

# **A STUDY ON THE CAPITAL STRUCTURE AND FINANCIAL PERFORMANCE OF THE LISTED COMPANIES IN SRI LANKA WITH SPECIAL REFERENCE IN HOTELS& TRAVEL SECTORS**

**Mr. A.M.Sheham<sup>1</sup>**

*<sup>1</sup>Lecturer in Accounting, Department of Accountancy & Finance, Faculty of Management & Commerce, South Eastern University of Sri Lanka, Oluvil , Sri Lanka*

## **ABSTRACT**

This research contacts a study on the capital structure and financial performance of the listed companies in Sri Lanka special reference in hotels& travel sectors.

The common approach in empirical studies has been to examine the relationship between capital structure and financial performance. Problem of this research is to study how the capital structure negatively or positively influences on signaling the firm's performance. The sample of this study composed of twenty companies listed in the hotels& travel sectors and period of 5 five years from 2009 to 2013. The required data and information for the study were gathered from published annual reports, hand book of listed companies in CSE from 2009 to 2013. The relationship between independent variable capital structure and dependent variable financial performance were tested by correlation analysis and regression analysis.

It is focused on the overall point of view of the relationship between the capital structure and financial performance. There is a positive relationship between the capital structure and financial performance. This results that the researchers and interested parties of this research area are able to obtain information.

**KEY WORDS:** Capital Structure, Financial performance