

Financial Structure of Farm Businesses under Imperfect Capital Markets

Peter J. Barry, Ralph W. Bierlen, Narda L. Sotomayor

First published: 01 November 2000

<https://doi.org/10.1111/0002-9092.00091>



Abstract

Recent finance studies have considered whether gaps between a firm's costs of internal and external sources of investment funds, arising from capital market imperfections, influence its investment behavior and funding preferences. This study tests the applicability of the pecking order and partial adjustment theories of financial structure to farm businesses by fitting a set of simultaneous financial equations with farm panel data from Illinois. Model results indicate that Illinois farms adjust to long-run financial targets for equity, debt, and leasing, but that additional financing needs follow a pecking order that is stronger for farms with greater asymmetric information problems

Citing Literature



[Download PDF](#)

ABOUT WILEY ONLINE LIBRARY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)



Manage Preferences

Accept All

Reject Non-Essential

Contact Us
Training and Support
DMCA & Reporting Piracy
Sitemap

OPPORTUNITIES

Subscription Agents
Advertisers & Corporate Partners

CONNECT WITH WILEY

The Wiley Network
Wiley Press Room

Copyright © 1999-2026 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)



Manage Preferences

Accept All

Reject Non-Essential