



## The relationship between the components of the capital structure and the company's economic value added at different stages of the life cycle of listed companies in Tehran Stock Exchange

*Sedigheh Karimi Zarchi<sup>1&2</sup>, Mohammad Ali Dehestani<sup>3</sup> and Alireza Farimani<sup>4</sup>*

*1*department of Accounting, Tabas science and research branch, Islamic Azad University, Yazd, Iran.

*2*department of Accounting, Tabas branch, Islamic Azad University, Yazd, Iran.

*3* Faculty of Accounting, Department of Accounting, Yazd Branch, Islamic Azad University, Yazd, Iran.

*4*Faculty of Accounting, Department of Accounting, Yazd Branch, Islamic Azad University, Yazd, Iran.

### **Original Article:**

Received 20 Feb. 2016 Accepted 27 March. 2016 Published 15 April. 2016

### **ABSTRACT**

*The most important decisions of corporate managers are their capital structure decisions. These decisions have a direct impact on the value of the company and maximize shareholder wealth. Economic Value Added is a new way of evaluating performance which in recent years has been a lot of attention as effective as a method of measuring corporate value and shareholder interests is reflected. However, the value added of different companies with different earnings even if they are similar. On the other hand, based on the life cycle hypothesis stages of life, including birth, infancy, growth, maturity and decline. Thus, it can be argued that the decisions of external financing (debt - equity) will be affected by a critical stage in which the company. The aim of this study was to investigate the association between firms' capital structure with EVA considering the period of life that is in the period 2008-2013 and for 1452 year is now. To test the hypothesis of multivariate regression analysis using panel data. The results indicate the existence of external financing priority on growth, maturity and decline stage is the absence of this priority.*

### **Keyword:**

- / human rights documents
- / decline stage
- / external financing
- / panel data
- / the life cycle
- / EVA.

---

\* Corresponding author: *Mohammad Ali Dehestani*

Peer review under responsibility of **UCT Journal of Management and Accounting Studies**