

EconWorld2022@Athens

Capital structure determinants: The case of Turkish hospitality firms

Aysa İpek Erdoğan¹

¹Bogazici University, Turkey

ABSTRACT

This paper aims to study the capital structure determinants of hospitality firms using crosssectional 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 C31, G32, L29