

The purpose of this research is to investigate various factors affecting Earning per Share and Return on Capital Employed. In this study an attempt has been made to determine what factors can affect firm value or not? Firms have various choices to raise their capital and the decision to select mix of finance is referred to as financial structure decision. The decision of financial structure is one of the most important decisions that have great impact on shareholders maximization principal. Different theorists argue differently regarding components of capital structure such as debt, equity and preferred stock on firm value. In this study this relationship has been empirically evidenced in the sugar industry companies listed on Lahore Stock Exchange.

This study investigates the relationship of Short Term Debt, Long Term Debt, Equity, Firm Size and Tangibility of Assets with Earning per Share (EPS) and Return on Capital Employed (ROCE) using Simple and Multi Linear Regression Models. The data that has been collected from financial statement of companies related to sugar industry of Pakistan listed on Lahore Stock Exchange.

This study measures and analyzes short term debt and Long Term debt rather than an aggregate measure and analysis of total debt. The results reveal the fact that equity has significant relationship with profitability. Moreover, debt has non significant relationship with profitability.