

**Impact of Financial Leverage, Size & Asset Structure on Firm Value:
Evidence from Non-Financial-Service Firms in Sri Lanka**

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ABSTRACT

Purpose: This study aims to identify the impact of financial leverage, firm size, and asset structure on firm value, with a focus on non-financial service firms listed on the Colombo stock exchange.

Design/Methodology/Approach: The study is conducted based on quantitative approaches by using financial information from 121 non-financial service firms listed on the Colombo Stock Exchange during the time period from 2018 to 2021 and considering the COVID-19 impact. Regression analysis is used to recognize the impact of financial leverage, firm size, asset structure, and COVID-19 on firm value. This study used financial leverage, firm size, asset structure, and COVID-19 as the independent variables and firm value as the dependent variable.

Findings: The results show that financial leverage and COVID-19 have statistically insignificant impact on the firm value, while firm size and asset structure have a statistically significant relationship with firm value at 5% level.

Originality: This study supports the expansion of existing knowledge on the topic of the impact of financial leverage, firm size, and asset structure on the firm value of non-financial service firms and helps policymakers develop policies on corporate finance and develop strategies to increase firm value and performance by considering factors affecting firm value.

Keywords: *Non-Financial-Service Firms, Financial Leverage, Firm Size, Asset Structure, COVID-19, Firm Value*