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Widely regarded as one of the founders of modern corporate finance, Merton H. Miller was awarded a Nobel Prize in 1990 for his work in the theory of finance and financial economics. Selected Works of Merton H. Miller gathers together in two volumes a selection of Miller's most influential contributions over more than fifty years of active research. A common theme running throughout both volumes is Miller's conviction about the utility of market-based approaches to topics as diverse as dividend policy, bank regulation, the structure of securities markets, and competition between research universities and teaching colleges. Miller was perhaps best known for a series of highly influential papers he cowrote in the 1950s and 1960s with fellow Nobel laureate Franco Modigliani that advanced a set of capital structure theorems later dubbed the "M and M propositions." In brief, the M and M propositions state that the actions of investors, firms, and capital markets will cause the market value of a firm to be independent of its capital structure. In other words, a corporation's value depends on its investments in people, ideas, and physical capital goods and not on the mix of bonds, stocks, and other securities used to finance the investments. Four of these papers are reprinted here, together with important later work by Miller in macroeconomics, corporate capital structure, management science, asset pricing, and the economic and regulatory problems of the financial services industry. Diverse and innovative, the papers in Selected Works of Merton H. Miller will interest students and practitioners of economics, finance, and business, as well as policymakers responsible for market regulation.

Project Report from the year 2014 in the subject Business economics - General, grade: A, , language: English, abstract: In this study we elaborate the effects of corporate governance practices which recently practiced in Pakistani firms and also examine the relationship among corporate governance mechanisms, capital structure, dividend policy and firm performance. Those researchers who could not find significant link between corporate governance and firm performance suggest that good corporate governance has at least indirect effect on performance. This research attempts to prove that corporate governance effects firm performance directly; relatively it exerts its effects on firm performance through other factors such as capital structure decisions and dividend policy. This research study develops a multilevel model linking corporate governance, capital structure, dividend policy and firm performance then proves it through structural equation modeling (SEM). Corporate governance has been measured and conceptualized through Board Size, Board Composition, CEO Duality, Audit Committee Size and Annual General Meetings. Capital structure has been measured through it standardized proxy that is debt to equity ratio, while dividend policy is measured by dividend payout ratio. Firm performance has measured by two ratios return on assets (ROA) and return on equity (ROE) both are used as accounting and financial measure in the literature review.

Essential guidance for the corporate finance professional — advisor, Board Director, CFO, Treasurer, business development executive, or M&A expert—to ask the right questions and make the critical decisions. Strategic Corporate Finance is a practical guide to the key issues, their context, and their solutions. From performance measurement and capital planning to risk management and capital structure, Strategic Corporate Finance, translates principles of corporate finance theory into practical methods for implementing them. Filled with in-depth insights, expert advice, and detailed case studies, Strategic Corporate Finance will prepare you for the issues involved in raising, allocating and managing capital, and its associated risks. Justin Pettit (New York, NY) draws on his 15 years of senior advisory experience as an investment banker and management consultant. He advises corporate boards and executives on matters of capital structure, financial policy, valuation, and strategy. He also lectures on topics in advanced corporate finance to graduate and undergraduate students at universities in the New York area.

The book that fills the practitioner need for a distillation ofthe most important tools and concepts of corporate finance In today's competitive business environment, companies must findinnovative ways to enable rapid and sustainable growth not just tosurvive, but to thrive. Corporate Finance: A PracticalApproach is designed to help financial analysts, executives,and investors achieve this goal with a practice-orienteddistillation of the most important tools and concepts of corporatefinance. Updated for a post-financial crisis environment, the SecondEdition provides coverage of the most important issuessurrounding modern corporate finance for the new globaleconomy: Preserves the hallmark conciseness of the first edition whileoffering expanded coverage of key topics including dividend policy,share repurchases, and capital structure Current, real-world examples are integrated throughout the bookto provide the reader with a concrete understanding of criticalbusiness growth concepts Explanations and examples are rigorous and global, but makeminimal use of mathematics Each chapter presents learning objectives which highlight keymaterial, helping the reader glean the most effective businessadvice possible Written by the experts at CFA Institute, the world's largestassociation of professional investment managers Created for current and aspiring financial professionals andinvestors alike, Corporate Finance focuses on the knowledge,skills, and abilities necessary to succeed in today's globalcorporate world.

Corporate Payout Policy synthesizes the academic research on payout policy and explains "how much, when, and how". That is (i) the overall value of payouts over the life of the enterprise, (ii) the time profile of a firm's payouts across periods, and (iii) the form of those payouts. The authors conclude that today's theory does a good job of explaining the general features of corporate payout policies, but some important gaps remain. So while our emphasis is to clarify "what we know" about payout policy, the authors also identify a number of interesting unresolved questions for future research. Corporate Payout Policy discusses potential influences on corporate payout policy including managerial use of payouts to signal future earnings to outside investors, individuals' behavioral biases that lead to sentiment-based demands for distributions, the desire of large block stockholders to maintain corporate control, and personal tax incentives to defer payouts. The authors highlight four important "carry-away" points: the literature's focus on whether repurchases will (or should) drive out dividends is misplaced because it implicitly assumes that a single payout vehicle is optimal; extant empirical evidence is strongly incompatible with the notion that the primary purpose of dividends is to signal managers' views of future earnings to outside investors; over-confidence on the part of managers is potentially a first-order determinant of payout policy because it induces them to over-retain resources to invest in dubious projects and so behavioral biases may, in fact, turn out to be more important than agency costs in explaining why investors pressure firms to accelerate payouts; the influence of controlling stockholders on payout policy --- particularly in non-U.S. firms, where controlling stockholders are common --- is a promising area for future research. Corporate Payout Policy is required reading for both researchers and practitioners interested in understanding this central topic in corporate finance and governance.

A Review of Taxes and Corporate Finance investigates the consequences of taxation on corporate finance focusing on how taxes affect corporate policies and firm value. A common theme is that tax rules affect corporate incentives and decisions. A second emphasis is on research that describes how taxes affect costs and benefits. A Review of Taxes and Corporate Finance explores the multiple avenues for taxes to affect corporate decisions including capital structure decisions, organizational form and restructurings, payout policy, compensation policy, risk management, and the use of tax shelters. The author provides a theoretical framework, empirical predictions, and empirical evidence for each of these areas. Each section concludes with a discussion of unanswered questions and possible avenues for future research. A Review of Taxes and Corporate Finance is valuable reading for researchers and professionals in corporate finance, corporate governance, public finance and tax policy.

Dividends And Dividend Policy As part of the Robert W. Kolb Series in Finance, Dividends and Dividend Policy aims to be the essential guide to dividends and their impact on shareholder value. Issues concerning dividends and dividend policy have always posed challenges to both academics and professionals. While all the pieces to the dividend puzzle may not be in place yet, the information found here can help you gain a firm understanding of this dynamic discipline. Comprising twenty-eight chapters—contributed by both top academics and financial experts in the field—this well-rounded resource discusses everything from corporate dividend decisions to the role behavioral finance plays in dividend policy. Along the way, you'll gain valuable insights into the history, trends, and determinants of dividends and dividend policy, and discover the different approaches firms are taking when it comes to dividends. Whether you're a seasoned financial professional or just beginning your journey in the world of finance, having a firm understanding of the issues surrounding dividends and dividend policy is now more important than ever. With this book as your guide, you'll be prepared to make the most informed dividend-related decisions possible—even in the most challenging economic conditions. The Robert W. Kolb Series in Finance is an unparalleled source of information dedicated to the most important issues in modern finance. Each book focuses on a specific topic in the field of finance and contains contributed chapters from both respected academics and experienced financial professionals.

This textbook on Corporate Finance deals with the different sources of funding and the capital structure of corporations (excluding financial institutions), the decisions that managers can take to increase enterprise value as well as the tools and analysis used to allocate financial resources.

Dividends are not only a signal about a firm's prospects under asymmetric information, but they can also act as a corporate governance device to align the management's interests with those of the shareholders. Dividend Policy and Corporate Governance is the first comprehensive volume on the relationship between dividend policy and corporate governance, and examines in detail empirical studies and current theories. Reviewing the interactions between dividend policy and other corporate governance mechanisms, it compares results for the UK and the US with those for other countries such as France, Germany, and Japan, and provides new empirical evidence on corporate governance in continental Europe and its impact on dividends. Focusing on one of the main representatives of this system, Germany, it highlights major differences between the dividend policies of German firms and those of UK or US firms. Conventional wisdom states that German dividends are lower than UK or US dividends, yet on a published-profits basis the exact converse is true. In addition, the authors demonstrate a link between corporate control structures and dividend payouts, report evidence that the existence of a loss is an additional determinant of dividend changes, and demonstrate that the tax status of the controlling shareholder and the firm's dividend payout are not linked. The conclusions reached in this book have important implications for the current debate on corporate governance, making it invaluable for academics, finance professionals, regulators, and legal advisors.

This book discusses capital markets and investment decision-making, focusing on the globalisation of the world economy. It presents empirically tested results from Indian and Southwest Asian stock markets and offers valuable insights into the working of Indian capital markets. The book is divided into four parts: the first part examines capital-market operations, particularly clearance and settlement processes, and stock market operations. The second part then addresses the functioning of global markets and investment decisions; more specifically it explores calendar anomalies, dependencies, overreaction effect, causality effect and stock returns volatility in South Asia, U.S. and global stock markets as a whole. Part three covers issues relating to capital structure, values of firm and investment strategies. Lastly, part four discusses emerging issues in finance like behavioral finance, Islamic finance, and international financial reporting standards. The book fills the gap in the existing finance literature and helps fund managers and individual investors make more accurate investment decisions.

In the wake of fast changing economic landscape—characterized by global financial crisis, volatile equity and bond markets, rising dominance of emerging markets and increasing investor activism—the role of financial managers in an organization has assumed significant importance. This text aims at educating the students the fundamentals of Corporate Finance, and explains how various theories can be applied for efficient decision making for the financial managers. The book is conceptualized on practical approach, and explores various topics in an easy and step-by-step approach, backed by numerous examples, self-test exercises and India-centric cases. The complex financial concepts related to capital structure, risk and return analysis, valuation of financial securities, market efficiency and portfolio management have been explained in a reader-friendly manner to provide a unique learning experience. The book is intended for the postgraduate students of Management, and practising financial managers. Key features • The chapters are backed by strong practical experience of in-depth financial analysis of Companies. • Supplemented with real-life examples and scenarios in a concise and comprehensive presentation. • India-centric cases to create an interactive class room environment. • Topics for further research have been included on each major topic as 'Researchable Issues'. • Each chapter contains sideboxes to highlight the important points for quick revision. • Each chapter is incorporated with Review Questions, Practice Exercises and Self-Test Questions to add analytical approach to the subject. • Revision set and PPT slides provided as web support. • Solutions Manual for instructors, available on request.

Corporations earn incomes and amass wealth. There are many books offering advice how to increase the profitability of corporations by achieving excellence in operations and choosing the correct strategic path. Increasing Shareholder Value: Distribution Policy, A Corporate Finance Challenge is concerned with how the corporation should reward its shareholders after the incomes are earned. Investment decisions, capital structure, and dividend policy must be coordinated so that the well being of the firm's stockholders is considered in the planning process. The corporate planners should realize that the individual investors are also making plans, and the corporation can assist this planning process by making its own financial plans and strategies well known.

Balance sheet structures is a practical and comprehensive guide to balance sheet issues. The book begins by covering the financial theory necessary for an understanding of the debt versus equity issue and then focuses on real world issues by discussing answers to the questions Why do companies have balance sheets structured as they are? Do industry differences rule the structure? Does a multinational differ greatly from a domestic company? Does management's attitude to risk have any effect? These questions are looked at through a series of case studies, mostly written by those who are responsible for the balance sheet structures they are living with. The book also aims to help the reader understand the interrelationship between debt and equity in terms of the overall value of the company and the impact on the company's cost of capital. It covers the various elements that make up the balance sheet, and the costs and benefits that attach to each and goes on to analyse the interrelationship between the business that the company is in, the maximisation of cash flows and the balance sheet that matches the business reality. Balance sheet structures is an invaluable and concise guide intended for a wide range of interested parties, treasurers, bankers, directors and students of business and economics.

Seminar paper from the year 2018 in the subject Business economics - Investment and Finance, , course: Corporate Finance, language: English, abstract: This report is prepared with an intention to make capital structure and dividend policy analysis of the assigned two firms which are FU-WANG food limited and Rangpur dairy and food limited who are the participants of food and allied sectors. In an effort to performed capital structure and dividend policy analysis the paper first consider a general overview of the food and allied sector based on some information and analysing the Porter's five competitive factors model. After that this report demonstrates company overview for both the selected firm. The company overview generally contains some basic information of the selected firms and briefly discusses the corporate goals of the firms. Then the capital structure analysis has been conducted based on the stock variable, flow variable and flow concept. Summarizing the result is like that - Under stock concept FU-WANG food has higher financial debt, D/E and financial leverage than those of Rangpur dairy. It indicates FU-WANG food is carrying more debt in its capital than Rangpur dairy. Under flow concept Rangpur dairy has greater cash flow coverage and interest coverage ratio whereas debt service coverage ratio is higher for FI-WANG food. Based on the checklist it has been found that tangibility is higher for Rangpur dairy. But in case of rest of the factors which are profitability (measured in both return on asset and return on operating asset), growth rate, financial slack and uncertainty of operating income is higher for FU-WANG food. This report also performed five factors extended DuPont analysis that reveals FU-WANG food has substantial higher return on equity than that of Rangpur dairy. This result occurs mainly due to the higher interest burden and financial leverage of the firm. In the analysis of dividend policy this report also demonstrates the trends of the earnings per share, dividend pay-out for the last five years. It has revealed that both of the firm is following residual dividend policy. In this policy investment is the major priority. If any amount of residual cash is available to the firm after making investment then the firm will distribute cash dividend. Both of the firms are not paying any cash dividend during the last five years so that it can be understood that the firms have no residual amount of cash is available to them after making investment to distribute cash dividend.

The book addresses several problems in contemporary corporate finance: optimal capital structure, both in the US and in the G7 economies; the Capital Asset Pricing Model (CAPM) and the Arbitrage Pricing Model (APT) and the implications for the cost of capital; dividend policy; sales forecasting and pro forma statement analysis; leverage and bankruptcy; and mergers and acquisitions. It is designed to be used as an advanced graduate corporate financial management textbook.

The research reported in this volume represents the second stage of a wide-ranging National Bureau of Economic Research effort to investigate "The Changing Role of Debt and Equity in Financing U.S. Capital Formation." The first group of studies sponsored under this project, which have been published individually and summarized in a 1982 volume bearing the same title (Friedman 1982), addressed several key issues relevant to corporate sector behavior along with such other aspects of the evolving financial underpinnings of U.S. capital formation as household saving incentives, international capital flows, and government debt management. In the project's second series of studies, presented at the National Bureau of Economic Research conference in January 1983 and published here for the first time along with commentaries from that conference, the central focus is the financial side of capital formation undertaken by the U.S. corporate business sector. At the same time, because corporations' securities must be held, a parallel focus is on the behavior of the markets that price these claims.

The Short Introduction to Corporate Finance provides an accessibly written guide to contemporary financial institutional practice. Rau deploys both his professional expertise and experience of teaching MBA and graduate-level courses to produce a lively discussion of the key concepts of finance, liberally illustrated with real-world examples. Built around six essential paradigms, he builds an integrated framework covering all the major ideas in finance over the past half-century. Ideal for students and practitioners alike, it will become core reading for anyone aspiring to become an effective manager.

Dividends are important for the sharehold-

ers as well as for the managers of the company.In a firm dividend decision affects the capital structure of a firm. Presence of debt in the capital structure of a firm restricts the firm in certain areas and these restrictions sometimes compel the companies to go for the omission of dividends or to set a lower dividend payout ratio. Lower dividend payout refers to the higher retained earnings, higher liquidity and lesser chances of getting into more debt. This study aims to find the relationship and impact of financial leverage on the dividend policy of the firms in the Chemical and Pharmaceutical Sector and the Fuel and Energy Sector listed at Karachi Stock Exchange (Pakistan). The results of the study revealed that Fuel and Energy Sector is more indebted than the Chemical and Pharmaceutical Sector and the financial leverage has a negative relationship with the dividend payout ratio of the firms.
This text on corporate financial management covers topics such as project appraisal, risk and project appraisal, equity capital, debt finance, value-based management, capital structure, and dividend policy.
By providing a solid theoretical basis, this book introduces modern finance to readers, including students in science and technology, who already have a good foundation in quantitative skills. It combines the classical, decision-oriented approach and the traditional organization of corporate finance books with a quantitative approach that is particularly well suited to students with backgrounds in engineering and the natural sciences. This combination makes finance much more transparent and accessible than the definition-theorem-proof pattern that is common in mathematics and financial economics. The book's main emphasis is on investments in real assets and the real options attached to them, but it also includes extensive discussion of topics such as portfolio theory, market efficiency, capital structure and derivatives pricing. Finance equips readers as future managers with the financial literacy necessary either to evaluate investment projects themselves or to engage critically with the analysis of financial managers. Supplementary material is available at www.cambridge.org/wijst.

Corporate finance is a multifaceted discipline in which everything works in theory but not necessarily in practice. To bridge this gap, intelligently designed and executed surveys are essential in empirically validating conceptual hypotheses and the relative usefulness of various theories. Survey Research in Corporate Finance is a unique summary of state-of-the-art survey research in finance. Baker, Singleton, and Veit catalog and discuss the most important contributions to the field and provide a longitudinal perspective unavailable anywhere else. They offer an objective look at the role survey research in finance should play and illustrate the general and particular aspects of the form this research should take, how it is typically carried out, and how it should ideally be carried out, taking into account considerations developed throughout the book. The book provides financial researchers with a useful overview of survey methodology, synthesizes the major streams or clusters of survey research in corporate finance, and offers a valuable resource and guide for those interested in conducting and reading survey research in finance. Because a variety of views exist on the role of survey research in corporate finance, the authors present key findings from the varying perspectives of finance academics, finance journal editors, and finance practitioners. Synthesizing survey results on major issues in finance and offering knowledge learned from years of communications between academics and practitioners, Survey Research in Corporate Finance enables students and scholars of finance, as well as decision makers in many different kinds of firms, to actually determine how the theories on which their work is based actually play out in practice. This book is an essential, one-of-a-kind reference for any practitioners or academics interested in survey research in corporate finance.
For the introductory finance course-undergraduate corporate finance or financial management-required at all undergraduate business schools. Get the picture and develop a fundamental understanding of finance. Students often miss the big picture, viewing finance as a set of unrelated topics, tools, and techniques. In order to help students see the big picture, this text provides an introduction to financial decision-making that links the concepts to five key principles of finance. Authors Arthur J. Keown, John D. Martin, and Sheridan Titman have incorporated significant revisions that weave currency, relevance, and real-world issues into the pages of this well-know finance text.
Studienarbeit aus dem Jahr 2020 im Fachbereich BWL - Bank, Börse, Versicherung, , Sprache: Deutsch, Abstract: The study examines the impact of capital structure on the profitability of Nigerian quoted insurance companies with specific emphasis on AIICO Plc which is one of the 15 quoted insurance companies in Nigeria. The scope covers the period of ten (10) years (2010 to 2020). AIICO PLC was selected based on the criteria of data availability. The study assists financial managers of firms to determine the proportion of equity capital and debt capital (capital structure) to obtain the debt financing mix that will optimize the value of the firm. This study, therefore, has contributed to the literature by examining capital structure and profitability of Nigerian quoted insurance companies. The study aids in the understanding of the impact of capital structure on insurance profitability. This has helped us to understand the impact of capital structure in profitability of Nigeria quoted insurance companies. The outcome from this study will help decisions on capital structure and allow the policy makers in formulating informed policies on capital structure and also to measure the implications of such policies on the operations of quoted insurance companies. This will go a long way in helping investors in deciding whether to pull out their share in pursuance of capital gains or preserve their stake in a corporation. The study will contribute to existing body of knowledge by investigating capital structure and profitability of Nigerian quoted insurance companies.
The subject of financial management is gaining importance in the context of today's business environment. This book attempts to provide a clear understanding of the fundamentals of the subject, including the concepts, theories, models, tools and techniques, and their applications. Its focus on logical discussion, where it is needed for contextual understanding of the topic, makes the book different from others. Fundamentals of Financial Management is a useful resource for undergraduate students of management and commerce, as well as for practising managers. Key Features • Logical progression of text, from fundamentals and concepts to theories, techniques, and their applications. • Discussion of various tools and their applications in decision making in the context of the situation. • Explanation of various functions of Excel spreadsheet for different applications. • Pedagogical elements to help in better learning—objective questions, worked out examples, as well as unsolved problems.

Designed for those who want to gain an understanding of the fundamental concepts and techniques used in financial management. An underlying premise of the book is that the objective of the firm is to maximize value or wealth. Drawing on a wealth of experience in the academic and professional worlds, the authors discuss how firms can accomplish this objective by making appropriate investment and financing decisions. Bridging the gap between financial theory and practice, the authors present fundamental concepts in an intuitive and nontechnical way, and provide numerous practical financial tips to readers. The focus is on current practice, using results from recent surveys to show the most popular techniques and approaches used by financial managers today. A range of instructor's resources are available at the accompanying website. Visit www.blackwellpublishing.com/baker for full details.

A discussion-based learning approach to corporate finance fundamentals Lessons in Corporate Finance explains the fundamentals of the field in an intuitive way, using a unique Socratic question and answer approach. Written by award-winning professors at M.I.T. and Tufts, this book draws on years of research and teaching to deliver a truly interactive learning experience. Each case study is designed to facilitate class discussion, based on a series of increasingly detailed questions and answers that reinforce conceptual insights with numerical examples. Complete coverage of all areas of corporate finance includes capital structure and financing needs along with project and company valuation, with specific guidance on vital topics such as ratios and pro formas, dividends, debt maturity, asymmetric information, and more. Corporate finance is a complex field composed of a broad variety of sub-disciplines, each involving a specific skill set and nuanced body of knowledge. This text is designed to give you an intuitive understanding of the fundamentals to provide a solid foundation for more advanced study. Identify sources of funding and corporate capital structure Learn how managers increase the firm's value to shareholders Understand the tools and analysis methods used for allocation Explore the five methods of valuation with free cash flow to firm and equity Navigating the intricate operations of corporate finance requires a deep and instinctual understanding of the broad concepts and practical methods used every day. Interactive, discussion-based learning forces you to go beyond memorization and actually apply what you know, simultaneously developing your knowledge, skills, and instincts. Lessons in Corporate Finance provides a unique opportunity to go beyond traditional textbook study and gain skills that are useful in the field.

Most existing texts covering topics in Islamic finance discuss the potential of Islamic banking; very few talk about other forms of financing and the investment activities of Islamic firms from the standpoint of owners and managers. This book fills this gap by looking at the traditional as well as non--traditional financing and investment activities of shariah-compliant companies. The chapters in this edited text offer a full range of topics on corporate finance for Islamic firms, including global comparisons of shariah screening, dividend policy and capital structure of Islamic firms, details of global Islamic equity markets, trends and performance of sukuk markets, and a brief account of derivative securities that can be used in Islamic finance. This is a useful reference for anyone who wishes to learn more about the performance of shariah--compliant companies vis-à-vis conventional firms. The book includes both technical and non-technical information that would be suitable for classroom teaching as well as a reference for postgraduate research students.

1. Financial Management : An Introduction, 2. Financial Planning, 3. Capitalization, 4. Capital Budgeting and Investment Decisions, 5. Cost of Capital, 6. Operating and Financial Leverage, 7. Capital Structure : Theories and Determinants, 8. Dividend Policy and Models, 9. Management of Working Capital, 10. Management of Cash, 11. Management of Receivables, 12. Inventory Management.

REA's Quick Access Study Charts contain all the information students, teachers, and professionals need in one handy reference. They provide quick, easy access to important facts. The charts contain commonly used math formulas, historical facts, language conjugations, vocabulary and more! Great for exams, classroom reference, or a quick refresher on the subject.

Inhaltsangabe:Introduction: General Definition and Justification of Issues and Objectives: The publication of the Modigliani and Miller (MM) capital structure irrelevance theorem in 1958 and the subsequent preference of purely debt financing due to tax advantages in 1963, was in contradiction to traditional approaches which suggested an optimal capital structure. Meanwhile the theories of MM are academically accepted and out of competition with other approaches, since the underlying assumptions, especially the existence of perfect capital markets, is considered as unreal. However, in every economic boom, when access to capital becomes easier, financial markets seem to come close to the conditions of perfect markets, characterised by high competition and prosperity. It is found that the western economic order is marked by asset bubbles that resulted in over one hundred crises over the last three decades and which bring companies back to reality with a hard landing. Access to capital becomes extremely restricted and uncertainty dominates as the collapse of Lehman Brothers in September 2008 showed. Although signs were evident in 2007, the change from prosperity to depression can come overnight, where free market policy shows its true face, with unpredictable damages deeply wounding in the economy, and seeming to paralyse even the most experienced economists. Since liquidity becomes a scarce resource and consumption declines, free cash flows that were previously available to finance an amply corporate structure, dividends and bonuses, are likely to fall. As debt, if any, must still be paid back often to worse conditions than before corporations might run out of liquidity, as has happened to major US companies during the last twelve months. Also, investments that ought to ensure future profits are likely to be reduced or to come to a still stand, sending firms and the economy in a downward spiral. However, as experienced and predicted by Copeland and Greenspan, systematic organisations which are considered as too-big-to-fail are offered bail-outs at the cost of society. This work aims to investigate the impact of the capital structure on the profitability of large capitalised US companies. It does not, therefore, aim to test existing theories, nor does it try to find a model to predict one or another capital structure, since numerous attempts have previously been made that have so far struggled to capture the full complexity of the real world. [...]

Dividend policy continues to be among the premier unsolved puzzles in finance. A number of theories have been advanced to explain dividend policy. This e-book briefly reviews the principal theories of payout policy and dividend policy and summarizes the empirical evidence on these theories. Empirical evidence is equivocal and the search for new explanation for dividends continues.

Seminar paper from the year 2010 in the subject Business economics - Investment and Finance, grade: 1.0, University of Sunderland, language: English, abstract: The role and importance of capital markets and EMH Crisp plc has to attract investments from capital markets. A capital market is simply any market where a government or a company (usually a corporation) can raise money (capital) to fund their operations and long term (periods longer than a year) investment.[1] Usual, short--term funds can be founded on other markets (e.g., the money market). The capital market consists of the stock market (equity securities) and the bond market (debt). Bonds and stocks are two ways to generate capital of any company. New issues of bonds and stocks are placed on primary capital markets by way of underwriting among investors. All money, received during underwriting, goes to company (Crisp plc) for its investment purposes. And placed bonds and stocks are sold and bought among other investors or traders in the secondary capital markets (a securities exchange, over-the-counter, or elsewhere). The prices of securities (both bonds and stocks) on secondary markets are reflected «real» price of company. It is good benchmark for primary placements of additional issues of bonds and/or stocks (further extension of the company). Crisp plc is going to issue bond or stocks. It means that it attract money from primary markets. Here very important thing is true price of bonds and/or stocks of Crisp plc, i.e. price has to be interesting for investors and allows to attract maximum of money. As stated above, prices of securities on secondary markets are reflected «real» price of company from point of view of investors. Here the efficient-market hypothesis (EMH) plays very important role, because it is the tool of securities pricing of off-site investors (which are outside of the company). According to the efficient-market hypothesis (EMH), which was developed by Professor Eugene Fama, financial markets are «informationally efficient».[2] It means that prices on traded assets are «real» and already reflect all known information. Prices change to reflect new information (for example, new investment program of the company). Consequently, it is impossible to consistently outperform the market by using any information that the market already knows. Information or news in the EMH is defined as anything that may affect prices that is unknowable in the present and thus appears randomly in the future.