LIST OF ABBREVIATIONS

- Age : Number of Years Since Incorporation
- BSOD : Bombay Stock Exchange Official Directory
- CMIE : Centre for Monitoring Indian Economy
- Coll. : Collaterals i.e. fixed assets to total assets
- D/E : Debt Equity Ratio
- $G_1$ : Growth measured as percentage change in net sales
- $G_2$ : Growth measured as percentage change in total assets
- $G_3$ : Growth measured as percentage change in earnings before interest and taxes
- $K_{dat}$ : Cost of Debt After Tax
- $K_{dbt}$ : Cost of debt before tax
- $K_{e1}$ : Cost of Equity Capital computed by taking growth rate on annual basis
- $K_{e2}$ : Cost of Equity Capital Computed by taking compound growth rate calculated on five-year basis
- $K_{o1}$ : Overall Cost of capital computed by taking into account $K_{dat}$, $K_p$ and $K_{e1}$ multiplied by their respective weights in financing mix.
- $K_{o2}$ : Overall Cost of capital computed by taking into account $K_{dat}$, $K_p$ and $K_{e2}$ multiplied by their respective weights in financing mix.
- $K_p$ : Cost of Preference Share Capital
- $K_r$ : Cost of Retained Earnings
- $L_1$ : Leverage measured in terms of funded debt to equity (including Pref. Capital).
• **L_2**: Leverage measured in terms of funded debt to equity (excluding Pref. Capital).

• **L_3**: Leverage measured in terms of interest bearing debt (long term interest bearing debt + short term interest bearing debt) to equity.

• **L_4**: Leverage measured in terms of total debt (long term loans plus short-term loans including current liabilities) to equity.

• **Liq.**: Liquidity as measured by current assets to current liabilities.

• **MNC**: Multinational Corporation

• **NDTS**: Non-Debt Tax Shields such as Depreciation Test Credit and Pension Funds

• **P_1**: Profitability i.e. earnings before interest and taxes to net sales

• **P_2**: Profitability i.e. earnings before interest and taxes to total assets

• **ROG**: Return on Government Securities

• **RTA**: Reserves and Retained Earnings to Total Assets

• **S_1**: Natural logarithm of Net Sales

• **S_2**: Natural logarithm of Total Assets

• **SPSS**: Statistical Package for the Social Sciences

• **T**: Tax Rate

• **WACC**: Weighted Average Cost of Capital