

Capital structure determinants: The case of Turkish hospitality firms

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Abstract:

This paper aims to study the capital structure determinants of hospitality firms using cross-sectional data from 125 Turkish firms. We use multiple regression analysis to analyze the factors that affect the debt ratio of the firms. The findings show that being a profitable hospitality firm has a negative effect on debt ratio. Moreover, there is a positive relationship between expected revenue change and debt ratio. The strength of the relationship between expected revenue change and debt ratio is lower for family firms. We find a negative relationship between firm age and debt ratio. Firm size also has a negative effect on debt ratio.

Keywords: Hospitality firms, Debt ratio, Capital structure

JEL Codes: C31, G32, L29