Journal Of Harmonized Research (JOHR)

Journal Of Harmonized Research in Management
1(3), 2015, 177-185

Original Research Article

ROLE OF DEBT AND EQUITY IN ORGANIZATIONS: A CASE STUDY OF LIMITED COMPANIES IN PAKISTAN

Nisar Ahmad Bazmi, Abdul Qadeer

Superior University, Lahore-Pakistan

Abstract: - There is also an optimal Debt and Equity structure of a company. There is no definite answer to this question. The authors of determining an optimal Debt and Equity structure to identify a method which has many theoretical concepts. Among them is one of the best Debt and Equity structure are based on the assumption that the company offers the most value. However, in practice, there are many problems with it Commitment. Problems already started on the stage of defining the concept of Debt and Equity and the Debt and Equity of the selection, assessment, and valuation estimate its value and influence are found in the area. Thus, the purpose of this article to determine the optimal Debt and Equity structure is to present the main problems associated with. When defining the scale of the research subject, first, that, relatively permanent academic values to focus on issues and emphasize the vague concepts are interpreted in a different way and its reflection in international scientific publications was content to enjoy. As a result of research carried out, the theoretical problem of the financial management of the company, particularly in the area of Debt and Equity management can be a starting point for further empirical study which was indicated.

Keywords: Debt and Equity, Debt and Equity structure, firm value, education, management, Optimal Debt and Equity.

Introduction: Economic Debt and Equity is required for each engagement. It is the Debt and Equity of the holding company's production capacity in the course of activity (manufacturing ,trade ,services) determine the financing enables enterprises to develop, the company's equipment is necessary for the formation of financing assets. At every stage of the company's activities directly to the Debt and Equity required for the engagement of specific Debt and Equity structure being translated into a variety of investment choices and to determine the source of a problem, rises. Finance theory more than a target for a particular company's Debt and Equity structure will be a signal which is not

For Correspondence:
nisarbazmi73@yahoo.com
Received on: June 2015
Accepted after revision: December 2015
Downloaded from: www.johronline.com

able to determine the formula. An optimal Debt and Equity structure and its influence on the company's value, indicating a range of views on the way research is being triggered.
The problem with this issue in the following manner Christopher J. Bliss (1975) was called by (Bliss, 1975), economists reach an agreement on the issue of Debt and Equity when, soon all the other issues will reach an agreement. The article, based on the study of the literature of the subject, presented a theoretical aspects related to Debt and Equity structure. The aim of the article is an attempt systemization of problem behaviors. Article theoretical the role of academic study. When defining the scale of the research subject, first, that, relatively permanent academic values to focus on issues and emphasize the vague concepts are interpreted in a different way and its reflection in international scientific publications was content to enjoy.

Literature Review:

Concept and types of investments: In contemporary social sciences dually treated as Debt and Equityare heterogeneous and homogeneous assets, as discrete Debt and Equity (Dobija, 2003, pp. 187-190.) This is achieved by understanding the basic Debt and Equity functions and a separation of the two types is the question. Debt and Equity , a passive role and its reflection of the sources of financing of assets , the balance sheet liabilities - the first service of an active role and balance sheet assets , the assets of which are on the other side . Thus this article was based on research conducted in the concept. Equity, foreign Debt and Equity - Debt and Equity, as is subjected to multiple classifications and economic categories, however , undertaken in this article from the point of view of research , a major division is one of the key. Equity during the activity conducted by the company itself provided by the owners of the company's Debt and Equity or worked out. Equity is a distinctive feature of the open-ended character. Foreign debt incurred in connection with any particular option for the time being in the company refers to as the source. In many cases the use of foreign Debt and Equity in the company paying the interest on the debt is associated with the requirement. In turn, foreign Debt and Equity is divided into long and short term. Foreign long-term investment on the balance sheet date of the last installment payment deadline, which comes later in the year as a source refers to.
However, short-term Debt and Equity for the company for less than one year provided that the perpetrator. The frame rate of Debt and Equity in the Debt and Equity structure analysis of fixed Debt and Equity, which has a special significance.
Engaged in real estate investment company is defined as long -term investors. It consists of equity and long -term foreign Debt and Equity is (Szczepankowski, 2004, p. 91) Moreover, fixed assets should be financed by the Debt and Equity. These elements of the asset cash change results from a low speed. In response, after covering fixed assets, current assets, which can finance fixed Debt and Equity, net of operating or working Debt and Equity is called.
Current asset financing the Debt and Equity indicates the level of risk associated with. As a result, three levels which can be shaped net operating Debt and Equity, (Dębski, 2005, pp. 237-238) can be distinguished. Operating Debt and Equity can take the following values :

1. Positive - it contributes to the reduction in financial liquidity risk of loss , but at the same time more profitable fixed assets (Pyka, 2007, P is engaged in the fixed Debt and Equity investment stops , the fixed part of the current assets the Debt and Equity is financed by means of . 28)
2. Neutral (zero) the current assets as are financed by short -term Debt and Equity means. Such Temporary situation usually occurs in companies.
3. Negative - it is not enough to cover fixed Debt and Equity, fixed assets and for this reason, these assets also partly financed by short- term Debt and Equity are the means.

Fixed assets in cash at the time of the elements may be impossible to change repayment deadline of short-term liabilities as at the company's lack of financial liquidity, due to a high risk of a slow exchange is not.

Debt and Equity structure and its role in company finance management:

Concerns about the company's financial management problems in the Debt and Equity structure serve an important role. Money and Debt and Equity structure, current activities and its economic effects as well as investment and restructuring of undertakings holding financing possibilities to influence the effectiveness of the undertaking and the company both about pricing decision. Therefore, it is clearly important to determine the Debt and Equity structure. In the finance literature, the company's Debt and Equity structure is defined in terms of unity; however, Debt and Equity structure, fee structure and the structure of economic resources are used interchangeably. However, they are not considered completely equal. Consequently, their essence should be explained.

Most often, equity Debt and Equity structure (Janasz, 2010, p.35) foreign Debt and Equity is defined as a relationship. However, many publications in the Debt and Equity structure is not equal with the structure of liabilities that have been described. According to this view, the Debt and Equity structure of the frame does not pay interest on the loan company should not be included in the (trade payables, tax liabilities , due compensation , etc. amounts to) Taking this into account, the company's Debt and Equity structure, as well as pay equity interest payables are assumed which are included. When the investment company, its creditors and owners to consider the possible income, interest, dividends and Debt and Equity gains stemming from the equity value has increased. With understanding and equity Debt and Equity interest is limited to debt burden, and then the net assets will be financed by the Debt and Equity assets that the value of existing loans with the interest burden decreased with. Thus understood, the Debt and Equity cost is less than the balance sheet (total assets or liabilities)(Delanie, 2001, p.17). R. Masulis, R. Higgins, S. Ross and the others (Masulis, 1998, p. 1; Higgins,1992, pp. 344-345;Ross,Westerfiels& Jaffe, 1996, p. 4) is equal to the Debt and Equity structure at the same time; the company's financing structure is the structure of liabilities in the balance sheet. In turn , E. Helfert (Helfert, 1994, pp . 482-483) as well as according to J. Downes and J. Goodman (Downes & Goodman , 1991 , p. 60)

Only equity Debt and Equity structure and long-term foreign Debt and Equity is concerned that the sequence of fixed Debt and Equity, which is reflected in. According to their view, the company engaged in the short term and a long term Debt and Equity is undergoing constant changes in the Debt and Equity structure does not judge. Debt and Equity structure defined by R. Brealey and S. Myers Another approach is presented by, their own debt and dividing them into securities, securities issued by the company identified with the structure (Brealey and Myers, 1991, p. 397). Thus this article with the structure of liabilities in the Debt and Equity structure is identified. Consequently, the research object of equity and long-term foreign Debt and Equity is concerned.

Theories of Debt and Equity structure:

Optimizing the Debt and Equity structure of the Company, the Company associated with the introduction of foreign Debt and Equity in the cost-benefit relationship between static trade-off theories, theory of dealing with the problem (Myers, 1984, p.575) is called. In the framework of this principle, the company's assets and total Debt and Equity value of investments consistent with the assumption that it is assumed optimal Debt and Equity structure which will provide the highest value of the company is looking at. Static trade-off theory, the use of foreign Debt and Equity that the company (including tax interest expense resulting from) the value of the tax benefits in terms of size as well as the risk of

insolvency stemming from financial difficulties , the use of foreign Debt and Equity (Stohs & Mauer, 1996, pp . 279-313) . According to the above, using the company's cost of Debt and Equity as follows (Janasz, 2010, 35) can be shown:

$$V_{cf}=V_e+PV_{tb}-PV_{fd}$$

Where as

V_{cf}–value of company using foreign Debt and Equity,

V_e–value of company financed mostly by equity,

PV_{tb}–present value of tax benefits connected with interest payment on foreign Debt and Equity,

PV_{fd}–present value of cost of financial difficulties.

On the issue of the formation of Debt and Equity structure theories, many other illustrations that appear in the financial economy and the increase in value of the company ‘score, is still one of the issues discussed. Debt and Equity structure theories in the literature related to an assortment of some of the proposals may be. They can be divided into two groups. On the one hand, assume the existence of optimal Debt and Equity structure theories, on the other hand, the choice of Debt and Equity structure is a well-defined goal is to claim that there are theories. In the first group , among others , there is, F. Modigliani and M. Miller (Modigliani & Miller 's , 1958 , pp. . 261-297) by the hypothetical static tradeoff model , signaling theory , agency theory , theory of free cash flow.

Static tradeoff theory Marginal value of additional tax benefits of debt financial difficulties as a result of additional debt was equal to the value of the nominal value only when the optimal Debt and Equity structure can be assumed, Theories of Debt and Equity structure more than any other group structure (Vasiliou, Eriotis & Daskalakis, 2009) bases on the assumption that there is a pecking order theory. Internal cash flow is not sufficient for financing activities in accordance with this principle , companies, foreign Debt and Equity (loans , credit) , reaching for internal financing in a situation (income , amortization) and prefer. As a last resort, to issue shares they hold, for example, will launch its external financing. According to this view , the first priority in the first turn and the second one takes the last place in the pecking order is no distinguishing between internal and external funding in a good way because it is not possible to define financial leverage is (Jurkowski, 2005, page 297) . Co - financing infrastructure investment and make financial decisions is confirmed by linking the ideas which constitute sources in order to use.

When the content of investment finances, according to the company outside Debt and Equity (Myers and General Majluf, 1984) using the inner prefers. Most of the company’s internal Debt and Equity resources and maintain control over the financial market results from the desire to give. Theses too brave a positive effect of financial leverage and financial situation of the company's debt (Jensen’s & Meckling, 1976) concerning the negative information is terminated by the company by foreign investors acquisition, it does not have an effect on the price can be found. The principle of taxation, transaction costs and information costs (Duliniec, 2000, p. 502.) The principle of the rule: Apart from the above, the following people whose Debt and Equity structure theory, there are other classifications.

Indicating an optimal Debt and Equity structure:

1- Debt and Equity structure research has been conducted by two American scientists: F. Modigliani and M.H. Miller. In the second half of the 20th century their initials MM model as the solution of the first model, proposed. The following assumptions (Modigliani &Miller’s, 1958) concerning the Debt and Equity structure based on their research:

2- Especially companies a different level of risk (risk class) can be divided into groups. Companies in the same group, the ratio of equity returns measured as the standard deviation, operational risk are burdened with the same degree of

3- There are no taxes,
4- Companies go bankrupt and the Debt and Equity market interest rate risk, because investors lose interest because it is not the same for everyone.
Based on such assumptions were formulated two theorems. The first one being in the same risk, not using foreign Debt and Equity value of the company does not depend on the amount of debt Debt and Equity structure and Debt and Equity (WACC) does not depend on the weighted average price postulates and the company's equity value is equal to that group. The company's value is determined on the basis of the following formula (Pluta, 2000, p. 120)

$$VU=VL=EBIT/WACC=EBIT/CeU,$$

Where as
VU–value of company not using foreign Debt and Equity (unlevered firm), VL–value of company using foreign Debt and Equity(levered firm),
CeU–equity Debt and Equity cost of company not using foreign Debt and Equity(unlevered firm), EBIT- net operational income (earnings before income tax),
WACC–weighted average cost of Debt and Equity.
MM models without tax; foreign financing of the company's second theorem based on the degree of change in the value of equity Debt and Equity is related to the dependence of a calculation. MM theorem to the second formula (from Shin- Ichi, 2010) as follows:

$$CeL=CeU+CeU–kd)(D/E)$$

Where as
CeL– cost of equity Debt and Equity of company using foreign Debt and Equity (levered firm)
Cd–cost of foreign Debt and Equity (debt),
D/E– debt to equity ratio.
Cheap foreign Debt and Equity (CD) obtained from the use of the above benefits, the equity Debt and Equity (CE) are reduced by the increase. Therefore, by the company to foreign investors at the expense of the company, the weighted average cost of Debt and Equity cost and at the same time will not be affected since the introduction of the income tax MM model, levered cost of equity Debt and Equity of the company by the value of financial institutions (Leland, 1994, pages 1213-1252) is more. The difference is the price of so-called tax shield, also called deferred tax - DT. The debt to income tax savings associated with a reduction in the base amount. Such as the following dependencies can be defined:

$$V_L=V_U+DT.$$

Foreign investors (VU) without the participation of the company's value can be calculated from the following formula:

$$VU=E= EBIT(1-T)/CeU.$$

Income taxes in the second theorem with MM model, the model without taxes, are related to the amount of the cost of equity. Price (CEL) in the case of foreign investors , tax rates and the amount is levered cost of equity of the company is not dependent on the difference between the price , the unlevered cost of equity in the company and the risk premium equal to the following formula can be defined in the Debt and Equity engagement rate :

$$CeL=CeU+(CeU–C_d)(1-T)(D/E),$$

According to the above, the cost of equity is increasing with the value of the loan. However, in this case the cost of Debt and Equity increases speed without tax is slower than in MM models. Increased speed reduction value of the expression (1- T) Using this model is described.
M.H. In 1977, Max Miller Debt and Equity structure to indicate a version of the model proposed. This version also separate corporate income tax paid by the investor's personal tax. According to this approach, the company is identified by a formula largely financed by equity (Miller, 1977, pp. 261-275)

$$VU=EBIT(1-T_c)(1-T_e)/CeU,$$

Where as
T_c–corporate income tax rate,
T_e– shareholders' incometaxrate.

However, in the case of financing by foreign investors, the company is a combination of the value of the unlevered Company and additional cost formula (Levati, Qiu, and Mahagaonkar, 2012) The tax savings achieved due to:

$$VL= VU+[1-(1-Tc)(1-Te)/(1-Td)] D,$$

Where as

Td–income tax rate for foreign Debt and Equity providers.

In the frame of the model , Miller value of the tax shield corporate , shareholders and providers of Debt and Equity income tax rate (TC , TE , TD) by the market value of debt (D) that is shaped by the have been . Miller with the assumption of the existence of market equilibrium model works properly.

Income tax and Miller's model to analyze the MM model, a company loan rates should maximize the value can come to the conclusion that (Brennan& Schwartz's, 1978, pp. 103-11) To the contrary; such an approach is rarely met in companies. These phenomena delivery model (Galai, 1998, pp. 143-157) can be specified using. Delivery model similar income tax, company tax influence on the effect on the MM model, but it also includes the cost of Representatives in mind and financial failure (bankruptcy) takes cost. Delivery model company increased operational income to pay the loan interest rate must forgive a large part of which, is related to a joint regularly.

Furthermore, the expected operational income and loan amount is not fixed and variable cost is constant. Consequently, the loan rates increase (Morris operational income amount may not be sufficient to pay interest at a situation in which the height of the attack risk Shin, 2004) (Pluto, 2000) as follows delivery models , plus representatives (CR) and the expected bankruptcy costs (c) the current price of the current value (PV) , including the value of foreign financial institutions is :

$$VL= VU+ DT–PV[E (CB)]– PV(CR).$$

Company with a debt ratio increases with the increase of the level of a particular loan after bankruptcy because of the price (Gilson, 1997, pp. 161-196) begins to raise less. Bankruptcy, insolvency process with the cost price. The direct and indirect costs can be divided into (Warner, 1977, pp. 337-347). The first group of court costs, attorneys fees, administration costs and other individuals. Inhibit the activity of the expected results of the indirect costs arising reflects losses. Often reduces the quality of its products the company in this period, sells some assets out. Both clients and contractors to determine the conditions of crediting, especially in the area of payment, such as transactions with the company problems which can be associated with fear, etc. (Leland & Toft, 1996, p. p. 987-1019).

Research methodology:

The cost of delivery in the second type of model is the value of Representatives. This value is used by the policy set by foreign funding requirements associated. Provider’s Debt and Equity financed by the company realized that the policy to pay interest on debt incurred want to be certain that allows. For this purpose, they are often the company's activity, as for example in some areas to limit the freedom to make decisions, funding the activities of the company have the right to take control of their agreements on sale of fixed assets limited, the amount of dividend paid, the possibility of incurring new debt, etc. Providing Debt and Equity to fund the Company’s control board or the supervisory board to participate in the funding may come to those who send representatives. Members of the board of cost effectiveness associated with lost funding (borne by the company) to monitor the activities of the company and the investment cost. More debt is incurred by the Company; the biggest influence on the activities of the Debt and Equity is demanded by the issuer. Therefore, representatives of the company to reduce the cost of debt rate can maintain low levels.MM theory to develop an exciting H. and R. DeAngelo Masulis (Masulis, 1988, p. 1) by the model. The essence of the concerns and interests of the company without their influence

on the value of the tax shield. The company's high financial leverage effect of the use as a value can not be without interest to a tax shield that is indicated in their work.

The tax shield and investment relationship between the slopes is associated with the role of a substitute, substitute role as the negative slope of the tax debt levels, which is associated with such a selection is indicated by. At the same time, a lack of investment tax shield the company should cause an increase in debt. Researchers slope above a lower level of investment in which foreign Debt and Equity in the financing of companies that prefer a large part based on its conclusion.

The problem of optimal Debt and Equity structure by Groth and Anderson was trying to solve in practice. Optimal Debt and Equity structure of the company (Groth&Anderson,1997) can determine how much closer, thanks to the practical indications provided. However, such indications are grounded on information coming from the Debt and Equity market. Stock Exchange listed companies as well as analysis of the situation is not very reliable (McClure, Clayton and general Hofler, 1999, pp. 141-164)

Conclusion and recommendations:

Despite considerable value theories, presented above, the path is not defined in the Debt and Equity structure of the problem. Therefore, some research is still based. This problem is one of the most interesting research directions Debt and Equity structure (Goldstein& Leland, 2001, pp. 483-512) is a dynamic approach. In contrast to other theories, At this point the relationship between debt and equity value of the company (Fischer, Henkel & Zechner, 1989, pp. 19-40) respond to changes in what is being considered as dynamic decision. Furthermore, in view of the lack of high transaction costs that may be associated with an increase in debt levels as there are only about decisions considered. This seriously discourage managers from the company's debt reduction could. Thus, the issues raised in this article come from the foundations of the theory of Debt and Equity structure and they constitute a starting point for further research. Optimal Debt and Equity structure in terms of the number of problems faces the principle that seems to be still developing. In this case, particularly important empirical studies conducted in certain companies and industries. Determined by the ideology thesis verifies and come to new conclusions allow for. Thus this article was funded by the National Science Center's resources. Future research can also be recommended in limited as well as unlimited companies in Pakistan and other sectors like food, energy and education.

References:

- Bliss,C.J.(1975). *Capital theory and the distribution of income*. Amsterdam: North-Holland Pub.Co.
- Brealey, R.A., & Myers, S.C. (1991).*Principles of Corporate Finance*. McGraw-Hill, New York.
- Brennan, M., Schwartz, E. (1978).Corporate income taxes, valuation, and the problem of optimal capital structure. Journal of Business , 51,103–114.
- Dębski, W. (2005). *Teoretycznеipraktycznеaspektyzarządzaniafinansamiprzedsiębiorstw* Warsaw: PWN.
- Dobija, M. (2003). Ewolucjakoncepcjirachunkowości,kapitałuipieniądza.InSojak, S. (Ed.) *Historia, współczesność iperspektywyrachunkowościwPolsce* (pp.187-190).Toruń:Wyd. Uniwersytetu M.Kopernika.
- Downes, J.,& Goodman, J. E. (1991).*Dictionary of Finance and Investment Terms.*
- Hauppauge: Barron's Educational Series Inc.
- Duliniec, A. (2000). Najnowszeurty wteorii strukturykapitału w przedsiębiors twie. In Zarzecki, D. (Ed.) *Zarządzaniefinansami.Współczesnetendencje wteoriiipraktyce*.Szczecin:Wyd.NaukoweUniwersytetuSzczecińskiego.

- Duliniec, A. (2001). *Strukturai kosztkapitałuwpr zedsiębiorstwie*. Warsaw: PWN.
- Fischer, E.,Heinkel, R., & Zechner, J.(1989).Dynamic capital structure choice: Theory and tests. Journal of Finance, 44, 19–40.
- Galai,D.(1998).Taxes,M-Mpropositions and government'simplicitcost of capital in investment project sinthe private sector. European Financial Management, 4,143–157.
- Gilson, S.(1997).Transactions costs and capital structure choice: Evidence from financially distressed firms. Journal of Finance, 52,161–196.
- Goldstein, R.,Ju, N.,& Leland, H. (2001). An EBIT-Based Model of Dynamic Capital Structure, Journal of Business,74, 483-512.
- Groth, J.C.,& Anderson, R.C. (1997). Capital Structure: Perspectives for Managers.
- *Management Decisions,35*(6),552-561.
- Helfert, E. A. (1994).*Techniques of Financial Analysis. A Practical Guide to Managing and Measuring Business Performance*. Burridge: Irvin.
- Higgins,R.C.(1992). *Analysis for Financial Management*. Homewood: Irvin.
- Janasz, K. (2010). *Kapitał wfinan so waniudziałalnościinnowacyjnejprzedsiębiors tww Polsce*. Warsaw: Wyd.Difin SA.
- Jensen, M.C., & Meckling, W.M. (1976).Theory of the Firm: Managerial Behavior, Agency Cost and OwnershipStructure.*JournalofFinancialEconomics,3*(4), 305-360.
- Jurkowski,T.(2005).Strukturakapitałuadyna mikaotoczeniaprzedsiębiorstwa. In Urbańczyk, E. (Ed.) *Strategy wzrostuwarto ściprzed siębiorstw. Teoriaipraktyka*, *part1* (pp.297–306). Szczecin: Wyd.Kreos.
- *Leland, H. (1994).Corporate debt value, bond covenants, and optimal capital structure. Journal of Finance, 49,1213–1252.*
- *Leland, H.,& Toft, K. (1996). Optimal capital structure, endogenous bank ruptcy, and the term structure of credit spreads.* Journal of Finance, 51, *987–1019.*
- *Levati, M.V., Qiu, J.,& Mahagaonkar, P. (2012).Testing the Modigliani-Miller the oremdirectly in the lab.* Experimental Economics,15*(4), 693-716.*
- *Masulis, R.W.(1998).*The Debt/Equity Choice. *Cambridge: Ballinger Publishing Company. 2. McClure, K.G., Clayton, R.,&Hofler, R.A. (1999). International Capital Structure Differences*
- Among theG7 Nations: a Current Empirical View. *The European Journal of Finance*, *5*, 141-164.
- Miller, M. (1977).Debt and taxes. *Journal of Finance, 32,261*–275.
- *Modigliani, F., & Miller, M.H. (1958).Taxes and the Cost of Capital, Corporation Finance and the Theory of Investment.* American Economic Review.
- *Modigliani, F.,& Miller, M.H.(1958).The Cost of Capital, Corporate Finance and the Theory of Investment.* American Economic Review,48,*261-297.*
- Morris, S., & Shin, H.S. (2004).Coordination risk and the price of debt. *European Economic Review,48*(1),133-153.
- Myers, S.C. (1984).The Capital Structure Puzzle. Journal of Finance,39(3),575-592. 28. Myers, S.C.,& Majluf, N. (1984). Corporate Financing and Investment When Firms Have Information those Investors do not have. *Journal of Financial Economics, 13(2), 187-221.*
- Pluta, W. (2000).*Budżetowaniekapitałów*. Warsaw:PWE.
- Pyka, J. (2007). *Instrument yrynkufinansowegowprocesiezasilaniakapita łowegoprzedsiębiorstwwPolsce.*Opole: OficynaWyd. Politechniki Opolskiej.
- Ross, S.A., Wester fiels, R.W.,& Jaffe, J. (1996).*Corporate Finance*. Chicago: Irvin. Szczepankowski,P.(2004).

Zarządzaniefinansamiprzedsiębiorstwa.Podstawyteoretyczne,

- *przykładyizadania.*Warsaw:Wyd.WyższejSzkołyPrzedsiębiorczościiZarządzaniaim. L. Koźmińskiego.
- *Shin-Ichi, T. (2010).The Modigliani-Miller theorem ina dynamic economy.* Hitotsubashi
- *Journal of Economics, 51*(1), 43-55.
- *Stohs, M. H.,&Mauer, D. (1996).The determinants of corporate debt maturity structure.*
- *Journal of Business, 69*,279–313.
- Vasiliou, D.,Eriotis, N.&Daskalakis, N.P.(2009).Testing the pecking order theory: the importance of methodology. *Qualitative Research in Financial Markets,1*(2),85-96.
- Warner, J. (1977). Bankruptcy costs: Some evidence. *Journal of Finance, 32*,337–347.