BENCKISER LTD (FMCG Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROE	1.000000									
ROA	0.997498	1.000000								
TOBIN'S Q	0.124950	0.124595	1.000000							
SIZE	0.901510	0.902951	0.310265	1.000000						
PD	0.000000	0.000000	0.000000	0.000000	0.000000					
INVPOL	0.907761	0.906159	0.385658	0.894142	0.000000	1.000000				
GD	0.264941	0.269251	0.599683	0.132212	0.000000	0.236568	1.000000			
DIVPOL	0.669289	0.670427	0.601914	0.876995	0.000000	0.751017	0.187035	1.000000		
CPTLSTR	0.107163	0.104735	0.989055	0.312354	0.000000	0.404607	0.505622	0.614325	1.000000	
AGE	-0.082678	-0.083072	-0.052391	-0.033227	0.000000	-0.092260	-0.126984	0.012423	-0.040643	1.000000

Table 4.3i
The table 4.3i shows that ROE is positively correlated with investment policy, dividend policy, size, geographic diversification and capital structure. But is negatively correlated with age. ROA is positively correlated with size, geographic diversification, capital structure, investment policy and dividend policy. ROA is negatively correlated with age. On the other hand Tobin's q is positively correlated

with investment policy, dividend policy, size, geographic diversification and capital structure. But is negatively correlated with age.

UNILEVER PVT LTD (FMCG Sector)

	ROE	ROA	TOBIN'S Q	SIZE	PD	INVPOL	GD	DIVPOL	CPTLSTR	AGE
ROE	1.000000									
ROA	0.526998	1.000000								
TOBIN'S Q	0.244498	-0.434795	1.000000							
SIZE	0.457139	0.898412	-0.174482	1.000000						
PD	0.000000	0.000000	0.000000	0.000000	0.000000					
INVPOL	0.420493	0.909626	-0.667979	0.745156	0.000000	1.000000				
GD	0.004276	0.022920	-0.025011	-0.010369	0.000000	0.029441	1.000000			
DIVPOL	0.526998	1.000000	-0.434795	0.898412	0.000000	0.909626	0.022920	1.000000		
CPTLSTR	0.242693	-0.435073	0.999967	-0.173490	0.000000	-0.668124	-0.027521	-0.435073	1.000000	
AGE	0.024062	0.021177	-0.000154	-0.004598	0.000000	0.023743	-0.127008	0.021177	0.000827	1.000000

Table 4.3j

The table 4.3j shows that ROE is positively correlated with investment policy, dividend policy, size, geographic diversification, capital structure and age. ROA is positively correlated with investment policy, dividend policy, size, geographic diversification and age. ROA is negatively correlated with capital structure. On the other hand Tobin's q is positively correlated with capital structure. But is negatively correlated with size, geographic diversification, dividend policy, investment policy and age.

REGRESSION ANALYSIS

Bosch Pvt Ltd (Consumer Sector)

		Model 1	Model 2	Model 3
Dependent Variables		ROE	ROA	Tobin's q
Independent Variables				
	Coefficient	36924.84	13377.9	0.001
C	t-Statistics	1.046939	1.000872	0.3197
	Prob.	0.2978	884755.6	0
	Coefficient	-0.373552	-0.124517	0.0000000000000183
INVESTMENT POLICY	t-Statistics	-0.546798	-0.52275	0.091081
	Prob.	0.5858	0.6025	0.9276
	Coefficient	9.928311	3.309438	0.0000000000000147
DIVIDEND POLICY	t-Statistics	13.48095	12.88809	0.675782
	Prob.	0	0	0.501
	Coefficient	-4.911094	-1.637023	0.0000000000000879
SIZE	t-Statistics	-0.209958	-0.200724	0.127465
	Prob.	0.8342	0.8414	0.8989

	Coefficient	5955.193	1985.055	0.000000000127
CAPITAL STRUCTURE	t-Statistics	0.415586	0.397308	-0.299773
	Prob.	0.6787	0.6921	0.7651
	Coefficient	1.37761	0.459202	0.0000000000000183
PRODUCT DIVERSIFICATION	t-Statistics	1.710818	1.635576	-0.769556
	Prob.	0.0904	0.1056	0.4437
	Coefficient	-2006042	-668647	0.000000521
GEOGRAPHIC DIVERSIFICATION	t-Statistics	-1.046587	-1.000536	9.219646
	Prob.	0.298	0.3199	0
	Coefficient	-0.069231	-0.023077	0.000000000000000936
AGE	t-Statistics	-0.537297	-0.513667	0.246265
	Prob.	0.5923	0.6088	0.8061
R-Squared		0.984188	0.958756	0.900856
Adjusted R-squared		0.978917	0.944685	0.89425
F-Statistic		186.7257	68.13503	-2.931034
Prob (F-Statistic)		0	0	1
Durbin - Watson Stat		2.52282	2.520648	3.002205

Determinants of ROE: The value of Adjusted R-squared is 0.9789 in the model which represent that 97.89% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 186.72 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 2.522, which is greater than 2 and hence there will be negative serial auto correlation.

Further results shows that the dividend policy variable has a positively significant impact on ROE. The firm's specific variables such as investment policy, size, geographic diversification and age has a negative and insignificant impact on ROE. Other independent variables like capital structure and product diversification has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the dividend policy variable has a positively significant impact on ROA. The firm's specific variables such as investment policy, size, geographic diversification and age has a negative and insignificant impact on ROA. Other independent variables like capital structure and product diversification has positively insignificant impact on ROA.
Determinants of TOBIN'S Q: The results shows that the geographic diversification variable has a positively significant impact on Tobin's q. The firm's specific variables such as investment policy, size, geographic diversification, age, capital structure and product diversification has positively insignificant impact on Tobin's q.

Sectorial Analysis
Bosch Pvt Ltd. is a consumer sector organization and is one of the largest multinational firms of the world. The average ROE taken for the firm from 2015

to 2019 indicates that company is increasing its profit generation without needing as much capital. The average ROA taken for the firm from 2015 to 2019 indicates that company over time indicates the company is doing a good job of increasing its profits with each investment dollar it spends. The average Tobin's q taken for the firm from 2015 to 2019 indicates that firm is worth more than the cost of its assets.

Toyota Motors. (Automobile Sector)

		Model 1	Model 2	Model 3
Dependent Variables		**ROE**	**ROA**	**Tobin's q**
Independent Variables				
C	Coefficient	-1162.992	-1045.749	48.40266
	t-Statistics	-12.27927	-5.274528	0.075718
	Prob.	0	0	0.9398
SIZE	Coefficient	149.6696	135.782	-6.39998
	t-Statistics	12.22635	5.29866	-0.07746
	Prob.	0	0	0.9384
PRODUCT DIVERSIFICATION	Coefficient	-0.032018	0.04155	-0.139113
	t-Statistics	-0.97463	0.604206	-0.627414
	Prob.	0.3323	0.5472	0.5319
INVESTMENT POLICY	Coefficient	0.31968	-0.066484	-0.187663
	t-Statistics	6.430259	-0.638836	-0.559279
	Prob.	0	0.5245	0.5773
GEOGRAPHIC DIVERSIFICATION	Coefficient	61.4518	-72.29318	44.28048
	t-Statistics	1.390658	-0.781527	0.148469
	Prob.	0.1676	0.4365	0.8823
DIVIDEND POLICY	Coefficient	5.206119	0.009884	1.009597
	t-Statistics	761.0218	0.690188	21.86595
	Prob.	0	0.4918	0
CAPITAL STRUCTURE	Coefficient	4.376258	3.842079	1.03746
	t-Statistics	8.494454	3.562539	0.29836
	Prob.	0	0.0006	0.7661
AGE	Coefficient	0.012537	0.023447	0.017172
	t-Statistics	0.861815	0.769984	0.174898
	Prob.	0.391	0.4433	0.8615
R-Squared		0.999916	0.986687	0.91719
Adjusted R-squared		0.999888	0.98225	0.889586
F-Statistic		35579.04	222.35	33.22735
Prob (F-Statistic)		0	0	0
Durbin - Watson Stat		2.029923	1.368288	2.795578

Determinants of ROE: The value of Adjusted R-squared is 0.9998 in the model which represent that 99.98% variation of the dependent variable is explained by the

independent variable. The value of F-statistics is 35579.04 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 2.02, which is again near 2 and hence the serial correlation problem does not exist and hence the variables chosen for the study are identified as good fit for this testing.

Further results shows that the size, investment policy, dividend policy and capital structure variable has a positively significant impact on ROE. The firm's specific variables such as product diversification has a negative and significant impact on ROE. Other independent variables like geographic diversification and age has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the size and capital structure variable has a positively significant impact on ROA. The firm's specific variables such as investment policy and geographic diversification has a negative and insignificant impact on ROA. Other independent variables like dividend policy, age and product diversification has positively insignificant impact on ROA.

Determinants of TOBIN'S Q: Results shows that the dividend policy variable has a positively significant impact on Tobin's q. The firm's specific variables such as size, product diversification & investment policy has a negative and insignificant impact on Tobin's q. Other independent variables like capital structure, age and geographic diversification has positively insignificant impact on Tobin's q.
Sectorial Analysis

Toyota Motors is an Automobile sector organization and is one of the largest multinational firms of the world. The average ROE taken for the firm from 2015 to 2019 indicates that company is increasing its profit generation without needing as much capital. The average ROA taken for the firm from 2015 to 2019 indicates that the company is doing a good job of increasing its profits with each investment dollar it spends. The average Tobin's q taken for the firm from 2015 to 2019 indicates that company is increasing its profit generation without needing as much capital.

Sanofi Aventis Pvt Ltd (Pharmaceutical Sector)

Dependent Variables		Model 1 ROE	Model 2 ROA	Model 3 Tobin's q
Independent Variables				
C	Coefficient	-767.9013	-383.9507	37.46443
	t-Statistics	-1.92838	-1.92838	1.407805
	Prob.	0.0573	0.0573	0.163
SIZE	Coefficient	15.24879	7.624393	-0.173337
	t-Statistics	0.796423	0.796423	-0.135468
	Prob.	0.4281	0.4281	0.8926

	Coefficient	1.067076	0.533538	-0.096274
PRODUCT DIVERSIFICATION	t-Statistics	1.72163	1.72163	-2.324285
	Prob.	0.089	0.089	0.0226
	Coefficient	-0.166957	-0.083478	-0.002954
INVESTMENT POLICY	t-Statistics	-0.473929	-0.473929	-0.125488
	Prob.	0.6368	0.6368	0.9004
	Coefficient	7.157642	3.578821	-0.013645
DIVIDEND POLICY	t-Statistics	32.1004	32.1004	-0.915699
	Prob.	0	0	0.3625
	Coefficient	33665.92	16832.96	113.4764
GEOGRAPHIC DIVERSIFICATION	t-Statistics	1.249412	1.249412	0.063017
	Prob.	0.2151	0.2151	0.9499
	Coefficient	-6.909321	-3.454661	-0.179616
CAPITAL STRUCTURE	t-Statistics	-0.808626	-0.808626	-0.314554
	Prob.	0.4211	0.4211	0.7539
	Coefficient	0.03555	0.017775	-0.024238
AGE	t-Statistics	0.159826	0.159826	-1.630593
	Prob.	0.8734	0.8734	0.1069
R-Squared		0.971635	0.971635	0.996873
Adjusted R-squared		0.96183	0.96183	0.995792
F-Statistic		99.09487	99.09487	922.1318
Prob (F-Statistic)		0	0	0
Durbin - Watson Stat		3.245008	3.245008	0.648468

Determinants of ROE: The value of Adjusted R-squared is 0.9618 in the model which represent that 96.18% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 99.09 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 3.24, which is greater than 2 and hence there will be negative serial autocorrelation.

Further results shows that the dividend policy variable and product diversification has a positively significant impact on ROE. The firm's specific variables such as investment policy and capital structure has a negative and insignificant impact on ROE. Other independent variables like size, geographic diversification and age has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the dividend policy and product diversification variable has a positively significant impact on ROA. The firm's specific variables such as investment policy and capital structure has a negative and insignificant impact on ROA. Other independent variables like size, geographic diversification and age has positively insignificant impact on ROA.

Determinants of TOBIN'S Q: The results shows that the firm's specific variables such as investment policy, size, dividend policy, product diversification, capital

structure and age has a negative and insignificant impact on Tobin's q. Other independent variables like geographic diversification has positively insignificant impact on Tobin's q.

Pfizer Pharmaceuticals Pvt Ltd (Pharmaceutical Sector)

		Model 1	**Model 2**	**Model 3**
Dependent Variables		ROE	ROA	Tobin's q
Independent Variables				
C	Coefficient	0.00000000343	0.0000000000119	26.70644
	t-Statistics	8.403592	1.210146	188822.1
	Prob.	0	0.2295	0
SIZE	Coefficient	-0.000000000119	-0.00000000000087	-0.0000319
	t-Statistics	-2.55406	-0.771718	-1.972537
	Prob.	0.0124	0.4423	0.0517
PRODUCT DIVERSIFICATION	Coefficient	-0.00000000000693	-0.00000000000000593	0.0000000249
	t-Statistics	-8.562691	-0.303485	0.088776
	Prob.	0	0.7622	0.9295
INVESTMENT POLICY	Coefficient	0.000000000000887	0.0000000000386	0.000000166
	t-Statistics	1.040647	1.877512	0.561428
	Prob.	0.3009	0.0638	0.5759
GEOGRAPHIC DIVERSIFICATION	Coefficient	-0.00000000183	-0.000000000756	0.001229
	t-Statistics	-0.54155	-9.283983	1.052185
	Prob.	0.5895	0	0.2956
DIVIDEND POLICY	Coefficient	15	8	0.00000118
	t-Statistics	2070000000000	45800000000000	0.470883
	Prob.	0	0	0.6389
CAPITAL STRUCTURE	Coefficient	0.00000000278	0.000000000764	-0.001188
	t-Statistics	0.719798	8.185229	-0.886918
	Prob.	0.4736	0	0.3775
AGE	Coefficient	-0.000000000000655	0	-0.00000012
	t-Statistics	-1.049794	0	-0.553796
	Prob.	0.2967	1	0.5811
R-Squared		1	1	1
Adjusted R-squared		1	1	1
F-Statistic		8.33E+24	4.07E+27	1.70E+14
Prob (F-Statistic)		0	0	0
Durbin - Watson Stat		1.988228	2.402961	2.670455

Determinants of ROE: The value of Adjusted R-squared is 1 in the model which represent that 100% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 8.33E+24 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is perfectly fit for analysis. Durbin Watson extracted is 1.98, which is again near 2 and hence the serial correlation problem does not exist and hence the variables chosen for the study are identified as good fit for this testing.

Further results shows that the size and product diversification variable has a negatively significant impact on ROE. Dividend policy has positive significant

impact on ROE. The firm's specific variables such as geographic diversification and age has a negative and insignificant impact on ROE. Other independent variables like capital structure and investment policy has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the dividend policy and capital structure variable has a positively significant impact on ROA. The firm's specific variables such as size and graphic diversification has a negative and insignificant impact on ROA. Other independent variables like age, investment policy and product diversification has positively insignificant impact on ROA.

Determinants of TOBIN'S Q: The results shows that the size variable has a negatively significant impact on Tobin's q. The firm's specific variables such as capital structure and age has a negative and insignificant impact on Tobin's q. Other independent variables like investment policy, dividend policy, geographic diversification and product diversification has positively insignificant impact on Tobin's q.

Sectorial Analysis:

Both the firms Pfizer pharmaceuticals and Sanofi Aventis Pharmaceuticals are included in the Pharmaceutical sector. By taking the average ROE of both it can be seen that from 2015 to 2019 its value is constantly increasing from 32 to 35 means companies are generating more profit without needing as much capital from the business. By taking the average ROA of both it can be seen that from its also increasing from 16 to 18, means the companies are doing a good job of increasing its profits with each investment dollar it spends. As for Tobin's q both ROE and ROA indicates effective Tobin's q for the sector.

Coca Cola Beverages Pvt Ltd (Food Sector)

		Model 1	Model 2	Model 3
Dependent Variables		ROE	ROA	Tobin's q
Independent Variables				
	Coefficient	-637583.4	0.0000651	-11625.11
C	t-Statistics	-2.411282	9.642715	-1.312177
	Prob.	0.0179	0	0.1927
	Coefficient	-0.490629	-0.00000000000687	-0.01535
SIZE	t-Statistics	-2.52145	-1.38285	-2.354524
	Prob.	0.0134	0.17	0.0206
	Coefficient	59818.85	-0.0000061	1091.517
CAPITAL STRUCTURE	t-Statistics	2.411549	-9.642715	1.313326
	Prob.	0.0178	0	0.1923

DIVIDEND POLICY	Coefficient	6.378445	4	-0.617128
	t-Statistics	3.340073	82100000000	-9.644959
	Prob.	0.0012	0	0
GEOGRAPHIC DIVERSIFICATION	Coefficient	-1445.617	0.000000325	376.5057
	t-Statistics	-1.072325	9.447593	8.335445
	Prob.	0.2863	0	0
INVESTMENT POLICY	Coefficient	-0.21177	0.0000000000039	0.00502
	t-Statistics	-0.454101	0.327923	0.321245
	Prob.	0.6508	0.7437	0.7487
PRODUCT DIVERSIFICATION	Coefficient	0.73656	-0.0000000000479	0.046556
	t-Statistics	0.943302	-2.401288	1.779521
	Prob.	0.348	0.0183	0.0784
AGE	Coefficient	0.403808	0.0000000000105	-0.006416
	t-Statistics	0.488207	0.499172	-0.231516
	Prob.	0.6266	0.6188	0.8174
R-Squared		0.952931	1	0.999977
Adjusted R-squared		0.937241	1	0.999969
F-Statistic		60.73608	1.96E+22	129683.9
Prob (F-Statistic)		0	0	0
Durbin - Watson Stat		1.484136	2.618002	2.710159

Determinants of ROE: The value of Adjusted R-squared is 0.9372 in the model which represent that 93.72% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 60.73 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 1.48, which is again near 2 and hence the serial correlation problem does not exist and hence the variables chosen for the study are identified as good fit for this testing.

Further results shows that the dividend policy and capital structure variable has a positively significant impact on ROE. The Age variable has a negatively insignificant impact on ROE. The firm's specific variables such as investment policy and graphic diversification has a negative and insignificant impact on ROE. Other independent variables like size and product diversification has positively insignificant impact on ROE.

Determinants of ROA: Results shows that the dividend policy and geographic diversification variable has a positively significant impact on ROA. The capital structure and product diversification has a negative significant impact on ROE. The firm's specific variables such as age has a negative and insignificant impact on ROA. Other independent variables like size and investment policy has positively insignificant impact on ROA.

Determinants of TOBIN'S Q: Results shows that the dividend policy and variable

has a positively significant impact on Tobin's q. The firm's specific variables such as investment policy, size, graphic diversification and age has a negative and insignificant impact on Tobin's q. Other independent variables like capital structure and investment policy has positively insignificant impact on Tobin's q.

Pepsi Pvt Ltd (Food Sector)

		Model 1	Model 2	Model 3
Dependent Variables		**ROE**	**ROA**	**Tobin's q**
Independent Variables				
C	Coefficient	3.570973	-0.295771	1.036288
	t-Statistics	0.622216	-0.32161	0.961584
	Prob.	0.5353	0.7485	0.3388
SIZE	Coefficient	-0.169194	0.012727	-0.001122
	t-Statistics	-0.281076	0.131939	-0.009926
	Prob.	0.7793	0.8953	0.9921
INVESTMENT POLICY	Coefficient	0.005544	0.000832	0.001174
	t-Statistics	1.622767	1.520089	1.830551
	Prob.	0.108	0.1319	0.0704
DIVIDEND POLICY	Coefficient	0.021236	-0.001014	0.001377
	t-Statistics	0.240739	-0.071759	0.083147
	Prob.	0.8103	0.9429	0.9339
CAPITAL STRUCTURE	Coefficient	1.841632	0.663118	990.044
	t-Statistics	0.763449	1.715485	2185.666
	Prob.	0.4471	0.0896	0
AGE	Coefficient	-0.005247	-4.93E-05	-0.000523
	t-Statistics	-1.432753	-0.083993	-0.760519
	Prob.	0.1553	0.9332	0.4489
GEOGRAPHIC DIVERSIFICATION	Coefficient	-89.04745	16.38501	0.427211
	t-Statistics	-0.361457	0.415051	0.009235
	Prob.	0.7186	0.6791	0.9927
PRODUCT DIVERSIFICATION	Coefficient	-0.002974	-0.001907	0.000921
	t-Statistics	-0.100211	-0.400998	0.165219
	Prob.	0.9204	0.6893	0.8691
R-Squared		0.653266	0.239352	0.999989
Adjusted R-squared		0.537688	-0.014198	0.999986
F-Statistic		5.652174	0.944004	280153.2
Prob (F-Statistic)		0	0.557883	0
Durbin - Watson Stat		2.336847	2.373576	3.086366

Determinants of ROE: The value of Adjusted R-squared is 0.5376 in the model which represent that 53.76% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 5.65 and P-value is zero and it is

statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 2.33, which is greater than 2 and hence there will be negative serial auto correlation.

Further results shows that the firm's specific variables such as size, geographic diversification, product diversification and age has a negative and insignificant impact on ROE. Other independent variables like investment policy, capital structure and dividend policy has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the capital structure variable has a positively significant impact on ROA. The firm's specific variables such as dividend policy, product diversification and age has a negative and insignificant impact on ROA. Other independent variables like size, investment policy and geographic diversification has positively insignificant impact on ROA.

Determinants of TOBIN'S Q: The results shows that the capital structure variable has a positively significant impact on Tobin's q. The firm's specific variables such as size and age has a negative and insignificant impact on Tobin's q. Other independent variables like investment policy, dividend policy, geographic diversification and product diversification has positively insignificant impact on Tobin's q.

McDonald's Pvt Ltd (Food Sector)

		Model 1	Model 2	Model 3
Dependent Variables		**ROE**	**ROA**	**Tobin's q**
Independent Variables				
C	Coefficient	0.003972	0.0000000000188	35.12494
	t-Statistics	0.075708	1.835687	116.7083
	Prob.	0.9398	0.0697	0
SIZE	Coefficient	-0.00095	-0.00000000000501	-0.158704
	t-Statistics	-0.07711	-2.08412	-2.25225
	Prob.	0.9387	0.04	0.0268
INVESTMENT POLICY	Coefficient	-0.0000664	0.000000000000013	-0.00069
	t-Statistics	-0.24354	0.243984	-0.441028
	Prob.	0.8082	0.8078	0.6603
DIVIDEND POLICY	Coefficient	23.39662	9	-0.033222
	t-Statistics	7174.957	14100000000000	-1.776002
	Prob.	0	0	0.0792
CAPITAL STRUCTURE	Coefficient	0.009476	0.0000000000327	-1.762758
	t-Statistics	0.364407	6.433206	-11.81656
	Prob.	0.7164	0	0
AGE	Coefficient	-0.00023	-0.0000000000000981	-0.001218
	t-Statistics	-1.13007	-0.24213	-1.025647
	Prob.	0.2615	0.8092	0.3078

		Coefficient	0.000258	-0.000000000000372	0.000265
PRODUCT DIVERSIFICATION		t-Statistics	0.770283	-5.67563	0.13782
		Prob.	0.4432	0	0.8907
		Coefficient	0.746481	0.000000000459	-20.73204
GEOGRAPHIC DIVERSIFICATION		t-Statistics	1.689216	5.309729	-8.178304
		Prob.	0.0947	0	0
R-Squared			1	1	1
Adjusted R-squared			1	1	1
F-Statistic			1.56E+08	6.04E+26	3.26E+08
Prob (F-Statistic)			0	0	0
Durbin - Watson Stat			2.294087	1.782695	3.050219

Determinants of ROE: The value of Adjusted R-squared is 1 in the model which represent that 100% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 1.56E+08 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 2.29, which is greater than 2 and hence there will be negative serial auto correlation.

Further results shows that the dividend policy variable has a positively significant impact on ROE. The firm's specific variables such as investment policy, size and age has a negative and insignificant impact on ROE. Other independent variables like capital structure, geographic diversification and product diversification has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the dividend policy, capital structure and geographic diversification variables has a positively significant impact on ROA. Size and product diversification has a negative significant impact on ROA. Age has a negative and insignificant impact on ROA. Other independent variables like investment policy and geographic diversification has positively insignificant impact on ROA.

Determinants of TOBIN'S Q: The results shows that the product diversification variable has a positively significant impact on Tobin's q. Capital structure and size has negative insignificant impact on Tobin's q. The firm's specific variables such as investment policy, dividend policy, graphic diversification and age has a negative and insignificant impact on Tobin's q.

Sectorial Analysis:

All of the three firms, Coca cola beverages, Pepsi and McDonalds are included in the Food sector. By taking the average ROE of all it can be seen that from 2015 to 2019 its value is constantly increasing from 32 to 35 means companies are generating more profit without needing as much capital from the business. By taking the average ROA of all it can be seen that its value is also increasing from 10 to 12, means the companies are doing a good job of increasing its profits with each investment dollar it spends. As for Tobin's q both ROE and ROA indicates effective

Tobin's q for the sector.

Nestle Pvt Ltd (FMCG Sector)

Dependent Variables		Model 1	Model 2	Model 3
		ROE	ROA	Tobin's q
Independent Variables				
C	Coefficient	31.33733	4.926649	6.818749
	t-Statistics	0.458674	0.125825	2.349603
	Prob.	0.6477	0.9002	0.0212
SIZE	Coefficient	-1.074458	-0.1475	-0.065817
	t-Statistics	-0.438335	-0.104998	-0.632127
	Prob.	0.6623	0.9166	0.5291
PRODUCT DIVERSIFICATION	Coefficient	1.136602	0.50332	-0.015858
	t-Statistics	0.640431	0.49486	-0.210364
	Prob.	0.5237	0.622	0.8339
DIVIDEND POLICY	Coefficient	5.746828	2.355996	-0.015247
	t-Statistics	20.28026	14.50755	-1.266696
	Prob.	0	0	0.2089
CAPITAL STRUCTURE	Coefficient	0.061959	0.021739	0.991803
	t-Statistics	0.459605	0.281383	173.2021
	Prob.	0.647	0.7791	0
INVESTMENT POLICY	Coefficient	0.122756	0.045905	-0.005255
	t-Statistics	0.545616	0.356028	-0.549924
	Prob.	0.5868	0.7227	0.5839
AGE	Coefficient	-0.467032	-0.131224	-0.025868
	t-Statistics	-1.948758	-0.955433	-2.541064
	Prob.	0.0548	0.3422	0.013
GEOGRAPHIC DIVERSIFICATION	Coefficient	395.0445	26.10822	5.339862
	t-Statistics	0.466816	0.053833	0.148552
	Prob.	0.6419	0.9572	0.8823
R-Squared		0.927258	0.960197	0.999955
Adjusted R-squared		0.902113	0.946437	0.999939
F-Statistic		36.87601	69.78588	63978.73
Prob (F-Statistic)		0	0	0
Durbin - Watson Stat		2.877636	3.708206	2.766152

Determinants of ROE: The value of Adjusted R-squared is 0.9021 in the model which represent that 90.21% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 36.87 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is

fit for analysis. Durbin Watson extracted is 2.87, which is greater than 2 and hence there will be negative serial auto correlation.

Further results shows that the dividend policy and age variables has a positively significant impact on ROE. The firm's specific variables such as size has a negative and insignificant impact on ROE. Other independent variables like capital structure, product diversification, geographic diversification and investment policy has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the dividend policy variable has a positively significant impact on ROA. The firm's specific variables such as size and age has a negative and insignificant impact on ROA. Other independent variables like capital structure, investment policy, geographic diversification and product diversification has positively insignificant impact on ROA

Determinants of TOBIN'S Q: The results shows that the capital structure variable has a positively significant impact on Tobin's q. Age variable has a negatively significant impact on Tobin's q. The firm's specific variables such as dividend policy, size, product diversification and investment policy has a negative and insignificant impact on Tobin's q. Other independent variables like capital structure and geographic diversification has positively insignificant impact on Tobin's q.

Reckitt Benckiser Pvt Limited (FMCG Sector)

		Model 1	Model 2	Model 3
Dependent Variables		ROE	ROA	Tobin's q
Independent Variables				
	Coefficient	-202.1362	-68.81469	-14.43455
C	t-Statistics	-6.917962	-34.81718	-8.980581
	Prob.	0	0	0
	Coefficient	0.501645	3.405482	2.777113
SIZE	t-Statistics	0.120845	12.12804	12.1617
	Prob.	0.9041	0	0
	Coefficient	0.10025	-0.00797	-0.007085
PRODUCT DIVERSIFICATION	t-Statistics	1.151508	-1.353366	-1.479411
	Prob.	0.2525	0.1792	0.1424
	Coefficient	5.084513	1.329712	-0.077713
INVESTMENT POLICY	t-Statistics	11.39686	44.06274	-3.166624
	Prob.	0	0	0.0021
	Coefficient	15352.11	4010.367	314.6444
GEOGRAPHIC DIVERSIFICATION	t-Statistics	35.29721	136.3122	13.15102
	Prob.	0	0	0

		Coefficient	1.289794	0.375772	-0.446505
DIVIDEND POLICY		t-Statistics	1.4622	6.2978	-9.201945
		Prob.	0.1471	0	0
		Coefficient	-97549.68	-26928.41	4786.81
CAPITAL STRUCTURE		t-Statistics	-4.368962	-17.82959	3.897315
		Prob.	0	0	0.0002
		Coefficient	-0.063409	-0.001939	-0.001769
AGE		t-Statistics	-1.68069	-0.759782	-0.852476
		Prob.	0.0962	0.4493	0.3961
R-Squared			0.997201	0.999793	0.997977
Adjusted R-squared			0.996268	0.999724	0.997303
F-Statistic			1068.764	14498.53	1479.921
Prob (F-Statistic)			0	0	0
Durbin - Watson Stat			3.037488	3.453107	3.450332

Determinants of ROE: The value of Adjusted R-squared is 0.9962 in the model which represent that 99.62% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 1068.76 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 3.03, which is greater than 2 and hence there will be negative serial auto correlation.

Further results shows that the investment policy and geographic diversification variable has a positively significant impact on ROE. Capital structure has a negatively significant impact on ROE. The firm's specific variables such as age has a negative and insignificant impact on ROE. Other independent variables like size, dividend policy and product diversification has positively insignificant impact on ROE.

Determinants of ROA: The results shows that the investment policy, size, dividend policy and geographic diversification variable has a positively significant impact on ROA. Age and capital structure variables has a negatively significant impact on ROA. The firm's specific variables such as product diversification has a negative and insignificant impact on ROA.

Determinants of TOBIN'S Q: The results shows that the size, geographic diversification and capital structure variables has a positively significant impact on Tobin's q. Investment policy and dividend policy variables has a negatively significant impact on Tobin's q. The firm's specific other variables such as product diversification and age has a negative and insignificant impact on Tobin's q.

Unilever Pvt Limited (FMCG Sector)

		Model 1	Model 2	Model 3
Dependent Variables		ROE	ROA	Tobin's q

Independent Variables				
	Coefficient	-11.81087	-0.0000000000717	2.823993
C	t-Statistics	-0.356142	-0.85922	3692.998
	Prob.	0.7225	0.3924	0
	Coefficient	1.624498	-0.00000000000677	0.0000228
SIZE	t-Statistics	0.247643	-0.410153	0.150562
	Prob.	0.805	0.6826	0.8806
	Coefficient	-0.024903	0.00000000000363	-0.00000276
PRODUCT DIVERSIFICATION	t-Statistics	-0.166174	9.616101	-0.799449
	Prob.	0.8684	0	0.4261
	Coefficient	-0.052522	0.0000000000000191	-0.00000123
INVESTMENT POLICY	t-Statistics	-1.315216	0.190354	-1.331403
	Prob.	0.1917	0.8494	0.1863
	Coefficient	2.711829	0.00000000153	79.87473
GEOGRAPHIC DIVERSIFICATION	t-Statistics	0.014748	3.306384	18838.21
	Prob.	0.9883	0.0013	0
	Coefficient	5.210663	2	-0.0000138
DIVIDEND POLICY	t-Statistics	38.84243	5920000000000	-4.458663
	Prob.	0	0	0
	Coefficient	1081.53	0.000000000147	-0.008267
CAPITAL STRUCTURE	t-Statistics	3.963219	0.21356	-1.313743
	Prob.	0.0001	0.8314	0.1922
	Coefficient	0.019274	-0.000000000000068	0.0000000822
AGE	t-Statistics	1.224589	-1.716375	0.226514
	Prob.	0.2238	0.0894	0.8213
R-Squared		0.99939	1	1
Adjusted R-squared		0.999187	1	1
F-Statistic		4917.47	1.03E+26	1.96E+13
Prob (F-Statistic)		0	0	0
Durbin - Watson Stat		2.826484	2.078766	2.779418

Determinants of ROE: The value of Adjusted R-squared is 0.9991 in the model which represent that 99.91% variation of the dependent variable is explained by the independent variable. The value of F-statistics is 4917.47 and P-value is zero and it is statistically significant which confirm the validity of the model and the model is fit for analysis. Durbin Watson extracted is 2.82, which is greater than 2 and hence there will be negative serial auto correlation.

Further results shows that the dividend policy and capital structure variables has a positively significant impact on ROE. The firm's specific variables such as investment policy and product diversification has a negative and insignificant impact on ROE. Other independent variables like size, age and geographic diversification

has positively insignificant impact on ROE

Determinants of ROA: The results shows that the product diversification, geographic diversification and dividend policy variable has a positively significant impact on ROA. The firm's specific variables such as size and age has a negative and insignificant impact on ROA. Other independent variables like capital structure and investment policy has positively insignificant impact on ROA.

Determinants of TOBIN'S Q: The results shows that the geographic diversification variable has a positively significant impact on Tobin's q. The firm's specific variables such as investment policy, product diversification, dividend policy and capital structure has a negative and insignificant impact on Tobin's q. Other independent variables like size and age has positively insignificant impact on Tobin's q.

Sectorial Analysis:

All of the three firms, Nestle, Reckitt Benckiser and Unilever are included in the FMCG sector. By taking the average ROE of all it can be seen that from 2015 to 2019 its value is constantly increasing from 32 to 35 means companies are generating more profit without needing as much capital from the business. By taking the average ROA of all it can be seen that its value is also increasing from 10 to 12, means the companies are doing a good job of increasing its profits with each investment dollar it spends. As for Tobin's q both ROE and ROA indicates effective Tobin's q for the sector.

GENERAL DISCUSSION

This study is conducted to examine the impact of firm's specific variables on firm's financial performances. The dependent variables taken for measuring the financial performances of the firms are ROE, ROA and Tobin's q. The independent variables taken investment policy, dividend policy and capital structure defining the financial structure. The corporate diversification variables represented by product diversification and geographic diversification and some other control variables such as size of assets and age of firms. The data is collected from 10 multinational firms of different sectors. These firms are Bosch Pvt Ltd, Toyota Motors Ltd, Sanofi Aventis Pharmaceuticals Ltd, Pfizer Pharmaceuticals Ltd, Coca cola beverages Ltd, Pepsi Ltd, McDonalds Ltd, Nestle Ltd, Reckitt Benckiser Ltd and Unilever Ltd. The firms' data are collected from 25 international countries. The countries includes Argentina, Australia, Austria, Brazil, Canada, China, Ecuador, France, Germany, India, Indonesia, Italy, Japan, Malaysia, Mexico, New Zealand, Peru, Romania, Spain, Switzerland, Thailand, Turkey, UAE, UK and USA. The data is examined annually from 2015 to 2019 in panel form. The regression analysis, descriptive statistics, correlation matrix and ANOVA methods are used for the estimation, interdependency and correlation between the variables. The results indicated that dividend policy variable has positive significant impact on financial performances of the firms. Capital structure has negatively significant impact on financial performances of the firms. Geographic diversification also has positive significant impact on financial performances of firms.

The first hypothesis stated that corporate diversification (geographic) have a significant and positive affect on the firm's financial performance with the help of results, empirical framework and literature review proves to be correct. This study confirms the hypothesis and is accepted. The agency theory also supported this. The second hypothesis stated that capital structure have a significant and negative affect on the firm's financial performance. There has some variations in the studies as some researches showed positive impact of capital structure on firm's financial performance and some showed negative significance impact on the firm's financial performance. But according to M&M theory this study confirms the negative significance of capital structure and firm's financial performance and the Pecking order theory also confirms this . Hence it is proved and accepted. The third statement stated that dividend policy have a significant and positive affect on the firm's financial performance. The theoretical and empirical studies, literature and results of this study showed positive impact of dividend policy on firm's financial performance. The fourth hypothesis stated that investment policy have a significant and positive affect on the firm's financial performance. The theoretical and empirical framework supported the statement but the results of this study doesn't approve it. Hence it is rejected.

The control variables such as firm size and age has a significant and positive affect on firm's financial performance. This statement of hypothesis doesn't prove against the results and the theories. Previous studies shows a positive impact of age and size on firm's financial performance. This study shows a negative insignificant impact of age and size on firm's financial performance, hence it is rejected.

6. CONCLUSION

This study focused on the removing the gaps faced by the organizations in making financing and investing decisions on a global scale. The study contains variables which defines the relationship between profitability and the investing, financing and diversification policies among the global environment. The sectorial analysis defines the overall impact of profitability on the different sectors the industries represents which includes consumer, automobile, pharmaceutical, fmcg and food. It is seen that firms has followed effective dividend policy in order to attract investors. Proper and effective management of capital structure and geographic diversification can led to maximum increase in the financial performance of the firms. This study investigated the impact of corporate diversification, investment, and Capital structure and dividend policies on firm's financial performances. The dependent variables taken for measuring the financial performance of the firms included ROE, ROA and Tobin's q. The independent variables were taken as investment, dividend as well as capital structure policies. Moreover, corporate diversification variables represented by product diversification and geographic diversification. Other variables like size of assets and age of firms were taken as control. The hypothesis stated that divided policy, capital structure, investment policy and corporate diversification has a positive impact on firm's financial performances. The data is collected from 10 multinational firms of different sectors. These firms are Bosch Pvt Ltd, Toyota Motors Ltd, Sanofi Aventis Pharmaceuticals

Ltd, Pfizer Pharmaceuticals Ltd, Coca cola beverages Ltd, Pepsi Ltd, McDonalds Ltd, Nestle Ltd, Reckitt Benckiser Ltd and Unilever Ltd. The firms' data are collected from 25 countries. The countries includes Argentina, Australia, Austria, Brazil, Canada, China, Ecuador, France, Germany, India, Indonesia, Italy, Japan, Malaysia, Mexico, New Zealand, Peru, Romania, Spain, Switzerland, Thailand, Turkey, UAE, UK and USA. The data is examined annually from 2015 to 2019 in panel form. The regression analysis, descriptive statistics, correlation matrix and ANOVA methods are used for the estimation, interdependency and correlation between the variables. The results are based on sectorial analysis as the firms belongs to consumer, pharmaceutical, automobile, food and FMCG sectors.

The shifting outcomes are the reasons of various situation and monetary state of the individual nations. For the most part, the outcomes propose that diversification further develops firms' financial performance yet there is a need of proper administration of broadening choices as pointless expansion can prompt a lessening in firms' financial performance. The capital structure showed huge effect on firms' financial performance which proposes that there is need for a compelling blend of obligation and value to diminish the capital expense, which can expand the productivity, and worth of the organizations.

Overall results indicated that dividend policy and geographic diversification has positive significant impact on financial performances of the firms. Whereas, capital structure has negatively significant impact on firms financial performance.

The policy implications drawn from the results explained that geographic diversification improves firms' financial performance. Firm's need a proper diversification based management choices as unbalanced diversification can decrease in firm's financial performance. Proper utilizing of the resources by the firms should lead to efficient diversification. The firm's follows proper dividend policies as they are making a positively significant impact on firm's financial performance. But to attract more investors firm's need to revise their policies in the long run. The capital structure is negatively significant which means that the capital cost should be decreasing and the firm's value and profitability is increasing. The firms should create optimal capital structure in order to maximize wealth for investors. Furthermore financial leverage and foreign ownership can also be used for future implications including other control variables as board structure, earnings per share, governance techniques, internal or external auditing, risk and corporate profitability.

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