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IMPACT OF CAPITAL STRUCTURE ON FIRM'S PROFITABILITY WITH REFERENCE TO COMPANIES LISTED ON MSM (MUSCAT SECURITIES MARKET)

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Abstract. Capital structure is known as one of the most complicated part of corporate finance . A firm's capital structure consists of a mixture of debt and equity that are used to finance the company's assets as well as projects. Capital structure of a company is impacting the profitability of a company. This is analyzed in this research document with reference to 10 selected companies from the Muscat Securities Market (MSM). This analysis is done by analyzing the financial statements of these companies for the latest 5 years. To support this analysis, other secondary data are also used in the testing processes. As a result of this study, a conclusion will be drawn which states that there is no significant impact on the profitability of the companies through the changes in the capital structure of the companies, while the study has identified few other elements with significant impact.

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