

ABSTRACT

This study aimed at examining the determinants of capital structure of listed companies in Tanzania. The capital structure is measured by the ratio of total debts to the total assets over the 2010-2019 periods on 21 companies. The independent variables are size of the firm, growth of the firm, profitability, tangibility, liquidity, uniqueness and assets turnover. For inferential analysis, a random effects model and Arellano-Bond Dynamic Panel data were used to specify and estimate the determinants of capital structure and their effects. Empirical results show that, size of the firm, growth of the firm, profitability, tangibility, Liquidity, uniqueness and assets turnover are significance and also the overall model is significance. These results means that, the determinants of capital structure of listed Companies in Tanzania are size of the firm, growth of the firm, profitability, tangibility, liquidity, uniqueness and assets turnover. Due to the companies with different industry available in Dar es Salaam Stock Exchange in Tanzania, the capital structure should base on the ratio of total debts to the total assets. The main implication of these results is that managers, Governments' policy makers and other companies' stakeholder should consider the major determinants of capital structure while formulating the appropriate policy for a companies' capital structure.

Keywords: Capital structure, determinants.

