

CORPORATE CAPITAL STRUCTURE DECISIONS – EMPIRICAL EVIDENCES ON DETERMINANT FACTORS

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Abstract: Starting from concepts covering the theories of capital structure and the financial structure of a corporation, this paper identifies the determinant factors of the capital structure of a corporation based on the different existing theories from the literature review. The influence of several corporate specific internal factors was tested on a sample of 10 companies from the hotel industry listed on The New York Stock Exchange, for a time period of 10 years, using the Gretl software package and the OLS, FEM and REM techniques. For simple linear regressions, the explanatory variable with the strongest influence on the level of debt of the company is the asset tangibility. For multiple regressions, the profitability remains positively correlated to the debt ratio, while the size, tangibility, asset turnover and age proved to be negatively correlated to the debt ratio of the analyzed companies.
Key words: debt ratio; profitability; company size; asset structure; panel econometrics

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