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AN EMPIRICAL INVESTIGATION INTO THE DETERMINANTS OF FINANCIAL PERFORMANCE OF INDIAN CORPORATE SECTOR: SIZE, GROWTH, LIQUIDITY, PROFITABILITY, DIVIDEND, LEVERAGE

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ABSTRACT

Analysis of financial performance of any business concern is of utmost important once to every user of the concern. In this respect the user generally consider the factors like size, growth, liquidity, profitability of the companies etc as a determinant of performance measurement. There has been debate going among the social scientist regarding the determinants of financial performance. The present study mainly devoted to examine the determinants of financial performance and also to investigate the existence of any relationship between the determinant factors. Therefore, 151 companies covering 13 industrial groups included in the study sample. With the help of statistical tool of "Correlation Matrix" the relationship between the size and growth; growth and liquidity; growth and profitability etc. are tested by considering each industrial sector. The empirical result found that the financial performance varies from industry to industry and company to company. In some cases size is positively related to growth, profitability etc. where as in other cases it might be reverses. It is argued that performance of industry is dependent on number of factors; both economic and non economic i,e market forces and also its nature of functioning. Moreover, it is not any particular factor which leads to improvements in financial performance of companies but it is the vision, foresightedness and effective utilization of a combination of factors. The dynamic changes take place very quickly and as such the adaptability to the situations and hitting the iron when it is hot is more important than just following a traditional fixed line of action.

KEYWORDS
Financial Performance, Correlation Matrix Analysis, Combination of Factors.

INTRODUCTION

The term performance cannot be put into a tight framework of definition. It is ambiguous and it can be interpreted and measured in different ways. Performance can be accessed from various angles and by different users from their own point of view. A financial analyst will judge the performance from the point of view of growth and profitability. An economic planner will be particular about efficient utilization of resources. A welfare economist will be concerned with the equal distribution of gains and wealth besides efficient utilization of resources. From the national point of view the various indicators of performance can be employment generation, research and development, health, education and economic development etc.

OBJECTIVES OF THE STUDY

This paper is devoted to study the *overall performance* of Indian industry (sample companies) on the basis of *accepted financial tools*. In this respect the study seeks to examine the relationship among the financial parameters representing the financial performance of the firm; *Size, Growth, Liquidity, Dividend, Profitability and Leverage*

HYPOTHESES

Following hypotheses are adopted to attain aforesaid objectives

H_0: There is no relationship among the explanatory variables representing financial performance of the firm (r=0).

H_1: There exists relationship amongst the explanatory variables indicating financial performance ($r \neq 0$).

RESEARCH METHODOLOGY

The study is based on data collected from secondary sources. They are Capital line Database 2007, Bombay Stock Exchange Directory and Financial Statement of Indian Companies. In this treatise, we investigated those companies which are listed in BSE. The study covers a period of five years from 2003 to 2007. To avoid the impact of global financial crisis on companies' performance the periods of 2008 and 2009 have been excluded. The selected sample includes top 500 companies on the basis of market capitalization as on end March 2007. All the companies are classified under different industrial groups. The final sample frame considering availability of data for all years considered for the study constitutes 151 numbers of companies pertaining to 13 industrial groups. The industries are classified on the basis of Capitalline database. The following table delineates the tools of measuring the determinants of financial performance of companies. For the purpose of analysis, financial tools like ratio analysis and statistical tools such as correlation matrix is applied.

NOTATIONS AND MEASURES USED FOR VARIABLES IN THE STUDY

Variable name	Notations	Description
Size	ENT. VALU*	Market capitalization + Debt – Cash & bank balances
	SALES*	Annual Volume of Sales
	CAPITAL*	Equity capital+ Preference capital+ Free Reserve (excluding Revaluation Reserve)
Growth	PAT(*profit after tax)*	Percentage change of PAT over the previous year
	MCAP**	Percentage change of MCAP over the previous year
Liquidity	CR*(*current Ratio)*	Current assets / Current liabilities
	DTR*	Credit Sales/ Average Sundry debtors
	ITR*	Sales / Average Inventory
Profitability	EPS*	Net profit available to equity holders/ Number of ordinary shares outstanding
	BVPS*	Equity capital+ Free reserve, excluding Revaluation Reserve/ Number of equity shares outstanding
	ROC*	{Profit after tax + interest/ Equity capital+ reserve, excluding revaluation reserve+ Preference capital Total debt}100
	RONW*	{ Profit after tax- preference dividend/ equity capital + Free reserve, excluding revaluation reserve}100
Leverage	D/E*	Total Debt/ Equity capital+ preference capital + Free reserve, excluding revaluation reserve
Dividend	DPR*	{ Dividend paid to ordinary shareholders/ Number of ordinary shares outstanding }* 100

* Average values over the five years taken, ** Average growth rate taken,
ENT.VALUE= Enterprises Value, SALES= Sales Value, CAPITAL= Capital employed, PAT= Profit After Taxes, MCAP= Market Capitalization, CR= Current Ratio, DTR= Debtors Turnover Ratio, ITR= Inventory Turnover Ratio, EPS= Earning Per Share, BVPS= Book Value Per Share, ROC= Return on Capital, RONW= Return on Net worth, D/E= Debt Equity Ratio, DPR= Dividend Payout Ratio

FINDINGS AND ANALYSIS

The result of correlation analysis relating to variables measuring financial performance is displayed in the Table of aggregate correlation matrix (annexure at end of this paper). It explains that the leverage is positively and significantly related to liquidity while negatively related with stock yield (DPR and ROC). In other words, the sample industries have used outside fund (Debts- fixed interest bearing securities) in a manner to enhance their liquidity position, while the earning capacity of the firm by using of debt capital has not significantly increased. Further it is observed that the enterprise value, representing the size of the sample industries is positively related with the operational efficiency, volume of sales (sales) and profitability. It is observed that the leverage has insignificant effect on the earning capacity of the firm as well as on the enterprise value although the liquidity position viewed by higher current ratio has significantly increased. Moreover, Current ratio representing liquidity position is negatively related to the sales volume representing the size of companies which is statistically significant. This means, the liquidity is negatively related with the size expressed in sales volume which implies that comparatively larger companies of the sample are keeping low amount of liquid assets in hand and smaller companies are keeping comparatively large amount of funds in hand in the form of liquid assets. ROC is negatively related with the current ratio and the correlated values are statistically significant which signifies that profitability is negatively related with the liquidity. It means that profitable companies maintains low volume of liquid assets implying thereby that, more emphasis has been given on fixed asset to keep the pace of growth of bottom-line of the firm.

According to the aggregate table, correlation between the variables of sales volume and capital employed is 0.785 and also the correlation between sales and enterprise value is 0.619 and the relation between the capital employed and enterprises value is 0.900. All these relationships are found to be statistically significant. Further, the aforesaid relationship suggest that the companies with large amount of capital and having high enterprises value have achieved higher turnover over the years as far sample is concerned. The relationship between sales and growth of market capitalization (-.181) and capital employed and growth of market capitalization (-.163) indicate that small companies in size on the basis of sales and capital employed have high demand in the market. The relationship also expresses that growth and size is negatively and linearly related and rejects the logic behind the fact that small firm cannot grow. The result emerged from the analysis shows that the relationship differs from the results of the study undertaken by Motgomery (1979), Minander (1997). However, they are in the similar line of other studies undertaken by Pant (1991), Kaur (1997). The logic behind positive relationship between the variables- size and growth is that larger companies will grow comparatively fast in the market as automatically larger companies create own identity in the market whereas negative relationship implies that people generally invest money comparatively in small companies with the expectation that it will grow faster in near future. In this respect, pant (1991) argued that a larger firm witnessed slower pace of growth because of their inability to cope with the changes in the market power and its complex organizational structure. Further, the increase in size may also lead to difficulty in respect of co-ordination and control of several of economics and diseconomies of idle capacity (Kaur 1997). The correlation coefficient (r); *sales Vs book value of share (*.207); *capital employed Vs EPS (.198); capital employed Vs book value per share (.248); enterprises value Vs EPS (.215); enterprises value Vs book value per share (.238)* indicates that the profitability is positively and linearly related with the size of companies. This positive relation is matched with the findings of study undertaken by Montgomery (1979), Hamilton and Shergil (1993) and Maninder (1997). This may be because of marketing power, technology and financial factors Kaur (1997). These larger firms further tend to have access to larger market share and the greater profitability.

DPR taken as one of the measurement of dividend decision has been negatively related to *growth of profit (-.203), growth of market capitalization (-.364), leverage (-.170), EPS (-.191), BVPS (-.203) and positively related with ROC (.316) and RONW (.286)* and all are statistically significant. It implies growing companies are giving less amount of dividend to the shareholders as compared to the less growing companies. Moreover, it has been revealed that the companies especially relying on internal source of fund are distributing more amount of dividend. On the other hand, positive relationship between *DPR and ROC and between DPR and RONW* signifies that profitable companies are distributing more dividends rather than keeping in hand. However, to draw specific inferences pertaining to relationship between sizes, growth, liquidity, profitability and dividend, an attempt has been made here-under in respect of sector wise analysis. The accompanying table- discerns correlation-ship between the variables as stated above. From the econometric analysis, the findings are summarized under different heads as stated underneath.

SIZE AND PROFITABILITY

From the available literature, *size* is positively related to the *profitability*, Montgomery (1979), Hamilton and Shergil (1993) and Maninder (1997). However, Bettis and Bothwell et.al. (1984) found negative relationship existing between *size and profitability*. They argued that size not only provides economics and market power but also costs. From the aggregate table it is found that *size and profitability* has no relationship and this logic is supported by the sector like I T, Construction, Cement, Electricity, Engineering, Auto industries, Chemical, Personal care group, and Finance & Investment. But size is positively related in the industries like Energy, Pharmaceutical, Steel and Diversified. These industries support the logic that with the increase of size, the profitability position of the company will automatically improve. But not a single sector supports that there is any negative relationship between *size and profitability*. In the energy sector, the correlation between *capital employed and EPS* is *.702* and in between *Enterprises value and EPS* is *.721*. Further *Book value of share* is positively related with *capital employed* (.616) and with *enterprises value* (.595), all of the relationships are statistically significant at 5% level. This relationship suggests that in that sector with the increase of *capital and enterprises value* the companies *earning per share (EPS)* as well as book value per share increasing. In the pharmaceutical sector, only enterprises value is positively related with the *book value per share* (r= .537) and is statistically significant at 5% level. But other parameters of size as well as profitability are not significantly related between themselves.

In steel sector, it is seen that *enterprises value* is positively related to *EPS* (r=.738) and is statistically significant at 1% level. *Book value per share* is positively related to *enterprises value* (.621). On the other hand, RONW is positively related with *sales* (.598) and *ROC* is positively related with *Sales* (.595) and with *capital employed* (.537); all the relationships are statistically significant at 1% level.

Further, positive relationship has also been found in the group of diversified sector. Sales are positively related with *EPS* (.780) and with *Book value per share* (.897). Again *capital employed* is also positively related with *EPS* (.872) and with *Book value per share* (.950). The relationship is statistically significant at 1% level. So, it suggests that the groups of companies under the diversified sector are able to increase the rate of earning per share as well as *book value per share* by employing more volume of capital and effectively using the same in leveraging the operational activities.

SIZE AND GROWTH

From the literature point of view some of the researchers refer that there is positive relation between *size and growth* (Motgomery ;1979, Minander; 1997) and some are opines that there is a negative relationship in between *size and growth* (Pant; 1991, Kaur; 1997). The logic behind positive relationship is that comparatively large companies grow faster in the market as automatically larger companies create own identity in the market whereas negative relationship implies that people generally invest money comparatively in small companies with the expectation that it will grow faster in near future. In this respect Pant (1991) argued that a larger firm may also achieve slower growth because of its inability to cope with the changes in the market power and its complex organizational structure. Further the increase in size may also lead to difficulty in respect of co-ordination and control of several of economics and diseconomies of idle capacity (Kaur 1997). The present analysis suggests that the sectors like I T, cement, electricity, engineering, steel, auto industries, chemical, personal, finance and diversified, there is no relationship in between *size and growth*. On the other hand negative relationship exists in the sector of energy, construction. In the sector of energy, *growth of Market Capitalisation* (M.Cap) is negatively related with *sales* (-.612) and is statistically significant of 5% level. It means that comparatively small companies in respect of *sales volume* are growing faster whereas a negative relationship has also been seen in between *capital employed*

and growth of M.Cap (-.581) which is statistically significant at 5% level in the sector of construction. It implies comparatively small companies in respect of *capital employed* are growing faster in the market. The findings are in tune with the (Kaur 1997) and (Pant 1991).

On the other hand, pharmaceutical sector witnessed, a positive relationship in between *Enterprises value and growth of profit after tax* which expresses that more profit, implying faster growth. It could be because of demand of pharmaceutical industries are increasing day by day. So, the present study discloses that *size and growth* of firms has no relationship as per the sample is concerned. This means a growth is independent on *size* of companies. A firm's *growth* is irrespective of *size* of companies and is in tune with the study of Fergusson who did not find any relationship between size and growth. However, study draws conclusion that growth and size relationship is industry specific.

SIZE AND LIQUIDITY

The analysis describes that *size* is not related with the liquidity of the companies in the sector of IT, construction, pharmaceutical, steel, cement, electricity, engineering, auto industries, chemical, personal care and diversified industries. The existence of non relationship suggests that there is no direct relationship between *size* of the companies and *liquidity*. But, in case of energy sector, *current ratio* of the companies is negatively related to the *sales volume* that is -.619 and also statistically significant. It implies that the companies having more *sales volume* are keeping less amount of fund in hand in form of liquid assets. So, it may conclude that it is necessary for the energy sector to think about the proper management of current assets. Further, a positive relationship between the *size and liquidity* has been seen in the sector of Finance group. The correlation between the *sales volume and current ratio* is .727 and correlation between the *capital employed and current ratio* is .639, both the relationships are statistically significant at 5% level, which implies the companies having more sales as well as more capital employed are keeping more amount of fund in form of liquidity. It may be because of the nature of industry. The nature of finance companies is different from that of manufacturing companies.

GROWTH AND LIQUIDITY

The analysis exhibits that the variable of growth and liquidity has no relationship and the fact is supported by the energy, IT, construction, pharmaceutical, cement, electricity, steel, chemical, personal care, finance and diversified sector. So, out of thirteen sectors considered in the study it was revealed that in eleven sectors, no relationships was found in between the *growth and liquidity* as the correlation value is not statistically significant either at 1% or 5% level. But in the engineering sector both *Market Capitalization and profit after tax* is negatively related with *current ratio*. The correlation between *M.Cap and C.R* is (-.750) and between *profit after tax and C.R* is (-.718) and both the relationships are statistically significant at 5% level. But in the Auto group sector it was found that, *growth of PAT* is positively related with the *C.R* (.604). The negative relationship suggests that more growing companies are keeping low amount of fund in form of *liquidity*. On the contrary, the positive relationship implies that more growing companies are keeping more amount of fund in form of *liquidity*. Thus, the companies under the group of Auto sector as the engineering sector may emphasise on its financial structure so as to maintaining appropriate volume of liquidity that would take care of liquidity position.

GROWTH AND PROFITABILITY

It has been observed from the analysis that the industrial sector like Energy, I T, Construction, Electricity, Auto industries, Chemical, Personal sector support the fact that there is no relationship existing in between *growth and profitability* because no correlation value was found as statistically significant. But a positive relationship between *growth and profitability* has been found in the sector of Pharmaceutical, Cement, Finance and Diversified sector. Whereas, a negative relationship seen in the sector of Engineering and Steel industries. A positive relationship implies that fast growing industries are earning more profit as compared to others. This positive relationship is justifiable as growing or profitable companies create own identity in the market from the shareholders point of view. On the other hand negative correlation coefficient between the variables clearly exhibits that the less growing companies are in a better position in generating profit than their counterparts. This is so because comparatively small companies are facing onslaught from the giant companies and has failed to attain higher profitability. The relationship implies under the group of Engineering and Steel, the growing companies are not making profit as like less growing companies. In the steel sector, the correlation between Growths of *PAT and RONW* is -.522, which is statistically significant at 5% level, implying that the companies with less growth of profit are comparatively earning more return on net worth value of the companies. Again in the engineering sector, *growth rate of market capitalization* is negatively related with *RONW* (-.642), suggesting that the companies having less return on net worth is capable of enhancing the *growth rate of market capitalization.*

LIQUIDITY AND PROFITABILITY

From the analysis it has been found liquidity is negatively related in the case of only Electricity industries, as the correlation value between *Return on capital and CR* is (-.637), and is statistically significant at 5% level. This implies that profitable companies are keeping low amount of fund in hand. It delineates that the companies under these sector are utilizing funds as far as possible for generating more profit. But in other cases, both the variables are not interrelated with each other. The existence of non- relationship suggests that *liquidity and profitability* has no relationship. The relationship found does not cope with the findings of Amoto and Wider (1990) who found that risky companies are earning more profit.

LEVERAGE WITH PROFITABILITY AND GROWTH

In our study, *leverage* is positively related with *growth* of the companies and negatively related with the *profitability*. This implies that Indian companies support the logic that leverage is one of the factors for growth but not for profitability of the companies. Grant and Jammine (1988) reported that high *leverage* is associated with low *profitability*. The same relationship has been observed by Chaganti and Damanpur (1991) and Maninder (1997). However Baker (1973) found positive relationship between *leverage and profitability* implying that the high leverage tend to raise profitability. Hamilton and Shergill (1993) revealed that the impact of *leverage* was positive on *ROE, ROA and GIS.* They observed that this relationship might vary over the business cycle. Thus different studies have shown different results regarding relationship between *leverage and profitability*. The findings of positive relationship between *leverage and growth* among our sample companies may be because of larger funds are required and debt is a major source of long term finance.

CONCLUSION

The conclusion is drawn with a few lines as under:

- Leverage (*debt-equity ratio*) is positively and significantly related with liquidity (r=.459). In other words, the sample industries with high credit worthiness are generally using outside fund for the sustainable growth of the business.
- Liquidity is negatively and significantly related with the size expressed in terms of sales volume (r= -.569) which implies comparatively large companies of India are keeping low amount of liquid assets in hand and smaller companies are keeping large amount of funds in hand in the form of liquid assets.
- The companies with small in size on the basis of sales and capital employed are enjoying comparatively high market share. The relationship conveys that growth and size is negatively and linearly related and fails to acknowledge the logic behind the fact that small firm can not grow.
- The profitability is positively and linearly related with the size of companies (r=.248). This is because of marketing power, technology and financial factors. The larger firms tend to have larger market share and the greater profitability.
- Growing companies are distributing less amount of dividend to the shareholders as compared to the less growing companies. The companies relying on internal source of fund are also distributing more amount of dividend.
- Growth of market capitalization of energy sector (r= -.612) and construction companies (-.581) is negatively and significantly related with sales; implying that comparatively large companies like Reliance Industries Ltd, Oil & Natural Gas Corporation Ltd, Indian Oil Corporation Ltd, DLF Ltd, Unitech Ltd, Jaiprokash Associates Ltd, Hindustan Construction Company Ltd, have witnessed slower growth over the years. This may be because of the reasons that larger firms have slower chances of auxiliary growth or inability to cope up with the changes in the market power and its complex organizational structure.
- In the IT Sector, the correlation coefficient between leverage and growth of profit is positive (0.700) which signifies the companies based on external source of funds are comparatively grow faster in respect of profit.

- Pharmaceutical companies are growing with the increase of size. Again size of the companies is positively and significantly related with profitability (r=.537). The relationship strongly suggests that the large pharmaceutical companies such as Sun Pharmaceuticals Industries Ltd, Cipla Ltd, Ranbaxy Laboratories Ltd, Dr Reddy's Laboratories Ltd, Lupin Ltd, and Wockhardt Ltd are growing because of making more profit. On the other hand, a significantly negative relation between leverage and dividend (r= -.559) has been seen; signifying that the companies with internal source of funds are distributing maximum amount of dividend among the shareholders particularly in case of pharmaceutical sector.
- The cement companies' profitability is not significantly related with size as well as growth of the companies implying that no relationship confirms in between growth, profitability and size of the companies.
- In electricity sector the return on capital (ROC) and current ratio is negatively related (r=-.637) which implies liquidity has reverse effect on profitability. On the other hand, the companies such as Voltamp Transformers Ltd, Havells India Ltd, Bharat Bijlee Ltd, Crompton Greves Ltd, Bharat Heavy Electronics Ltd, and Siemnes Ltd have utilized liquid assets efficiently.
- The companies with higher bottom line under engineering sector particularly Alfa-Laval (India) Ltd, Cummins India Ltd, Alstom Projects India Ltd, and Reliance Industrial Infrastructure Ltd are distributing maximum amount of dividend among the shareholders. Growth of profit (-.718) and growth of market capitalization (-.750) is negatively and significantly related with liquidity implying that the companies with lesser degree of profitability are expediting the pace of liquidity and growing faster in the market.
- The companies under steel sector reveal that there is positive relationship between profitability and size of the companies. Companies' profitability is positively and statistically significantly associated with sales volume, capital employed or enterprise value of the respective companies (r= .598; .537; .738). The firms under the iron and steel industry like Steel Authority of India Ltd, Tata Steel Ltd, Jindal Steel & Power Ltd, Maharashtra Seamless Ltd, Monnet Ispat Energy Ltd and Ratnamani Metals & Tube Ltd are generating significant amount of profits due to their operational as well as financial efficiency.
- No significant relationship was found in between the explanatory variables from the sector of the chemical, personal care, and diversified.
- In finance & investment companies, it was observed that, size is linearly and positively related with the liquidity (.639) implying that comparatively large finance companies such as Infrastructure Development Finance Company Ltd, Shriram Transport Finance Company Ltd, and Sundaram Finance Ltd are keeping more amounts of funds in form of liquid assets. Further growth of market capitalization is significantly and positively related with ROC (r=.678), implying that with the increase of profit the growth of market capitalization in the finance companies is enhancing. However, dividend is not significantly associated with liquidity, profitability, size of the companies. This implies that the companies which cater the needs of individual's requirement remain attractive irrespective of their size. Thus the operational efficiency of the company directs the pace of growth of the company.
- Finally, it is seen that the financial performance varies from industry to industry and even company to company belonging to same industrial group. In some cases size is positively related to growth, profitability etc, where as in other cases it might be reverse. The relationship such as *size and growth; growth and profitability; liquidity and profitability* etc, are not fixed as all the determinants of performance have not been influenced by only one factor rather depends on a number of quantifiable as well as non-quantifiable factors. Thus, it is concluded that performance of industry is dependent on *host of factors*; both economic and non economic i.e., market forces and also its nature of function. This suggests that financial managers should consider all those factors ensuring share holders value and finalize the financial strategy accordingly.

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TABLES

correlation Matrix (Aggregate)

	ENT.VALU	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VALU	1.000													
	.													
SALES	.619**	1.000												
	.000	.												
CAPITAL	.900**	.785**	1.000											
	.000	.000	.											
CR	-.085	-.169*	-.068	1.000										
	.302	.038	.406	.										
DTR	.003	.052	.037	.048	1.00									
	.972	.524	.656	.557	.									
ITR	.002	-.015	-.015	.026	-.042	1.000								
	.985	.858	.860	.753	.606	.								
PAT	-.109	-.081	-.089	-.080	-.111	-.040	1.00							
	.183	.323	.275	.331	.176	.629	.							
MCAP	-.168*	-.181*	-.163*	-.024	.000	-.110	.396**	1.000						
	.039	.026	.045	.774	.996	.180	.000	.						
LEVERAGE	-.106	-.070	-.012	.259**	.183*	-.063	.197*	.151	1.000					
	.195	.393	.888	.001	.024	.443	.016	.065	.					
DPR	.023	.049	.005	-.094	.059	.083	-.203*	-.364**	-.170*	1.000				
	.782	.550	.956	.250	.470	.311	.013	.000	.037	.				
EPS	.215**	.151	.198*	-.067	-.058	.035	-.090	-.059	-.173*	-.191*	1.00			
	.008	.063	.015	.415	.479	.672	.273	.469	.034	.019	.			
BVPS	.238**	.207*	.248**	-.107	-.025	-.063	-.044	-.032	-.126	-.203*	.805**	1.000		
	.003	.011	.002	.190	.760	.439	.593	.692	.122	.013	.000	.		
ROC	.049	-.006	-.015	-.221**	-.023	-.058	-.157	-.075	-.311**	.316**	.130	-.064	1.000	
	.552	.942	.850	.006	.783	.476	.055	.362	.000	.000	.112	.435	.	
RONW	.049	.019	.015	-.111	-.005	.009	-.281**	-.108	-.142	.286**	.112	-.103	.797**	1.00
	.547	.817	.853	.175	.951	.913	.000	.188	.082	.000	.172	.207	.000	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Construction)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.654*	1.000												
	.021	.												
CAPITAL	.524	.781**	1.000											
	.080	.003	.											
CR	-.208	-.475	-.409	1.00										
	.517	.119	.187	.										
DTR	-.176	.197	.018	-.249	1.000									
	.584	.540	.956	.435	.									
ITR	.652*	.137	-.143	-.074	-.153	1.000								
	.022	.671	.657	.819	.635	.								
PAT	-.265	-.293	-.049	.011	-.317	-.231	1.000							
	.406	.355	.881	.972	.315	.469	.							
MCAP	-.336	-.525	-.581*	.436	-.172	-.082	.685*	1.000						
	.286	.079	.047	.156	.594	.800	.014	.						
LEVERAGE	.156	.467	.408	-.355	.268	-.102	-.080	-.380	1.000					
	.627	.126	.188	.257	.400	.753	.805	.222	.					
DPR	-.175	-.182	-.191	-.157	.088	.064	-.184	-.110	-.193	1.00				
	.586	.571	.552	.627	.786	.844	.566	.735	.548	.				
EPS	-.057	-.052	.302	.062	-.218	-.079	.077	-.364	.202	-.556	1.000			
	.862	.873	.340	.849	.495	.807	.812	.244	.528	.060	.			
BVPS	-.161	-.108	.204	-.131	-.257	-.066	-.078	-.513	.076	-.256	.883**	1.000		
	.617	.739	.525	.685	.420	.840	.810	.088	.814	.421	.000	.		
ROC	.224	.265	.002	-.223	-.101	.204	-.083	-.206	.202	-.359	.142	.191	1.000	
	.483	.406	.996	.486	.756	.526	.798	.521	.530	.251	.661	.553	.	
RONW	.065	.004	.052	-.284	-.165	.336	-.027	-.392	.165	.543	.104	.316	.294	1.000
	.841	.991	.872	.371	.608	.285	.934	.207	.609	.068	.748	.317	.354	.

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation Matrix (Pharma)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.627**	1.000												
	.009	.												
CAPITAL	.707**	.659**	1.000											
	.002	.006	.											
CR	.194	.124	.461	1.0										
	.471	.648	.073	.										
DTR	-.332	-.196	-.274	-.13	1.000									
	.209	.466	.304	.637	.									
ITR	-.098	-.133	.181	.346	.258	1.000								
	.717	.624	.502	.189	.334	.								
PAT	.512*	-.113	.250	.221	-.400	-.123	1.000							
	.042	.676	.350	.410	.125	.651	.							
MCAP	-.292	-.349	-.416	-.26	-.268	-.348	.058	1.000						
	.272	.185	.109	.323	.316	.186	.830	.						
LEVERAGE	-.469	-.424	-.392	-.29	-.355	-.348	.135	.427	1.000					
	.067	.101	.133	.270	.177	.186	.617	.099	.					
DPR	.167	.340	.331	-.17	.434	.299	-.420	-.487	-.559*	1.000				
	.535	.198	.211	.535	.093	.261	.106	.056	.024	.				
EPS	.276	-.060	-.041	-.01	-.259	-.065	.137	.284	-.298	-.211	1.000			
	.301	.825	.880	.959	.333	.812	.612	.286	.263	.432	.			
BVPS	.537*	.026	.254	.107	-.316	.092	.572*	.011	-.356	-.198	.778**	1.000		
	.032	.924	.343	.694	.233	.734	.021	.968	.176	.462	.000	.		
ROC	-.099	.110	-.339	-.08	.301	.093	-.485	-.001	-.515*	.329	.429	.057	1.000	
	.716	.685	.199	.782	.257	.731	.057	.997	.041	.214	.097	.834	.	
RONW	-.291	-.091	-.273	.132	.076	-.099	-.472	.161	.182	-.072	-.002	-.535*	.363	1.000
	.275	.737	.307	.626	.780	.715	.065	.551	.501	.792	.995	.033	.167	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Cement)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.249	1.000												
	.487	.												
CAPITAL	.260	.697*	1.000											
	.469	.025	.											
CR	-.169	-.069	-.182	1.000										
	.641	.851	.614	.										
DTR	.037	.339	.531	-.192	1.000									
	.919	.338	.114	.596	.									
ITR	.019	.365	-.013	.166	.364	1.000								
	.959	.299	.971	.648	.302	.								
PAT	.227	.068	-.440	.106	.226	.512	1.000							
	.528	.851	.203	.771	.530	.130	.							
MCAP	.008	-.615	-.518	.484	-.030	.054	.337	1.000						
	.981	.059	.125	.156	.935	.883	.341	.						
LEVERAGE	-.181	-.351	-.268	.488	-.190	.457	-.158	.416	1.000					
	.617	.320	.454	.153	.600	.184	.663	.232	.					
DPR	.581	.245	.319	-.336	.403	-.085	.234	-.363	-.459	1.000				
	.078	.496	.368	.343	.248	.814	.515	.303	.182	.				
EPS	-.125	-.234	-.062	-.342	-.411	-.195	-.384	-.326	.030	-.216	1.000			
	.731	.516	.864	.334	.237	.590	.273	.358	.934	.548	.			
BVPS	-.025	-.163	-.090	-.532	-.264	.053	-.190	-.367	.064	-.066	.905**	1.000		
	.945	.653	.806	.113	.461	.884	.598	.296	.860	.857	.000	.		
ROC	.035	.522	.369	-.409	.352	.266	.145	-.145	-.369	-.213	-.007	.129	1.000	
	.923	.121	.293	.240	.319	.458	.690	.690	.294	.555	.984	.723	.	
RONW	-.122	-.018	.343	.058	.105	.159	-.514	.229	.519	-.563	.128	.128	.384	1.000
	.736	.961	.332	.873	.773	.661	.129	.525	.124	.090	.725	.725	.274	.

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation Matrix (Auto Industries)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.354	1.000												
	.235		.											
CAPITAL	.512	.911**	1.000											
	.074	.000	.											
CR	.028	-.325	-.188	1.00										
	.928	.278	.539	.										
DTR	.119	.349	.204	-.589*	1.000									
	.698	.243	.504	.034	.									
ITR	.357	.339	.315	-.625*	.687**	1.000								
	.232	.257	.294	.022	.009	.								
PAT	.338	.363	.371	.604*	-.543	-.504	1.000							
	.259	.223	.212	.029	.055	.079	.							
MCAP	-.222	-.215	-.139	.420	-.614*	-.646*	.357	1.000						
	.466	.480	.651	.153	.026	.017	.231	.						
LEVERAGE	-.259	-.358	-.333	.283	-.407	-.623*	.117	.436	1.000					
	.393	.230	.267	.349	.168	.023	.704	.136	.					
DPR	-.147	.214	.091	-.764**	.449	.622*	-.581*	-.187	-.165	1.000				
	.632	.483	.768	.002	.124	.023	.037	.540	.590	.				
EPS	-.131	-.031	.047	.151	-.082	.029	-.019	.260	-.411	-.304	1.00			
	.671	.921	.878	.622	.789	.924	.951	.390	.163	.313	.			
BVPS	-.022	-.003	.148	.201	-.121	.022	.027	.244	-.404	-.374	.979**	1.000		
	.942	.992	.629	.510	.695	.943	.930	.421	.171	.208	.000	.		
ROC	-.081	.165	-.076	-.530	.582*	.711**	-.453	-.281	-.411	.615*	.193	.053	1.000	
	.792	.590	.805	.062	.037	.006	.120	.352	.163	.025	.527	.863	.	
RONW	-.188	.003	-.216	-.466	.412	.586*	-.470	-.080	-.215	.724**	.025	-.118	.926**	1.000
	.539	.993	.479	.108	.162	.035	.105	.796	.480	.005	.935	.702	.000	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Electricity)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.031	1.000												
	.923	.												
CAPITAL	-.076	.941**	1.000											
	.814	.000	.											
CR	-.219	-.183	-.027	1.000										
	.494	.570	.933	.										
DTR	-.101	-.233	-.084	-.074	1.000									
	.755	.467	.796	.819	.									
ITR	.380	-.058	.082	-.186	.595*	1.000								
	.223	.858	.800	.563	.041	.								
PAT	-.277	-.373	-.472	-.024	-.406	-.431	1.000							
	.383	.233	.122	.940	.190	.162	.							
MCAP	-.197	-.283	-.093	-.143	.119	.295	.299	1.000						
	.539	.373	.774	.658	.712	.352	.346	.						
LEVERAGE	-.342	-.315	-.066	.089	.667*	.462	-.038	.560	1.000					
	.276	.318	.840	.784	.018	.130	.907	.058	.					
DPR	.111	.249	.122	-.518	-.385	.001	.502	.200	-.307	1.000				
	.732	.434	.705	.085	.216	.999	.096	.533	.333	.				
EPS	-.109	-.122	-.122	.412	.046	-.199	.006	-.434	-.154	-.340	1.000			
	.737	.705	.706	.183	.887	.535	.985	.159	.633	.279	.			
BVPS	.079	.356	.370	-.249	-.249	-.095	-.003	.250	-.129	.185	.300	1.000		
	.806	.257	.236	.435	.435	.770	.993	.433	.690	.564	.344	.		
ROC	.364	.178	-.026	-.637*	-.078	-.112	-.115	-.229	-.559	.289	.091	.473	1.000	
	.245	.579	.937	.026	.810	.730	.721	.475	.059	.362	.779	.121	.	
RONW	.059	-.098	-.098	-.150	.713**	.285	-.356	-.290	.136	-.283	.541	.150	.457	1.000
	.855	.762	.762	.642	.009	.370	.256	.361	.674	.373	.070	.642	.135	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Steel)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.197	1.000												
	.481	.												
CAPITAL	.331	.953**	1.000											
	.228	.000	.											
CR	-.272	-.378	-.425	1.000										
	.327	.165	.115	.										
DTR	.459	.654**	.750**	-.251	1.000									
	.085	.008	.001	.366	.									
ITR	.171	-.058	-.065	-.040	-.046	1.000								
	.542	.837	.817	.888	.872	.								
PAT	-.013	-.111	.088	-.120	.119	.064	1.000							
	.964	.695	.756	.671	.674	.820	.							
MCAP	-.244	-.254	-.284	.234	-.223	.506	.189	1.000						
	.381	.361	.305	.402	.423	.054	.500	.						
LEVERAGE	-.207	-.020	.189	-.149	.144	-.302	.722**	-.098	1.000					
	.458	.943	.501	.597	.609	.275	.002	.728	.					
DPR	-.021	.172	.103	-.033	-.063	-.172	-.318	-.359	-.150	1.000				
	.942	.540	.716	.906	.823	.540	.249	.188	.593	.				
EPS	.738**	-.008	.077	-.125	.181	.097	-.279	-.011	-.171	-.202	1.000			
	.002	.977	.786	.658	.518	.730	.315	.968	.542	.470	.			
BVPS	.621*	-.161	-.085	-.102	-.028	.044	-.340	-.005	-.179	-.231	.957**	1.000		
	.013	.567	.764	.718	.922	.877	.215	.986	.524	.407	.000	.		
ROC	.495	.595*	.537*	-.007	.643**	.154	-.336	-.141	-.486	.169	.264	.050	1.000	
	.061	.019	.039	.981	.010	.583	.221	.616	.066	.547	.342	.860	.	
RONW	.448	.598*	.513	-.078	.662**	.082	-.522*	-.099	-.461	.056	.460	.272	.858**	1.000
	.094	.019	.051	.782	.007	.772	.046	.726	.084	.844	.085	.326	.000	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Chemical)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.394	1.000												
	.230	.												
CAPITAL	.618*	.703*	1.000											
	.043	.016	.											
CR	.244	-.317	-.016	1.00										
	.469	.342	.962	.										
DTR	-.241	.012	-.421	-.484	1.000									
	.476	.972	.197	.132	.									
ITR	-.225	.349	-.063	-.317	.354	1.00								
	.506	.293	.854	.342	.285	.								
PAT	.008	-.221	.201	.339	-.472	.235	1.000							
	.982		.553	.308	.143	.487	.							
MCAP	-.001	-.490	-.080	.038	-.320	-.006	.710*	1.000						
	.998	.126	.815	.911	.338	.986	.014	.						
LEVERAGE	.229	-.521	.119	.166	-.434	-.524	.545	.765**	1.000					
	.498	.100	.728	.625	.182	.098	.083	.006	.					
DPR	-.298	.372	-.213	-.289	.560	.457	-.447	-.624*	-.774**	1.00				
	.373	.259	.529	.389	.073	.158	.168	.040	.005	.				
EPS	.415	-.034	-.088	-.336	.262	.235	-.153	.188	.097	-.106	1.00			
	.204	.922	.797	.313	.436	.487	.653	.579	.776	.757	.			
BVPS	.339	.007	.131	-.393	.027	-.074	-.184	.077	.188	-.122	.719*	1.000		
	.308	.983	.701	.231	.937	.828	.588	.823	.579	.722	.013	.		
ROC	-.098	.169	-.308	.037	.607*	.533	-.268	-.503	-.636*	.663*	.137	-.349	1.000	
	.774	.620	.357	.914	.048	.091	.426	.114	.036	.026	.688	.292	.	
RONW	.260	.157	-.176	.028	.555	.378	-.239	-.313	-.350	.343	.427	-.181	.878**	1.000
	.440	.644	.605	.935	.076	.252	.478	.349	.292	.301	.190	.594	.000	.

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation Matrix (Personal)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	-.117	1.000												
	.783	.												
CAPITAL	-.108	.999**	1.000											
	.799	.000	.											
CR	-.236	-.367	-.337	1.000										
	.573	.371	.414	.										
DTR	-.070	-.021	-.065	-.749*	1.000									
	.869	.961	.878	.032	.									
ITR	-.040	-.234	-.244	-.334	.540	1.000								
	.924	.577	.561	.418	.168	.								
PAT	-.130	-.318	-.314	.435	-.456	-.443	1.000							
	.758	.443	.449	.281	.256	.272	.							
MCAP	.193	-.687	-.692	.389	-.010	-.327	.142	1.000						
	.647	.060	.057	.340	.982	.429	.737	.						
LEVERAGE	-.315	-.361	-.345	.784*	-.574	-.522	.644	.429	1.000					
	.447	.380	.402	.021	.137	.184	.085	.289	.					
DPR	-.237	.462	.440	-.663	.556	.536	-.298	-.749*	-.427	1.000				
	.573	.249	.275	.073	.153	.171	.473	.032	.291	.				
EPS	-.392	-.274	-.252	.190	-.144	.457	-.079	-.240	.208	.245	1.000			
	.337	.511	.547	.653	.733	.255	.853	.567	.620	.559	.			
BVPS	-.277	-.268	-.237	.284	-.306	.457	-.065	-.277	.145	.112	.959**	1.000		
	.507	.521	.572	.495	.461	.255	.878	.506	.732	.792	.000	.		
ROC	-.230	-.023	-.062	-.580	.797*	.267	-.208	.025	-.095	.623	.078	-.189	1.000	
	.583	.956	.884	.132	.018	.522	.621	.954	.824	.099	.853	.653	.	
RONW	-.157	.028	-.006	-.426	.693	.034	-.370	.274	-.006	.363	-.085	-.343	.900**	1.000
	.711	.947	.989	.293	.057	.936	.368	.512	.989	.377	.842	.405	.002	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Finance)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.555	1.000												
	.096	.												
CAPITAL	.554	.800**	1.000											
	.096	.005	.											
CR	.414	.727*	.639*	1.000										
	.234	.017	.047	.										
DTR	.267	-.023	.178	-.040	1.000									
	.456	.950	.623	.913	.									
ITR	-.182	.245	-.125	-.124	-.276	1.000								
	.614	.494	.732	.733	.440	.								
PAT	-.203	-.111	-.403	-.285	-.506	.672*	1.000							
	.573	.760	.248	.425	.135	.033	.							
MCAP	.416	-.285	-.338	.023	.042	-.480	.097	1.000						
	.231	.424	.339	.949	.908	.161	.789	.						
LEVERAGE	.175	-.144	.030	-.150	-.245	-.105	-.224	-.048	1.000					
	.629	.691	.934	.679	.496	.772	.535	.896	.					
DPR	.193	.225	.346	.000	-.339	.108	-.182	-.360	.412	1.000				
	.593	.531	.328	.999	.338	.767	.614	.306	.236	.				
EPS	-.191	-.063	-.052	-.270	.334	-.287	-.374	-.179	-.044	-.266	1.000			
	.598	.863	.887	.451	.346	.422	.288	.620	.903	.458	.			
BVPS	-.267	.052	-.049	-.231	.326	-.092	-.327	-.332	-.217	-.215	.948**	1.000		
	.456	.887	.893	.521	.357	.801	.356	.348	.547	.550	.000	.		
ROC	.046	-.482	-.391	-.277	-.194	-.185	.551	.678*	-.047	-.345	-.212	-.412	1.000	
	.900	.158	.264	.438	.591	.610	.099	.031	.897	.329	.557	.237	.	
RONW	.422	-.167	-.055	.171	-.051	-.257	.024	.562	.586	-.164	-.274	-.522	.527	1.000
	.224	.645	.879	.637	.890	.474	.948	.091	.075	.650	.444	.121	.118	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlations Matrix (Diversified)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.356	1.000												
	.313	.												
CAPITAL	.264	.971**	1.000											
	.461	.000	.											
CR	-.279	-.294	-.207	1.000										
	.435	.409	.566	.										
DTR	.486	.552	.604	.245	1.000									
	.154	.098	.065	.494	.									
ITR	-.259	.243	.264	.047	.049	1.000								
	.471	.498	.461	.896	.893	.								
PAT	.124	-.202	-.293	-.188	.040	-.345	1.000							
	.732	.576	.411	.604	.913	.329	.							
MCAP	-.298	-.575	-.453	-.181	-.519	-.337	-.166	1.000						
	.402	.082	.188	.616	.124	.341	.647	.						
LEVERAGE	.114	-.114	-.098	.450	.320	-.042	.201	-.280	1.000					
	.755	.755	.788	.192	.367	.908	.577	.433	.					
DPR	.017	.060	-.040	.547	.140	.380	.006	-.652*	.222	1.000				
	.962	.870	.914	.102	.699	.279	.988	.041	.537	.				
EPS	-.063	.780**	.872**	-.208	.449	.279	-.395	-.114	-.363	-.202	1.000			
	.862	.008	.001	.563	.193	.435	.258	.753	.302	.575	.			
BVPS	.058	.897**	.950**	-.199	.480	.398	-.373	-.377	-.282	-.090	.917**	1.000		
	.875	.000	.000	.582	.160	.254	.289	.283	.431	.805	.000	.		
ROC	-.218	-.290	-.221	-.470	-.357	-.132	-.030	.805**	-.438	-.529	.161	-.174	1.000	
	.545	.417	.539	.171	.311	.716	.935	.005	.206	.116	.658	.631	.	
RONW	-.285	-.339	-.247	-.200	-.252	-.201	-.073	.779**	-.269	-.379	.149	-.238	.943**	1.000
	.426	.338	.491	.580	.482	.577	.841	.008	.452	.281	.681	.507	.000	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Engineering)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.461	1.000												
	.180	.												
CAPITAL	.309	.943**	1.000											
	.386	.000	.											
CR	-.317	-.004	.049	1.00										
	.372	.990	.893	.										
DTR	-.426	-.236	.017	.285	1.000									
	.220	.511	.962	.425	.									
ITR	.189	-.114	.029	.349	.626	1.000								
	.601	.755	.937	.323	.053	.								
PAT	-.128	.040	.073	-.718*	-.029	-.472	1.000							
	.725	.913	.842	.019	.937	.169	.							
MCAP	-.033	-.233	-.203	-.750*	.171	-.184	.830**	1.000						
	.928	.517	.575	.012	.637	.610	.003	.						
LEVERAGE	-.400	-.597	-.386	-.132	.539	.362	.393	.510	1.000					
	.252	.069	.271	.717	.108	.304	.261	.132	.					
DPR	.436	.530	.460	.234	-.457	-.148	-.243	-.583	-.444	1.000				
	.208	.115	.181	.515	.185	.684	.498	.077	.198	.				
EPS	.163	.247	.119	-.093	.072	.000	-.038	-.058	-.350	.164	1.000			
	.653	.492	.742	.799	.843	.999	.918	.874	.322	.650	.			
BVPS	-.158	.157	.018	-.358	-.230	-.379	.294	.274	-.148	-.237	.476	1.000		
	.663	.664	.962	.310	.523	.280	.409	.444	.683	.509	.164	.		
ROC	.179	.173	.104	.231	-.147	-.193	-.316	-.489	-.510	.679*	.531	-.232	1.000	
	.621	.633	.775	.520	.686	.593	.374	.152	.132	.031	.114	.519	.	
RONW	.195	.014	.018	.482	.073	.238	-.548	-.642*	-.276	.626	.324	-.573	.862**	1.000
	.588	.970	.961	.158	.840	.508	.101	.045	.440	.053	.361	.084	.001	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Correlation Matrix (Energy)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.509	1.000												
	.091	.												
CAPITAL	.976**	.670*	1.000											
	.000	.017	.											
CR	-.106	-.619*	-.228	1.000										
	.744	.032	.477	.										
DTR	-.100	.491	.015	-.790**	1.000									
	.757	.105	.963	.002	.									
ITR	.544	.121	.447	-.113	.106	1.000								
	.068	.709	.145	.726	.744	.								
PAT	-.409	-.346	-.443	.369	-.112	-.365	1.000							
	.187	.270	.149	.238	.728	.243	.							
MCAP	-.403	-.612*	-.491	.495	-.617*	-.388	.590*	1.000						
	.194	.034	.105	.102	.032	.213	.043	.						
LEVERAGE	-.223	-.042	-.185	-.291	-.030	.041	-.346	.092	1.000					
	.485	.896	.564	.359	.927	.898	.271	.775	.					
DPR	.150	.323	.167	-.346	.404	.577*	-.221	-.541	.033	1.000				
	.642	.305	.603	.270	.192	.049	.490	.069	.918	.				
EPS	.721**	.425	.702*	.179	-.060	.408	.033	-.240	-.638*	.278	1.000			
	.008	.169	.011	.578	.853	.188	.918	.453	.025	.381	.			
BVPS	.595*	.453	.616*	.174	.089	.326	-.023	-.493	-.375	.262	.707*	1.000		
	.041	.139	.033	.588	.782	.301	.944	.103	.230	.410	.010	.		
ROC	-.062	-.332	-.153	.217	-.264	-.077	.326	.445	-.552	-.165	.218	-.452	1.000	
	.848	.292	.635	.498	.407	.813	.301	.147	.063	.608	.496	.140	.	
RONW	.019	-.193	-.035	.102	-.432	-.027	-.057	.211	.362	-.112	-.410	-.116	-.247	1.000
	.954	.547	.914	.752	.161	.933	.862	.511	.247	.728	.185	.719	.439	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

correlation Matrix (IT)

	ENT.VAL	SALES	CAPITAL	CR	DTR	ITR	PAT	MCAP	LEVERAGE	DPR	EPS	BVPS	ROC	RONW
ENT.VAL	1.000													
	.													
SALES	.905**	1.000												
	.000	.												
CAPITAL	.922**	.835**	1.000											
	.000	.001	.											
CR	-.245	-.387	-.158	1.00										
	.442	.213	.624	.										
DTR	.339	.565	.291	-.751**	1.000									
	.281	.056	.359	.005	.									
ITR	-.048	-.110	-.085	-.111	-.106	1.000								
	.882	.733	.794	.732	.743	.								
PAT	-.198	-.091	.023	.015	.138	-.149	1.000							
	.537	.780	.943	.962	.669	.645	.							
MCAP	-.352	-.209	-.335	.432	-.268	-.081	.262	1.000						
	.262	.514	.287	.161	.401	.803	.410	.						
LEVERAGE	-.339	-.232	-.084	.194	-.222	.207	.700*	.430	1.000					
	.281	.467	.795	.545	.488	.518	.011	.163	.					
DPR	.030	.258	.069	-.457	.518	.245	-.285	-.064	-.162	1.000				
	.927	.419	.831	.135	.085	.442	.368	.843	.615	.				
EPS	.231	.178	.099	-.198	-.149	.746**	-.447	-.077	.110	.134	1.000			
	.469	.580	.759	.538	.644	.005	.146	.813	.734	.677	.			
BVPS	.089	.109	.344	-.096	.049	-.414	.536	-.335	.425	-.269	-.338	1.000		
	.783	.736	.274	.767	.881	.181	.073	.287	.168	.397	.283	.		
ROC	.442	.538	.249	-.030	.205	-.354	-.353	.338	-.288	.031	.167	-.330	1.000	
	.150	.071	.435	.926	.522	.259	.261	.282	.363	.924	.604	.294	.	
RONW	.310	.405	.094	-.015	.107	.087	-.402	.507	-.138	.170	.480	-.619*	.872**	1.000
	.327	.191	.771	.963	.740	.789	.195	.093	.669	.598	.114	.032	.000	.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

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