

CHAPTER 5

CONCLUSION

5.1 CONCLUSION AND RECOMONDATION

The construction industry in the 21st century is developing with significant changes with construction work force, globalization, and growth of the organization, different management system and better client solution. It has increased the corporate organization structure in construction industry due to risk and the cost. It is mainly advantage to minimize the risk and cost because of limited liability, enhanced creditability, unlimited growth, unlimited shareholders and tax advantages. Mainly there are three corporate functions which are investments, financing and dividend decisions. Among these decisions this research has focused on the financial decisions of construction organizations in Sri Lanka. Within last years it has shown different patterns in Sri Lankan economy. The organizations' financial decisions have changed with these economical cycles.

Strong management system is highly affected for the organizations performances. The company performance is changing with the corporate strategies which use according to the situations. This research has been focused to identify the relationship between performance and capital structure of the construction corporate organizations. It has been identified with three major objectives which are how managers motivate with the different financial arrangements, financial diction making under different economic conditions and to find the relationship between organizations' performance and financial structures. Literature review, Questionnaire survey and secondary data have been carried out to achieve above three objectives.

Through the literature review it was found that sources of finance, strategies during economic down and economic growth. Although literature findings show that short term loan are popular in the construction industry as per the analysis it says that organizations are highly prefer to select long term loan and equity shares for the

arrangement of the capital structure in Sri Lankan Construction corporate organizations. Further it shows that their financial decision on capital structure is depending on cost and risk related factors. Also it shows that the generally, the organizations use various financial techniques for their financial arrangement as according to the situation. Among these factors it shows that return on Investment, Cost of debt, IRR and Profitability ratios are commonly use for their selection.

The second objective is how the financial decisions change with the different the economical situations. They are mainly using strategies which are reducing cost, deinvestment areas of week, Investment on strength area, using retaining earnings for as a funding source and stable with low payout ratios. Also during the economic growth managers are acting to increase their market value. They are using corporate strategies which are investment in the new strength area, raising more equities, develop human resource capabilities, launching new markets and stable with high payout ratios. According to the results organization are not willing to issues shares and use high debt at the economic down. Therefore it can be concluded that capital structure is arranged with retained earnings, less equities and less debt in economic down. The issuing equity is in average level in that period. Also the capital structure is arranged with equity shares and long term loan in an economic growth and also they are surviving with high payout ratio in this period.

The third objective is to find out the relationship between performances and financial structure in corporate construction companies in Sri Lanka. It was found through correlation analysis between organizations' performance indicators and capital structures indicators. While the organizations' performances are indicating through ROE, ROA, net profit margin and earnings per share and the capital structure is indicted by equity shares, assets and debt. As per the analysis it shows that debt percentage is greater than equity shares percentage. The mean value of debt/equity ratio is 1.0024%. It shows the fact that corporate construction companies more on debt rather than equity. Therefore it is indicated that Sri Lankan Corporate construction organizations are geared institutions as average level. The R values were found to be significant and negative for association between debt/equity and ROE, debt equity and net profit, debt to total assets and ROA and debt to assets and

net profit. It can be concluded that there is a significant relationship between organizations' performance and financial structure.

Construction industry plays a major role in the economic development in a country. Therefore construction organizations are crucial places in a country. Selection of capital structure is a critical decision. This selection is necessary for the profit determination of firms. Therefore organizations should make the financing decision prudently to get a competitive advantage in the industry. The current research findings can be concluded as follows,

- Long term and Equity shares are the major sources of finance in Sri Lankan Construction Corporate organizations.
- The organizations' decision on capital structure is mainly based on Project cost and risk related factors and it is analyzing ROI, Cost of Debt, IRR and profitable ratios.
- While during an economic down, the companies are arranging their capital structure with retained earnings, less equities and less debt, it is arranged with equity shares and long term loan in an economic growth.
- Companies stable with high payout ratio in the economic growth and companies have a low payout ratio in the economic down.
- The Sri Lankan corporate construction organizations are geared institutions in average level.
- There is a significant relationship between capital structure and organizations' performance. So organizations should make good capital structure decision to earn profit and carry on their business successful

This research is useful for the selection of sources of finance and to identify the strategies in various economic situations. Also, because there is a significant relationship between organizations' performance and capital structure managers should be highly aware when the selection of capital structure.

In the current research measures from capital structure were theoretically examined and tested as part of corporate performance management in construction companies.

5.2 FURTHER RESEARCH

- A study can be carried out to find the relationship between Capital structure and managers performances.
- A research can be conducted to examine the capital structure and organizations performances in the no listed construction organizations.
- Only some methods are used to test hypothesis such as correlation and descriptive statistics. Further the researcher can add much variety of techniques to generalize their findings such as ANOVA, regression and etc.

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APPENDIX A : Questionnaire

Overview and Data Collection procedure

The aim of the dissertation focuses to identify relationship between performances and financial structure in companies, firms, organizations in Construction Industry in an economic uncertainty and fluctuation. The objectives are summarized below as,

- 1 To measure how organizations are motivate with the different financial arrangements
- 2 To asses level of organizations' performance and financial decision making under different economic conditions.
- 3 To measure the relationship between organizations' performance and financial structures.

This questionnaire will be focused on identifying how organizations motivate with the different financial arrangements and what are the financial decisions under different economic conditions.

The questionnaire will be distributed among managers who are applying corporate financial techniques and who are working in client, consultant and contracting organization in the construction industry.

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Section A: Demographic Characteristics

- Your Name
 Q1. (Optional):
- Q2. Type of your current organization:
- Your designation/position:
 Q3.
- Your experience in the construction Industry:(Number of years)
 Q4.
- Type (s) of work you are predominantly experienced in:
 Q5. Design Client Contracting

Section B: Financial Structure

Q6

What are the important sources of finance in your organization capital structure?
 (Please select the relevant value from each combo box)

No	Sources of finance	Scale - 5 Extremely Important 3 Moderately Important 1 Not Important at all
1	Equity Shares	
2	Preference shares	
3	No par stocks	
4	Differed shares	
5	Debentures	
6	Bonds	
7	Depreciation funds	
8	Retaining earnings	
9	Short term loan	
10	Overdraft	

Appendices

11	Long term loan	
12	Commercial mortgage	
13	Leasing	
14	Hire Purchase	
15	Grants	
16	Venture capital	
	Other	

Q7 When start a new project what are the common financial methods?
(Please select the relevant value from each combo box)

No	Sources of finance	Scale - 5 Highly use 3 Moderately use 1 Not use at al
1	Equity Shares	
2	Preference shares	
3	New Shares issues (as equity or preference)	
4	Right issues (as equity or preference)	
5	No par stocks	
6	Differed shares	
7	Debentures	
8	Bonds	
9	Depreciation funds	
10	Retaining earnings	
11	Short term loan	
12	overdraft	
13	Long term loan	

14	Commercial mortgage	
15	Leasing	
16	Hire Purchase	
17	Grants	
18	Venture capital	
19	Joint venturing. Partnering	
	Other	

Q8 What are the significant factors affecting on selection of financial arrangement on a new project in your organization?

(Please select the relevant value from each combo box)

No	Factors	Scale - 5 Highly affect 3 Moderately affect 1 Not use at all
1	The stage of development of the business	
2	The state of the economy	
3	Project Cost	
4	How quickly the money is needed	
5	The cheapest option available	
6	The amount of risk involved in the reason for the cash /risk involvement on the project	
7	The length of time of the requirement for finance	
8	The capital composition of the business (Gering Condition)	
9	Pay out ratio	
10	Project Complexity	
11	Government rules and regulations	

12	Required technology for the project	
13	Required material, machineries and equipments	
14	Floataion costs (those expenses which are incurred while issuing securities (e.g., equity shares, preference shares, debentures, etc.). These include commission of underwriters, brokerage, stationery expenses, etc)	
15	Flexibility of the capital structure (if need be, amount of capital in the business could be increased or decreased easily)	
16	Controlling power on shareholders	
17	Capital Structure of Other Companies (similar)	
18	Availability of going for joint venture or partnering	
19	Cost of different financing	
	Other	

Q9 What are the ratios, techniques using for selection of financial structure for a new project in your organization?

(Please select the relevant value from each combo box)

No	Techniques	Scale - 5 Highly use 3 Moderately use 1 Not use at all
1	Debt Service Coverage Ratio (tells us about the cash payments to be made (e.g., preference dividend, interest and debt capital repayment) and the amount of cash available.)	
2	Return on Investment	
3	Profitability ratios (Profit before tax and interest / Total revenue)	
4	Return on equity	
5	Debt Ratios (Debt/Assets)	

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6	Overall Leverage (Total debt / Total assets)	
7	Activity ratios	
8	Long term leverage (Long term debt / Total Assets)	
9	Short term debt (Short term debt / Total Assets)	
10	Long term debt (Long term debt / Total Debt)	
11	Total Liabilities / Total Assets	
12	Total Debt / Capital	
13	Internal Rate of Return	
14	Present value analysis	
15	Cost of Debt	
16	Tax Rate	
17	Cost of Equity Capital	
18	Pay out ratio	
	Other	

Section C : Organizations' Performance

Q10

What are the major corporate strategies which you have applied in recent years in your organization ?

(Please select the relevant value from each combo box)

Appendices

No	Strategies	Scale - 5 Highly use 3 Moderately use 1 Not use at all
	Growth strategies	
1.1	Consolidation	
1.2	Launching New type of projects	
1.3	Launching New market	
1.4	(Any)	
2	Stability Strategies foe existing business	
2.1	Jointing with existing clients with existing type projects	
2.2	Maintaining market share	
2.3	Sustaining the current business operations	
2.4	(Any)	
3	Renewal strategies (During declining stage)	
3.1	Retrenchment strategies (involve cutting operating costs and divestment of non-core assets)	
3.2	Investment Strategies (innovation and market diversification)	
3.3.	(Any)	
4	Financing strategies	
4.1	Debt rescheduling	
4.2	Raising equities	
4.3	(Any)	
5	Acquisition	
6	Merge the company	
7	Capital structure decision changing	
8	Fallowing a specific Business Model	
	Other	

Q11 What are the financial strategies used during and post crisis period?
(Please select the relevant value from each combo box)

No	Strategies	Scale - 5 Highly use 3 Moderately use 1 Not use at all
1	Reduce cost	
	Reducing Fixed cost	
	Reducing nr of employees	
	Selling extra machineries, equipments	
	Reduction of availability of credit	
	Reducing litigation cost through proper contract arrangement	
	Cuts on a wide range of expenditure including RandD	
	reduced use of consultants and outsourced services	
	reduced training budgets	
	reduced travel expenses and greater use of teleconferencing	
2	Choosing right business model	
3	Disinvestment in areas of weakness	
4	Investment of areas of strength	
5	Liquidation of investments in an early phase of a downturn	
6	Develop human resource capabilities	
7	Increase in the cost of mortgage loan	
8	Acqusion of resources	
9	Acqusion of stocks	
10	Merger or consolidation	
11	Collaborative partnership	
12	Product or service diversification	

Appendices

13	Raising more equities (increasing issuing rights)	
14	Using Retaining earnings for as funding source	
15	Stable with low payout ratios	
17	Use low debt ratio	

Q12 What are the financial strategies used growth period ?
(Please select the relevant value from each combo box)

No	Strategies	Scale - 5 Highly use 3 Moderately use 1 Not use at all
1	Raising more equities (increasing issuing rights)	
2	Stable with high payout ratios	
3	Changing business model / procurement method	
4	Investment of areas of strength	
5	Develop human resource capabilities	
6	Acquisition of resources	
7	Acquisition of stocks	
8	Merger or consolidation	
9	Collaborative partnership	
10	Product or service diversification	
11	Introducing new product to market	
12	Leasing or hire purchase of new machineries and equipments	
13	Launching new market	

Section D : Corporate Governance Measures

Q13

How is the important of capital structure as a measure of corporate governance ?

Scale - 5 Extremely Important
 3 Moderately Important
 1 Not Important at all

Q14

How is the significant of fallowing measures on corporate governance ?

(Please select the relevant value from each combo box)

No	Measurements	Scale - 5 Extremely Important 3 Moderately Important 1 Not Important at all
1	Return on investment	
2	Return on equity	
3	Return on assets	
4	Return on Debt	
5	Return on Capital	
6	Assets / Equity	
7	Turn over / Assets	
8	Debt ratio0 (Debt/Assets)	
9	Debt/Equity	
10	Liabilities/Asset	
11	Share holders' funds / Total Assets	
12	Current ratio	
13	Earnings per Share	
14	Earnings Before Interest After Taxes (EBIAT)	
15	Economic Value Added	
16	Volume of works growth rate	
17	Profitability (Profit before tax and interest /Total revenue)	
18	Profitability (Profit /Total revenue)	

Appendices

APPENDIX B : Data collection

Objective One and Two

B Q6 What are the important sources of finance in your organization capital structure?

Company	Manager	Variables															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	1	4	1	1	1	1	1	3	4	3	3	5	1	4	1	3	3
1	2	5	2	1	1	1	1	1	5	5	3	5	3	5	3	1	1
1	3	4	1	1	1	1	1	2	4	4	2	4	1	3	3	1	3
2	1	3	1	1	1	1	1	3	3	4	4	4	1	4	4	1	1
2	2	5	1	1	1	1	1	1	4	4	4	4	2	4	3	2	1
2	3	4	1	1	1	1	1	3	4	4	4	5	1	4	3	1	1
3	1	5	2	1	2	1	1	1	2	3	3	4	2	3	3	1	1
3	2	5	1	1	1	1	1	3	4	3	2	5	1	4	1	2	2
3	3	5	2	1	1	1	1	2	3	4	3	4	1	4	2	1	1
4	1	5	1	1	1	1	1	1	3	3	5	5	2	4	3	1	1
4	2	4	1	1	1	1	1	1	4	4	4	5	1	3	2	1	1
4	3	5	1	1	1	1	1	1	4	3	3	5	1	4	2	1	1
5	1	4	2	1	1	2	1	1	3	3	3	5	3	4	3	1	2
5	2	5	1	1	1	1	1	1	5	3	3	4	2	4	3	1	1
6	1	4	1	1	1	1	1	2	3	3	4	4	3	3	2	1	1
6	2	5	1	1	2	2	1	2	4	2	2	3	2	3	1	1	2
7	1	4	1	1	1	1	1	2	3	4	3	4	1	4	4	1	1
7	2	4	1	1	1	1	1	2	3	3	3	3	1	4	2	1	1

Appendices

B Q7 When starts a new project what are the common financial methods?

Company	Manager	Variables																		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	1	4	1	4	4	1	1	1	1	3	5	1	1	5	1	3	1	1	2	4
1	2	5	3	5	5	1	1	1	1	1	5	3	3	5	3	3	4	1	1	5
1	3	5	1	3	4	1	1	1	1	2	4	2	3	5	1	3	1	1	2	4
2	1	3	1	1	2	1	1	1	1	2	3	3	3	4	2	4	4	1	1	3
2	2	3	1	1	1	1	1	1	1	1	3	4	4	3	1	3	3	1	1	3
2	3	4	1	1	3	1	1	1	1	2	3	3	4	5	2	4	4	1	1	4
3	1	5	2	2	3	1	1	1	2	3	2	3	3	3	2	3	3	1	1	3
3	2	4	1	4	3	1	1	1	1	4	5	2	3	5	1	4	1	2	2	4
3	3	5	1	3	3	1	1	1	1	3	4	4	3	5	2	3	2	1	1	3
4	1	3	1	1	1	1	1	1	1	3	3	3	3	5	3	3	3	1	1	3
4	2	4	1	1	1	1	1	1	1	2	4	4	3	5	2	3	4	1	1	4
4	3	4	1	1	1	1	1	1	1	3	3	3	4	5	1	4	3	1	1	4
5	1	3	1	3	2	1	1	1	1	2	4	3	4	4	2	3	3	1	1	4
5	2	3	1	1	1	1	1	1	1	3	3	3	3	5	2	3	3	1	2	3
6	1	3	1	1	1	1	1	1	1	3	4	3	4	4	1	3	4	1	1	4
6	2	3	2	3	3	1	1	3	1	1	4	5	1	3	1	1	4	1	1	1
7	1	3	1	1	1	1	1	1	1	2	3	4	4	4	1	3	4	1	1	1
7	2	3	2	2	2	1	1	1	1	2	3	5	4	3	2	3	4	1	1	2

Appendices

B Q8 What are the significant factors affecting on selection of financial arrangement on a new project in your organization ?

Company	Manager	Variables																		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	1	4	1	1	3	4	5	2	4	1	3	4	3	3	1	1	1	1	4	4
1	2	5	1	2	5	5	4	5	4	4	4	3	3	1	2	4	5	3	5	4
1	3	5	1	3	4	5	3	3	1	2	1	4	1	4	3	3	3	3	3	1
2	1	4	2	1	4	4	5	5	3	3	4	4	4	4	3	4	3	4	4	4
2	2	3	2	2	5	3	3	4	2	2	3	3	3	3	2	2	4	2	3	3
2	3	5	2	3	5	4	4	4	3	3	4	4	3	3	3	3	4	3	4	3
3	1	3	3	1	4	5	5	4	5	3	4	5	4	4	4	4	5	4	4	4
3	2	3	3	2	4	5	5	3	5	2	3	3	3	3	3	3	4	5	4	3
3	3	4	3	3	4	5	4	4	4	3	3	3	3	3	2	2	3	3	4	3
4	1	5	4	1	5	3	3	3	3	3	3	3	5	5	1	3	3	3	3	3
4	2	4	4	2	4	5	4	4	3	2	2	3	4	4	1	2	4	2	4	3
4	3	4	4	3	4	4	5	4	2	3	1	2	3	5	2	3	3	3	4	3
5	1	3	5	1	4	5	3	4	4	3	2	2	4	5	1	2	2	2	2	3
5	2	3	5	2	5	4	2	4	3	3	2	3	2	2	3	3	3	3	4	3
5	3	4	6	1	5	5	4	3	2	2	3	2	2	4	1	3	1	3	3	2
6	1	3	6	2	5	5	4	3	3	4	3	4	3	4	1	3	3	2	3	3
6	2	4	7	1	4	4	5	4	3	3	2	2	4	4	1	3	3	2	1	3
6	3	4	7	2	5	4	5	3	4	3	2	4	4	5	2	2	3	2	2	3

Appendices

B Q9 What are the ratios, techniques using for selection of financial structure for a new project in your organization?

Company	Manager	Variables																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	1	4	4	4	5	3	3	1	4	2	4	3	4	5	3	5	3	3	1
1	2	5	5	4	5	4	5	4	4	4	4	4	4	5	5	5	4	5	4
1	3	3	5	5	5	3	4	3	5	2	4	2	5	5	5	5	4	5	3
2	1	4	3	4	4	3	3	3	3	3	3	3	3	4	4	4	4	3	3
2	2	2	3	3	3	2	2	2	2	2	2	2	4	3	3	3	2	2	2
2	3	4	4	4	4	3	3	2	4	2	4	3	3	4	4	3	3	4	2
3	1	3	5	5	4	4	5	4	4	4	4	5	4	4	3	5	4	4	2
3	2	5	5	3	5	4	4	1	4	2	5	3	4	5	2	5	3	3	2
3	3	4	4	4	4	3	4	3	4	3	3	3	3	4	3	4	3	3	3
4	1	3	5	4	5	3	3	1	3	3	3	3	5	5	5	5	4	3	3
4	2	4	5	5	4	3	4	2	4	2	4	4	4	5	4	4	3	4	2
4	3	3	4	4	3	3	4	3	4	3	5	3	3	4	4	4	3	3	2
5	1	4	5	3	4	3	4	4	4	2	4	5	5	4	4	4	2	3	4
5	2	3	4	4	4	4	5	5	3	4	4	4	4	4	4	5	3	4	2
6	1	4	5	4	3	3	3	3	4	3	4	4	5	3	4	4	2	4	3
6	2	3	5	5	3	3	4	3	3	4	3	5	4	3	3	4	5	4	3
7	1	4	4	4	4	3	3	3	2	3	2	3	4	4	4	4	4	3	3
7	2	4	5	4	4	4	3	4	3	3	2	4	4	3	4	4	4	4	3

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C Q10 What are the major corporate strategies which you have applied in recent years in your organization?

Company	Manager	Variables													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	1	4	5	4	4	2	5	5	3	3	4	3	3	4	2
1	2	3	5	5	5	3	5	1	5	3	5	3	1	3	2
1	3	3	4	3	4	3	5	3	3	3	4	3	3	4	2
2	1	1	4	3	4	4	4	3	3	4	3	3	4	3	3
2	2	1	5	5	4	4	4	4	2	3	2	1	1	1	1
2	3	3	4	4	4	3	4	3	4	4	4	3	3	4	2
3	1	2	4	5	4	5	5	3	4	3	3	4	3	2	2
3	2	4	5	4	3	3	4	5	4	3	4	4	4	3	2
3	3	3	4	4	4	4	4	3	4	3	4	3	2	3	2
4	1	3	5	5	2	3	3	5	4	3	3	2	1	3	3
4	2	2	4	4	4	4	5	4	3	4	4	3	2	4	2
4	3	2	5	3	4	5	4	3	4	3	4	1	2	3	4
5	1	2	4	3	4	3	5	3	4	3	4	4	2	4	2
5	2	4	5	3	4	3	4	3	3	3	4	3	2	4	1
6	1	3	4	4	3	4	5	2	4	3	3	1	2	1	2
6	2	1	3	3	3	4	4	4	3	3	4	1	2	3	1
7	1	1	4	3	4	3	4	4	2	4	2	2	4	2	2
7	2	2	3	3	4	4	4	3	3	3	3	2	2	3	2

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C Q11 What are the financial strategies used during and post crisis period?

Company	Manager	Variables																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	1	4	3	5	3	3	2	1	1	2	5	4	5	4	4	4	3	3	1	1	1	3	3	1	3
1	2	5	1	3	3	1	3	3	3	5	5	5	3	3	3	1	3	1	1	1	3	3	5	5	5
1	3	4	3	4	2	3	3	2	3	4	4	4	3	3	2	3	2	3	2	3	3	4	5	4	3
2	1	4	4	4	3	4	4	4	4	4	4	4	3	3	3	3	3	3	4	4	3	4	3	5	4
2	2	2	4	3	1	3	3	1	4	3	2	2	3	1	2	3	2	4	1	3	3	1	2	3	2
2	3	5	4	4	3	4	4	3	3	4	3	4	3	2	2	2	3	4	2	4	3	2	3	4	3
3	1	4	2	2	4	4	3	3	3	4	4	5	4	5	4	3	2	2	2	1	1	2	2	2	3
3	2	5	3	3	3	2	3	2	1	3	5	5	4	4	3	4	3	2	4	2	4	3	4	2	3
3	3	5	3	3	3	2	3	3	2	4	5	5	4	4	3	4	2	3	3	2	3	3	3	2	3
4	1	3	3	3	1	1	3	1	1	3	3	3	3	1	3	1	1	1	1	1	1	3	3	3	3
4	2	4	4	2	3	4	3	2	2	1	4	4	4	2	4	2	2	3	2	2	3	2	4	4	3
4	3	5	3	3	2	3	3	1	2	3	3	4	3	3	3	3	3	2	3	3	3	3	3	3	3
5	1	3	2	4	2	4	3	3	3	4	5	4	4	2	4	3	3	2	2	2	3	2	4	4	4
5	2	5	1	1	4	1	1	3	1	1	4	3	4	1	2	3	3	2	1	4	3	3	4	3	3
6	1	4	3	2	3	4	3	2	4	3	5	4	4	3	4	3	2	1	4	2	4	1	2	3	3
6	2	4	3	2	3	3	4	2	3	2	3	4	3	4	5	3	3	3	1	2	3	2	3	3	3
7	1	4	2	2	3	2	3	1	1	3	4	4	5	3	4	3	1	1	2	4	3	2	3	3	3
7	2	4	3	3	3	3	3	2	2	2	4	4	4	4	4	3	2	2	1	3	3	2	3	3	3

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C Q12 What are the financial strategies used during growth period?

Company	Manager	Variables												
		1	2	3	4	5	6	7	8	9	10	11	12	13
1	1	5	2	3	4	4	4	3	1	5	1	2	2	4
1	2	5	3	4	5	5	5	3	3	5	5	5	3	3
1	3	4	3	3	3	4	5	3	4	3	5	2	2	5
2	1	4	4	4	4	4	4	4	5	4	4	4	4	4
2	2	1	3	2	3	3	3	4	1	3	3	3	4	3
2	3	4	4	3	5	4	4	3	4	4	4	3	3	4
3	1	3	3	3	4	3	4	3	3	3	5	5	3	5
3	2	4	3	3	5	4	3	2	1	3	3	3	1	5
3	3	4	4	3	4	4	4	2	3	3	3	3	3	4
4	1	3	3	1	5	3	3	3	1	1	1	3	3	3
4	2	3	4	4	4	3	2	3	2	3	3	4	2	3
4	3	4	3	3	5	3	3	2	1	3	4	3	3	3
5	1	4	3	2	4	4	3	3	1	4	5	4	3	4
5	2	4	3	1	4	2	2	2	4	3	4	1	2	3
6	1	4	3	4	5	5	4	3	1	1	2	4	3	3
6	2	4	3	2	2	5	3	4	1	1	3	4	1	3
7	1	4	4	2	4	3	4	3	2	2	2	4	4	4
7	2	4	3	2	3	4	3	3	1	2	2	4	3	3

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D Q13 How is the important of capital structure as a measure of corporate governance?

Company	Manager	Importancy
1	1	4
1	2	5
1	3	5
2	1	4
2	2	3
2	3	4
3	1	5
3	2	3
3	3	4
4	1	3
4	2	4
4	3	4
5	1	4
5	2	4
6	1	5
6	2	4
7	1	5
7	2	5

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D Q14 How is the significant of fallowing measures on corporate governance?

Company	Manager	Variables																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	1	4	5	4	2	5	4	3	3	3	4	2	3	3	2	3	4	5	4
1	2	5	5	5	5	3	2	3	5	5	5	3	4	5	4	5	3	5	5
1	3	4	4	3	4	4	2	2	2	4	2	2	3	4	2	1	1	2	4
2	1	4	4	3	4	4	3	3	4	3	3	4	2	3	3	4	4	3	3
2	2	3	3	3	3	3	3	3	3	3	3	4	3	4	4	4	4	4	4
2	3	5	4	4	3	4	4	3	4	3	4	3	3	4	4	4	3	5	5
3	1	5	4	4	3	3	4	3	4	3	4	3	4	4	3	5	4	4	4
3	2	5	5	5	3	4	4	4	4	3	4	2	3	5	4	4	3	5	4
3	3	4	4	4	3	4	4	4	4	3	4	3	3	5	4	4	3	4	5
4	1	4	4	3	3	3	3	3	3	3	3	3	3	3	3	1	3	3	3
4	2	5	4	3	4	3	3	3	4	3	4	3	2	4	3	4	2	4	5
4	3	4	4	3	3	3	3	3	4	4	3	3	3	5	4	3	3	5	4
5	1	5	4	3	2	4	2	2	5	4	5	2	5	4	3	3	2	5	5
5	2	4	5	3	3	3	3	2	3	3	3	2	3	4	3	3	3	5	5
6	1	4	3	4	4	4	2	3	5	3	5	3	3	3	3	4	2	4	4
6	2	5	4	4	4	4	3	4	4	3	4	3	4	5	4	2	4	5	5
7	1	4	4	3	4	4	3	3	4	4	3	4	2	4	4	4	3	3	4
7	2	5	4	4	4	4	3	3	3	4	4	4	3	4	4	2	3	4	4

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D Q15 How is the importance of following factors which are the determination of corporate performance of your organization?

Company	Manager	Variables											
		1	2	3	4	5	6	7	8	9	10	11	12
1	1	3	3	4	5	4	4	3	3	2	2	2	3
1	2	5	4	5	4	5	5	3	3	2	3	5	4
1	3	5	4	4	2	2	1	1	1	3	3	5	4
2	1	3	4	2	2	2	3	2	4	2	2	4	4
2	2	3	3	4	3	3	3	3	4	4	3	3	3
2	3	4	4	2	2	3	3	2	4	3	3	4	4
3	1	5	5	4	4	4	4	4	3	4	3	3	2
3	2	4	4	2	2	3	2	2	4	5	4	3	3
3	3	5	4	3	2	3	3	3	3	4	2	4	3
4	1	4	3	3	3	3	3	3	3	3	3	4	3
4	2	4	3	4	2	3	4	2	2	3	3	3	4
4	3	4	4	3	3	2	3	3	3	2	3	4	3
5	1	4	5	5	3	3	4	4	3	2	3	4	4
5	2	4	4	3	2	2	2	2	1	3	3	4	5
6	1	5	4	5	4	5	5	3	2	1	3	4	4
6	2	5	3	3	4	4	5	4	3	3	4	5	2
7	1	4	4	2	1	1	3	2	4	2	2	5	4
7	2	5	4	3	2	2	3	3	4	2	3	4	3

Objective Three: Annual report analysis (2007 – 2013)

Company	Year	Capital structure			Manager Performance			
		TD/TE	TD/TA	LD/TA	ROE	ROA	Net profit	EPS
1	2007							
	2008	1.59	0.62	0.28	0.23	0.09	0.07	5.15
	2009	1.54	0.61	0.16	0.43	0.17	0.13	16.36
	2010	0.25	0.20	0.10	0.36	0.29	0.25	15.86
	2011	0.60	0.24	0.09	0.21	0.16	0.27	1.17
	2012	0.50	0.20	0.01	0.14	0.11	0.21	1.52
	2013	0.54	0.21	0.02	0.18	0.14	0.19	2.13
2	2007	0.73	0.37	0.16	0.07	0.04	0.20	0.79
	2008	0.61	0.33	0.21	0.11	0.07	0.24	1.17
	2009	0.59	0.26	0.15	0.14	0.10	0.30	1.72
	2010	0.45	0.24	0.12	0.21	0.16	0.38	0.32
	2011	0.39	0.19	0.16	0.18	0.14	0.46	0.41
	2012	1.04	0.26	0.19	0.08	0.02	0.09	0.05
	2013	0.60	0.31	0.20	0.10	0.07	0.31	0.23
3	2007	1.02	0.21	0.15	(0.58)	(0.12)	(0.22)	(6.43)
	2008	2.05	0.72	0.45	0.14	0.05	0.26	6.85
	2009	7.29	0.77	0.31	0.20	0.02	0.04	9.93
	2010	4.57	0.55	0.38	(0.20)	(0.02)	(0.03)	(6.46)
	2011	0.80	0.18	0.06	(0.07)	(0.04)	(0.09)	(2.14)
	2012	1.05	0.31	0.09	0.10	0.04	0.07	2.93
	2013	0.75	0.27	0.07	0.11	0.04	0.07	3.94

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4	2007	0.75	0.35	0.14	0.04	0.02	0.09	0.60
	2008	0.77	0.38	0.09	0.04	0.02	0.08	0.73
	2009	0.68	0.11	0.08	0.08	0.08	0.72	1.54
	2010	0.39	0.10	0.08	0.10	0.09	0.84	1.38
	2011	0.21	0.14	0.06	0.29	0.25	0.93	2.15
	2012	0.48	0.17	0.06	0.03	0.03	0.48	1.28
	2013	0.37	0.19	0.06	0.01	0.01	0.26	1.47
5	2007	0.99	0.33	0.04	0.09	0.06	0.07	0.19
	2008	0.54	0.30	0.04	0.10	0.07	0.09	0.24
	2009	0.76	0.33	0.07	0.02	0.01	0.02	0.05
	2010	0.58	0.34	0.06	0.08	0.05	0.10	0.20
	2011	0.92	0.48	0.04	0.01	0.01	0.01	0.03
	2012	1.03	0.51	0.05	0.09	0.04	0.05	0.22
	2013	1.02	0.50	0.12	(0.01)	(0.01)	(0.01)	(0.02)
6	2007	0.06	0.01	0.00	0.11	0.11	0.68	0.21
	2008	0.04	0.01	0.00	0.24	0.23	1.14	0.47
	2009	0.03	0.01	0.01	0.24	0.24	0.84	0.41
	2010	0.56	0.10	0.07	0.27	0.24	0.90	0.53
	2011	0.18	0.12	0.08	0.25	0.22	0.84	0.60
	2012	0.34	0.12	0.08	0.14	0.12	0.61	0.33
	2013	0.50	0.09	0.05	0.16	0.15	0.42	0.39
7	2007							
	2008	1.62	0.62	0.03	0.10	0.04	0.03	5.35
	2009	1.45	0.59	0.03	0.14	0.06	0.04	8.05

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2010	1.92	0.66	0.10	0.15	0.05	0.06	9.20
2011	1.29	0.56	0.16	0.27	0.12	0.12	23.98
2012	1.41	0.59	0.10	0.35	0.14	0.12	30.42
2013	1.67	0.63	0.11	(0.12)	(0.04)	(0.05)	(14.66)

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CONSTRUCTION SECTOR SHARE PERFORMANCE VS.COMPANIES SHARE PERFORMANCES

Year	2007	2008	2009	2010	2011	2012	2013
Construction sector performance Indices	723.4	762.2	3206.6	4395.9	3386.1	2651.5	2799.3
Company 1 share performance	768,572,000.00	2,364,000,000.00	4,367,000,000.00	10,524,000,000.00	12,140,000,000.00	18,314,637,000.00	18,256,985,000.00
Company 2 share performance		48,439,338.00	46,561,927.00	19,553,285.00	3,551,626,072.00	3,496,756,624.00	3,850,354,544.00
Company 3 share performance		939,880,046.00	944,281,252.00	1,089,562,601.00	1,241,240,404.00	1,318,381,614.00	1,384,987,369.00
Company 4 share performance		1,059,167.00	1,181,999.00	1,363,470.00	2,122,420.00	2,042,085.00	2,725,482.00
Company 5 share performance	397,516,665.00	678,780,108.00	531,359,913.00	618,963,895.00	961,921,676.00	937,807,488.00	1,089,320,130.00
Company 6 share performance			942,452,735.00	1,605,041,581.00	2,163,829,366.00	1,982,626,160.00	1,693,494,311.00
Company 7 share performance	1,013,784,000.00	1,268,389,000.00	1,458,009,991.00	1,648,180,000.00	1,175,482,512.00	1,849,633,217.00	2,012,225,380.00