

Factors affecting the Company's capital structure leverage ratio low

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Despite the advantageous of debt in the capital structure, usage of Low financial leverage phenomena is constantly increasing. Objective of the research is identification of factors affecting the low financial leverage ratio. If the ratio of long-term debt on total asset be smaller than 5 percent, that firm has low financial leverage. Statistical population includes all listed firms in Tehran Stock Exchange on the period of 1388-1394. Method of research is descriptive-correlation and statistical methods for hypothesis testing are simple and multiple logistic regressions. Time Series of the financial leverage indicates that the use of financial leverage policy in Tehran Stock Exchange has increased with a gentle slope in recent years. Based on the findings, four variables return on assets, retained earnings, cash and PPE have significant effect on the low financial leverage, in both simple and multiple logistic regressions.

Keywords : Low financial leverage , Tehran Stock Exchange, Capital Structure

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