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THE DETERMINANTS OF CAPITAL STRUCTURE EVIDENCE FROM THE INTERNET AND REAL ESTATE INDUSTRY IN CHINA

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The determinants of capital structure evidence from the internet and real estate industry in China

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Abstract

In this study focus on analysis determinants effects capital structure for the internet and real estate industry in China. The two industries were selected included listed companies on the internet and real estate industry in China. Data collected covering the period for 2014 to 2017 and 217 listed companies' balance sheet, income sheet, and cash flow statement. The theoretical concept of capital structure and previous research results are reviewed in this study. Tangibility assets, profitability, revenue growth, and liquidity are applied as independent variables, while the capital structure is used as a dependent variable. The data analysis tools selected based on the research objectives and hypothesis. The data analysis results were discussed in chapter five based on chapter 4 context and theories of capital structure.

Key words: capital structure, tangibility, profitability, revenue growth, liquidity

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Moreover, I would like to express gratitude to my friends and parents.

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Declaration

I hereby declare that this thesis is my own work and effort and that it has not been submitted anywhere for any award. Where other sources of information have been used, they have been duly acknowledged.

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Chapter 1 Introduction

1.1 Overview

This chapter analyzes the study background capital structure for the internet and real estate industry, study scope, study limitations, and operational definitions. In this paper, it bases the main theoretical basis of this research on the trade-off theory. The main findings of this study will cite previous research of Chinese scholars. In addition, this research will consider other findings from others countries. This section of the problem statement shows the gaps in academic knowledge and research approach. In this chapter will explain the research, the limitations of the research and the operation definition. The study refers to the determinants of capital structure for internet and real estate industry in China. The limitations of the research referred to data issues and regional restrictions.

1.2 Background

The determinants of capital structure are one area in finical management, moreover capital structure influence on the maximization of the equity that a firm usage to finance business (Auret and Demetriades, 2014). Hence, It has become capital structure one of the significant financial decisions for any companies(Zhan, 2011). The main reasons for the capital structure are important is because the company's target is to maximize the return to various investors and stockholders and influence on performing the company (Xu and You, 2015).

The determinants of the capital structure will influence the external competitive environment (Ma, 2014). Capital structure involves the financial decision about operation funds uses, various source combination and capital investments (Anderson and Wang, 2016). Capital structure influence on company development mainly depends on two elements of finance that are equity and debt. Debt as a management tool for controlling the cash flows of a company by reducing paying fixed interest payments and avoid incorrect investment lead to loss of shareholders. According to the study show that the debt in capital structure control the debt rate will increase the confidence form shareholders in a company (Li, 2018).

1.3 Problem statemnet

In the academic field, there is three main theory to indicate the determinants of capital structure (Olokoyo, 2013). Miller and Modigliani (1958) put forward MM theory, scholars study the determinants influence on capital structure depend on the theory but under assuming the capital market with no transaction costs and taxes (Anderson and Wang, 2016). According to the report of Zhan(2011) shown that the condition is the ideal hypothesis and disagree the theory's proposal that to capture maximize company value by use maximizing debt capital (Ma,2014).

Myers and Majluf (1984) suggest it uses that internal founds priority, the stock is the final method to get external capital. But according to the scholars' study shows that the financing channel of Chinese enterprise is mainly depended on external channels and this way accounts for over 80 percent (Ma, 2014).In terms of external financing, the percentage depending on equity financing accounts for 50 proportion (Wang, 2011). For a company, it can pass the costs of financing need to consider along in the process of equity financing (Dai, 2013). Hence, the theories of western scholars can't suit all the enterprise of the capital structure (Goyal, 2013).

Based on a study on the determinants of capital structure form companies listed show determinants factors only are profitability and asset structure(Kayo and Kimura, 2011).Turere(2013) conducted a research on determinants of capital structure for the energy industry and pointed out the age of firm, company size, ownership structure and growth rate are important determinants for capital structure.

The previous studies (Wang and Zhang, 2011; Zhang and Zhuang, 2010; Zhang, 2018) on capital structure have been focused on single industry even in the form of case study, and focus on surface comparison research is not as effectively researched upon. Hence, there is a need to focus on impact how determinants of capital structure for the internet and real estate industry in China.

1.4 Research Objectives

Research objective refers to a project researchers expect to study or achieve. Research objectives have often described a link between the hypothesis of independent variables and dependent variables (Wibowo et al., 2015). Bougie and Sekaran(2016) thought research objective should be defined clearly at the beginning stages of the research project. According to the study of Zhan (2011) shows that research objectives contain descriptions describing and information that the researcher would like to capture from this survey. Confirm the research objective at the beginning of the research project provides a guide for the whole study process (Verschuren et al., 2013).

Broad objective

The general objective of this study was to exam the major determinants of capital structure for the internet and real estate industry in China.

Specific objectives

RO1:To confirm the effect of tangibility on the capital structure for the internet and real estate industry in China.

RO2: To determine the effect of profitability on the capital structure for the internet and real estate industry in China.

RO3: To identify the effect of revenue's growth on the capital structure for the internet and real estate industry in China.

RO4: To identify the effect of liquidity on the capital structure for the internet and real estate industry in China.

1.5 Research Questions

A research question is methodological of at postgraduate level which answers to the research questions it the research objective statement (Wibowo et al., 2015). The answers to questions in a survey will help researchers to emphasize a research problem which is worth solving by this study (Liew and Vassalou, 2013).

The advantages of setting out research questions are refined broad questions into researchable variables (Liew and Vassalou, 2013). Define the research questions at the beginning of the survey can provide a guide for the research process and making the stakeholders are satisfied with the outcome of this research (Zhan, 2011). According to the study of Verschuren et al(2013) believe that the significant component of a survey is the research question. The research questions the following:

RQ1: What's the effect of tangibility on the capital structure for the internet and real estate industry in China?
RQ2: What's the effect of profitability on the capital structure for the internet and real estate industry in China?
RQ3: What's the effect of revenue growth on the capital structure for the internet and real estate industry in China?
RO4: What's the effect of liquidity on the capital structure for the internet and real estate industry in China?

1.6 Significance of Study

1.6.1 Significance to Academy

Scholars from the different country had been to the concentrate on the study of the relationship between the capital structure and effect factors with the capital structure development gradually and regard maximize enterprise values as a purpose aims (Lin, 2013). But not at all study results are conformance due to comparing to the two relationships by using the case study. The main research objective of this paper involves in the industry circumstance and determinants how to influence capital structure for internet and real estate industry in China. The study orientation is a significant meaning in the academic field due to previous research neglect the condition.

1.6.2 Significance to Industry

Capital structure is a basis financing decision of enterprise, determines the survival and growth of enterprise (Liew and Vassalou, 2013). The sustainable development of the company only by appropriate capital structure to support it (Lin, 2013). Hence, the study of how to adjust the capital structure to improve company performance has become increasingly enterprise need (Maulis and Ronald, 2013).

The e-commerce influence on Chines retail industry. It is also facing the competition pressure from the traditional retail industry. A large of the amount of money flooded into the internet plus industry in the capital market leads to the capital of Chines retail industry to be influenced and indirectly leads to reduce company performance (Zhan, 2011). However, the internet and real estate industry is an important part of the country's income and are related to the daily lives of Chinese citizens (Graham,2013). Therefore, this study determinants of capital structure for the internet and real estate industry in China can promote the development the industry through the rationality of capital structure and how to optimize the capital structure (Wang and Zhan, 2011).

1.7 Scope Limitation of Study

1.7.1 Scope

The study perspective of this research can be enlarged from the aspects as below, by second data analysis to further the research the determinants of capital structure for internet and real estate industry in China.

1. Does determinants how to influence capital structure for internet and real estate industry in China?
2. What is the important element influence on capital structure for internet and real estate industry in China?

1.7.2 limitation

This paper intends to explain elements of determinants capital structure for internet and real estate industry in China by the previous study results. However, there are limitations due to the factors of time and geography in this research.

The purpose for the study is to be informed of how factors influence the capital structure for internet and real estate industry by analysis the finance data and non-finance indicators. However, collect data in some small company is difficult to compare to the bigger companies or listed companies. In this paper, measure capital structure will be using the finance indicators apart from finance data, but the will be bright an issue that can't the accurate analysis capital structure.

The study results are can't stand for all the capital structure due to focus on in internet and real estate in China. In some small cities, the development capital markets are not well, the financing channels of most small companies depend on individual debt. The regional diversification may reduce the accuracy of this study. In addition, the technology development in China also the influence on the change of Chinese internet and real estate capital structure. Compare to the small city, there is the unique character in this study. Further, there is a better explanation for capital structure in the development regional in this study.

In this paper, the company's financial standards need to establish a standard due to the researchers' limitation. Hence, in terms of research approaches need to improve.

1.8 Operational Definitions

Theory concept	Definition
Capital structure	Based on the report of Akdal (2011) shown that capital structure define was a proportional relationship between the various kinds of assets of an enterprise and all the capital.Capital structure influence on the operating process and the proportion of a company in different business sectors around the world are analyzed in lots of the empirical survey now(Norvaisiene, 2013). Capital structure decision is the significant financial decision of a company, it involves an investment decision on how to influence the company performance (Olokoyo, 2013).
Determinants of capital structure	Determinants of capital structure was define those factors impact on the capital structure of a firm. According to previous study shows that there were sorts of elements determine the capital structure.
M&M theory	According to the viewpoint of M&M theory said that its assumption respects tax obligations, the tax shield offsetting interest in the form of pay for lower taxes. Hence, M&M theory believes that firms can maximize value through more debt if combine tax shield benefits to the use of debt. That's mean firm gets a benefit tool from finical leverage.M&M theory indicates companies value and company performance will be increasing with leverage function due to might tax cost will be reduced at the corporate level.
Trade-off theory	Trade-off theory is a theory about the capital structure of a company (Zang, 2011). According to the balance theory, companies decide the ratio of debt financing to equity financing by weighing the advantages and disadvantages of debt (Dane, 2010). The benefits of debt include tax savings.

1.9 Organization of Chapters

Chapter One - Introduction

The main context of the first chapter summarizes this paper. It contains the background of the study and discusses the problem statement and the research objectives and problems. The purpose for the first chapter is to indicate the research objectives and research questions. In this chapter explains the conditions of research objectives for the study next chapter. Chapter one also cites the theories of the variables and independent.

Chapter Two - Literature Review

In chapter two show academic views by the cite the literature about independent variables and variables. Link the relationship between the variables and the independent in this chapter. The theoretical related to the variable was introduced by cited literature from other countries.Draw the framework of the paper according to the variable and the independent. Put forward the hypothesis based on the research aim and research questions. The gaps will discuss at the end of the chapter.

Chapter Three – Research Methodology

The main contexts in this chapter are to explain the research design. The financing data of capital structure and company structure required to analysis. A small conclusion in this chapter will be presentment according to the analysis results.

Chapter Four – Data Analysis and Findings

In this chapter, the elaborate report will act on the data analysis of the third chapter. The methods of data analysis in this chapter will be explained clear more.

Chapter Five – Conclusion

It discussed the main purpose of the last chapter the research results and giving recommendations depend on the research findings. To review all the paper, the limitation needs to explain again and conclusion this study combine to the personal perspective.

Chapter 2 Literature reviews

2.1 Overview

The major context of this chapter focus on a literature review on the determinants of capital structure and theory model. M&M theory, agency theory, trade-off theory, and pecking-order theory are discussed in this sections. There are six factors effect on capital structure are explained in this chapter, involves four independent variables of this paper and other two elements are considered into determinants of capital structure on previous studies. In terms of theories, perspectives stand for major academic tendency was cited based on the papers of a determinant on capital structure and financial leverage. Overall, the relationship of between independent variables and dependent variable refers to two mains types views. On the one hand, the negative relations was evidenced on previous studies. On the other hand, the positive relationship among independent variables and the capital structure was expected based on the different industries.

2.2 Overview of capital structure theories

There are four main theories about optimal capital structure decision: M&M theory, trade-off theory, agency cost theory, and pacing order theory. In this paper, this theoretical model is mainly used to analyze the impact of determinants on capital structure.

2.2.1 M&M theory

Based on the previous study, the first theory of capital structure which introduced by Franco Modigliani and Merton Miller in 1958 on the paper about the effect of capital structure . And the assumption about M&M theory is a condition of perfectly competitive.
According to the viewpoint of M&M theory said that its assumption respects tax obligations, the tax shield offsetting interest in the form of pay for lower taxes. Hence, M&M theory believes that firms can maximize value through more debt if combine tax shield benefits to the use of debt. That's mean firm gets a benefit tool from finical leverage.M&M theory indicates companies value and company performance will be increasing with leverage function due to might tax cost will be reduced at the corporate level.

Various hypothesis in a perfect market for instance, the government don't set tax acts, perfect competition and the debt has nothing with company performance and bankruptcy (Chuang, 2013).However, the scholars propose the different proposition because of the theory didn't consider the factor individual income, the main theory view suggest that the debt is no effect on the company or individual (Abeywardhana, 2017).Once the company get in bankrupt, the saving interest tax is no longer significant, it will not increasing the saving tax and reduce the changes the company's survival at the certain period (Lin, 2013). According to the conflict each other, reduce the value of the company gradually when increase the extra debt. Compare with the country more corrupt, the short debt will be higher (Lim, 2016).

In real marketing, due to tax policies, transaction costs, agency conflicts, bankruptcy costs and information asymmetry elements must be affect on a firm value. M&M theory might lose the explanation power of perfectly competitive when taking these factors into consideration.The theory still offers a foundation for other theories development although it has been some drawbacks of its assumptions.

2.2.2 The agency theory

The agency theory refers to explain the relationship among all principals in an organization (Bondy and Raelin, 2013). The agency cost theory was published in a paper of Jensen and Meckling in 1976. Agency costs came up with an explanation of debt conservationThe agency cost theory thought debt is a significant element for the conflict managers and shareholders. The theory analysis the agency cost on the capital structure of a firm, which costs of an enterprise might have a conflict due to a different agency.

Brealey et al(2013) said senior manager cope with daily work on behalf of investors or shareholders, while there is a conflict between the shareholders and the company's managers. Generally, shareholders prefer to invest in a higher return project with lower risks, while in a realistic stock market higher repay aways with higher risks. While the managers' duty is to make a probability for a company. One the hand, shareholders want to get high probability but don't take the responsibility from risks. On the other hand, the manager facing the fail stress with higher risk. The conditions result in the conflict between shareholders and the managers in a firm. In addition, the conflict also occurs in a firm because there are different strategy management or business policy from managers and shareholders. Hence, the issue is common in every enterprise.

Another conflict is between the shareholders and debts holders. Shareholders hired managers to offers service for firms to help its to obtain repaid. Shareholders have a priority right to pay off interest compare to external bondholders. Bondholders hope manager invest in the project under a certain condition to take lower risks. The reason for investment safety project is for a paid debt of bondholders on time.

According to Brealey et al(2013) study found out solutions deal with issues arise on shareholders and bondholders. The approach is shareholders monitor the operation management from senior manager to reduce the issue by control the agency cost.

2.2.3 The trade-off theory

Representatives of the trade-off theory include Robichek (1967), Mayers (1984), Kraus and Marhefka(2002), Rubinstein (1979). Trade-off theory is a theory about the capital structure of a company (Zang, 2011). The trade-off theory is that the optimal capital structure of an enterprise is to balance the tax benefits of liabilities against the expected bankruptcy costs. According to the balance theory, companies decide the ratio of debt financing to equity financing by weighing the advantages and disadvantages of debt (Dane, 2010). The benefits of debt include tax savings.

The debt is the cost of financial distress (Feenstra, 2015). With the increase of debt ratio, the marginal benefit of debt decreases gradually and the marginal cost increases gradually(Okun, 2015).In order to realize the maximization of value, the company must balance the benefits and costs of liabilities, so as to select the appropriate ratio of debt and equity financing.

Tax and capital structure is two indicators analysis capital structure in static trade-off theory (Seifert and Zeballos, 2013). According to the survey of Wu (2015) indicate that The actual enterprise income tax rate is positively correlated with the ratio of short-term liabilities on books and the ratio of asset-liability on market value.

2.2.4 Pecking-order theory

Myers find out the theory of pecking order about finding out an order of preferences in a firm when it's making a decision of finance on (Myers and Majluf, 1984). The significant factor of Pecking-order theory is asymmetric information of insider and outside of a firm. The order of companies prefer capitals follow the rule of internal finance is first preference, next is debt and equity is the last choice.

Based on this theory guide, the firm prefers to internal financing due to asymmetric information in the market. Moreover, the owner of firms also care about ownership was diluted by external finance, hence tangible assets should be a significant factor of influence on the sources of financing(Leary and Roberts, 2010).

The difference between the pecking order model and trade-off theory is no assumption of capital structure and based on the research of Chen (2011) point out its target is not to optimize capital structure. In addition, pecking-order model core conceptual is to reduce the equity problems through internal funds for financing due to asymmetric information. The theory argued that the owner has more marketing information than investors.

Caetano and Serrasqueiro(2015) said the pecking-order theory offers a proper way to cope with the financing issues for the small and medium-size corporations. De et al(2012) believe that the SMEs financing use debt as the approach is a better way compare to listed companies. The main reasons of financing by debt is internal governance for the small and medium companies by the owner of a firm, which in order to avoid diluting ownership, to help the owner of a firm to supervisor operation management under a dominance state.

This theory also finds out the relationship between capital structure and the growth of a firm. Atiyet(2012) suggest that an enterprise prefer debt to equity on financing, while those companies with high cash flows are preferred to use less debt to run the firm.

All the perspectives mentioned about capital structure indicated that there is no relationship between the financing order and capital structure.

2.3 Determinants of capital structure

There are various researchers have been done the determinants which influence on the capital structure. Based on the literature those independent various this section is potentially factored determine capital structure in a firm. There are six factors following according to the literature review.

2.3.1 Tangibility

Based on Reinstein (2012), Provan and Huang(2014) indicated that tangibility was defined as the ratio of the sum of all tangible asset to total assets. According to the trade-off theory suggested that a positive relationship between finical leverage and tangible assets. Moreover, Myers and Majluf (1984) pointed out the proportion of a company for tangible assets influence on the financial decision. Perching order theory shows a positively related with long-term leverage of an enterprise.

Moreover, the positive relationship between leverage and tangible asset was confirmed by empirical research from Hal(2016). Hussainey et al(2011) also show that firm leverage is in inverse to tangible assets.

According to the previous study of the capital structure indicated the kinds of assets affects capital structure choice in a firm. Tangible assets provide a guarantee for the debt of a firm which implies its market value is higher than intangible assets. In addition, tangible assets help enterprises reduce the financing cost by loan to the bank. Thereby, tangible assets play a curial role in the financing process in assessing business risk.

2.3.2 Profitability

In general, profitability was the definition as a ratio tool to measure the portion of operating income to total assets.The pecking-order model shows that most of enterprises prefer to take advantage of retained earnings to support investment project, raise debt is the second choice for investment actives. A negative relationship exist to those two variable of profitability and leverage because the internal capital can use to invest in new project determined by profitability (Mithas et al.,2012). Moreover, according to the empirical surveys indicate that the inverse relationship between profitability and the finical ratio was confirmed on the paper of determinants of capital structure(Dietrich and Wanzenried, 2015).

On the other hand, according to the core theory of information asymmetry show that is a signal of financial management was improved when the ratios of total debt to profitable presents an upward trend. Thereby, the research fund out the result of the positive relation between profitability and leverage(Ward, 2016).

2.3.3 Revenue growth

Revenue growth refers to the sum of total sales during a certain period and was considered a factor effect on capital structure. Oke et al(2012) believe that an enterprise with high revenue growth should to financing by equity because there are more opportunities to get investment to depend on the revenue data. The trade-trade-off theory indicated that revenue growth has a function of balance the agency conflicts between the shareholders, bondholders, and managers. Because shareholders and bondholders are motivated to support internal investment decision, moreover to assess the condition of operation management for a firm. In addition, revenue growth takes into consideration market value, while it can't provide a guarantee for external financing from the bank or other financing organization. Bilodeau and Rigby (2011) believe that leverage and revenue growth is the negative relationship.

While on the paper of Dyckman (2012) pointed out a positive relationship between revenue growth and capital structure. Kenney et al(2012) also believe that some studies result indicated a positive relation between leverage and revenue growth.

2.3.4 Liquidity

Liquidity is a variable in assessing assets of a firm, the stock price is closely related to liquidity(Pástor and Stambaugh, (2013).Diamond and Verrecchia (2011) reveal that an enterprise's cost caused by information can reduce when increased investment demand because of improving the security of liquidity.

As the description form Pecking-order theory that internal sources are the preference of finance for senior managers. Thereby, the managers would like to finance future investments of a firm by retained earnings. Lower leverage is required due to the firm no needs to finance cash flow by external capital in the form of debt. The asymmetry got more impact on a market-oriented economy compares to the bank-oriented economy. Hence, most scholars expect assets and current debts got more impact on the determinants of capital structure.

Moreover, the positive relation between the debt and liquidity was evidenced by the trade-off theory(Adrian and Shin,2010). The result also confirmed by research studies by Sheikh and Wang(2011), Hendershott et al(2011). Based on the agency theory shows that the costs of liquidity are high due to the negative relationship. According to the previous empirical researchers indicates the negative relations like Anderson et al(2013), Chaney(2016), and Wang(2012).

2.3.5 Size of a firm

Lim (2012) found that the relationship has a positive influence on Chinese Consultant Firm Service. Moreover, the scholar found that it will lead to a mere take advantage of the financial leverage when increase firm size in a big company (Gourio and Roys, 2014). For the small company, according to the report shows that firm size has a negative influence on financial indicators in Turkish lodging enterprises and the lowest debt goals in the capital structure is a tendency (Iskenderglu, Karadeniz and Kandr, 2011). Norvaisiene (2013) conducted a survey in Malaysia and found that positive correlation has been established between the long-term debt to equity ratios and company performance in Medium firms and debt to capital ratio had an important negative influence on EPS indicators.

Rafique (2012) focus on the company's size and enterprise tax influence on dividend payout, the key point is the public policy has a significant influence on dividend payout.

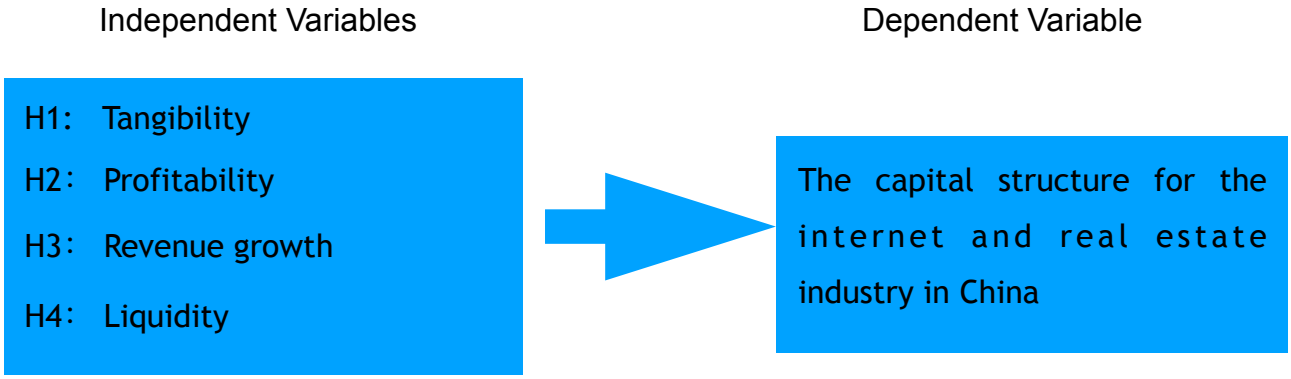
2.3.6 Financial leverage

Base on the research of Gill and Obradovich(2013), the financial leverage has a significant influence on capital structure in bigger companies. Mishra and Modi(2013) regarded ROA as one of the factors for influence on capital structure in Malaysia, there is a positive relationship between capital structure and ROA. Sodeyfi(2016) found that financial leverage influence on company performance revenue through analysis the non-financial companies in Nigeria. Sheikh and Wang (2011) have concluded from the study in the listed company in the Karachi stock market that the firm size is a significant influence on financial leverage while the relationship between tangibility earning and liquidity are negative.

In addition, some scholars also believe that the relationship between financial leverage and performance is a negative correlation (Alcock et al., 2013). Rehman(2013) put the point that there is a negative relationship between company performance and leverage. Based o the survey of Quang and Xin (2014) shown that capital structure has a negative influence on company performance. In addition, the Salim and Yadav (2012) point out that there is a positive correlation between financial leverage and capital structure. Kim (2016) found financial leverage and company performance has a negative correlation.

2.4 Conceptual Framework

The study analyzes the determinants of capital structure for internet and real estate industry in China based on the fours factors affect the capital structure.



2.5 Hypothesis

For this research, the key aim is the determinants of capital structure for internet and real estate industry in China. In this section, test these hypotheses to find out which factors are relevant to the capital structure for Chinese companies of internet and real estate industry. Make the following assumptions based on the Research Objectives.

H1: Tangibility has a significant influence on capital structure for the internet and real estate industry in China.

H2: Profitability has a significant influence on capital structure for the internet and real estate industry in China.

H3: Revenue growth has a significant influence on capital structure for the internet and real estate industry in China.

H4: Liquidity has a significant influence on capital structure for the internet and real estate industry in China.

2.6 Conclusion

In conclusion, either domestic or global scholars study, because of the difference the selected samples, the research methods of differences and differences in finical indicators, whereby the relationship between capital structure and its determinants are not constant, but it is not hard to find the influence of some significant factors on capital structure. The study in the future can following aspects. Due to the financial data often received the influence of the degree of accuracy and reliability of the data itself, in the future research can join some non-financial indicators to improve the accuracy of the research conclusion.

Chapter 3 Research methodology

3.1 Overview

The main objectives of this chapter are to further explain the research design and sampling. Research design as a framework of the whole study explains priority in this chapter. Followed by discussing the sampling design, sampling plan, sampling size was introduced further in this chapter. The formula and tool of measure variables discussed in this section. The way of data collected also was to explain and what a sort of approach to analyzing data. The period for secondary data explained in this chapter. The data analysis tools also confirm in this chapter. Describe analysis, correlations analysis, and multiple regression analysis and hypothesis testing are explain in this section.

3.2 Research design

According to Kerlinger (2016) said that research design is a planing to guide a study which purpose to conduct research to find out the research aim. Based on the basic research methods study of Guthrie (2012) shows that the main research method contains descriptive and prescriptive in the section of qualitative research. According to Gim, Joo and Lee (2018) show that prescriptive analysis is one data analysis technique, offers predictions information and support more makers to make the business decision base on various views.The research will be the focus on the current situation analysis and predict future circumstance (Dahl, 2011). Therefore, the prescriptive research which concentrates on data collection and analysis in the form of the secondary data collected(Lewis, 2017). The researcher from American explains that the academic study is more efficiency through secondary data collected (Leavy, 2017).

The research method of prescriptive should support the diagram. Hence, the prescriptive method will be a conference with the framework due to the hypothesis is written base on it. Therefore, whether the variables of determinants influence on capital structure in the internet and real estate industry in China could be ascertained by data analysis (Lewis, 2017)

Figure 3.1The research design.

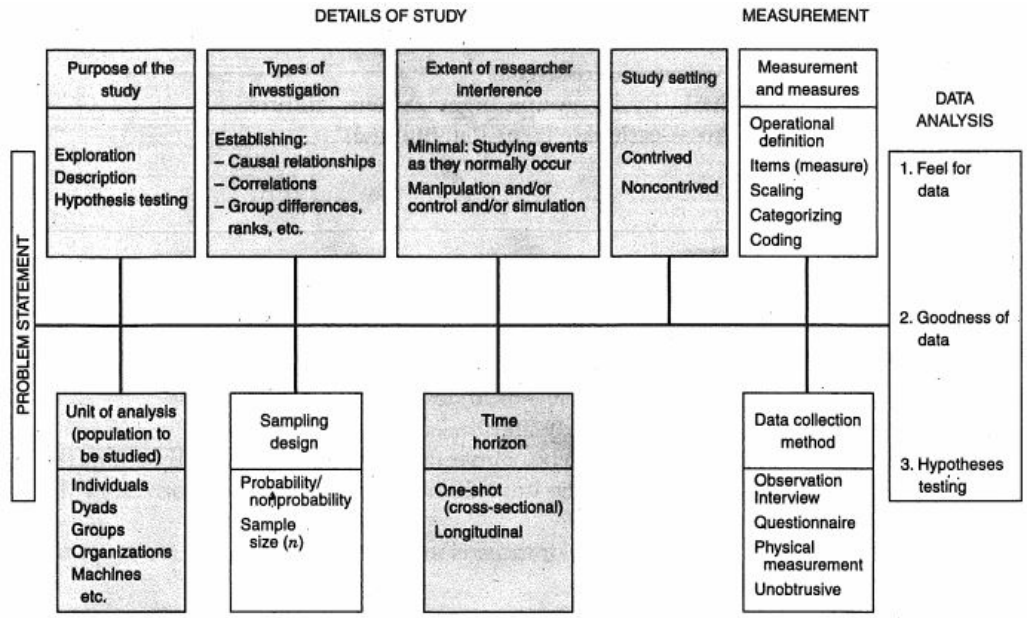


Figure 5.1: The research design.

The main aim of this paper is to find out the relationship between dependent variable of capital structure and independent variables of determinants. Hence, research design focus on establishing the variables whether the relationship exists between variables of capital structure and those factors by secondary data collected. As the data collected is base on secondary data, there is no contact between researcher and data provider. Hence, there is no inference.

In this research, the study setting in the environment of non-contrived. The study focuses on the phenomenon research; It is not existed manipulation circumstance due to the study of in this research is not create the environment.

3.3 Population

The target population for this study was listed companies on the internet and real estate in China. According to the CNNIC（China internet network information Center）report in 2017 shows the number of Chinese listed companies in the internet industry was 102. Base on the data from Shanghai, Shenzhen and Hong Kong stock exchange shows the number of listed companies for the real industry was 410. Hence the target population size for this research is 512 companies of the internet and real estate industry in China.

3.4 Sample

The sample size is determined on the basis of the Morgan and Krejci's sample size table which express a formula of calculation (Krejcie and Morgan, 1970). According to the table calculate the sampling size is easier than using formula (Dahl, 2010). It based calculation of sampling sizes on P=0.05 where the margin for error is less than 5% or P less than 0.05. Hence, the sample size was 217 for this study according to the target population.
For this study, the population has been defined in term of the number of companies listed from internet and real estate industry. Sample size in the study selected random 217 listed companies from the internet and real estate industry.

3.5 Measurement

Financial ratios are used in this research to measure dependent variable and independent variables. Financial ratios are measured by a formula which is a special equation that indicates the relationship among variables(Davis et al., 2016). According to Allen (2013) thought that formulas are used to offer a mathematical solution for the real issues of academic research. This study focuses on measure four independent variables and one dependent variable based on the research framework.

3.5.1 Capital structure

Capital structure refers to a proportion of total debt to total assets. Debt to equity ratio always considered when analysis capital structure because it is an indicator measure an enterprise’s operational risks. Capital structure measured by the DE ratio as follows:

$$\frac{\text{Total debts}}{\text{Total equity}} \times 100\%$$

3.5.2 Tangibility of assets

Profitability was the definition as a ratio tool to measure the portion of operating income to total assetsTangibility. The tangible assets of a firm are considered one of the main guarantees for creditors, therefore tangible is an indicator measure firm’s financing capacity(Stănică, 2016).Tangibility assets measured by the equation as follow:

$$\frac{\text{Fixed assets +Inventory}}{\text{Total assets}} \times 100\%$$

3.5.3 Profitability

Profitability is one factor for analysis financial statement and company performance. Hence, it is used to evaluate a company's capability of generating profits from its operations(Franke, 2010). Profitability of a firm measured by operating profit margin as follow:

$$\frac{\text{EBIT}}{\text{Net Sales}} \times 100\%$$

3.5.4 Revenue growth

The purpose of use revenue growth in this paper helps scholar to measure how fast a firm is enlarged (Ghosh et.al,2015). Revenue growth measured by the equation as below :

$$\frac{\text{Revenue this year}}{\text{Revenue the last year}} - 1$$

3.5.5 Liquidity

Liquidity is an element to measure the ability of a company pay off its liability and other obligations with current assets(Pástor and Stambaugh, 2013). Liquidity measured by a current ratio, the formula as below:

$$\frac{\text{Cash+cash equivalents + Short-Term investments}}{\text{Current liabilities}} \times 100\%$$

3.6 Data collections

The quantitative research is used in this study for find out the findings.This study is based on secondary data. The main source of data are Shanghai Stock Exchange, Shenzhen Stock Exchange. First, information and data were hunted on the two official website and available financial statements were downloaded from it. And then, securities board of China visited to collect the required financial statement not available on line. Data for a period of four years from 2011 to 2014 was collected for the research.Secondary data collected was usage to measure independent variables like tangible assets, liquidity, revenue growth and profitability.

3.7 Data analysis

On data analysis, describe analysis and regression analysis of software SPSS version 25 and Excel software are applied in the study. The purpose of conduct data analysis is to assumptions on chapter 2 and find out the relationship among variables. There were four sorts of data analysis tools were discussed in this section.

3.7.1 Describe analysis

Descriptive analysis is applied for summarizing the phenomenon of variables in internet and real estate industry. The purpose of use descriptive statistics is to describe and summarize the behavior of the variables in a study. Descriptive analysis is a useful tool for the researcher to observe the data collected. In addition, more information of the variable distribution was given by standard deviation.

3.7.2 Regression analysis

Regression analysis has been used to test the relationship between the capital structure and variables of effect dependent variable. The purpose of regression analysis is used in this study is to estimate the relationships among variables and to confirm which factor is the sign for the dependent variable.Specification of the model is

$Y=a+b_1X_1+b_1X_2+b_1X_3+b_1X_4+b_1X_5+b_1X_6.$

Where

X_1= Tangibility;

X_2= Profitability;

X_3=Revenue growth;

X_4=Liquidity;

X_5=Size of a firm;

X_6= Other financial ratio;

3.7.3 Correlation test

The purpose of correlations test is applied in the study is to confirm the relationship among variables by the linear fashion. Correlation analysis would also be conducted to know the degree of the relationship between IVs and capital structure. In chapter 4, the bivariate test was performed through using Pearson's correlations.

3.7.4 Hypothesis testing

Hypothesis testing is used in this study to determine the probability that assumptions designed is true. Moreover, for this hypothesis testing, the sort of one-tailed test is applied and the testing results showed that by accepting or rejected the hypothesis. The purpose of using the testing is to confirm the relationship between the dependent variable of capital structure and independent variables.

3.8 Conclusion

In this chapter tried to provide a fundamental issues summary of research design, sampling design, and data analysis method. It can carry a research study out with further research methodology. This chapter is essential to guide for researchers and participants on a quantitative research project.

Chapter 4 Data analysis results

This chapter describes the descriptive summary, regression tests and hypothesis test and findings of results. Those elements influence on capital structure for listed companies in the real estate and internet industry in China are studied. Previous hypotheses based on the objectives are tested in this section, the testing results were the discussion. The aim of data analysis is to confirm what determinants have a significant on capital structure for the internet and property industry in China, the discussion of results also focus on answer the research question that compares to the different on determinants of capital structure for the internet and real estate industry in China.

4.1 Descriptive statistic and analysis

Descriptive statistic contains the mean value, minimum and maximum values for the period 2014-2017, the data contain the 217 listed companies. According to descriptive statistics shows that the data on profitability was a huge range from Minimum to Maximum, the standard deviation was around 34.8. The data indicate a fluctuation tendency of profitability on an enterprise is higher than other finical ratios.

Table 4.1 Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DE	868	-13.700974	12.6590256	1.78662392	1.62832224
TAN	868	.000000000	5.37269836	.473363314	.309490175
OPM	868	-302.35401	338.958589	3.10270499	34.8796462
Revenue growth	868	-2.4950000	61.7675000	.475765899	2.58340260
Current ratio	866	-.54800000	29.3354633	2.28408677	1.98680449
Industry Dummy1	868	0	1	.24	.427
Industry Dummy2	868	0	1	.76	.427
Year Dummy1	868	0	1	.25	.433
Year Dummy2	868	0	1	.25	.433
Year Dummy3	868	0	1	.25	.433
Valid N (listwise)	866				

Based on the table below indicates that some companies' operation with the losses during the period 2014 to 2017 because most data on minimum presents a negative trend. Hence, we can summaries that the whole operation situation for listed companies of the internet and real estate industry with the loss on past four years.

4.2 Correlations analysis

4.2.1Correlations analysis on capital structure and tangibility

A bivariate correlation was undertaken between the ratio measure capital structure and tangibility. It was an assumption that a positive relationship between the DE ratio and tangibility of assets. According to correlation results shows that DE ratio(Debt to equity ratio was applied measure capital structure) are associated with higher tangibility assets(R=.348,p<0.05).

Table 4.2.1Correlations analysis on capital structure and tangibility

Correlations

		DE	TAN	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	.348**	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.000	.000	.000	.431	.097	.403
	N	868	868	868	868	868	868	868
TAN	Pearson Correlation	.348**	1	-.372**	.372**	-.034	.022	.032
	Sig. (1-tailed)	.000		.000	.000	.159	.257	.175
	N	868	868	868	868	868	868	868

Correlation is significant at the 0.01 level (1-tailed).

Based on comparing to R-value and P-value result which indicates that tangibility assets are highly significant on capital structure for the internet and real estate in China. While in terms of person correlation, the impact of tangibility assets for the capital structure on the real estate is closer than the internet industry in China.

4.2.2Correlations on capital structure and profitability

Table 4.2.2Correlations analysis on capital structure and profitability

Correlations

		DE	OPM	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	-.056*	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.049	.000	.000	.431	.097	.403
	N	868	868	868	868	868	868	868
OPM	Pearson Correlation	-.056*	1	-.046	.046	.116**	-.038	-.018
	Sig. (1-tailed)	.049		.089	.089	.000	.134	.296
	N	868	868	868	868	868	868	868

*Correlation is significant at the 0.05 level (1-tailed).
*Correlation is significant at the 0.01 level (1-tailed).

It was an assumption that a positive relationship between capital structure and profitability. According to the correlation test on capital structure and profitability shows that higher DE ratio of capital structure is associated with higher profitability($r=-.056, p<0.05$).

While there is no clear correlation between the profitability (OPM) and capital structure for internet and real estate in China. It was proved by P-value equal to .089. For the testing result, we can summarize that we reject the assumption profitability has a significant influence on capital structure for the internet and real estate industry in China.

4.2.3 Correlations on capital structure and revenue growth

Table 4.2.3Correlations analysis on capital structure and revenue growth

Correlations

		DE	Revenue growth	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	-.037	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.141	.000	.000	.431	.097	.403
	N	868	868	868	868	868	868	868
Revenue growth	Pearson Correlation	-.037	1	.043	-.043	.014	.046	-.060*
	Sig. (1-tailed)	.141		.104	.104	.345	.087	.038
	N	868	868	868	868	868	868	868

A bivariate correlation was to confirm the relationship between the capital structure of the internet and the real estate industry in China and revenue growth. It was an assumption that a positive relationship would exist between the two variables. The result of the correlations shows that higher DE ratio is not associated with higher revenue growth in the internet and real estate industry in China. Hence, based on the above correlation table shows that the R=-.037,p>.05 which indicate that higher DE ratio does not exist a positive relationship between the capital structure and revenue growth.

4.2.4 Correlations on capital structure and liquidity

Table 4.2.4Correlations analysis on capital structure and liquidity

Correlations

		DE	Current ratio	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	-.199**	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.000	.000	.000	.431	.097	.403
	N	868	866	868	868	868	868	868
Current ratio	Pearson Correlation	-.199**	1	.251**	-.251**	.045	.006	-.020
	Sig. (1-tailed)	.000		.000	.000	.091	.429	.283
	N	866	866	866	866	866	866	866

**Correlation is significant at the 0.01 level (1-tailed).

A bivariate correlation confirmed the relationship between debt to equity ratio and current ratio. It was a hypothesis that a positive relationship would exist between the debt to equity ratio and current ratio. The result of the test indicates that a higher debt to equality ratio is associated with a higher current ratio (r=-.199,p<.05).Hence, we summarize that there is a positive relationship between the capital structure of the internet and real estate in China and liquidity. And can't reject the assumption based on the P-value result.

4.3 T-test analysis

Table 4.3 Independent samples test

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Capital structure	Equal variances assumed	1.916	.168	-1.856	213	.065	-.37678369	.203040013	-.77700883	.023441455
	Equal variances not assumed			-1.378	70.618	.173	-.37678369	.273525496	-.92222911	.168661739
Tangibility	Equal variances assumed	10.015	.002	3.930	213	.000	.108102115	.027503658	.053887898	.162316332
	Equal variances not assumed			3.507	90.977	.001	.108102115	.030821825	.046878137	.169326093
Profitability-OPM	Equal variances assumed	3.430	.065	.109	213	.913	.227604997	2.08975064	-3.8916360	4.34684599
	Equal variances not assumed			.166	175.202	.869	.227604997	1.37308287	-2.4823068	2.93751675
Revenue growth	Equal variances assumed	.001	.970	.275	213	.784	.182378516	.663396643	-1.1252850	1.49004202
	Equal variances not assumed			.373	212.576	.710	.182378516	.489150978	-.78182922	1.14658626
Liquidity-Current ratio	Equal variances assumed	1.290	.257	-.428	213	.669	-.22452456	.524650998	-1.2586977	.809648538
	Equal variances not assumed			-.498	161.408	.619	-.22452456	.451286118	-1.1157110	.666661848

It was an assumption that there is exist a positive relationship between both the DE ratio of the internet and the real estate industry and variables. In relations to the Tangibility variable, Levene's test results are accepted. Combine to the value of T, DF and two-tail , there was a significant difference are confirmed(P<.05).There is a significant difference in tangibility between the internet industry and real estate industry, t =3.930,p<.05. The rest of the variables has no significant difference in DE ratio for the internet and real estate industry

Hence, it was summaries that the factor of tangibility influence on the capital structure of the internet and real estate industry in China.

4.4 Regression analysis

Table 4.4-1 Regression analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.461[a]	.212	.205	1.45209517

a. Predictors: (Constant), Year Dummy3, OPM, Industry Dummy2, Revenue growth, Year Dummy2, TAN, Quick ratio , Year Dummy1

b. Dependent Variable: DE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	487.522	8	60.940	28.901	.000[b]
	Residual	1811.271	859	2.109		
	Total	2298.793	867			

a. Dependent Variable: DE

b. Predictors: (Constant), Year Dummy3, OPM, Industry Dummy2, Revenue growth, Year Dummy2, TAN, Quick ratio , Year Dummy1

Both independent variables together explain 21.2 percent of the variance(R-Square) in capital structure, which is highly significant as indicated by the F-value of 28.9601 in the table left.

Based on the above table, we can summarize that both all variances are highly significant for the capital structure for the real estate industry in China. While there is no clear liner regression relationship between the variables and the capital structure for the internet industry in China.

Table 4.4-2 Regression analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.739	.161		4.591	.000
	TAN	1.175	.175	.223	6.711	.000
	OPM	-.002	.001	-.044	-1.418	.156
	Revenue growth	.015	.020	.024	.748	.455
	Quick ratio	-.100	.032	-.115	-3.159	.002
	Industry Dummy2	.960	.138	.252	6.951	.000
	Year Dummy1	-.064	.140	-.017	-.458	.647
	Year Dummy2	-.283	.140	-.075	-2.028	.043
	Year Dummy3	-.201	.140	-.053	-1.437	.151

a. Dependent Variable: DE

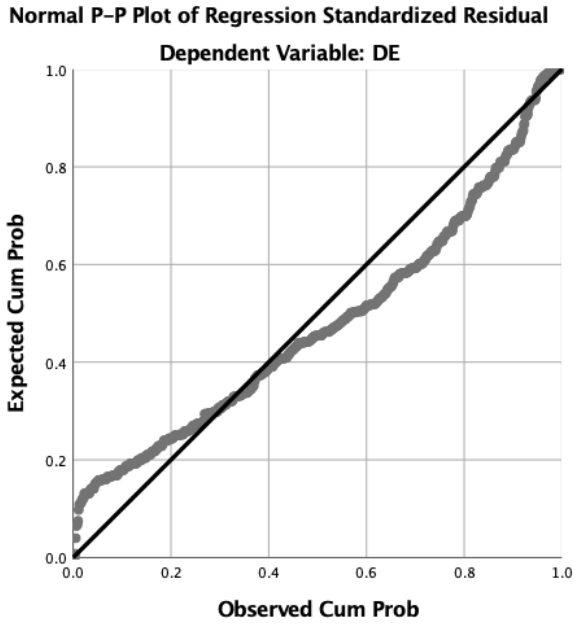
Based on the above form indicates that the data results of unstandardized for TAN, we can summarize that there is a positive relationship between the tangibility assets and capital structure for the real estate industry in China. Besides that, P-value is less than 0.05. There was an assumption that tangibility assets have a significant influence on capital structure for the internet and the real estate industry in China. According to the above reasons, the hypothesis result was accepted.

According to the above table shows that the regression testing data results of OPM and quick ratio are negative. Therefore, the result indicates that there is a negative relationship between the OPM and capital structure for the real estate in China. In addition, the P-value is great than 0.05. Hence, we summarize what we rejected the assumption of profitability has a significant influence on capital structure for internet and real estate industry in China.

It was proofed that there is a positive relationship between the revenue growth and DE ratio based no the results of unstandardized equal to 0.015 and T is equal to 0.748. While p-value great than 0.05. Hence, we can't reject the assumption that revenue has a significant influence on capital structure for the internet and the real estate industry in China.

It was an assumption that liquidity has a significant influence on capital structure for internet and real estate industry in China. There is a negative relationship between the quick ratio and DE ratio of the real estate industry in China due to t=-3.15159. While the P-value is equal to 0.002, it is less than 0.05. Hence, we do not reject the hypotheses.

Table 4.4- 2 Plot normal distribution



The normal plot of regression standardized residuals for the capital structure also indicates a relatively normal distribution. Hence, we can summarize that there is a clear relationship between the residuals of capital structure and the predicted value(IVs).

4.5 Hypotheses testing

Table 4.5 Hypotheses testing results

No	Hypotheses	Results	Tools
H1	Tangibility has a significant influence on capital structure for the internet and real estate industry in China.	Accepted	Regresssion
H2	Profitability has a significant influence on capital structure for the internet and real estate industry in China.	Rejected	Regresssion
H3	Revenue growth has a significant influence on capital structure for the internet and real estate industry in China.	Not rejected	Regresssion
H4	Liquidity has a significant influence on capital structure for the internet and real estate industry in China.	Not rejected	Regresssion

There are four hypotheses in this research. Tangibility is a determinant of capital structure for the internet and real estate industry in China. The assumption H2 was rejected based on the multiple regression results. H3 and H4 were not rejected.

Chapter 5 Conclusion

5.1 Conclusion

The purpose of conduct the research was to analyze the determinants of capital structure for the internet and property industry in China. Most of previous studies focus on over 6 factors influent on capital structure and the results of research can't stand for all companies financial condition. Moreover, there are two kind of results were confirmed include either negative or positive relationship among variables.

The results of data analysis indicate that tangibility assets have a significant influence on the capital structure. Compare to determinants of capital structure for the internet and real estate industry, the research results show that tangibility is a significant factor to determine capital structure of both all the listed companies for the internet and property industry in China.

The Capital structure for the internet and real estate industry in China and probability exist a negative coloration.Moreover, the perspective was proof that internal capital is a preference for invest new project (Azhagaiah and Govoury, 2011). In addition, the result also supports the pecking-order theory of the firm prefer internal capital to external financing.

A positive relationship was confirmed between the capital structure for the internet and real estate industry in China and revenue growth of a firm. The result of revenue growth has no significant impact on capital structure supports the trade-off theory view of a positive relationship between firm growth and leverage(Debt to equity ratio).

The independent variable of liquidity exists a negative relationship with the dependent variable of capital structure. The result supports the perspective of agency theory and pecking-pecking-order theory for the negative relations between the liquidity and capital structure. In addition, also supports the previous researchers result in negative relations(Adrian and Shin, 2013).

5.2Limitation of the study

There are two limitations for the research because of the reasons of timing and individual knowledge and experience on the study. For the research, the main pupation is selected from listed companies of the internet and property industry in China. The data resource from the stock market and data period only for four years(2014 to 2017) in this research. Hence, there are factors influence on the research results and lead to the data analysis are not precise. Based on the limitations of this study, to improve the study future about determinants of capital structure, suggestions were given below:

Covering others factors influence on the capital structure of the internet and real estate industry in China. Size of a firm and industry feature should be taken into consideration. Moreover, the economic condition and company governance should be included.

Extension of the measurement tools for variables. In general, the financial indicator was applied in this study. For future studies, it might be considered non-financial indicator to measure research objectives.

Extension of the period for data collected, the data analysis results are precise when used data a series over 5 years.

Covering other sorts of firms for the internet and real estate industry apart from listed companies. The small and medium companies for the internet and real estate industry should be considered in the future study.

For the future study on capital structure for the internet and real estate industry should be out the zone restriction of China, companies from other countries also should be included.

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Appendices

Appendix 1: SPSS Output

1. Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DE	868	-13.700974	12.6590256	1.78662392	1.62832224
TAN	868	.000000000	5.37269836	.473363314	.309490175
OPM	868	-302.35401	338.958589	3.10270499	34.8796462
Revenue growth	868	-2.4950000	61.7675000	.475765899	2.58340260
Current ratio	866	-.54800000	29.3354633	2.28408677	1.98680449
Industry Dummy1	868	0	1	.24	.427
Industry Dummy2	868	0	1	.76	.427
Year Dummy1	868	0	1	.25	.433
Year Dummy2	868	0	1	.25	.433
Year Dummy3	868	0	1	.25	.433
Valid N (listwise)	866				

2.Correlations analysis

Correlations

		DE	TAN	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	.348**	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.000	.000	.000	.431	.097	.403
	N	868	868	868	868	868	868	868
TAN	Pearson Correlation	.348**	1	-.372**	.372**	-.034	.022	.032
	Sig. (1-tailed)	.000		.000	.000	.159	.257	.175
	N	868	868	868	868	868	868	868

Correlation is significant at the 0.01 level (1-tailed).

Correlations

		DE	OPM	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	-.056*	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.049	.000	.000	.431	.097	.403
	N	868	868	868	868	868	868	868
OPM	Pearson Correlation	-.056*	1	-.046	.046	.116**	-.038	-.018
	Sig. (1-tailed)	.049		.089	.089	.000	.134	.296
	N	868	868	868	868	868	868	868

Correlations

		DE	Revenue growth	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	-.037	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.141	.000	.000	.431	.097	.403
	N	868	868	868	868	868	868	868
Revenue growth	Pearson Correlation	-.037	1	.043	-.043	.014	.046	-.060*
	Sig. (1-tailed)	.141		.104	.104	.345	.087	.038
	N	868	868	868	868	868	868	868

Correlations

		DE	Current ratio	Industry Dummy1	Industry Dummy2	Year Dummy1	Year Dummy2	Year Dummy3
DE	Pearson Correlation	1	-.199**	-.385**	.385**	.006	-.044	-.008
	Sig. (1-tailed)		.000	.000	.000	.431	.097	.403
	N	868	866	868	868	868	868	868
Current ratio	Pearson Correlation	-.199**	1	.251**	-.251**	.045	.006	-.020
	Sig. (1-tailed)	.000		.000	.000	.091	.429	.283
	N	866	866	866	866	866	866	866

3.T-testing analysis

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Capital structure	Equal variances assumed	1.916	.168	-1.856	213	.065	-.37678369	.203040013	-.77700883	.023441455
	Equal variances not assumed			-1.378	70.618	.173	-.37678369	.273525496	-.92222911	.168661739
Tangibility	Equal variances assumed	10.015	.002	3.930	213	.000	.108102115	.027503658	.053887898	.162316332
	Equal variances not assumed			3.507	90.977	.001	.108102115	.030821825	.046878137	.169326093
Profitability-OPM	Equal variances assumed	3.430	.065	.109	213	.913	.227604997	2.08975064	-3.8916360	4.34684599
	Equal variances not assumed			.166	175.202	.869	.227604997	1.37308287	-2.4823068	2.93751675
Revenue growth	Equal variances assumed	.001	.970	.275	213	.784	.182378516	.663396643	-1.1252850	1.49004202
	Equal variances not assumed			.373	212.576	.710	.182378516	.489150978	-.78182922	1.14658626
Liquidity-Current ratio	Equal variances assumed	1.290	.257	-.428	213	.669	-.22452456	.524650998	-1.2586977	.809648538
	Equal variances not assumed			-.498	161.408	.619	-.22452456	.451286118	-1.1157110	.666661848

4. Regression analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.461[a]	.212	.205	1.45209517

a. Predictors: (Constant), Year Dummy3, OPM, Industry Dummy2, Revenue growth, Year Dummy2, TAN, Quick ratio , Year Dummy1

b. Dependent Variable: DE

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	487.522	8	60.940	28.901	.000[b]
	Residual	1811.271	859	2.109		
	Total	2298.793	867			

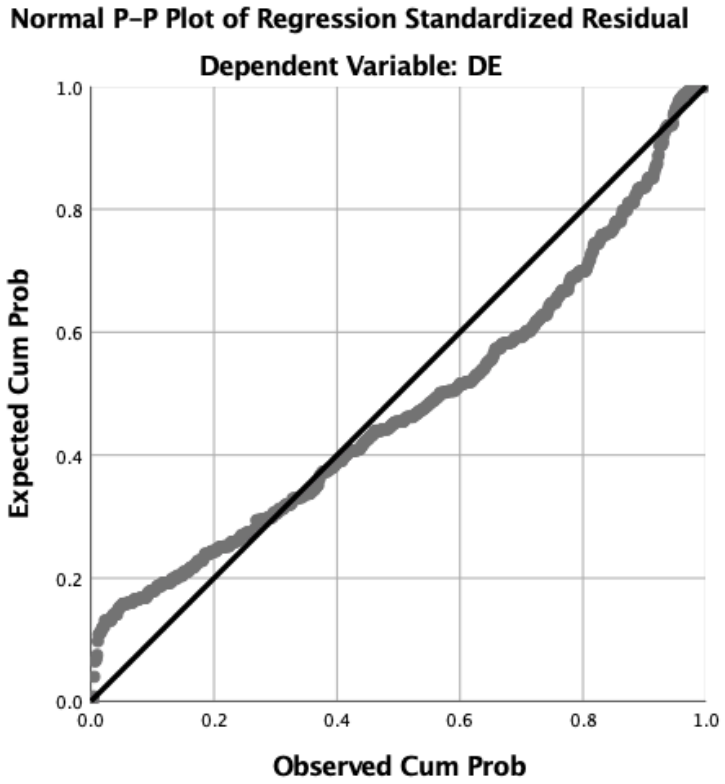
a. Dependent Variable: DE

b. Predictors: (Constant), Year Dummy3, OPM, Industry Dummy2, Revenue growth, Year Dummy2, TAN, Quick ratio , Year Dummy1

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.739	.161		4.591	.000
	TAN	1.175	.175	.223	6.711	.000
	OPM	-.002	.001	-.044	-1.418	.156
	Revenue growth	.015	.020	.024	.748	.455
	Quick ratio	-.100	.032	-.115	-3.159	.002
	Industry Dummy2	.960	.138	.252	6.951	.000
	Year Dummy1	-.064	.140	-.017	-.458	.647
	Year Dummy2	-.283	.140	-.075	-2.028	.043
	Year Dummy3	-.201	.140	-.053	-1.437	.151

a. Dependent Variable: DE


Normal P–P Plot of Regression Standardized Residual
Dependent Variable: DE
Expected Cum Prob
Observed Cum Prob
0.0
0.2
0.4
0.6
0.8
1.0

Appendix 2: Initial Research Paper Proposal

INTI International University

Master of Business Administration MGT7998

Initial Research Paper

STUDENT NAME & ID NO	LI QINQIN I17013562
BROAD AREA	Finance
Concise Title	The determinants of capital structure evidence from the internet and real estate industry in China
Problem Definition	**Background of study** The determinants of capital structure is one area in finical management, moreover capital structure influence on the maximization of the equity that a firm usage to finance business (Damodaran, 2010). Hence, It has become capital structure one of the significant financial decisions for any companies (Zhan, 2010). The main reasons of capital structure is important because the company's target is to maximize the return to various investors and stockholders and influence on performing the company (Xu and You, 2015). **Problem Statement** The previous studies (Wang and Zhang, 2011; Zhang and Zhuang, 2010; Zhang, 2018) on capital structure have been focused on single industry even in the form of case study, and focus on surface comparison research is not as effectively researched upon. Hence, there is a need to focus on impact how determinants of capital structure for the internet and real estate industry in China.

Research Questions Or Objectives	Research questions the following: **RQ1**: What's the effect of tangibility on the capital structure for the internet and real estate industry in China? **RQ2:**What's the effect of profitability on the capital structure for the internet and real estate industry in China? **RQ3:** What's the effect of revenue growth on the capital structure for the internet and real estate industry in China? **RO4:** What's the effect of liquidity on the capital structure for the internet and real estate industry in China? **Specific objectives** RO1:To confirm the effect of tangibility on the capital structure for the internet and real estate industry in China. RO2: To determine the effect of profitability on the capital structure for the internet and real estate industry in China. RO3: To identify the effect of revenue's growth on the capital structure for the internet and real estate industry in China. RO4: To identify the effect of liquidity on the capital structure for the internet and real estate industry in China.
Scope of study	The study perspective of this research can be enlarged from the aspects as below, by second data analysis to further the research the determinants of capital structure for the internet and real estate industry in China.
Significance of the Research	**Significance to Academy** Not at all study results are conformance due to comparing to the two relationships by using the case study. The main research objective of this paper involves in the industry circumstance and determinants how to influence capital structure for internet and real estate industry in China. The study orientation is a significant meaning in the academic field due to previous research neglect the condition.

Significance of the Research	**Significance to Industry** Capital structure is a basis financing decision of enterprise, determines the survival and growth of enterprise (Liew and Vassalou, 2013). The sustainable development of the company only by appropriate capital structure to support it (Lin, 2013). Hence, the study of how to adjust the capital structure to improve company performance has become increasingly enterprise need (Maulis and Ronald, 2013).
Literature Review	According to Azhagaiah and Govoury (2011) research of the impact of profitability on capital structure indicated that profitability is a significant factors influence on capital structure for internet service industry. Ghafoor (2014) discussed the main factors influence on capital structure of textile firms in Pakistan, over 8 kind of indecent variables were explain in this paper, including, Profitability, tangibility, Non tax Shields and earnings volatility. Jahan（2014）research the determinants of capital structure of listed textile enterprise of Bangladesh, the findings focus on the research objective of exam the relationship of profitability and tangibility to leverage.
Research Methodology	The quantitative research to be used in this paper. Descriptive statistics also applied to describe and summarize the behavior of the variables in a study. Correlation analysis would also be conducted to know the degree of the relationship between IVs and capital structure. The result has a value between +1 and −1, where 1 is total positive linear correlation, 0 is no linear correlation, and −1 is total negative linear correlation. The regression analysis is used in this study is for estimate the relationships among variables and To confirm which factor is the significant for dependent variable.

Appendix 3: Proposal Defense Slides

MASTER PROPOSAL DEFENSE

Topic

The determinants of capital structure : Evidence from the internet and real estate industry in China

Basic information

Name: Li QINQIN

Student ID:I 17013562

Under the Guidance of: Dr. Ken Lee

Agenda

- Introduction
- Problem Statement
- Research Questions and Objectives
- Significance of Study – will not provide due to slide number and time limitations
- Literature Review – will not provide due to slide number and time limitations
- Gaps Identified
- Theoretical Framework
- Research Methodology
- Q & A

Introduction & Background of Study

The determinants of capital structure is one area in finical management , moreover capital structure influence on the maximization of the equity that a firm usage to finance business (Damodaran, 2010). Hence, It has become capital structure one of the significant financial decisions for any companies (Zhan, 2010). The main reasons of capital structure is important because the company's target is to maximize the return to various investors and stockholders and influence on performing the company (Xu and You, 2015).

Why chosen the two industry of internet and real estate?

1) Real estate and internet industry are significant economic apart for China development, especially internet industry contributing to domestic ecumenic gradually become a main commercial mode.

2) Internet industry is a new industry for the research field and only few scholar study it. The previous studies on capital structure only focused on the single industry. Hence, there is a need to find out different differ & relationships between internet and real estate industry on capital structure.

3)Some economist pointed out Chinese property that is in a bubble influencing its development, While investors prefer to invest in the new project on internet industry. Therefore, there is a need to confirm the different views on academic for internet and real estate industry.

4)The study in the form of comparison on main industry in China is more meaningful for academic and national development.

Problem Statement

Based on a study on the determinants of capital structure form companies listed show determinants factors only are profitability and asset structure(Kuria, 2010).Turere (2012) conducted a research on determinants of capital structure for energy industry and pointed out age of firm, company size ,ownership structure and growth rate are important determinants for capital structure. In addition, previous researchers focus on the tradition industry. While real estate and internet industry are significant economic apart for China development, especially internet industry contributing to domestic ecumenic gradually become a main commercial mode instead of tradition business.

The previous studies (Dang and Zhang, 2011;Shen and Mei, 2011; Zhang, 2018) on capital structure have been focused on single industry even in the form of case study, and focus on surface comparison research is not as effectively researched upon. Hence, there is a need to focus on effect how determinants of capital structure for internet and real estate industry in China.

Research Objectives & Research Questions

Research objective:

The general objective of this study was to exam the major determinants of capital structure for the Internet and real estate in China.

ROs	RQs
RO1: To confirm the effect of tangibility on the capital structure for internet and real estate in China	**RQ1**: What's the effect of tangibility on the capital structure for internet and real estate in China?
RO2: To determine the effect of profitability on the capital structure for internet and real estate in China	**RQ2:**What's the effect of profitability on the capital structure for internet and real estate in China?
RO3: To identify the effect of revenue's growth on the capital structure for internet and real estate in China.	**RQ3: W**hat's the effect of revenue's growth on the capital structure for internet and real estate in China?
RO4: To identify the effect of liquidity on the capital structure for internet and real estate in China.	**RO4: W**hat's the effect of liquidity on the capital structure for internet and real estate in China?

Gaps of Study

The previous studies (Dang and Zhang, 2011;Shen and Mei, 2011; Zhang, 2018) on determinants of capital structure focused traditional industry and the comparison of in different industry are not as effectively researched upon. Hence, there is a need to focus on how determinant of capital structure could influence internet and real estate industry in China.

In this paper, measure determinants of capital structure will be use the finance indicators, but the will be bright an issue that can't the accurate analysis capital structure. (Ignore Non-Financial indicator)

Literature Review

1.Base on Antonious et. al(2012) conducted a study about determinants of corporate capital structure from Europe companies using panel data shows that leverage ratios were considerate main factors influence on capital structure of a firm.

2. According to Azhagaiah and Govoury (2011) research of the impact of profitability on capital structure indicated that profitability is a significant factors influence on capital structure for internet service industry.

3.Ghafoor (2014) discussed the main factors influence on capital structure of textile firms in Pakistan, over 8 kind of indecent variables were explain in this paper, including, Profitability, tangibility, Non tax Shields and earnings volatility.

4.Jahan (2014) research the determinants of capital structure of listed textile enterprise of Bangladesh, the findings focus on the research objective of exam the relationship of profitability and tangibility to leverage.

5.According to Handoo and Sharma (2014) study about determinants of capital structure in India shown that the study is to identify factors considered by companies before making financing decisions and those factors influence on short term debt and long term debt of capital structure.

6. Thippayana (2014) believe that leverage ratio, tangibility ,profitability, size of a firm and growth rate influence on determinants of capital structure in Thailand.

Conceptual Framework

The study analysis the determinants of capital structure for internet and real estate industry in China based on the fours factors affect on capital structure.

Hypotheses

For this research, the key aim is the determinants of capital structure for internet and real estate industry in China. In this section, test these hypotheses to find out which factors are relevant to capital structure for Chinese companies of internet and real estate industry. Make the following assumptions based on the Research objectives.

H1: Tangibility has a significant influence on capital structure for internet and real estate industry in China.

H2: Profitability has a significant influence on capital structure for internet and real estate industry in China.

H3: Revenue's growth has a significant influence on capital structure for internet and real estate industry in China.

H4: Liquidity has a significant influence on capital structure for internet and real estate industry in China.

Research Methodology

1. Source of information

This study is based on secondary data. The main source of data are Shanghai Stock Exchange, Shenzhen Stock Exchange. First, information and data were hunted on the two official website and available financial statements were downloaded from it. And then, securities board of China and American visited to collect the required financial statement not available on line.

2.Sampling and population

For the purpose of this study, population has been defined in term of the number of companies listed as on this Fiscal 2017 before, and collect the data for periods 20011 to 2016 (5years) . AS total number of sampling in internet and real estate industries are 384. According to the CNNIC (China internet network information Center) report in 2017 shows that the number of Chinese listed companies in the internet industry was 102.Base on the data from Shanghai, Shenzhen and Hong Kong stock exchange shows the total number of listed companies in real industry is 410.Therefore, of these depending on the availability of information 384 listed companies-102 internet firms and 282 real estate firms are samplings for this research.

Research methodology

3. Data analysis methods

1)The quantitative research to be used in this paper.

2)Descriptive statistics

The purpose of use descriptive statistics is to describe and summarize the behavior of the variables in a study.

3) Correlation tests

Correlation analysis would also be conducted to know the degree of the relationship between IVs and capital structure. The result has a value between +1 and −1, where 1 is total positive linear correlation, 0 is no linear correlation, and −1 is total negative linear correlation.

4)Regression analysis

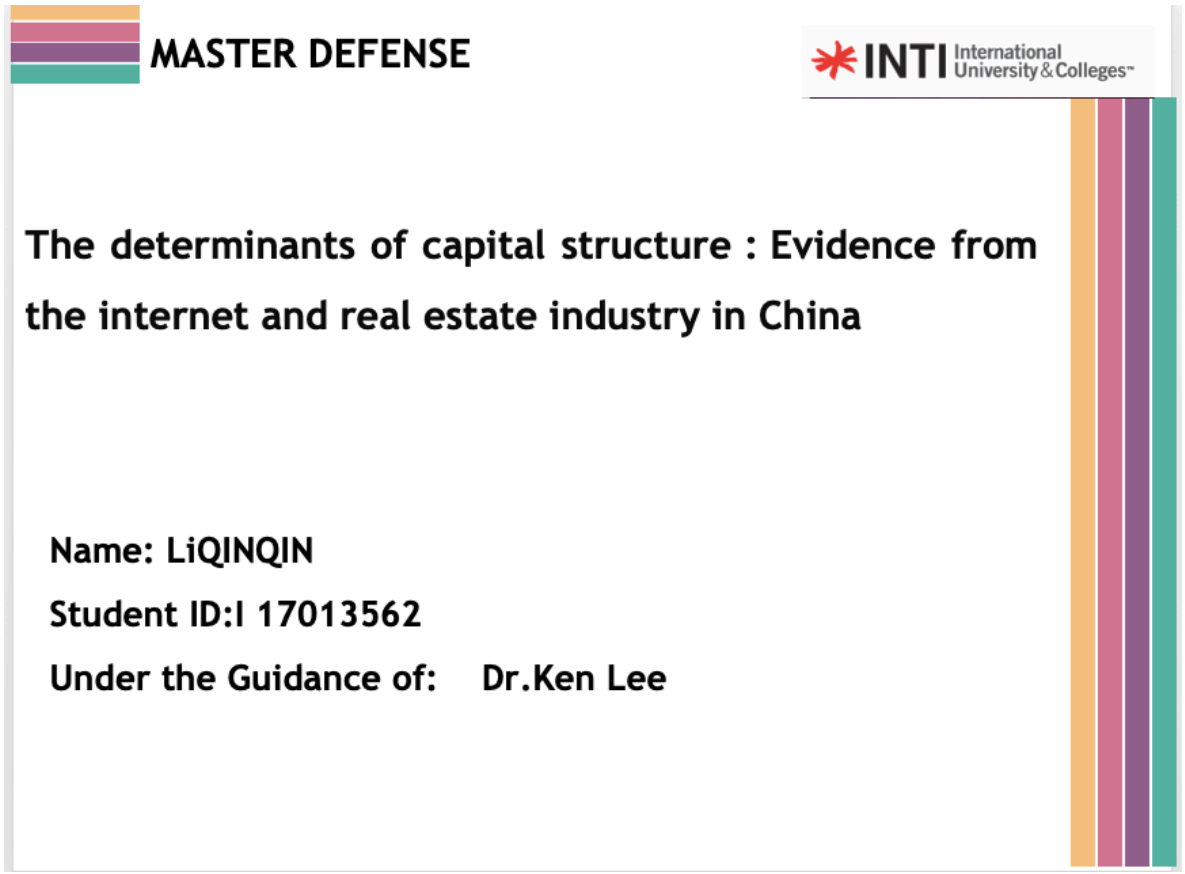
The purpose of regression analysis are used in this study is for estimate the relationships among variables and To confirm which factor is the significant for dependent variable.

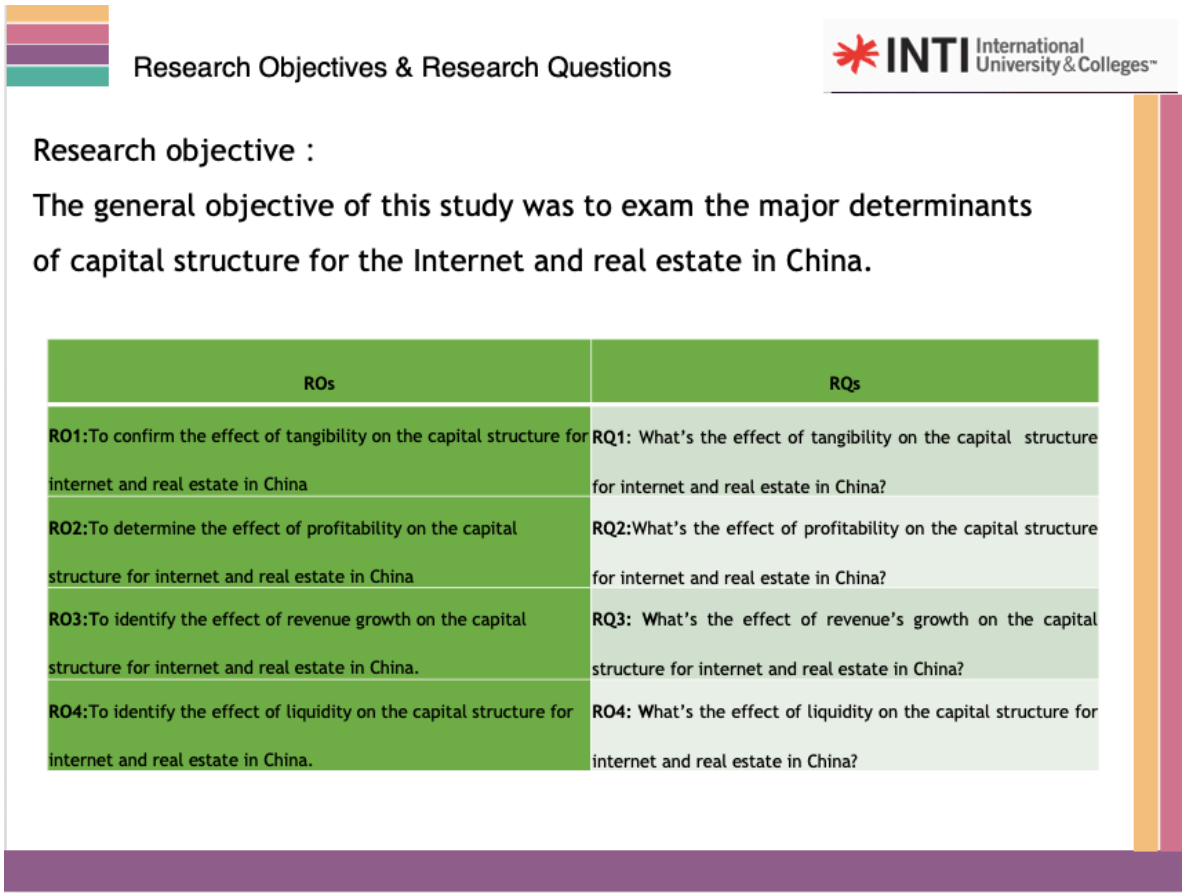
Formula used

	Items	Formula	Purpose
1	Tangibility	Tangibility= Fixed Assets + Inventory/ Total assets	The tangible assets of a firm are considered one of the main guarantees for creditors , therefore tangible is an indicator measure firm's financing capacity(Padron et al, 2015).
2	Profitability	Profitability=EBITDA/ Total assets	Profitability is one factor for analysis financial statement and company performance.Hence, it is used to evaluate a company's capability of generating profits from its operations (Sayilgan et al, 2016).
3	Revenue growth	Revenue growth = (Revenue this year/Revenue last year)-1	The purpose of use revenue growth in this paper is helps scholar to measure how fast a firm is enlarge(Ghosh et al,2015).
4	Liquidity	Current ratio= Current assets/Current Liabilities Quick Ratio= (Current Assets-Inventory)/ Current Liabilities Cash ratio= (Cash and Cash equivalents+Short-Term investments)/ Current liabilities	Liquidity is measure the ability of a company pay off its liability and other obligations with current assets(Pástor and Stambaugh, 2013).


Feedback for Enhancement
Thank you

Appendix 4: Viva Slides





Conceptual Framework

The study analysis the determinants of capital structure for internet and real estate industry in China based on the fours factors affect on capital structure.

Independent Variable

H1: Tangibility
H2 : Profitability
H3 : Revenue growth
H4 : Liquidity

Dependent Variable

Capital structure of internet and real estate industry in China

Hypotheses

For this research, the key aim is the determinants of capital structure for internet and real estate industry in China. In this section, test these hypotheses to find out which factors are relevant to capital structure for Chinese companies of internet and real estate industry. Make the following assumptions based on the Research objectives.

H1: Tangibility has a significant influence on capital structure for internet and real estate industry in China.

H2: Profitability has a significant influence on capital structure for internet and real estate industry in China.

H3: Revenue growth has a significant influence on capital structure for internet and real estate industry in China.

H4: Liquidity has a significant influence on capital structure for internet and real estate industry in China.

Data analysis

1.Descriptive analysis

Descriptives

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Capital structure	217	-13.700000	5.98000000	.780364951	1.35038215
Tangibility	217	.010000000	.840000000	.281208067	.188620115
Profitability-OPM	217	-133.18000	110.990000	-.03936978	13.7845471
Revenue growth	217	-2.5000000	61.7700000	.660588479	4.37676695
Liquidity-Current ratio	217	.560000000	29.3400000	3.12096774	3.46595565
Valid N (listwise)	217				

In this research, N=217 because 217 firms were selected, the data of period for four years from Internet and real estate industry.

According to descriptive statistics shows that the data on profitability was a huge range from Minimum to Maximum, the standard deviation was around 13.78. The data indicate a fluctuation tendency of profitability on an enterprise is higher than other finical ratios.

Data analysis

2.Correlations analysis

Correlations on capital structure and tangibility

Correlations

		Capital structure	Tangibility
Capital structure	Pearson Correlation	1	.318**
	Sig. (1-tailed)		.000
	N	217	217
Tangibility	Pearson Correlation	.318**	1
	Sig. (1-tailed)	.000	
	N	217	217

**. Correlation is significant at the 0.01 level (1-tailed).

A bivariate correlation was undertaken between the ratio measure capital structure and tangibility. It was hypothesized that a positive relationship would exist between the two variables. Results of the correlation shows that higher DE ratio(Debt to equity ratio was used measure capital structure) are associated with higher tangibility assets($R=.318, p<0.05$).

Data analysis

2.Correlations analysis

Correlations on capital structure and profitability

Correlations

		Capital structure	Profitability-ROE
Capital structure	Pearson Correlation	1	-.606**
	Sig. (1-tailed)		.000
	N	217	217
Profitability-ROE	Pearson Correlation	-.606**	1
	Sig. (1-tailed)	.000	
	N	217	217

**. Correlation is significant at the 0.01 level (1-tailed).

It was an assumption that a positive relationship between capital structure and profitability. According to the correlation test on capital structure and profitability shows that higher DE ratio of capital structure is associated with higher profitability(r=-.606,p<.05).

Data analysis

2.Correlations analysis

Correlations on capital structure and revenue growth

Correlations

		Capital structure	Revenue growth
Capital structure	Pearson Correlation	1	-.004
	Sig. (1-tailed)		.479
	N	217	217
Revenue growth	Pearson Correlation	-.004	1
	Sig. (1-tailed)	.479	
	N	217	217

Based on the correlation test shows that the R=-.004,p>.05 which indicate that higher DE ratio does not exist a positive relationship between the capital structure and revenue growth.

Data analysis

INTI International University & Colleges

2.Correlations analysis

Correlations on capital structure and liquidity

Correlations

		Capital structure	Liquidity-Quick ratio
Capital structure	Pearson Correlation	1	-.167**
	Sig. (1-tailed)		.007
	N		217
Liquidity-Quick ratio	Pearson Correlation	-.167**	1
	Sig. (1-tailed)	.007	
	N	217	217

Double-click to activate

**. Correlation is significant at the 0.01 level (1-tailed).

A bivariate correlation confirmed the relationship between capital structure and profitability. It was a hypothesis that a positive relationship would exist between the DV of capital structure and IV of profitability. The result of the test indicates that a higher DE ratio is associated with higher liquidity(r=-.107,p<.05).

Data analysis

INTI International University & Colleges

3. T-test analysis

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Capital structure	Equal variances assumed	1.916	.168	-1.856	213	.065	-.37678369	.203040013	-.77700883	.023441455
	Equal variances not assumed			-1.378	70.618	.173	-.37678369	.273525496	-.92222911	.168661739
Tangibility	Equal variances assumed	10.015	.002	3.930	213	.000	.108102115	.027503658	.053887898	.162316332
	Equal variances not assumed			3.507	90.977	.001	.108102115	.030821825	.046878137	.169326093
Profitability-OPM	Equal variances assumed	3.430	.065	.109	213	.913	.227604997	2.08975064	-3.8916360	4.34684599
	Equal variances not assumed			.166	175.202	.869	.227604997	1.37308287	-2.4823068	2.93751675
Revenue growth	Equal variances assumed	.001	.970	.275	213	.784	.182378516	.663396643	-1.1252850	1.49004202
	Equal variances not assumed			.373	212.576	.710	.182378516	.489150978	-.78182922	1.14658626
Liquidity-Current ratio	Equal variances assumed	1.290	.257	-.428	213	.669	-.22452456	.524650998	-1.2586977	.809648538
	Equal variances not assumed			-.498	161.408	.619	-.22452456	.451286118	-1.1157110	.666661848

In relations to the Tangibility variable, Levene's test was significant .Consulting the t-value, df and two-tail significance, there was a significant differences are apparent(P<.05).There is a significant difference in tangibility between the internet industry and real estate industry, t=(213) =3.930,p<.05.

Data analysis

4.Multiple regression analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.413[a]	.170	.164	1.49405146

a. Predictors: (Constant), Year Dummy3, Profitability-OPM, Revenue growth, Tangibility , Yea r Dummy2, Liquidity-Current ratio, Yea r Dummy

b. Dependent Variable: Capita structure

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.461	.140		10.408	.000
	Tangibility	1.838	.166	.349	11.060	.000
	Profitability-OPM	-.001	.001	-.031	-.970	.332
	Revenue growth	.054	.022	.086	2.484	.013
	Liquidity-Current ratio	-.192	.028	-.234	-6.735	.000
	Year Dummy1	-.035	.145	-.009	-.240	.810
	Year Dummy2	-.279	.144	-.074	-1.931	.054
	Year Dummy3	-.180	.144	-.048	-1.250	.212

a. Dependent Variable: Capita structure

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	391.705	7	55.958	25.069	.000[b]
	Residual	1906.290	854	2.232		
	Total	2297.995	861			

a. Dependent Variable: Capita structure

b. Predictors: (Constant), Year Dummy3, Profitability-OPM, Revenue growth, Tangibility , Yea r Dummy2, Liquidity-Current ratio, Yea r Dummy

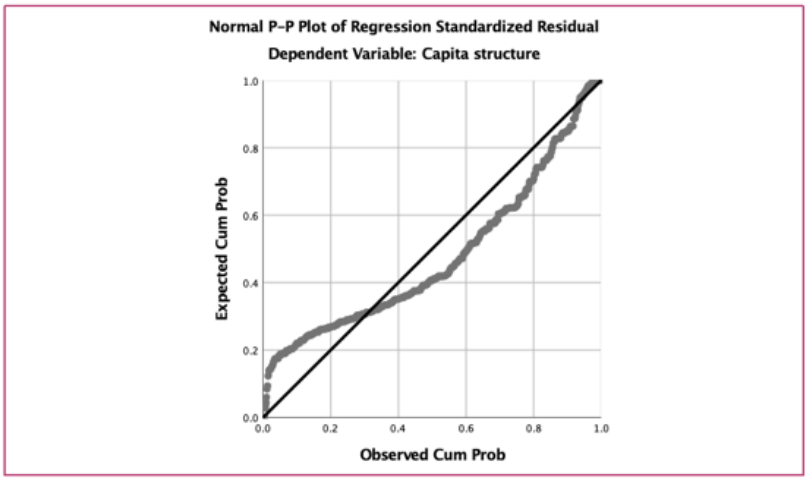
Both independent variables together explain 17 percent of the variance(R-Square) in capital structure, which is highly significant as indicated by the F-value of 25.069 in the table left.

An examination of the t-values indicates the tangibility to the prediction of capital structure(t-value=11.060).

We can summarize that tangibility, revenue growth and liquidity are significant predicts of capital structure, F(7,854)=25.069,p<.05.

Data analysis

4.Multiple regression analysis



The normal plot of regression standardized residuals for the capital structure also indicates a relatively normal distribution. Hence, we can summarize that there is a clear relationship between the residuals (DV)and the predicted value(IVs).

Hypotheses testing

No	Hypotheses	Results	Tools
H1	Tangibility has a significant influence on capital structure for internet and real estate industry in China.	Accepted	Correlation
H2	Profitability has a significant influence on capital structure for internet and real estate industry in China.	Accepted	Correlation
H3	Revenue's growth has a significant influence on capital structure for internet and real estate industry in China.	Rejected	Correlation
H4	Liquidity has a significant influence on capital structure for internet and real estate industry in China.	Accepted	Correlation

Conclusion and discussion

The aim of this research was to analyze the capital structure determinants of companies for internet and real estate in China. Previous studies depending on the country where the research was conducted have shown a positive or negative relationship between growth, profitability, tangible assets and capital structure.

- The results of the research indicate that tangibility, profitability, and liquidity have a significant influence on the capital structure, while revenue growth has no significant influence on capital structure.
- Compare to determinants of capital structure for the internet and real estate industry, the research results show that tangibility is a significant factor to determine capital structure (debt to equity ratio).
- The result of revenue growth has no significant impact on capital structure supports the trade-off theory view of a negative relationship between firm growth and leverage(Debt to equity ratio).

Limitations and Scope of future research

There are main two limitations and scopes of this study flowing as:

1.Data collection restricted

The study only focuses on the listed internet and real estate companies in China. Furthermore, this research was mainly based on the secondary data from the Chinese stock market. The other data collection tools had not been considered. As a result, the data may not 100 percent accurate. In addition, these data for the period from 2014 to 2017 was used for the study.

2.Discovering other influencing factors

There is clearly cope for more research that an understanding of how capital is structured，how it connects with other factors and what elements of capital structure make a difference.

Feedback for enhancement
Thank you !

Appendix 5: MBA Project Log Book

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RECORD OF MEETINGS

The expectation is that students will meet their supervisors up to seven times and these meetings should be recorded.

Meeting 1

Date of Meeting	4 September 2018
Progress Made	First meet up with supervisor to discuss the problem statement, research objectives
Agreed Action	Read more previous articles to determine objectives
Student Signature	Li Bin Bin
Supervisor's Signature	KZN LZZ

Meeting 2

Date of Meeting	11 September 2018
Progress Made	Discuss the tile and objectives
Agreed Action	Prepare Ethic form
Student Signature	Li Binbin
Supervisor's Signature	KZN LZZ

Meeting 3

Date of Meeting	18 September 2018
Progress Made	Discuss the proposal defence slides
Agreed Action	Prepare Defence Presentation
Student Signature	Li Bin Bin
Supervisor's Signature	KZN LZZ

1

Meeting 4

Date of Meeting	25 September 2018
Progress Made	Proposal defence slides confirmed Ethic form confirmed and submitted
Agreed Action	Design questionnaire
Student Signature	Li Bin Bin Sep. 2018
Supervisor's Signature	KEN LEE

Meeting 5

Date of Meeting	6 October 2018
Progress Made	Ethic form approved
Agreed Action	Modify questionnaire
Student Signature	Li BinBin Oct. 2018
Supervisor's Signature	KEN LEE

Meeting 6

Date of Meeting	13 November 2018
Progress Made	Questionnaire Approved
Agreed Action	Start data collection
Student Signature	Li Bin Bin Nov. 2018
Supervisor's Signature	KEN LEE

Meeting 7

Date of Meeting	30 October 2018
Progress Made	Discuss data analysis
Agreed Action	Doing data analysis
Student Signature	Li Binbin
Supervisor's Signature	KEN LEE

Meeting 8

Date of Meeting	6 November 2018
Progress Made	Modify Chapter 4
Agreed Action	Final draft to be prepared and submitted
Student Signature	Li Binbin
Supervisor's Signature	KEN LEE

Meeting 9

Date of Meeting	13 November 2018
Progress Made	Discussion on final draft
Agreed Action	Prepare viva slides
Student Signature	Li Binbin
Supervisor's Signature	KEN. LEE

Meeting 10

Date of Meeting	20 November 2017
Progress Made	Amendments to be made to final draft
Agreed Action	Prepare for viva presentation
Student Signature	Li BinBin
Supervisor's Signature	KEN LEE

Section D. Comments on Management of Project

(to be completed at the end of the dissertation process)

Student Comments

There are some limititations in the study. The most challenging is data analysis on Chapter 4. Dr. Ken Lee is my supervisor who taught me how to the analysis data. From the bottom of my heart, I would like to express my gratitude to supervisor.

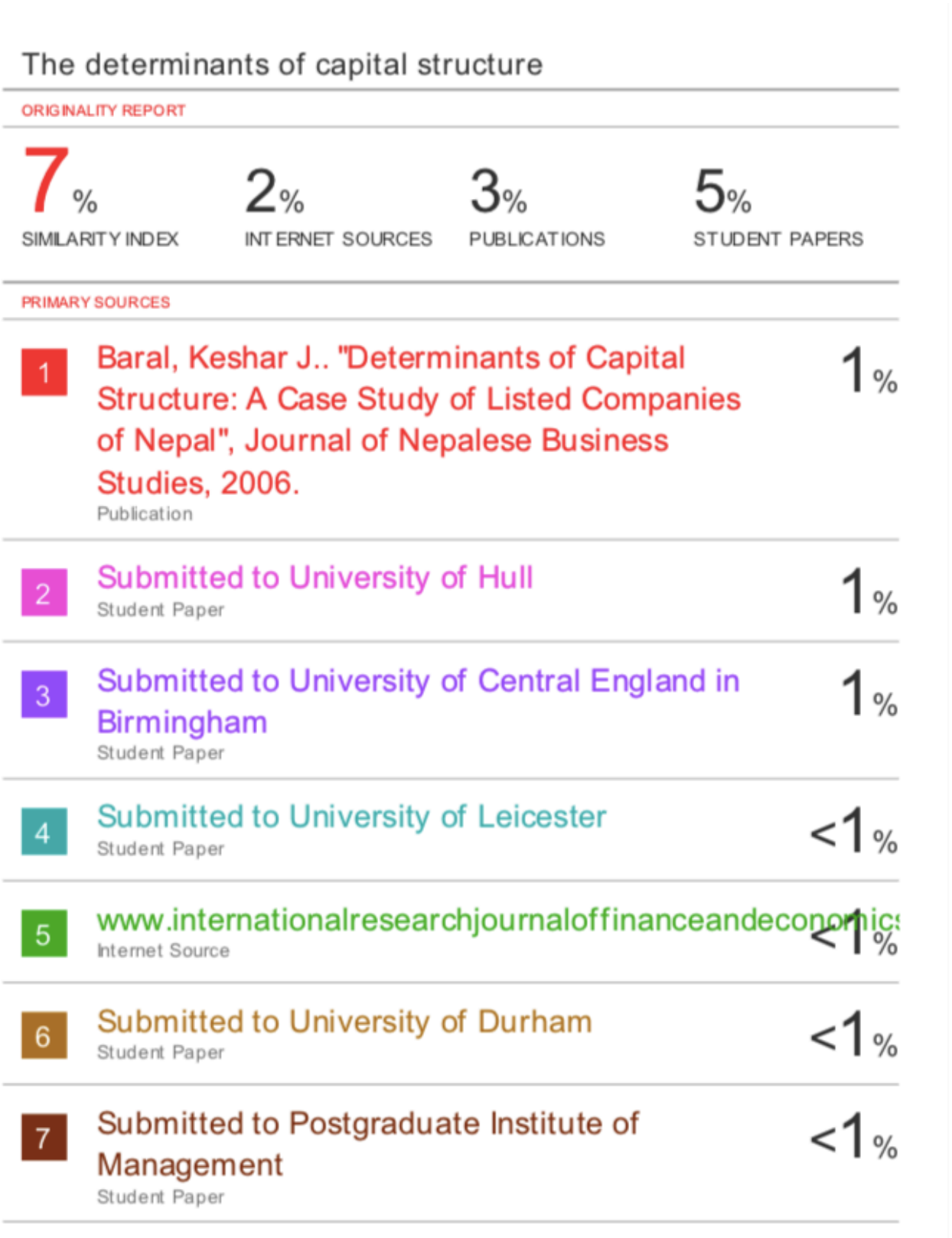
Supervisor Comments

Able to manage the project properly and meet the due date.

Signature of Student	Li Bin Bin	Date	10. Dec. 2018
Signature of Supervisor	KEN LEE	Date	10 DEC 2018
Ethics Confirmed		Date	

4

Appendix 6: Turnitin Report



The determinants of capital structure

ORIGINALITY REPORT

7%	2%	3%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Baral, Keshar J.. "Determinants of Capital Structure: A Case Study of Listed Companies of Nepal", Journal of Nepalese Business Studies, 2006. Publication	1%
2	Submitted to University of Hull Student Paper	1%
3	Submitted to University of Central England in Birmingham Student Paper	1%
4	Submitted to University of Leicester Student Paper	<1%
5	www.internationalresearchjournaloffinanceandeconomics Internet Source	<1%
6	Submitted to University of Durham Student Paper	<1%
7	Submitted to Postgraduate Institute of Management Student Paper	<1%