

# **Investigate the relationship between the deviation of the rate of adjustment of the target capital structure and the cost of equity**

Narges Rajabi Khamas\*, Dr. Sina Kheradyar,

**The purpose of this study is to determine the relationship between the rate of modification of the target capital structure and the cost of equity. The spatial domain of the research of companies accepted in the Tehran Stock Exchange and the territory of that period is six years between 1389 and 1394. Also, multivariate regression analysis has been used to analyze and test the research hypotheses. According to the results, there is a positive and significant relationship between the leverage deviation and the cost of equity. The higher the leverage deviation it means, the company has used more money (in various ways) to finance. The choice of appropriate financial leverage as a criterion for the capital structure is of great importance, since it can have a significant impact on the competitive advantages of an industry. There is no significant relationship between leverage deviation and the sensitivity of equity cost. The sensitivity of the cost of equity represents the deduction of the cost of debt the cost of capital with the involvement of the tax. There is also a negative and significant relationship between the absolute value of leverage deviation with the sensitivity of cost of equity to leverage deviation.**

**Keywords : Keywords: Rate of Capital Adjustment, Cost of Ownership, Tehran Stock Exchange**

[Islamic Azad University, Rasht Branch - Thesis Database](#)  
[دانشگاه آزاد اسلامی واحد رشت - سامانه بانک اطلاعات پایان نامه ها](#)