

The impact of Long-Term investment and debt on firm value : 以台灣水泥上市公司例

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ABSTRACT

To investigate the threshold effects among long-term investment ratio, Debt ratio, and firm value for Taiwan Cement Listed Companies. The research period containing 78 quarters is selected from the first quarter of 1991 to the second quarter of 2010 and the type of data is panel. Total of 6 Taiwan Cement Listed Companies are selected as the research subjects. Conclusively, there is one threshold effect between debt ratio and firm value. The higher debt ratio is also positively associated with firm value when the debt ratio is more than 44.93%. However, there are three threshold effects between long-term investment ratio and firm value. The higher long-term investment ratio is also significantly positively associated with firm value when the long-term investment ratios are less than 17.23%, between 17.23% and 24.43%, and between 24.43%~57.86%. The slope is bigger when the long-term investment ratio is between 17.23% and 24.43%

Keywords : Long-Term Investment Ratio、Debt Ratio、Firm Value、Threshold Effects

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