

Access to Capital and Capital Structure of the Firm*

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Abstract

The paper examines the importance of financial constraints for firm capital structure decisions in transition economies during 1996-2006 using endogenous switching regression with unknown sample separation approach. The evidence suggests that differences in financing constraints have a significant effect on a firm's capital structure. Constrained and unconstrained firms differ in capital structure determinants. Specifically, tangibility appears to be an extremely important leverage determinant for constrained firms, while macroeconomic factors (GDP and expected inflation) affect the leverage level of unconstrained firms, suggesting that those firms adjust their capital structure in response to changes in macroeconomic conditions. Moreover, financially unconstrained firms adjust their capital structures faster to the target level, which is consistent with the previous literature.

Abstrakt

Tento článek zkoumá důležitost finančních omezení pro rozhodování firem o jejich kapitálové struktuře v přechodových ekonomikách během let 1996-2006 za použití endogenního prepínacího mechanismu. Důkazy naznačují, že rozdíly ve finančních omezeních mají prokazatelný dopad na kapitálovou strukturu firem. Omezené a neomezené firmy se liší v determinantech kapitálové struktury. Konkrétně se toto projevuje jako důležitý pákový determinant pro omezené firmy, zatímco makroekonomické faktory (HDP a očekávaná inflace) ovlivňují pákovou úroveň neomezených firem, což naznačuje, že tyto firmy upravují svou kapitálovou strukturu podle makroekonomických podmínek. Navíc, finančně neomezené firmy dosáhnou cílovou hladinu své kapitálové struktury rychleji, což je v souladu s předchozí literaturou.

Keywords: Capital Structure, Financing Decisions, Credit Constraints, Eastern Europe

JEL classification: G32, C23

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