

ABSTRACT

Corporate social responsibility, often abbreviated “CSR,” is a company’s practices and initiatives to take responsibility for the benefit of society. The purpose of this study is to examine the impact of corporate social responsibility on the abnormal stock returns on the firms which are listed in Pakistan Stock Exchange. Sample size of 106 companies selected on the basis of availability of data of companies. For data used annual reports during time period of 2016-2020. For analysis purpose Driscoll Karmay Regression has been used that is best for analysis. From the results it is concluded that there is positive and significant relationship between corporate social responsibility and abnormal stock. This results support the theoretical relation between corporate social responsibility and abnormal stock return. A hypothesis of positive and significant relationship of corporate social responsibility and abnormal stock return has been supported. This work also supports the view of all those researchers whose empirical evidence found positive and significant relationship between corporate social responsibility and abnormal stock returns.

Keywords: Corporate Social Responsibility, Abnormal stock Returns, PSE Companies