



Analysis of The Effect of Inflation, Operating Cycle and Operating Cash Flow on Debt's Term Structure

Parviz Mahmoud Aghdam¹ and Amir Mohammadzadeh²

1 Department of Accounting, Electronic Branch, Islamic Azad University, Tehran, Iran

2 Department of Management, Qazvin Branch, Islamic Azad University, Qazvin, Iran

Original Article:

Received 25 Aug. 2016 Accepted 27 Sep. 2016 Published 06 Dec. 2016

ABSTRACT

Structure of capital is one of the important matters in every company. Choosing an appropriate capital structure is an important matter in determining the value of every company and this structure, is the combination of the company's supply of the financial resources. Debts and the rights of the stock holder are components of capital structure. Type of debt used in the Company has influence on the company's risk. Some of the companies for the supplying required financial resources use current debts and financial risk is increased naturally, and some of them use non-current debts. In this study the effect of operating's cycle, operating cash flow and inflation during 1385 to 1392 is analyzed. The number of observations of this study including 98 companies and by using OLS method the hypotheses of the study is tested. The results suggest there is a significant relationship between c operating cash flow and time deadline and there is no significant relation between operating cycle and inflation with the time deadline of the debts.

Keyword:

Debt's Time structure, Inflation, Operations Cycle, Operating Cash flow

* Corresponding author: Mohammadzadeh

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