Abstract

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Industry Level and Country Level Determinants of Capital Structure: Evidence from Egypt

The purpose of this paper is to find out both the industry level and country level determinants of capital structure of Egyptian publicly traded non-financial firms. The study investigates the industry level and country level determinants of capital structure of Egyptian companies utilising data from the financial statements of 58 listed companies over the time period from 2003 to 2016. The study investigates whether the capital structure decisions in Egypt are closer to the assumptions of Trade-Off Theory, Pecking Order Theory the Agency Cost Theory. The empirical evidence obtained allows us to conclude that Trade-Off and Pecking Order Theories are the most theories to describe the financial behaviour of the Egyptian companies’ choice of capital structure whereas there was little evidence to support the agency cost theory.