

Does Corporate Governance Moderates the Effect of Firm Size on Capital Structure Choices? A Study Based on Listed Manufacturing Companies in Sri Lanka

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The purpose of this study is to investigate the effect of firm size on capital structure choices and whether corporate governance moderates the impact of firm size on capital structure choices. This study collects data from 28 manufacturing companies in the Colombo Stock Exchange (CSE) for the period 2013 to 2017. Descriptive statistics, correlation analysis, and panel regression analysis was used for data analysis to examine the proposed hypotheses. It was found that there is a significant (<0.01) positive association between firm size and capital structure choices. Further, findings reveal that corporate governance does not moderate the effect of firm size on capital structure choices of manufacturing companies in Sri Lanka. These findings are expected to have significant policy implications.

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