



The Impact of the Market Timing Theory on the Financial Structure of the Iraq Stock Exchange

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ABSTRACT

Purpose: The study aims to investigate the timing theory and its impact on the financial structure and how to interpret the decisions of the financial structure of the companies registered in the Iraq Stock Exchange.

Theoretical framework: Financial structure decisions are influenced by market timing. an effect of market timing on the financial structure was not continuous over time, but rather for specific periods of time. Basically, the market timing theory according to a scale approved by Wurgler and Baker consists of five sub-dimensions: the firm size, the structure of tangible assets, profitability, the market value of the stock to its book value, the weighted rate of external financing.

Design/methodology/approach: The focus of this study is to test the effect of the market timing theory on the financial structure of the Iraqi industrial companies registered in the Iraq Stock Exchange using the Baker and Wurgler (2002) model. The market timing theory is taken as independent variable, while financial leverage in terms of market- book value is taken as dependent variable. The Panel Data model and the theory equation were used to analyze the study sample of 16 Iraqi companies registered in various

ARTICLE INFO

Article history:

Received 04 May 2023

Received in revised form

04 Jun 2023

Accepted 24 Jul 2023

Keywords: Market timing theory, asset tangibility, panel data model, financial leverage.