

**CAPITAL STRUCTURE AND FIRM PERFORMANCE: A CASE OF SMALL NON-LISTED COMMERCIAL FIRMS.**

Anila Çekrezi, University "A.Xhuvani", Elbasan, Albania  
Agim Kukeli, University of New York-Tirana, Tirana, Albania

[dx.doi.org/10.18374/JIFE-13-3.4](https://doi.org/10.18374/JIFE-13-3.4)

**ABSTRACT**

This study's objective is to investigate the impact of capital structure choice on firm performance. We use two performance measures; return on equity (ROE) and return on assets (ROA) as dependent variables and four independent variables ; capital structure (measured through short-term debt, long-term debt and total debt ratio), tangibility (TANG), firm's size (SIZE), and asset turnover (TURN). The investigation uses cross-sectional time series data for a sample of 69 non- listed commercial firms, which operate in Albania, over the period 2008-2011. The data are taken from balance sheets and include only accounting measures on the firm's performance. The results revealed a significant negative relation of ROA to capital structure while the relation of ROE, SIZE and TURN to capital structure is positive and significant.

Keywords: *Firm Performance, Accounting Measures, Capital Structure, Albania.*