

EconWorld2016@London

The Factors that affect the Profitability of the Companies: The Sample of BIST 30 / Firmaların Karlılığını Etkileyen Faktörler: BIST 30 Örneği

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ABSTRACT

The profitability of the companies associates with the course of economy. Accordingly, also the course of economy affects the profitability of the company. Also the profitability ratios of the companies depend upon the previous financial structures of the companies. In this context, the main purpose of this study is to clarify the factors that affect the profitability ratios of the companies involving BIST 30 index. So, 1994–2015 annual data of the companies which are included in the Istanbul Stock Exchange (BIST) 30 index are used in this study. In this research, the factors of active growth rate, return on assets, current rate, leverage ratio, cash rate, external finance, total financial liability / total debt rate, return on equity, investment, and earnings per share are discussed. The factors that affect profitability are analyzed separately for long and short terms and Panel regression analysis is used in this research.

KEYWORDS Company; Profitability; Borrowing; Panel Regression

JEL G17, C23, C58