

# THE LAHORE JOURNAL OF BUSINESS

Lahore School of Economics

*Syed Sikander Ali Shah,  
Ali Murad Syed and  
Sana Sheikh*  
**Debt Maturity Structure,  
Firm Value and  
Underinvestment Incentive -  
The Case of Pakistan**

*Safi Ullah Khan and  
Muhammad Faisal Rizwan*  
**Do Investors Herd: Evidence  
from an Emerging Market**

*Ayesha Afzal, Nawazish Mirza  
and Azka Mir*  
**Determinants of Credit  
Infections: Evidence from  
Banking Sector in an Emerging  
Economy**

*Safia Nosheen, Naveed-Ul-  
Haq and Muhammad Faisal  
Sajjad*  
**Corporate Governance,  
Disclosure Quality and Cost  
of Equity: Evidence from  
Pakistan**

*Syed Ahmad Hashmi and  
Shamila Nabi Khan*  
**Opportunity Analysis  
Surrounding the  
Entrepreneurial Behavior  
Among University Students**

*Atif Mahmood, Muhammad  
Luqman Tauheed Rana and  
Sara Kanwal*  
**Relationship between  
Service Quality, Customer  
Loyalty and Customer  
Satisfaction**



# THE LAHORE JOURNAL OF BUSINESS

## Editors

Dr. Kumail Rizvi, Editor  
Dr. Zahid Riaz, Editor  
Dr. Deena Rosalky, Copy Editor  
Ms. Sadia Tabassam, Assistant Editor

## Editorial Advisory Board

Dr. Herve Alexandre Université Paris-Dauphine	Dr. Meziane Lasfer Cass Business School
Dr. Parvinder Arora SP Jain School of Management	Dr. Inayat Ullah Mangla Lahore School of Economics
Dr. Robert Brooks Monash University	Dr. Wayne Marr University of Alaska
Dr. Nihel Chabrak TELECOM SudParis	Dr. Franck Moraux Université de Rennes
Dr. Waqar Ghani Saint Joseph's University	Dr. Catherine Refait-Alexandre University of Franche-Comté
Dr. Naved Hamid Lahore School of Economics	Dr. Virginie Vial-kilner KEDGE Business School
Dr. Salma Kasbi THEMA, University of Cergy-Pontoise	Dr. Rana Wajid Lahore School of Economics

<i>Indexing/Abstracting</i>	EBSCO Host, Index Copernicus Master List
<i>Editorial Staff:</i>	Tele. No: 0092 - 42 - 111-656-111 Ext. 286
<i>Telefax:</i>	0092 - 42 - 36561230
<i>URL:</i>	www.lahoreschoolofeconomics.edu.pk
<i>E-mail:</i>	ljb@lahoreschool.edu.pk
<i>Publisher:</i>	Lahore School of Economics, Lahore, Pakistan.

Correspondence relating to subscriptions and changes of address should be sent to *The Lahore Journal of Business*, Intersection Main Boulevard Phase VI DHA and Burki Road, Burki Lahore - 53200 - Pakistan.

Instructions to authors can be found at the end of this issue. No responsibility for the views expressed by authors and reviewers in *The Lahore Journal of Business* assumed by the Editors and the Publisher.

Copyright by: **Lahore School of Economics**

**06** 2018



# THE LAHORE JOURNAL OF BUSINESS

Contents

Vol. 06, No.2, 2018

---

Debt Maturity Structure, Firm Value and Underinvestment Incentive -The Case of Pakistan <i>Syed Sikander Ali Shah, Ali Murad Syed and Sana Sheikh</i>	1
Do Investors Herd: Evidence from an Emerging Market <i>Safi Ullah Khan and Muhammad Faisal Rizwan</i>	27
Determinants of Credit Infections: Evidence from Banking Sector in an Emerging Economy <i>Ayesha Afzal, Nawazish Mirza and Azka Mir</i>	47
Corporate Governance, Disclosure Quality and Cost of Equity: Evidence from Pakistan <i>Safia Nosheen, Naveed-Ul-Haq and Muhammad Faisal Sajjad</i>	63
Opportunity Analysis Surrounding the Entrepreneurial Behavior Among University Students <i>Syed Ahmad Hashmi and Shamila Nabi Khan</i>	93
Relationship between Service Quality, Customer Loyalty and Customer Satisfaction <i>Atif Mahmood, Muhammad Luqman Tauheed Rana and Sara Kanwal</i>	135



## Notes for Authors

1. The first page of the manuscript should have the title of the paper, the names(s) of author(s), and a footnote giving the current affiliation of the author(s) and any acknowledgments.
2. The following page should include an abstract (maximum 400 words). The abstract should be followed by Journal of Economic Literature (JEL) classifications and keywords (minimum of two and maximum of five). Please note that JEL classifications are also available for marketing and management related topics. For more on JEL classifications please consult [http://www.aeaweb.org/journal/jel\\_class\\_system.php](http://www.aeaweb.org/journal/jel_class_system.php).
3. The main text of the article should be single column format, double line spaced with font style of Times New Roman. All main headings should be bold with size 16, while subheadings should be bold with font size 14. The main text should be justified with size 12.
4. The numerals used for headings and subheadings should be 1, 1.1 and 1.1.1. It is advised to limit the level of headings within article.
5. Write one to nine in words, 10 and above should be in figures. Write numbers in figures (not words) for exact measurements, quantities and percentages. Use thousands, millions, billions and not crores and lakhs. In text use 'per cent'; in tables and figures '%'. In the case of decimal, use "0.8" rather than ".8". Maintain consistency in the number of decimal places after the decimal point. Thus, use either "7.8" and "10.0" or "7.89" and "10.00" throughout the article.
6. Give specific dates in the form "22 December 1999". Decades should be referred to as 'the 1990s'. Please spell out the "nineteenth century", etc.
7. Displayed formulae should be numbered consecutively throughout the manuscript as (1), (2), etc. against the right-hand margin of the page. In cases where the derivation of formulae has been abbreviated, it is of great help to the referees if the full derivation can be presented on a separate sheet (not to be published).
8. Do not embed "graphically designed" equations, but prepare these using the word processor's facility (**Example: Microsoft equation editor**).
9. Distinguish between figures (diagrams) and tables (statistical material) and number them in separate sequences. Each table/figure should have a brief but descriptive title. All table/figures should be

as self-explanatory as possible, incorporating any necessary descriptive material in a note at the base of the table.

10. Do not import the tables/figures into the text file but, instead, indicate their approximate locations directly in the electronic text.  
**Example: [Insert Table 1 about here], [Insert Figure 1 about here].**
11. Footnotes should be numbered sequentially.
12. All references used in the text should be listed in alphabetical order of the authors' surnames at the end of the text. References in the text should include the name(s) of author(s) with the year of publication in parentheses, and all references should conform to the style of the Journal. Further information on questions of style may be obtained from the Editor, The Lahore Journal of Business, Lahore – Pakistan.
13. To avoid unnecessary errors you are strongly advised to use the "spellchecker" function of your word processor.
14. Any manuscript which does not conform to the above instructions may be returned for the necessary revision.
15. Before publication, page proofs will be sent to the corresponding author. Proofs should be corrected carefully; the responsibility for detecting errors lies with the author.
16. All submissions should be in electronic format to [ljb@lahoreschool.edu.pk](mailto:ljb@lahoreschool.edu.pk)



## **Lahore Journal of Business – Call for Papers**

### **Aims and Scope**

Lahore Journal of Business (LJB), a peer reviewed publication of Lahore School of Economics, is aimed at providing a specialized forum for dissemination of qualitative and quantitative research in various areas of business administration. LJB invites researchers, policy makers and analysts to submit competitive theoretical and empirical papers that explore and contribute to the understanding of various areas in business domain. The Journal aims at bringing together state of art research findings, particularly from emerging markets, in various business disciplines including (but not limited to) accounting, banking, management, marketing, finance, investments, human resource management and organizational behavior.

### **Paper Submission and Review Process**

The submission of articles will be followed by an editorial review to determine the relevance of manuscript and scope of the Journal. On editorial acceptance, there will be a double-blind review by our advisory panel that comprise of eminent international and local researchers and scholars. The recommendations/comments of the referees will be communicated to the corresponding authors. The papers are now being considered for publication. The manuscript can be submitted in electronic format (.doc and .docx only) to [ljb@lahoreschool.edu.pk](mailto:ljb@lahoreschool.edu.pk)

**Key Areas of Interest:** *Accounting, Banking, Management, Marketing, Finance, Strategy, Human Resource Management, Organizational Behavior etc.*

### **Contact Info**

Ms. Sadia Tabassam  
Assistant Editor, Lahore Journal of Business  
Lahore School of Economics, Lahore, Pakistan  
T +92 (0) 42 111-656-111 Ext. 286  
[ljb@lahoreschool.edu.pk](mailto:ljb@lahoreschool.edu.pk)



# THE LAHORE JOURNAL OF BUSINESS

## Lahore School of Economics

INTERSECTION MAIN BOULEVARD PHASE VI DHA AND BURKI ROAD, BURKI LAHORE, PAKISTAN.  
TEL: 0092-42-36561230 FAX: 0092-42-36561230

### SUBSCRIPTION FOR PUBLICATIONS

1. Kindly enter a subscription for the following publication of the Lahore School of Economics:

Publication	Yearly subscription (within Pakistan)	Yearly subscription (outside Pakistan)	Period (No. of years)	Total Payment
1. The Lahore Journal of Business	Rs. 600.00	US \$ 50	.....	.....

2. The subscription is to be in the following name and address:

Name: -----

Address: -----

-----

-----

3. A crossed cheque/demand draft for the sum of Pakistan Rupees/US \$\_\_\_\_\_ is enclosed made out in the name of The Lahore School of Economics to cover the above subscription.
4. Please address your order to: Editor, Lahore Journal of Business, Centre for Research in Economics and Business, Lahore School of Economics, Intersection Main Boulevard Phase VI DHA and Burki Road, Burki Lahore, 53200, Pakistan.

Signature: -----

Name: -----

Date: -----





---

## **The Lahore School of Economics**

**The Lahore School of Economics (established 1993) is one of Pakistan's leading centres of learning for teaching and research in economics, finance and business administration. The Lahore School of Economics' objectives include: (i) The training of young Pakistanis as professional economists, finance managers, accountants, financial analysts, bankers and business executives, and (ii) Undertaking research in economics, management, finance and banking to further deepen understanding of major economic facts, issues and policies.**

**The Lahore School was granted a Charter in January, 1997 by an Act of the Provincial Assembly of the Punjab: The Lahore School of Economics Act 1997 (Act II of 1997). The Charter vests the powers of an independent degree granting institution to The Lahore School.**

**The Lahore School has both undergraduate and graduate programs in economics, business information systems and finance. Its postgraduate program leading to the MPhil and PhD degree is administered through the Lahore School's Centre for Research in Economics and Business (CREB). The student body and faculty comprise both national and expatriate Pakistanis and The Lahore School encourages expatriate Pakistanis to join as students or as faculty.**

**The Lahore School's publication program comprises The Lahore Journal of Economics, The Lahore Journal of Business (bi-annual publications), Lahore Journal of Policy Studies, a Seminar Paper Series and a Text Book Series. The Program encourages both in-house and external contributors.**

**For further information, please call (Pakistan 92-42-) 35870704 or 36560969 or visit the Web page: [www.lahoreschoolofeconomics.edu.pk](http://www.lahoreschoolofeconomics.edu.pk)**

---