Abstract

In this work we study the capital structure of the firms in the Chilean stock market performing a comparative analysis based in the theory of asymmetric information. The theory assures that high quality firms "signal" their condition to the market place in order to set up a separating equilibrium. By doing so, these firms will differentiate themselves from those of lower quality (Akerlof, 1970). Firms in the Selective Price Index (ipsa) in the Chilean market have been considered as those with less asymmetric information compared with the other quoted firms which embody the group of firms with higher asymmetric information. It was determined that being part of the index involves a reduction in the informational gap with the capital markets and that the higher visibility of indexed firms provides them with a straightforward access to the debt market.

Keywords

Stock market, Chile, capital structure, asymmetric information, panel data.