Exploring the determinants of capital structure in US electronics industry: Using system-generalized method of moments (System-GMM) to analyze the determinant factors of the capital structure of U.S. electronics industry using a panel data listed in New York Stock Exchange (NYSE) over the period 2005-2009. After deleting missing data and lack of business and getting the effective sample, a total of 710 companies in the study, and explore the relationship between profitability, firm size, intangible assets and long-term debt ratio. The main findings of empirical results: Pecking Order Theory point of view: I. The relationship between profitability and long-term liability rate is negative, statistically significant of U.S. electronics industry and statistics also reach a significant level. II. The relationship between firm size and long-term liability rate is negative, statistically significant of U.S. electronics industry and statistics also reach a significant level. Static Trade-off Theory point of view: I. The relationship between intangible assets and long-term liability rate is positive, statistically significant of U.S. electronics industry and statistics also reach a significant level.

Keywords: System Generalized Method of Moments, Capital Structure, Pecking Order Theory, Static Trade-off Theory

ABSTRACT

The paper applies system-generalized method of moments (System-GMM) to analyze the determinant factors of the capital structure of U.S. electronics industry using a panel data listed in New York Stock Exchange (NYSE) over the period 2005-2009. After deleting missing data and lack of business and getting the effective sample, a total of 710 companies in the study, and explore the relationship between profitability, firm size, intangible assets and long-term debt ratio. The main findings of empirical results: Pecking Order Theory point of view: I. The relationship between profitability and long-term liability rate is negative, statistically significant of U.S. electronics industry and statistics also reach a significant level. II. The relationship between firm size and long-term liability rate is negative, statistically significant of U.S. electronics industry and statistics also reach a significant level. Static Trade-off Theory point of view: I. The relationship between intangible assets and long-term liability rate is positive, statistically significant of U.S. electronics industry and statistics also reach a significant level.

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