

ANALYSIS OF CAPITAL STRUCTURE AND SOLVABILITY OF FIRM

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Abstract:

Capital is something owned which provides ongoing services. In the national accounts, or to firms, capital is made up of durable investment goods, normally summed in units of money. The capital structure of a firm is broadly made up of its amounts of equity and debt. Objective is to have such a mix of debt, preferred stock, and common equity that will maximize shareholder wealth or maximize market price per share.

Keywords: *capital, equity, debt*

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