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DETERMINANTS OF CAPITAL STRUCTURE IN THE INDIAN AUTOMOBILE INDUSTRY

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ABSTRACT

The purpose of this study is to find the determinants of capital structure in the Indian automobile industry. This study also seeks to extend the findings of Gill and Mathur (2011). A sample of 100 firms in the automobile industry listed at the Bombay Stock Exchange for the period 2006-2010 was selected. This study applied co-relational and non-experimental research design. The results show that firm growth, firm size, and asset tangibility are the determinants of capital structure in the Indian automobile industry. This study contributes to the literature on the factors that determine the capital structure of the firm. The findings may be useful for financial managers, investors, and financial management consultants.

KEYWORDS: *Leverage, firm size, tangibility, growth, profitability.*