Impact Factor: **4.4**
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Abstract

This study examines ... rticular, it investigates the syste... of their systematic risk, or be... ugh 1999, the authors found that 8... ic risk. Systematic risk correlated positively with debt leverage and growth but negatively with firm size. These findings suggest that growth via mergers and acquisitions and less reliance on debt financing may help lower systematic risk and enhance hotel REITs'value.

1. Perfect capital markets are characterized by (1) all buyers and sellers, individually, [being] price-takers, (2) no external drains on wealth (e.g., no taxes), (3) equal and costless availability of extant information, (4) infinite divisibility of all assets, and (5) unlimited borrowing and lending at the risk-free interest rate. (Bowman, 1979, p. 618)

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