

Applied Economics Letters >

Volume 17, 2010 - [Issue 10](#)

841 Views | 44 CrossRef citations to date | 0 Altmetric

Original Articles

# The empirical determinants of target capital structure and adjustment to long-run target: evidence from Canadian firms

Pravish Kumar Nunkoo & Agyenim Boateng 

Pages 983-990 | Published online: 27 Apr 2009

 Cite this article  <https://doi.org/10.1080/17446540802599671>

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

 Full Article  Figures & data  References  Citations  Metrics

 Reprints & Permissions

[Read this article](#)

 Share

## Abstract

The main objective of this article is to provide more insight into the empirical determinants of target capital structure of Canadian firms. Panel data covering the period 1996 to 2004 was analysed using a much stronger estimation technique, that is, a dynamic regression model. The results show that profitability and tangibility have a positive and significant impact on the firm leverage, whereas growth opportunities and size have a negative influence on the leverage of Canadian firms. The study also suggests that firms have long-term target leverage ratios, but the speed of adjustment to the target leverage ratios is relatively slow in the context of Canadian firms.

[Previous article](#)

[View issue table of contents](#)

[Next article](#) >

## Related Research Data

Industry and Size as Debt Ratio Determinants in Manufacturing Internationally

Source: Financial Management

Determinants of capital structure choice: a study of the Indian corporate sector

Source: Applied Financial Economics

The Effect of Size, Growth, and Industry on the Financial Structure of Manufacturing Companies

Source: The Journal of Finance

An Empirical Test of Stakeholder Theory Predictions of Capital Structure

Source: Financial Management

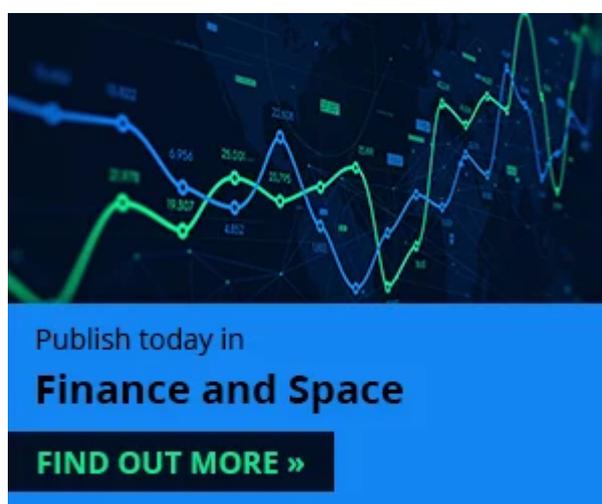
Capital Structures in Developing Countries

Source: The Journal of Finance

Understanding the determinants of managerial ownership and the link between ownership and performance

Source: Journal of Financial Economics

A Comparative International Study of Growth, Profitability, and Risk as Determinants of



## Related research

People also read

Recommended articles

Cited by  
44

What determines the speed of adjustment to the target capital structure? >

Wolfgang Drobetz et al.  
Applied Financial Economics  
Published online: 2 Feb 2007

## Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

## Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

## Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

## Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

## Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG

 Taylor and Francis  
Group