The present study is conducted to investigate Weak Form Efficiency (WFE) of KSE-100 Index by using the daily data set from January 3, 2000 to November 30, 2012. This study estimated three unit root tests namely Augmented Dickey and Fuller (1979), Phillip-Perron (1988) and Kwiatkowski, Phillips, Schmidt and Shin (1992). Weak Form Efficiency was also investigated by applying autocorrelation test with the help of Q-statistics.

From the statistical results mixed findings are concluded about the efficiency of KSE-100 index. The presence of unit root indicates that a time series is non-stationary or random walk or in other words Weak Form Efficient. Meanwhile, estimated statistical results of Ljung-Box Q-Statistic of autocorrelation concluded that KSE-100 index is not Weak Form Efficient. However, the main reason of difference in results is because of the low power of process of unit root tests if the process is stationary.

The implication of these findings can play pivot role in case of investment decisions made in stock markets in Pakistan. Investment managers, investors, multinaltional and even policy makers of developing countries with prior knowledge about Weak Form Efficiency of stock markets of the Pakistan can make smart investment decisions with better risk management.