

Determinants of Capital Structure of Multinational Companies (Empirical Study on the Indonesia Stock Exchange)

Herman Darwis¹, Rizki Wahyu Utami Ohorella²

^{1,2}Lecturer at the Faculty of Economics and Business, Universitas Khairun JI Yusuf Abdulrahman, Kota Ternate, Maluku Utara, Indonesia

ABSTRACT: This study aims to provide empirical evidence of the effect of business risk, profitability, asset growth and asset structure on the capital structure of multinational companies on the Indonesia Stock Exchange. The population of this study are manufacturing companies listed on the Indonesia Stock Exchange for the period 2018-2022. The sampling technique uses purposive sampling. Data collection using documentation, secondary data sources in the form of company financial reports. Data analysis using multiple linear regression panel data with the eviuv 13 programme. The results found that business risk affects the capital structure of multinational companies. Profitability affects the capital structure of multinational companies. Asset growth has no effect on the capital structure of multinational companies. Asset structure negatively affects the capital structure of multinational companies. Further research is expected to consider adding other variables that influence the capital structure of multinational companies such as liquidity and tangibility variables. In addition, it is also expected to examine the relationship between independent variables, as well as using different samples and populations from this study.

KEYWORDS: Capital Structure, Business Risk, Profitability, Asset Growth, Asset Structure

INTRODUCTION

Companies in conducting business operations, or investing in other companies need funding. The funding in question is how the company is able to compare the use of capital and debt. The company's funding with the proportion of capital and debt is referred to as the capital structure. The company must consider factors that affect the stability of the capital structure. Business risk is a condition where all assets are financed by capital or broadly a condition where a company in its funding does not always use debt. An increase in business risk can occur along with the company's debt. In this case, the greater the company's debt, the greater the company's business risk.

The results of research by Viviani (2008) and Alipour et al. (2015) show that profitability factors have a positive influence on capital structure. While different results of research by Huang & Song, (2006); Barros & da Silveira, (2011); Sofat & Singh, (2017), Sharma, (2018) show profitability has a negative influence on capital structure.

Another factor to be considered by the company so that the capital structure can achieve stability is asset growth. Asset growth can have a positive impact on the reputation of a company. With the growing assets, it shows that the company is growing. Firm growth has inconsistent effect on capital structure. The research of Titman & Wessels, (1988); Zou & Xiao, (2006) shows that firm growth has negative influence on capital structure. The results of other studies belonging to Bunkanwanicha et al. (2008); Viviani, (2008);

and Sharma, (2018) show that firm growth has a positive influence on capital structure.

Asset structure has a positive influence on capital structure based on the results of Zou & Xiao, (2006); de Jong et al. (2008). Meanwhile, the research result of Pandey (2005) shows the negative influence of asset structure on capital structure. The research of Shah & Hijazi, (2004) and Barros & da Silveira, (2011) also showed that asset structure has no influence on capital structure.

Chkir & Cosset, (2001) and Doukas & Pantzalis, (2003) investigated the capital structure between MNCs and DCs which found that MNCs have less influence than US DCs. However, Singh & Nejadmalayeri, (2004) found that international diversification is positively associated with higher leverage. Mittoo & Zhang, (2008) found Canadian MNCs to have higher leverage relative to Canadian DCs.

LITERATURE REVIEW

Capital Structure

Capital structure is the management of funding sources divided between debt and capital itself. The structure refers to how the company is able to balance the use of debt and capital itself, so as not to cause financial losses.

Financially significant losses. This capital structure can be related to the theory of Modigliani and Miller (1963) where there are two classifications, namely MM theory (Modigliani and Miller) without tax and MM theory with tax (Mukaddam & Sibindi, 2020).

Then the *trade-off* theory emerged as a development of Modigliani and Miller's (1963) theory. This theory states that debt has negative and positive effects. The positive side is that debt can reduce taxable income, due to differences in the tax treatment of dividends and interest, thus providing tax savings to the company. While the negative side, the greater the debt the greater the cost of bankruptcy and the cost of financial difficulties for the company.

The purpose of capital structure theory is for optimal capital structure composition. The capital structure is called optimal if at a certain level of risk it is able to provide the maximum firm value. Another theory that also underlies the capital structure is the Pecking Order Theory which explains that companies tend to choose internal funding (funding the company's operations) and when external funding is needed the company will issue the safest option, namely securities.

State Of The Art

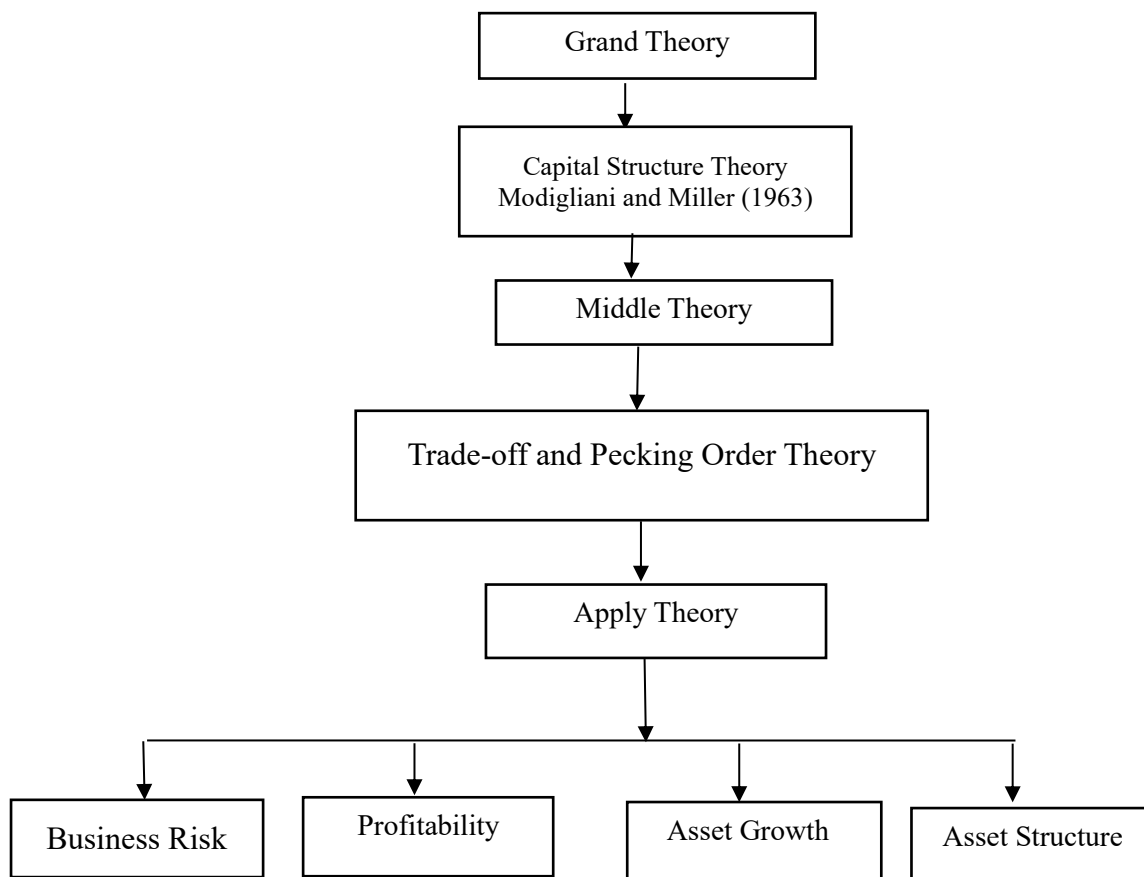


Figure 1. Research Model

Hypothesis

Effect of Business Risk on Capital Structure

Business risk refers to the risk associated with future business operations. This is the risk inherent in the expected net operating income stream generated by the company's assets (Bishop, Faff, Oliver and Twite, 2004 in Akhtar, 2005).

The research results of Mangesti Rahayu et al., (2020); Setyowulan et al., (2020) state that the centre of business risk will be the policy on how the company allocates external (debt) and internal (equity) sources of funds. Glen & Singh, (2004) argue that companies in developing countries apply less debt in their capital structure and this level of debt inclusion has fallen in recent years. This argument was given about a decade ago. Therefore, it is important to conduct studies in developing countries to provide insights into the current capital situation of the structure within organisations. As de Jong et al. (2008) also argue that firm-specific

determinants of capital structure differ from country to country and region to region.

With respect to MNCs, it is often argued that, due to their ability to diversify in less than perfectly correlated markets, business risk for MNCs should be less than DCs. Therefore, MNCs should be able to support relatively more DCs. However, this is not always supported empirically. Reeb et al. (1998) report that US-based MNCs have higher systematic risk (after adjusting for leverage) than US domestic firms. The hypothesis in this study is as follows:

H1: Business risk affects the capital structure of MNCs.

Effect of Profitability on Capital Structure

Myer, (1984) the pecking order theory of capital structure states that if the firm is profitable it is likely that financing will come from internal sources rather than external sources. Meanwhile, more profitable companies are expected to have less debt, because it is easier and more cost-effective to

finance internally. MNCs have better opportunities than DCs to generate more profits mainly because they have access to more than one source of income and better opportunities to have favourable business conditions in certain countries (Kogut, 1985; Barlett and Ghoshal, 1989 in Akhtar, 2005)). As a result, MNCs become more profitable than DCs with the expectation of having less leverage than DCs after controlling for other variables.

The research results of Viviani, (2008), and Alipour et al. (2015) found that profitability has a positive influence on capital structure. The hypothesis that can be proposed in this study is as follows:

H2: Profitability affects the capital structure of multinational companies.

Effect of Asset Growth on Capital Structure

The expected relationship between leverage and growth opportunity is not clear. The contract hypothesis states that companies that have higher growth are expected to have lower leverage. This is based on the problem of underinvestment and asset substitution that debt is supported by on-site assets rather than growth opportunities (Myers & Majluf, 1984; Titman & Wessels, 1988). On the other hand, the signalling hypothesis is based on the impact of information asymmetry on debt policy. For example, firms that have higher growth opportunities will face much greater information disparity and are therefore expected to have higher amounts of debt to signal higher quality as well (Gul, 1999). This follows probability theory which also implies a positive relationship between growth rate and leverage.

The research results of Bunkanwanicha et al. (2008); Viviani, (2008); and Sharma, (2018) show a positive influence on that firm growth has a positive effect on capital structure. The hypothesis that can be proposed in this study is as follows:

H3: Company growth affects the capital structure of multinational companies.

Effect of Asset Structure on Capital Structure

According to the trade-off hypothesis, tangible assets used as collateral also provide lender security in case of financial difficulties. The existence of collateral will protect the lender if there is a moral hazard problem due to problems or conflicts between shareholders and lenders. Thus, companies with higher tangible assets are expected to have higher debt levels. According to the maturity principle, net fixed assets shift financing from short-term debt to long-term debt while inventories shift financing from equity to short-term debt and long-term debt (Thies and Klock, 1992).

Some studies report a significant positive relationship between tangibility and total debt ((Titman & Wessels, 1988); Rajan & Zingales, 1995). There are other studies that show a positive relationship between tangible assets and long-term debt, but there is also a negative relationship between tangible assets and short-term debt (Chittenden et al., 1996 in Amidu, (2007). Research by Zou

& Xiao, (2006); de Jong et al. (2008) found that asset structure has a positive influence on capital structure. The hypothesis proposed in this study is as follows:

H4: Asset structure affects the capital structure of multinational companies

RESEARCH AND METHODOLOGY

Population and sample

This research is quantitative research. The population of this study are manufacturing companies listed on the Indonesia Stock Exchange. The sampling technique used in this study was purposive sampling, with the following criteria:

1. The sample is a multinational company
2. Publish financial statements from 2018 to 2022
3. The company did not experience losses in the observation period
4. The company has the variables needed in this study

Data Collection Technique

The data collection techniques in this study are documentation and literature study. documentation technique is a way of collecting secondary data in the form of company financial reports originating from the Indonesia Stock Exchange (IDX). The data was obtained from the official website of the Indonesia Stock Exchange (IDX), namely www.idx.co.id and the company's website. Literature study is data collection for the theoretical basis as well as previous research. Data is obtained through books, or journals related to the discussion of this research.

Operational Definition of variables

a. Dependent variable. Capital structure is the dependent variable in this study as measured by leverage. Mittoo & Zhang, (2008), among others, define leverage as long-term debt measured by total debt plus the market value of equity.

$$\text{Leverage} = \frac{\text{Long-term debt}_{it}}{\text{Long-term debt}_{it} + \text{market value of equity}_{it}}$$

b. Independent variables consist of:

- Business risk. The proxy for business risk is the standard deviation of EBIT divided by total assets, so that from that division it can be seen the size of the business risk determined from the total assets owned by the company.

$$\text{Business Risk} = \frac{\sigma \text{ EBIT}}{\text{Total Asset}}$$

- Profitability. Profitability in this study is proxied by Return on Equity (ROE) which shows the percentage of net profit obtained from the company's own capital.

$$\text{ROE} = (\text{profit after tax} / \text{own capital}) \times 100\%$$

- Asset growth. This variable can be defined as a fixed annual change.

$$\text{Asset growth} = \frac{\text{Total Aset}_t - \text{Total Aset}_{t-1}}{\text{Total Aset}_{t-1}}$$

- Asset structure. The asset structure is calculated by comparing current assets with fixed assets owned by the company.

$$\text{Asset Structure} = (\text{current assets} / \text{fixed assets}) \times 100\%$$

Data analysis technique

The data analysis technique used in this study is multiple linear regression analysis. The multiple linear regression model in question is formulated as follows;

For multinational companies:

$$\text{Lev} = \alpha + \beta_1 \text{RB} + \beta_2 \text{Pro} + \beta_3 \text{PA} + \beta_4 \text{SA} + e..$$

Description:

Lev = Leverage

RB = Business Risk

Pro = Profitability

PA = Asset Growth

a = Constant

β = regression coefficient

e = error

FINDINGS AND DISCUSSIONS

Overview of the Research Object

The company that is the object of this research is a manufacturing company listed on the Indonesia Stock Exchange (BEI) for the period 2018-2022. The sampling method in this study uses *purposive sampling* method, sample selection using certain criteria based on considerations from researchers. The population obtained was 223 manufacturing companies. The criteria set by the researcher are as follows:

Population & Sampel	Total
Manufacturing companies listed on the Indonesia Stock Exchange (IDX) consecutively during the period 2018-2022	162
Domestic manufacturing companies	(115)
Companies that do not publish consecutive financial reports during the observation period	(3)
Companies that experienced losses during the observation period	(18)
Companies that do not have the variables needed in this study	-
Total Observation	26
Total Observation (26 x 5)	130

Figure 2. Acquisition of Research Samples of Manufacturing Companies for Multinationals

Descriptive Statistics of Research Variables

Descriptive statistics are carried out on business risk, profitability, asset growth, asset structure and *cash flow volatility* as independent variables, and capital structure as the dependent variable of manufacturing companies listed on the

Indonesia Stock Exchange from 2018 to 2022. Based on the data obtained, descriptive analysis is then carried out which aims to provide an overview of the data seen from the average value (*mean*), the highest value (maximum), the lowest value (*minimum*) and the standard deviation value.

	Lev	RB	Pro	PA	SA
<i>Mean</i>	0.275	0.088	0.149	0.111	2.892
<i>Median</i>	0.257	0.065	0.099	0.061	1.080
<i>Maximum</i>	0.998	0.598	1.450	3.279	56.497
<i>Minimum</i>	0.000	0.004	0.004	-0.439	0.095
<i>Std. Dev.</i>	0.255	0.089	0.285	0.353	8.071
<i>Observation</i>	130	130	130	130	130

Figure 3. Descriptive Statistical Analysis Test Results

From the results of descriptive statistical analysis in table 4.3, it explains that the capital structure variable (Y) has a *mean* (average) value of 0.275, a *median* value of 0.257, with a *maximum* value of 0.998 in the Sat Nusapersada Tbk company and a *minimum* value of 0.000 in the Barito Pacific Tbk company, and has a standard deviation value of where the standard deviation value is greater than 0.255, meaning that the value is smaller than the *mean* value, it shows that the variation in the value of the capital structure variable (Y) is relatively small or it can be said that the data lacks variation

because the standard deviation value is smaller than the *mean* value.

The business risk variable (X1) has a *mean* (average) value of 0.088, a *median* value of 0.065, with a *maximum* value of 0.598 in the Unilever Indonesia Tbk company and a *minimum* value of 0.004 in the Trias Sentosa Tbk company, and has a standard deviation value of 0.089 where the standard deviation value is greater than the mean value, which indicates that the business risk variable data (X1) has a lot of data variance.

The profitability variable (X2) has a *mean* (average) value of 0.149, a *median* value of 0.099, with a *maximum* value of 1.450 in the Unilever Indonesia Tbk company and a *minimum* value of 0.004 in the Argha Karya Prima Industry Tbk company, and has a standard deviation value of 0.285 where the standard deviation value is greater than the mean value, which indicates that the profitability variable data (X2) has a lot of data variance.

The asset growth variable (X3) has a *mean* (average) value of 0.111, a *median* value of 0.061, with a *maximum* value of 3.279 in the Sat Nusapersada Tbk company and a *minimum* value of -0.439 in the Sat Nusapersada Tbk company, and has a standard deviation value of 0.353 where the standard deviation value is greater than the mean value, which indicates that the asset growth variable data (X3) has a lot of data variance.

The asset structure variable (X4) has a *mean* (average) value of 2.892, a *median* value of 1.080, with a *maximum* value of 56.497 in the Alakasa Industrindo Tbk company and a *minimum* value of 0.095 in the Charoen Pokphand Indonesia Tbk company, and has a standard deviation value of 8.071 where the standard deviation value is greater than the mean value, which indicates that the asset structure variable data (X4) has a lot of data variance.

DISCUSSION

The Effect of Business Risk on Capital Structure of Multinational Companies

The result of hypothesis testing shows that there is an influence of business risk on the capital structure of multinational companies. This means that companies working in a very risky environment should reduce the use of debt so that they can reduce business risk which will reduce their risk of bankruptcy. This research is in line with Khoiriyah & Rasyid, (2020); Lianto *et al.*, 2020; Meilyani *et al.*, (2019); Meitriyani & Wirawati, (2021) which state that business risk affects the capital structure. Meanwhile, this study is different from research conducted by Mufidah *et al.*, (2018); Puspita & Ruhamak, (2020); Septiani & Suaryana, (2018) which states that business risk has no effect on capital structure.

Effect of Profitability on Capital Structure of Multinational Companies

The results of hypothesis testing show that there is an effect of profitability on the capital structure of multinational companies. Myer, (1984) the pecking order theory of capital structure states that if the company is profitable it is likely that financing will come from internal sources rather than external sources. Meanwhile, more profitable companies are expected to have less debt, because it is easier and more cost-effective to finance internally. The profitability of the company is one of the factors in determining the capital structure of multinational companies. This research is in line with research conducted by Khoiriyah & Rasyid, (2020);

Meitriyani & Wirawati, (2021); Pramana & Darmayanti, (2020) which states that profitability affects the capital structure. The results of this study are not in line with the research of Mufidah *et al.*, (2018); Puspita & Ruhamak, (2020); Septiani & Suaryana, (2018) which states that profitability has no effect on capital structure,

Effect of Asset Growth on Capital Structure of Multinational Companies

The results found that asset growth has no effect on the capital structure of multinational companies. This is because multinational companies often have access to various sources of funding, including from subsidiaries in various countries. Thus, asset growth in one region does not necessarily require changes in the overall capital structure because companies can utilise diverse funding sources. The results of this study are in line with those conducted by (Aurelia & Setiajaningsih, 2020; Fajrida & Purba, 2020) which states that asset growth has no effect on capital structure, but is not in line with the results of research conducted by (Khoiriyah & Rasyid, 2020; Rahman, 2020) which states that asset growth affects capital structure.

Effect of Asset Structure on Capital Structure of Multinational Companies

The results of hypothesis testing show that there is a negative effect of asset structure on the capital structure of multinational companies. It means that if the asset value of multinational companies tends to fluctuate or is difficult to predict, this can cause uncertainty for creditors or investors. As a result, the company may face difficulties in obtaining funding at low cost, which may negatively affect the capital structure. Riyanto (2001) in Septiani & Suaryana, (2018) states that most companies where the majority of their capital is embedded in fixed assets will prioritise the fulfilment of their capital from permanent capital, namely own capital while debt is only complementary.

This finding is not supported by *trade-off theory* which states that companies that have stable assets and can be sold easily are more likely to use more debt. This is because companies can use these assets as collateral, so they can obtain loans with lower interest rates. The results of this study support *pecking order theory* because the main problem of *pecking order theory* is asymmetric information. Asset structure is one of the variables that determine the size of the information asymmetry problem. When the company has a larger proportion of fixed assets, its asset valuation becomes easier so that the problem of information asymmetry becomes lower (Septiani & Suaryana, 2018).

The results of this study are in line with those conducted by Meitriyani & Wirawati, (2021); Septiani & Suaryana, (2018) which states that asset structure affects capital structure, but is not in line with the results of research conducted by Deviani & Sudjarni, (2018); Pramana & Darmayanti, (2020) which states that asset structure has no effect on capital structure.

CONCLUSION

Based on the results of the analysis and discussion previously described, the conclusions of the research can be drawn as follows:

1. Business risk affects the capital structure of multinational companies. This means that companies working in a very risky environment should reduce the use of debt so that they can reduce business risk which will reduce their risk of bankruptcy.
2. Profitability affects the capital structure of multinational companies. A profitable company is more likely to be financed from internal sources rather than external sources. While more profitable companies are expected to have less debt, because it is easier and more cost-effective to finance internally. Profitability of the company is one of the factors in determining the capital structure of multinational companies.
3. Asset growth does not affect the capital structure of multinational companies. This is because multinational companies often have access to various funding sources, including from subsidiaries in various countries. Thus, asset growth in one region does not necessarily require changes in the overall capital structure because companies can utilise diverse funding sources.
4. Asset structure negatively affects the capital structure of multinational companies. Multinational companies tend to be volatile or difficult to predict, this can cause uncertainty for creditors or investors. As a result, the company may face difficulties in obtaining low-cost funding, which may negatively affect the capital structure.

ACKNOWLEDGEMENT

Author Contributions: Conceptualization, H.D; Methodology, H.D; Data Collection, R.W.U.O; Formal Analysis, H.D.,R.W.U.O.,; Writing—Original Draft Preparation, H.D; Writing—Review And Editing, R.W.U.O. All authors have read and agreed to the published the final version of the manuscript. Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues. Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy. Conflicts of Interest: The authors declare no conflict of interest.

REFERENCES

1. Akhtar, S. (2005). The Determinants of Capital Structure for Australian Multinational and Domestic Corporations. *Australian Journal of Management*, 30(2), 321–341. <https://doi.org/10.1177/031289620503000208>
2. Alipour, M., Mohammadi, M. F. S., & Derakhshan, H. (2015). Determinants of capital structure: An empirical study of firms in Iran. *International Journal of Law and Management*, 57(1), 53–83. <https://doi.org/10.1108/IJLMA-01-2013-0004>
3. Amidu, M. (2007). Determinants of capital structure of banks in Ghana: An empirical approach. *Baltic Journal of Management*, 2(1), 67–79. <https://doi.org/10.1108/17465260710720255>
4. Barros, L. A. B. de C., & da Silveira, A. D. M. (2011). Overconfidence, Managerial Optimism and the Determinants of Capital Structure. *SSRN Electronic Journal*, 1–33. <https://doi.org/10.2139/ssrn.953273>
5. Bunkanwanicha, P., Gupta, J., & Rokhim, R. (2008). Debt and entrenchment: Evidence from Thailand and Indonesia. *European Journal of Operational Research*, 185(3), 1578–1595. <https://doi.org/10.1016/j.ejor.2006.08.025>
6. Chkir, I. E., & Cosset, J. C. (2001). Diversification strategy and capital structure of multinational corporations. *Journal of Multinational Financial Management*, 11(1), 17–37. [https://doi.org/10.1016/S1042-444X\(00\)00040-2](https://doi.org/10.1016/S1042-444X(00)00040-2)
7. de Jong, A., Kabir, R., & Nguyen, T. T. (2008). Capital structure around the world: The roles of firm- and country-specific determinants. *Journal of Banking and Finance*, 32(9), 1954–1969. <https://doi.org/10.1016/j.jbankfin.2007.12.034>
8. Doukas, J. A., & Pantzalis, C. (2003). Geographic diversification and agency costs of debt of multinational firms. In *Journal of Corporate Finance* (Vol. 9, Issue 2). [https://doi.org/10.1016/s0929-1199\(01\)00056-6](https://doi.org/10.1016/s0929-1199(01)00056-6)
9. Glen, J., & Singh, A. (2004). Comparing capital structures and rates of return in developed and emerging markets. *Emerging Markets Review*, 5(2), 161–192. <https://doi.org/10.1016/j.ememar.2004.01.001>
10. Huang, G., & Song, F. M. (2006). The determinants of capital structure: Evidence from China. *China Economic Review*, 17(1), 14–36. <https://doi.org/10.1016/j.chieco.2005.02.007>
11. Mangesti Rahayu, S., Suhadak, & Saifi, M. (2020). The reciprocal relationship between profitability and capital structure and its impacts on the corporate values of manufacturing companies in Indonesia. *International Journal of Productivity and Performance Management*, 69(2), 236–251. <https://doi.org/10.1108/IJPPM-05-2018-0196>
12. Mittoo, U. R., & Zhang, Z. (2008). The capital structure of multinational corporations: Canadian versus U.S. evidence. *Journal of Corporate Finance*, 14(5), 706–720. <https://doi.org/10.1016/j.jcorpfin.2008.09.012>

13. Mukaddam, S., & Sibindi, A. B. (2020). Capital Structure and Financial Performance of Retail Firms: Empirical Evidence from South Africa. Review of Related Literature. *Acta Universitatis Danubius*, 16(5), 118–143.
14. Myer, S. C. (1984). The Capital Structure Puzzle. *The Journal of Finance*, 39(3), 575–592.
15. Myers, S. C., & Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information that investors do not have. *Journal of Financial Economics*, 13(2), 187–221. [https://doi.org/10.1016/0304-405X\(84\)90023-0](https://doi.org/10.1016/0304-405X(84)90023-0)
16. Pandey, I. M. M. (2005). Capital Structure and the Firm Characteristics: Evidence from an Emerging Market. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.300221>
17. Rajan, R. G., & Zingales, L. (1995). American Finance Association What Do We Know about Capital Structure? Some Evidence from International Data. *Source: The Journal of Finance*, 50(5), 1421–1460.
18. Reeb, D. M., Kwok, C. C. Y., & Baek, H. Y. (1998). Risk of the Multinational Corporation. *International Business*, 29(2), 263–279.
19. Setyowulan, R., Isnurhadi, Widiyanti, M., & Adam, M. (2020). Business Risk and Sales on the Value of Manufacture Companies With Capital Structure as Intervening Variables in Stock Exchange. *International Research Journal of Management, IT & Social Sciences*, 7(5), 139–148.
20. Shah, A., & Hijazi, T. (2004). The determinants of capital structure of stock exchange-listed non-financial firms in Pakistan. *Pakistan Development Review*, 43(4 II), 605–617. <https://doi.org/10.30541/v43i4iipp.605-618>
21. Sharma, R. K. (2018). Factors affecting financial leveraging for BSE listed real estate development companies in India. *Journal of Financial Management of Property and Construction*, 23(3), 274–294. <https://doi.org/10.1108/JFMPC-01-2017-0002>
22. Singh, M., & Nejadmalayeri, A. (2004). Internationalization, capital structure, and cost of capital: Evidence from French corporations. *Journal of Multinational Financial Management*, 14(2), 153–169. <https://doi.org/10.1016/j.mulfin.2003.07.003>
23. Sofat, R., & Singh, S. (2017). Determinants of capital structure: an empirical study of manufacturing firms in India. *International Journal of Law and Management*, 59(6), 1029–1045. <https://doi.org/10.1108/ijlma-05-2016-0051>
24. Titman, S., & Wessels, R. (1988). The Determinants of Capital Structure Choice. *The Journal of Finance*, 43(1), 1–19. <https://doi.org/10.1111/j.1540-6261.1988.tb02585.x>
25. Viviani, J. L. (2008). Capital structure determinants: An empirical study of French companies in the wine industry. *International Journal of Wine Business Research*, 20(2), 171–194. <https://doi.org/10.1108/17511060810883786>
26. Zou, H., & Xiao, J. Z. (2006). The financing behaviour of listed Chinese firms. *British Accounting Review*, 38(3), 239–258. <https://doi.org/10.1016/j.bar.2006.04.008>