

Capital Structure decision is one of the crucial decisions to be taken by a company. There are divergent views regarding Capital Structure and Firm Value. There is dearth of studies in the area of Pharma Industry regarding Capital Structure and Firm Value. Therefore, the present study seeks to answer the following questions: what are the factors determining the Capital Structure decision in Pharma sector in India? What is the relationship between select variable and company value? What is the impact of leverage on stock price volatility of Pharma Companies? Period of the study is eleven years from 2005 to 2015. The panel data regression model has been employed. It can be concluded that Debt-Equity Ratio has negative impact on capital structure of a company. It was revealed from the findings that majority of the select variables have significant impact on the capital structure. The study also brings to light the fact that leverage effect is dominant in the stock market. Findings of the present study are useful in gaining valuable insights into the intricacies of capital structure, firm value and leverage effect. The study is useful to finance managers, investors, researchers and also to academicians doing research in the area of corporate finance.

Christian Kühn explores the impact of institutional buyouts (IBOs) characteristics on the transaction's capital structure and examines the robustness of established theories in a context which deviates substantially from most empirical studies. With regard to capital structure theories the identified relationships suggest a renaissance of the static trade-off theory while the relevance of the agency theory could only be confirmed in part. However, it appears that agency cost of debt assume a more influential role than do agency cost of equity.

Credit Rating and the Impact on Capital Structure GRIN Verlag

Seminar paper from the year 2009 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, grade: 1,3, University of Hohenheim (Lehrstuhl für Bankwirtschaft und Finanzdienstleistungen), language: English, abstract: The question about capital structure is one of the most important issues which the management of a company faces in implementing their daily business. Therefore, the question of which factors affect capital structure decisions attracts high attention in the past and recent literature on capital structure. There are many papers providing valuable insights into capital structure choices, starting with the paper of Modigliani and Miller (1958). The MM-Theorem is generally considered a purely theoretical result since it ignores important factors in the capital structure decision like bank-ruptcy costs, taxes, agency costs and information asymmetry. Based on this paper many other theories which consider factors neglected by Modigliani and Miller have been evolved. Two major theories are the Tradeoff- and the Pecking-Order-Theory. The former loosens assumptions stated in the MM-Theorem by including bankruptcy costs and taxes while the latter introduces information asymmetry into the capital structure discussion. Chapter 2.1 will give a brief overview of these theories. For complexity reasons these models cannot capture all relevant factors affecting the capital structure policy of a company. However, all these theories disregard one crucial factor which plays an important role on capital markets all over the world. The significance of Credit Ratings is gradually increasing, and it is doing so in many respects. This paper focuses on the Credit Rating-Capital Structure-Hypotheses (CRCS) developed by Darren J. Kisgen as a modern approach to the capital structure discussion. The hypothesis argues that credit ratings have an impact on capital structure decisions due to discrete costs (benefits) associated with a rating change. Firstly,

In the present financial world, various niche markets play an increasingly important role. One of the fastest-growing niches is, without a doubt, Islamic finance. Indeed, sustainable finance needs constantly evolving innovations, and this book offers valuable insights into Islamic capital structure and Shari'ah equity screening enriching academic discourse. "In recent years, we have witnessed the emergence of a new generation of academics and professionals specializing in various aspects of Islamic finance as knowledge and practice. This has brought about a new dynamism and also further sophistication. This book is one of such contributions, as it develops knowledge which is then transformed into practice whereby practical impact is also achieved. Being an academic book, it provokes readers' thoughts, offering a critique of the implications of the currently applied Shari'ah screenings methodologies. As a transformative practical piece, by developing an innovative screening ratio, in this book, Dr. Yildirim extends his focus on the risk-sharing based financing hierarchy, covers thoughts and the underlying philosophy, and proposes an Islamic version of a pecking order hierarchy. This framework can be considered the foundation for developing an Islamic capital structure theory. This book will benefit academics, professionals, investors, as well as policymakers working in the Islamic finance industry and would like to explore more." (Professor Dr. Mehmet Asutay, Durham University Business School, UK) "This book offers, for the first time after the inception of Shari'ah screening methodologies, a groundbreaking new stock screening solution that is comprehensible, practical, and foremost entirely derived from the primary sources of Islam (Qur'an and Sunnah). Congratulations to Dr. Ramazan for his outstanding contribution to Islamic finance and capital markets." (Associate Professor Dr. Ahcene Lahsasna) "This excellent book is a must-have for all corporate finance students/researchers interested in the theoretical aspect of capital structure and the religious discussion of Shari'ah equity screening. This book should become a companion to those involved in a quantitative research environment and aim to conduct a comparative analysis; an ideal resource for everyone, from Shari'ah scholars to Islamic finance practitioners and beginners to experts." (Professor Dr. M. Kabir Hassan, University of New Orleans, USA) Judging by the sheer number of papers reviewed in this Handbook, the empirical analysis of firms' financing and investment decisions—empirical corporate finance—has become a dominant field in financial economics. The growing interest in everything "corporate is fueled by a healthy combination of fundamental theoretical developments and recent widespread access to large transactional data bases. A less scientific—but nevertheless important—source of inspiration is a growing awareness of the important social implications of corporate behavior and governance. This Handbook takes stock of the main empirical findings to date across an unprecedented spectrum of corporate finance

issues, ranging from econometric methodology, to raising capital and capital structure choice, and to managerial incentives and corporate investment behavior. The surveys are written by leading empirical researchers that remain active in their respective areas of interest. With few exceptions, the writing style makes the chapters accessible to industry practitioners. For doctoral students and seasoned academics, the surveys offer dense roadmaps into the empirical research landscape and provide suggestions for future work. *The Handbooks in Finance series offers a broad group of outstanding volumes in various areas of finance *Each individual volume in the series should present an accurate self-contained survey of a sub-field of finance *The series is international in scope with contributions from field leaders the world over

Master's Thesis from the year 2020 in the subject Business economics - Investment and Finance, grade: 1,3, University of Greenwich, language: English, abstract: This study investigates what kind of impact different leverage ratios have on firm performance measurements Return on Assets, Return on Equity and Tobin's Q in selected firms listed on Nikkei 225 stock market (excluding Finance & Technology Sector). Furthermore, the influence of sector specific and possible control variables on capital structure (using long- & short-debt ratios) as well as firm performance will be analysed. The sample derive from 165 firms during the time period from 2014 to 2019 and analysed by using various Models multiple regression analysis. Control variables Size and Growth show a clear positive effect on firm performance. In contrast, Tangibility has a negative impact on the model in which all companies are included, but has more positive coefficients in the model in which companies are divided into their industries. Additionally, this study suggests that the effect of leverage on firm performance differs among industries. Short- and long-term debt has positive impacts on different firm performance measurements by the Materials, Reals Estate, Energy and Communication Services Sector.

A comprehensive guide to making better capital structure and corporate financing decisions in today's dynamic business environment Given the dramatic changes that have recently occurred in the economy, the topic of capital structure and corporate financing decisions is critically important. The fact is that firms need to constantly revisit their portfolio of debt, equity, and hybrid securities to finance assets, operations, and future growth. Capital Structure and Corporate Financing Decisions provides an in-depth examination of critical capital structure topics, including discussions of basic capital structure components, key theories and practices, and practical application in an increasingly complex corporate world. Throughout, the book emphasizes how a sound capital structure simultaneously minimizes the firm's cost of capital and maximizes the value to shareholders. Offers a strategic focus that allows you to understand how financing decisions relates to a firm's overall corporate policy Consists of contributed chapters from both academics and experienced professionals, offering a variety of perspectives and a rich interplay of ideas Contains information from survey research describing actual financial practices of firms This valuable resource takes a practical approach to capital structure by discussing why various theories make sense and how firms use them to solve problems and create wealth. In the wake of the recent financial crisis, the insights found here are essential to excelling in today's volatile business environment.

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