ECONOMIC THEMES (2025) 63(3): 329-352

DOI 10.2478/ethemes-2025-0019

ENHANCING FIRM PERFORMANCE THROUGH ALIGNING ASSETS WITH CAPITAL STRUCTURE: EVIDENCE FROM SERBIA

Veljko Dmitrović

University of Belgrade, Faculty of Organizational Sciences, Republic of Serbia

✉ *veljko.dmitrovic@fon.bg.ac.rs*

Bojana Novićević Čečević

University of Niš, Faculty of Economics, Republic of Serbia

✉ *bojana.novicevic@eknfak.ni.ac.rs*

Miroslav Čavlin

University Business Academy in Novi Sad, Faculty of Economics and Engineering Management, NoviSad, Tech - College of Applied Sciences, Subotica, Republic of Serbia

✉ *cmiros@gmail.com*

UDC 336.64 (497.11)

Original scientific paper

The primary objective of this research is to examine whether the structure and growth of assets can influence capital structure of companies, with the aim of improving business performance. To achieve this goal, a multiple linear regression model was developed after testing all the necessary conditions for its application. The research sample included 88 companies ranked among the most successful by revenue in the Republic of Serbia for the year 2023. Secondary data were collected from financial statements over a five-year period (2019–2023). The dependent variable is the capital structure, defined as the ratio of Total Liabilities to Total Equity. The independent variables are: asset structure (measured as the ratio of Fxed Assets to Total Asssets), asset growth (percentage increase compared to the previous year), and firm size (natural logarithm of total assets). The results of the conducted analysis showed that all independent variables have a statistically significant impact on the capital structure of companies in the Republic of Serbia, with the effect of asset growth being positive, while the impact of the other two variables used in the study is negative.

Received: 04.06.2025
Accepted: 30.09.2025

Keywords: capital structure, asset structure, asset growth, firm size

JEL classification: O16, D22, L25, M41

1. Introduction

Making timely and adequate strategic financial decisions in line with the asset structure of a company is essential for ensuring sustainable growth as well as competitive advantage in the contemporary business environment. In both theory and practice, determining the appropriate unit of optimal capital structure remains a challenge. The importance of an adequate ratio implies the achievement of profitability, lower cost of capital, liquidity, and the overall improvement of company performance.

This paper examines the relationship between the asset structure and the capital structure of companies, considering their mutual alignment with the aim of improving performance. The implications concerning the relationship between assets and sources of financing are also addressed. The research is focused on the domestic market, which is characterized by limited access to capital and institutional inefficiency. In addition to these factors, the dominance of the banking sector in the Republic of Serbia is evident, and together with the aforementioned, significantly influences financial decision-making. In summary, the Republic of Serbia is in a transitional phase or a model of capitalism, where the market is bank-centered, making it difficult to imagine companies operating without borrowed sources. The objective of managers is reflected in the pursuit of profit while seeking an optimal balance between equity and debt financing (Milanović et al., 2017).

Theoretical analysis suggests that the concept of aligning asset structure with capital structure is normatively desirable; however, in the Republic of Serbia its practical implementation encounters numerous obstacles. The challenging situation is reflected in the limited access to capital markets, the specific characteristics of the financial sector, and the continuous confrontation with the challenges of a transitional economy. In such complex and turbulent circumstances, understanding the relationship between asset structure and capital structure gains additional importance.

The aim of this paper is, in addition to the practical analysis, to provide a theoretical examination of the relationship between asset structure and capital structure. The emphasis is in exploring and analyzing how their relationship and alignment can enhance company performance, with a practical focus on the characteristics and specificities of the business environment in the Republic of Serbia.The methodological approach of this paper is based on the analysis of relevant international and domestic literature, its comparative review, and a critical consideration of its applicability within the specific context of the Serbian market.

2. Literature review and hypothesis development

The focus of the research is based on understanding the relationship between asset structure and capital structure. It begins with an examination of the fundamental concepts and terminology, followed by a consideration of theoretical models and approaches that contribute to financial decision-making and explain as well as define their underlying mechanisms. The paper will include an overview of capital structure, an analysis of the impact of asset structure on capital structure, the effect of asset growth on the structure of resources, and the influence of company size on the structure of resources.

Capital Structure

Capital structure represents the relationship between a company's equity and debt, that is, it reflects the sources of financing or the manner in which the company is financed. Asset structure represents the proportion or relationship between fixed assets and total assets owned by the company (Albart & Purnomo, 2024). Different theories suggest that the ratio of equity can be 3:1, 2:1, or 1:1, depending on the theoretical perspectives of individual authors. In any case, it is not advisable for equity to be lower than borrowed funds (Žarkić Joksimović, 2005). Establishing an adequate capital structure represents a significant challenge, and corporate finance managers must therefore exercise great caution (Desliniati & Sundiman, 2017).

According to the Rulebook on the Chart of Accounts (2020), equity includes share capital, retained earnings, and other reserves, while debt capital comprises long-term liabilities to external creditors. In general terms, the combination or ratio of financing sources that minimizes the cost of capital represents the optimal capital structure. However, a specific ratio of equity to debt cannot be universally defined as optimal, since it depends on numerous factors. The most significant among them are the availability of external financing, business risk, company size, and asset structure.

One of the most frequently examined theories is the theory of capital structure. According to this theory, a company's cost of capital is influenced by its financial mix, which in turn affects the firm's value. By balancing the cost of equity and debt, an ideal capital structure can be achieved, one that has the potential to optimize company value. In line with this theory, the financial mix affects the cost of capital, and consequently the value of the firm. Striking a balance between the costs of debt and equity represents the ideal capital structure that maximizes firm value (Istan, M., 2024). The importance of an adequate capital structure lies in its potential to positively impact firm value (Desliniati & Sundiman, 2017), which constitutes a critical parameter. Moreover, asset structure, earnings volatility, and financing flexibility all influence capital structure, and thereby company performance (Istan, M., 2024).

Over time, several theories have been presented that provide explanations regarding corporate activities in the choice of capital structure**.**

The Modigliani–Miller (MM) theory argues that under perfect market conditions, capital structure does not affect firm value (when excluding taxes, transaction costs, and information asymmetries). In their subsequent research, however, they include taxation and conclude that due to the tax shield, debt financing becomes more favorable. The MM theory suggests that the value of a company increases with a higher proportion of debt in the capital structure, provided that the capital structure has not yet reached its optimum. Once the optimal capital structure is achieved, firm value can further increase through stock prices, thereby maximizing the wealth of owners and shareholders. The above indicates that a higher level of capital structure is associated with greater firm value (Desliniati & Sundiman, 2017).

Trade-off theory advocates an optimal level of indebtedness that represents a balance between the costs of financial distress (such as restructuring and bankruptcy) and the tax benefits provided by debt.

Pecking order theory advocates a hierarchical system guiding firms in their choice of financing sources. Companies first rely on internal funds, then on debt financing, and finally on the issuance of equity.

Agency theory addresses the key issue of corporate governance, namely the conflict of interest between managers and owners, and explains how different forms of financing influence managerial decision-making.

With regard to the time aspect, the tendency is that the time dimension of asset use should correspond to the maturity of financing sources. According to this concept, it is recommended that fixed assets be financed through long-term sources, which include equity and long-term liabilities, while current assets should be financed through short-term liabilities (Žarkić Joksimović, 2005). Aligning financing methods with assets of compatible maturity promotes financial stability, which facilitates cooperation with creditors, attracts investors, and eases cash flow management. Negative consequences that may occur (also considering the stage of the company's life cycle) include illiquidity, deterioration of firm performance, and increased refinancing costs. Effective use of assets to generate revenue ensures an optimal asset structure, while balancing the costs and benefits of leverage is achieved through efficient debt management in order to support operational efficiency (Albart & Purnomo, 2024). The trade-off between debt costs and tax shields can help create an optimal capital structure (Vidučić, 2001).

Considering both regional and wider European environment of the Republic of Serbia, research conducted in the Republic of Croatia concludes that there is a tendency of increasing indebtedness across all countries; however, the older European Union member states rely more heavily on debt financing than the newer

members or candidate countries (Harc, 2019). Since managers make business decisions at appropriate levels, contemporary conditions reveal that the traditional support functions of management are no longer clearly delineated but rather represent a distinctive mix (Čavlin et al., 2025). Numerous factors influence decision-making in the new era, where digitalization has reshaped the business landscape, particularly in terms of the speed of decision-making.

On the other hand, where banks are in focus—when considering the indicator Equity per Employee—the level of equity reflects which portions of bank's assets are financed by its own capital. Equity represents the safeguard for the bank's depositors and creditors (Dmitrović et al., 2015).

The Impact of Asset Structure on Capital Structure

The structure of assets plays a decisive role in shaping financial decisions, considering composition, utilization, and turnover, with particular emphasis on liquidity. One of the important principles of financial management is achieving harmony between asset elements and financing sources. When such harmony is attained, the risks of illiquidity and financial instability are reduced. Conversely, a lack of adequate alignment may also lead to a decline in operational efficiency.

A company's total assets consist of fixed and current assets. The recommended composition depends on the company's industry, size, and legal form. This also determines the appropriate ratio of intangible, tangible, and financial long-term assets within fixed assets, as well as the structure of inventories, receivables, and cash within current assets. The higher the share of tangible assets, the lower the risk for creditors, and accordingly, the greater the value of assets in the event of bankruptcy or liquidation (Novićević Čečević et al., 2024). Therefore, asset structure is one of the factors influencing a company's capital structure (Lestari et al., 2023).

The research findings indicate that asset structure has a positive and significant impact on capital structure (Lestari et al., 2023). It is evident that there is a relationship between tangible assets and capital structure when considering the variability of supply and demand in relation to corporate assets (Campello & Giambona, 2013).

In shaping capital structure, the characteristics of assets play a crucial role, reflected in their liquidity, useful life or depreciation period, turnover, and degree of specialization. In practice, companies with a higher share of fixed assets find it easier to borrow, due to the provision of collateral. Research shows that the greater the amount of assets available for use as collateral, the higher the proportion of owned assets, and consequently, the capital structure (Desliniati & Sundiman, 2017).

Rajan & Zingales (1995) emphasize that a higher share of tangible assets correlates with greater indebtedness, and this positive correlation is explained by the fact that tangible assets serve as more secure collateral for debt. Titman & Wessels

(1988) note that firms with a tendency to avoid debt generally have a higher share of intangible assets, which are difficult to use as collateral. However, this situation has changed over the decades, as intangible assets have gained importance.

Heliani et al. (2022), in their study, analyzed the impact of asset structure, firm size, liquidity, profitability, and sales growth on the capital structure of pharmaceutical companies listed on the Indonesia Stock Exchange (IDX) during the period 2016–2020. The results showed that asset structure did not have a statistically significant impact on capital structure. In other words, the way a company's assets are allocated was not a factor that significantly explained the debt-to-equity ratio of these firms.

In developing countries, capital structure tends to be strongly influenced by asset structure. In such business environments, institutional factors—such as the development of financial markets—can significantly affect these relationships (Booth et al., 2001). Hierarchical financing, according to the pecking order theory, is conditioned by asset structure, since different forms of risk are initiated by different types of assets (Myers, 2001).

Internationally accepted rules are also confirmed in the case of the Republic of Serbia. Long-term financing sources are more frequently used in companies where fixed assets dominate. The underdevelopment of the capital market is identified as a limiting factor in the choice of capital structure. In addition, information asymmetry often leads to internal sources and short-term loans being selected as common means of financing, regardless of asset structure. With regard to firm size, smaller companies are more often in a position of weaker creditworthiness and therefore less able to rely on long-term financing. The above indicates a misalignment between assets and capital. A positive direction lies in diversifying financing sources, where possible. Greater emphasis should be placed on cash flow planning and strengthening internal controls in order to reduce financial risk.

According to Tijow et al. (2018), asset structure has a significant impact on the shaping of a company's capital structure. The greater the share and complexity of assets, particularly fixed assets, the stronger a firm's ability to secure and guarantee long-term liabilities. Larger firms, due to the scale of their assets, generally have easier access to external financing than smaller firms, which makes them more inclined to use higher levels of debt. Consequently, there is a positive relationship between asset structure and capital structure, a finding confirmed by the results of several studies.

Although the analysis of financial statements and company operations may suggest that, in some real cases, an optimal capital structure has been achieved, it is very challenging—if not impossible—to define what the optimal capital structure ratio would be in real business practice, and even more difficult to measure its impact on firm value according to that criterion (Vidučić, 2001).

The Impact of Asset Growth on Capital Structure

In order to analyze the impact of asset growth on capital structure, it is necessary to examine in detail the life cycle of assets, including the degree and period of depreciation. The characteristics of assets influence the optimal capital structure. With respect to asset structure, the most important parameters are long-term nature and degree of liquidity, as these affect the balance between equity and debt as well as the choice of financial instruments. The alignment of asset maturity with financing sources ensures stability and efficiency in financial management (Žarkić Joksimović, 2005). Research findings indicate that both asset structure and asset growth significantly influence capital structure (Ayem & Agustina, 2024).

Depending on their legal form, industry, size, and the market in which they operate, each company has different opportunities for growth and development. This affects the various modalities of decision-making by financial and other managers. Firms whose shares are listed on stock exchanges and that use them for operational financing formally enable higher growth prospects in the future. In contrast, companies with limited growth opportunities tend to have a higher share of long-term debt in their structure. Capital structure can also be analyzed through the lens of capital markets, where both systematic and unsystematic.risk must be considered (Desliniati & Sundiman, 2017).

Capital structure is influenced by asset structure, sales growth, and profitability. These factors can be utilized by management to improve a company's capital structure, while shareholders also take them into account when making investment decisions (Dharmawan et al., 2021).

In addition, asset growth influences a company's ability to secure more favorable borrowing conditions. Firms that demonstrate stable trend of asset growth generally exhibit greater creditworthiness, as they signal to creditors that they possess sufficient resources to service their obligations. In this way, a larger volume of assets can enable lower borrowing costs and improved access to various sources of financing. However, if asset growth is not accompanied by adequate profitability, there is a risk of excessive indebtedness, which may jeopardize financial stability and lead to problems in the capital structure.

Macroeconomic factors such as interest rates, inflation, and the regulatory framework significantly affect capital structure. Under conditions of high interest rates, firms tend to rely more on internal sources of financing, whereas in more favorable conditions they resort to long-term borrowing to finance asset growth. The regulatory framework, particularly standards related to reporting and risk management, further shapes managerial decisions regarding capital structure. Therefore, it can be concluded that analyzing the impact of asset growth on capital structure requires a multidimensional approach that encompasses both internal firm characteristics and the external economic environment (Frank & Goyal, 2009).

Padillah et al. (2024), analyzing companies listed on the Indonesian Stock Exchange, found that asset growth had a negative and insignificant effect on capital structure, while asset structure and sales growth had a positive and significant effect. A similar conclusion is drawn by Putri (2024), focusing on companies from the JII index, which showed that asset growth positively and significantly affected capital structure. These divergent results highlight the importance of considering specific institutional and sectoral contexts when interpreting the impact of asset growth on firms' financing choices.

The Impact of Firm Size on Capital Structure

According to the Accounting Act of 2013, as well as the current Act of 2019, companies are classified as micro, small, medium, and large. Small and medium-sized enterprises (SMEs) are often reliant on internal sources of financing, regardless of the equity-to-debt ratio, due to low credit ratings and high borrowing costs. In such cases, the decisive factors are often the terms and availability of credit, rather than the achievement of a theoretical optimum. Internal financing sources are more prominent, not primarily because of information asymmetry, but due to unfavorable external conditions. A common problem is the misalignment of owner and managerial objectives, which is also evident in family businesses. This situation further complicates decision-making regarding financing capital structure.

An indicator of firm size is the total value of assets and the total revenues generated by the company (Ariyani et al., 2018). Firm size significantly influences its value, since the larger the company, the more investors are likely to be interested in investing, as they perceive the firm to be capable of generating profit and, more generally, of managing its operations effectively (Boenyamin & Santioso, 2023).

Firm size has the ability to moderate the impact of asset structure and asset growth on capital structure (Ayem & Agustina, 2024). Moreover, some studies suggest that firm size has a partially positive and significant effect on capital structure (Feni et al., 2021). Other research concludes that asset structure, asset growth, and firm size all positively influence capital structure (Ristianti et al., 2023). Firm size is correlated with capital structure: the larger the company, the higher its level of indebtedness (Fadhilla, 2023). Research also indicates that asset growth and asset structure have a positive and significant effect, while business risk and leverage have a negative and significant effect on capital structure (Milenia & Sha, 2023).

The results of the study conducted by Zulkarnain (2023) indicate that firm size has a positive but not significant effect on capital structure, while asset growth has a positive and significant effect. Sales growth shows a negative but not significant effect on capital structure.

Mardan et al. (2023), investigating 103 manufacturing firms in Indonesia during the period 2011–2017, obtained results consistent with the trade-off theory. Specifically, they found a positive and significant effect of firm size on capital structure. Larger firms, therefore, have a greater ability to meet interest obligations. Similar results were also reported by Pandey (2004).

Some studies indicate the existence of a negative relationship between firm size and capital structure. Rajan & Zingales (1995) found that as firm size increases, the tendency to use debt decreases, since larger firms more frequently choose to finance through equity. A similar conclusion was reached by Cooley & Quadrini (2001).

Examining the impact of long-term financing on the performance of 95 firms in the textile industry, Tauseef et al. (2015) concluded that firm size has a positive but not significant effect.

At the end of the literature review, it can be concluded that in developed market economies, economic factors are emphasized and business strategies are implemented, whereas in the Republic of Serbia regulatory and institutional factors play a significant role. Developed markets have access to a wide range of financial instruments, while in Serbia this access is drastically limited - implying greater difficulties in aligning asset structure with capital structure. A stable legal system and lower transaction costs create conditions for long-term borrowing, with both tangible and intangible assets serving as collateral. In less developed countries, where markets are more turbulent, the decision-making process is considerably more complex.

Based on the above, we have defined the following research hypotheses (Doloksaribu & Hutabarat, 2019; Santosa, 2020; Vu et al., 2019; Ayem & Agustina, 2024; Huang & Song, 2006; Gaud et al., 2005):

Hypothesis 1: Asset structure has a negative and statistically significant effect on the capital structure of firms.

Hypothesis 2: Asset growth has a positive and significant effect on capital structure.

Hypothesis 3: Firm size has a negative and statistically significant effect on capital structure**.**

3. Methodology of empirical research

The aim of this research is to determine whether the structure and growth of a company's assets, together with its size, can determine capital structure. The analysis was conducted on a sample of companies included in the list of the 100 most successful companies in 2023, ranked by revenues, as published by the Serbian Business Registers Agency. A large number of companies (87 of them) also appeared on this list in 2022, making it possible to track their business

continuity. Since some companies lacked available data for the analyzed period, and due to the need for data normalization, the final sample for analysis comprised 88 companies, corresponding to 440 observations. The data were collected from official financial statements for the five-year period from 2019 to 2023. Table 1 presents the structure of the observed sample according to the territorial affiliation of the selected companies.

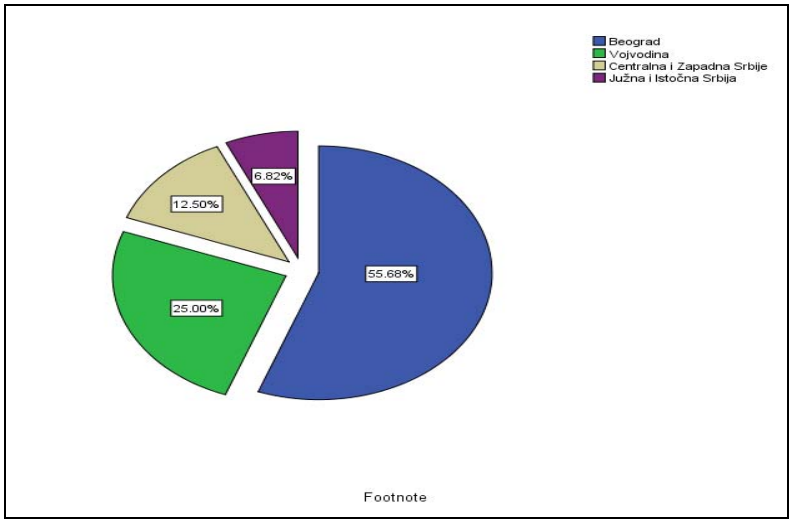
Table 1 Characteristics of the sample- Type of Business Entity

Variables	Frequency	Valid %
Limited Liability Company (LLC)	72	81,8 %
Public Enterprise (PE)	6	6,8 %
Joint Stock Company (JSC)	10	11,4 %
Total	88	100 %

Source: Authors

Out of the 88 companies in the final sample, 87 belong to the group of large enterprises, while one company is medium-sized. When analyzing the ownership structure of the companies, as shown in Table 1, it can be observed that limited liability companies dominate (72 companies, or 81.8%). Public enterprises account for six companies, or 6.8%, while joint-stock companies represent 11.4% (10 companies). An overview of the sample structure from the perspective of territorial affiliation of companies is presented in Figure 1.

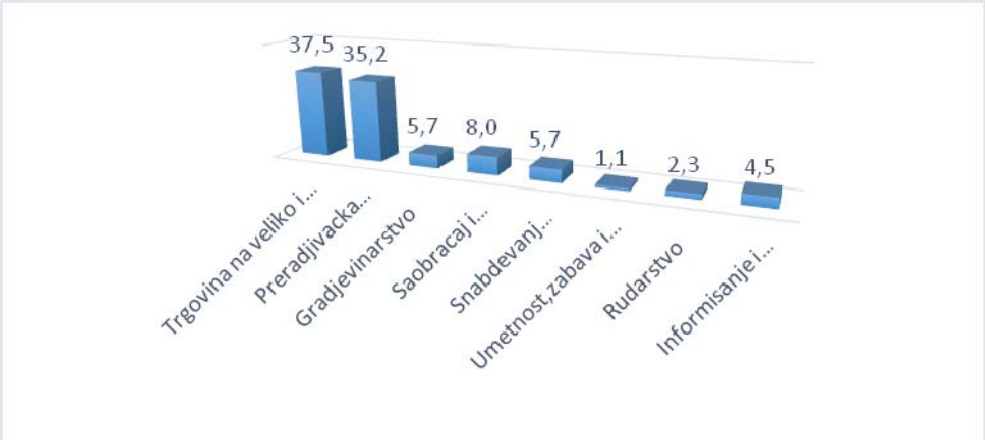
Figure 1. Sample Structure by Territorial Affiliation



Source: Authors

The analysis of the sample by regional affiliation shows that most companies are from the Belgrade region (a total of 49, or 55.7%). Companies headquartered in Vojvodina account for 22 firms, (25% of the sample). Eleven companies (12.5%) are based in Central and Western Serbia, while six companies (6.8%) are from Southern and Eastern Serbia. Figure 2 presents the structure of the sample companies from the territory of the Republic of Serbia according to their business activities.

Figure 2. Sample Structure by Business Activity



Source: Authors

Most of the companies analyzed operate in wholesale trade—33 companies in total (37.5%)—and in the manufacturing industry, with 31 companies (35.2%). Seven companies (8%) are engaged in transportation and storage. Five companies each (5.7%) operate in the sectors of electricity supply and construction, while four companies belong to the information and communication sector. The smallest number of companies in the sample are from the mining sector (2) and the arts, entertainment, and recreation sector (1).

For the analysis of the collected data, the statistical software package IBM SPSS Statistics 21.0 (Statistical Package for the Social Sciences – SPSS, version 21.0) was used. Correlation analysis and multiple linear regression analysis were applied in the research.

Given the subject and objective of the research, the dependent variable in the study is capital structure. Capital structure reflects the way in which a company finances its assets that is the the extent to which management is capable of efficiently carrying out its business activities (Ayem & Agustina, 2024). This indicator represents the ratio of debt to equity, as expressed in the following equation:

Capital structure (CStructure) = Total Liabilities / Total Equity.

The independent variables used in the analysis are asset structure and asset growth, while firm size is included as a control variable.

Asset structure represents the resources owned by a company that are expected to generate future economic benefits (Novićević Čečević et al., 2025). A higher asset structure in a company implies a greater ability to provide guarantees for long-term liabilities. Asset structure is defined as the ratio of fixed assets to total assets, as follows:

Asset Structure (AStructure) = Fixed Assets /Total Assets.

For a company to grow and expand its operations, it is necessary to increase the amount of assets, which requires financial resources. In situations where a company does not have sufficient internal sources, it must rely on external financing. Asset growth represents the annual change (growth rate) of total assets, calculated based on the change in assets in a given year compared to the previous year, i.e., the annual change in fixed assets or

$$\textbf{\textit{Asset Growth}}\ (\textbf{AGrow}) = \frac{\text{Total Assets t} - \text{Total Assets t} - 1}{\text{Total Assets t} - 1}$$

Firm size is used as a reference to assess whether a company can be considered growing from the very beginning of its establishment, based on the total assets presented in the balance sheet. Firm size is determined by the natural logarithm (ln) of total assets, i.e., the sum of current and fixed assets, as expressed in the following equation:

Size=ln. (Total Assets).

The empirical analysis of the selected variables consists of descriptive statistics, correlation analysis, and multiple linear regression. The following model is designed to use the independent variables to explain the dependent variable:

$$Y = \alpha_i + \beta_1 X1i,t + \beta_2 X2i,t + \beta_3 X3_{i,t} + \varepsilon_{i,t}$$

Where:

$Y_{i,t}$ – dependent variable Capital Structure;

i – entity, Serbian companies; t– time (year from 2019 to 2023);

α_i – intercept for each entity;

β_k - coefficient corresponding to the independent variables;

X1– independent variableAStructure;

X2 - independent variableAGrow;

$X3$ – independent variable$Size$;

$\varepsilon_{i,t}$ – the error term.

4. Research results and discussions

The descriptive statistics of the dependent and independent variables used in the analyzed model are presented in Table 2. This table provides an overview of the basic statistical measures, such as the mean, standard deviation, minimum, and maximum for each variable. In this way, insights can be gained into the data distribution, variability, and range of values included in the analysis. Conducting such a descriptive analysis represents an essential first step, it enables a clearer understanding of the basic characteristics of the data before applying more complex statistical methods.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CStructure	440	.0000	27.6848	2.1462	2.3065
AStructure	440	.0040	.9950	.40496	.2385
AGrow	440	-.3609	4.8248	.1593	.3531
Size	440	11.9839	20.7870	16.9862	1.2107
Valid N	440				

Source: Authors' own calculations

Capital structure, expressed as the debt-to-equity ratio, ranges from a minimum value of 0.0000 to an extremely high level of 27.6848. Some firms in the sample operate without the need for further external borrowing, while others are highly leveraged. The average value is 2.1462, indicating that, on average, firms have debt levels approximately twice the size of their equity. The asset structure variable ranges from 0.0040 to 0.9950. On average, 40% of company assets consist of fixed assets. Asset growth fluctuates between negative values (min = –0.3609) and extremely high values (max = 4.8248). The average asset growth is 0.1593, suggesting that most firms record positive but moderate growth. Firm size is expressed as the natural logarithm of total assets, which enables better comparison among companies of different scales. The smallest recorded value is 11.9839, while the largest is 20.7870, indicating that the sample includes both smaller firms and large corporations. The average firm size is 16.9862, and the standard deviation of 1.2107 confirms significant differences in size.

Through the conducted correlation analysis, the authors aimed to examine whether the relationship exists, as well as the strength and direction of that relationship. Correlation analysis provides insight into whether changes in one variable are accompanied by changes in another, i.e., whether the variables are interrelated and to what extent. The following table presents the correlation coefficient matrix, which contains information on the direction (positive or

negative correlation) and the intensity (weak, moderate, or strong) of the relationships between variables.

Table 3. Correlations

		AStructure	AGrow	Size
CStructure	Pearson Correlation	-.311**	.158**	-.182**
	Sig. (2-tailed)	.000	.001	.000
	N	440	440	440
AStructure	Pearson Correlation	1	-.052	.372**
	Sig. (2-tailed)		.280	.000
	N		440	440
AGrow	Pearson Correlation		1	-.055
	Sig. (2-tailed)			.247
	N			440
Size	Pearson Correlation			1
	Sig. (2-tailed)			
	N			
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Authors' own calculations

The results of the conducted correlation analysis indicate a statistically significant negative correlation between Capital Structure and Asset Structure ($r = –0.311$, $p = 0.0000$). This suggests that firms with a higher share of fixed assets in total assets have lower levels of indebtedness. The relationship between Capital Structure and Asset Growth is positive and statistically significant ($r = 0.158$, $p = 0.0010$), implying that firms with higher asset growth tend to have higher levels of debt, and vice versa. A negative and statistically significant correlation was also found between Capital Structure and Firm Size ($r = –0.182$, $p = 0.0000$). Firms with higher levels of assets, expressed as a logarithm, finance their operations more through debt than through equity.

A multicollinearity test was conducted to determine whether there is interdependence among the independent variables in the regression model. According to widely accepted guidelines, there is no multicollinearity problem among the variables in the regression model if the variance inflation factor (VIF) is less than 10, while tolerance should be greater than 0.10. The detailed results of the multicollinearity test are presented below.

Based on the presented results, it can be observed that multicollinearity is not present in this research, i.e., there is no strong interdependence among the independent variables. The tolerance values exceed 0.10 for all variables: 0.861 for Asset Structure (AStructure), 0.996 for Asset Growth (AGrow), and 0.861 for Firm Size (Size). Similarly, the variance inflation factor (VIF) values are well below the

threshold of 10: 1.162 for Asset Structure, 1.004 for Asset Growth, and 1.162 for Firm Size. Based on these results, it can be concluded that there is no pronounced multicollinearity among the independent variables Asset Structure, Asset Growth, and Size, and therefore, the regression model in this study can be considered stable and reliable for further analysis.

Table 4. Multicolinearity

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Astructure	.861	1.162
	Agrow	.996	1.004
	Size	.861	1.162

a. Dependent Variable: Cstructure

Source: Authors' own calculations

Within the assumptions of the regression model, autocorrelation refers to a situation in which there is a correlation between successive observations, whereby the value of one observation may depend on the previous one. Ideally, a regression model should not exhibit autocorrelation, as this can compromise the validity of the results. To test whether the model contains autocorrelation, the Durbin–Watson test is applied. In this case, the value of the Durbin–Watson statistic is 2.011. According to the established criteria for assessing autocorrelation, it can be concluded that the regression model is free from autocorrelation.

Table 5. Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.393	1.512		3.566	.000
	AStructure	-2.685	.468	-.278	-5.740	.000
	AGrow	.913	.294	.140	3.108	.002
	Size	-.136	.092	-.071	-1.472	.042

a. Dependent Variable:CStructure

Source: Authors' own calculations

Based on the results of the analysis presented in Table 5, the regression equation can be formulated as follows:

$$\text{CStructure} = 5{,}393 - 2{,}685\ \text{AStructure} + 0{,}913\ \text{AGrow} - 0{,}136\ \text{Size}$$

If the values of all independent variables—Asset Structure (AStructure), Asset Growth (AGrow), and Firm Size (Size)—are equal to zero, the dependent variable Capital Structure will take the constant value of 5.393. The coefficient of the Asset Structure variable (AStructure) is –2.685. This implies that, assuming other variables remain constant, each unit increase in asset structure will lead to a decrease in capital structure by 2.685. This change is statistically significant ($p < 0.001$). Capital structure is a key factor in financial decision-making related to both short and long-term borrowing. An increase in the share of fixed assets in a company's total assets generally leads to a lower need for external financing. This conclusion is consistent with the pecking order theory, which posits that firms primarily rely on internal sources of capital before resorting to external financing. Yoo & Wu (2019) also found negative relationship between asset structure and capital structure. The obtained results, however, contrast with the findings of Huang & Song (2006), Gaud et al. (2005), and Akinyomi & Olagunju (2013).

The coefficient of the AGrow variable is 0.913. A one-unit increase in asset growth raises Capital Structure by 0.913, assuming other variables remain constant. The relationship established between these variables is statistically significant ($p = 0.002$). Asset growth shows a positive effect on capital structure. When a company expands its asset base, the need for additional financial resources also increases in order to support operations, and firms in such cases often rely on external sources of capital if internal funds are insufficient (Setijaningsih, 2020). Asset growth represents the continuous increase in the value of resources available to a company, which is associated with improved business performance. Such growth also enhances investor and creditor confidence, as it signals higher productivity and safer investment (Putri & Asyik, 2019).

Table 6. Analysis of the Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.349[a]	.122	.116	2.1692

a. Predictors: (Constant), AStructure, AGrow, Size
b. Dependent Variable:CStructure(Y)

Source: Authors' calculations

The Firm Size variable has a coefficient of –0.136. A one-unit increase in Firm Size decreases capital structure by 0.136, assuming other variables remain constant. This relationship is also statistically significant ($p = 0.042$), although somewhat weaker compared to the other variables. The obtained results are contrary to the findings of Detthamrong et al. (2017), who concluded that firms with greater asset value generate higher investor confidence and more easily obtain additional funds. However, Huang and Song (2006), in their study on the

determinants of capital structure in Chinese firms, found that firm size has a negative effect on leverage. Larger firms in China were more inclined to use less debt because they had more stable internal financing sources and better access to capital markets. This indicates that an increase in firm size does not necessarily imply greater reliance on debt but may instead encourage stronger reliance on equity.

Based on Table 6, we can observe that the coefficient of determination (R Square) for the presented model is 0.122. This implies that asset structure, asset growth, and firm size together explain 12.2% of the variance in the capital structure of companies included in the list of the 100 most successful firms by revenue, as compiled by the Serbian Business Registers Agency. The adjusted R Square is 0.116, or 11.6%, which represents a more realistic estimate of the model's explanatory power, taking into account the number of observations and independent variables. The remaining 88.4% of the variance in the dependent variable (Capital structure) is explained by other factors not included in this regression equation. The standard error of the estimate is approximately 2.169, indicating the average deviation of the actual values from those predicted by the regression model.

Table 7. ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	283.877	3	94.626	20.109	.000[b]
	Residual	2051.671	436	4.706		
	Total	2335.548	439			

a. Dependent Variable: Cstructure

b. Predictors: (Constant), AStructure, AGrow, Size

Source: Authors' calculations

Based on Table 7, the total sum of squares amounts to 2,335.548, of which 283.877 relates to regression and 2,051.671 to the residual.

The calculated F value is 20.109, with a significance level of 0.000. Since the significance level is lower than 0.05 (0.000 < 0.05), this indicates that asset structure, asset growth, and firm size together (simultaneously) have a statistically significant effect on the capital structure of companies in the Republic of Serbia. Based on these results, it can be concluded that the applied regression model is statistically valid and applicable, as it meets the significance criterion.

The t-statistic value for the Asset Structure variable is –5.740, with p = 0.000 < 0.05. Since the t-value is less than the critical value of –1.96, we can conclude that Asset Structure has a negative and statistically significant effect on capital structure. These results can be interpreted as indicating that firms with a

higher share of fixed assets in total assets have lower leverage, i.e., they primarily finance their operations through equity. Conversely, if the share of fixed assets in total assets is lower, firms are more likely to finance their activities through short-term and long-term borrowing. Based on the above, we can state that Hypothesis 1: *Asset structure has a negative and statistically significant effect on firms' capital structure*, is accepted.

Table 8. T statistics

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.393	1.512		3.566	.000
	AStructure	-2.685	.468	-.278	-5.740	.000
	AGrow	.913	.294	.140	3.108	.002
	Size	-.136	.092	-.071	-1.472	.042

Source: Authors'calculations

The results of the analysis for the Asset Growth variable show that the t-value is 3.108, with a probability (p) = 0.002. Since the t-value for this variable is greater than the critical value of 1.96, we can conclude that asset growth has a positive and statistically significant effect on capital structure. An increase in company assets requires additional resources to finance operations, as well as to support development and improvement. The Pecking Order Theory states that firms first use internal sources of financing (retained earnings), and only when these are insufficient do they resort to external financing, such as debt or equity issuance. Based on these results and their interpretation, we can state that H2: Asset growth has a positive and significant effect on capital structure, is accepted.

With regard to the Firm Size variable, the results show that its t-value is –1.472, which is lower than the critical t-table value of 1.96, with a significance level of 0.042, which is less than 0.05. Firm size is expressed as the logarithm of total assets; therefore, firms with higher total assets tend to rely less on debt financing, and vice versa. Based on these findings, Hypothesis 3: Firm size has a negative and statistically significant effect on capital structure, is accepted.

5. Conclusion

This paper examines both the theoretical and practical aspects of the interdependence between firms' asset structure and capital structure. From a theoretical perspective, it can be concluded that the Serbian market is characterized by structural weaknesses, which means that the principle of optimal financial decision-making is not always applicable. Reliance on bank loans is widespread

and represents the primary source of external financing, while the issuance of shares and bonds is rare due to the underdevelopment and limited accessibility of the capital market. In addition, secondary financial markets are underdeveloped, with limited liquidity of financial instruments, that prevents capital structure from being adjusted in line with changes in asset structure. Although the market is generally bank-centered, financing is further constrained by low credit ratings and high borrowing costs. Another challenge is the low level of financial literacy, which often results in financial decisions being made as a compromise shaped by limitations rather than as the outcome of optimal strategic choice.

The focus of this paper is to examine the factors that determine the capital structure of companies operating in the Republic of Serbia. The analysis was conducted using secondary data obtained from publicly available financial statements of companies. The dependent variable in the study is capital structure, defined as the debt-to-equity ratio. The independent variables used in the research are asset structure, asset growth, and firm size.

The sample was formed based on the list of the "Top 100 Companies in 2023." The Serbian Business Registers Agency ranks companies in the Republic of Serbia according to four criteria: operating revenue, net profit, total assets, and equity. For the purposes of this research, we selected the list of the most successful companies based on operating revenue. The correlation analysis showed that there is a certain degree of alignment between the dependent variable capital structure and the independent variables.

The results of the multiple linear regression analysis showed that asset structure and firm size have a statistically significant negative effect on capital structure. Firms with lower debt-to-equity ratios tend to have a higher share of fixed assets in total assets and be larger in size. As assets grow, leverage also increases, which means that asset growth has a positive and statistically significant effect on the capital structure of companies. Balancing the use of equity and debt for financing further growth and development is therefore a task that managers must address based on the characteristics and performance of their firms.

The limitations of the conducted research provide a basis for future studies. The research for this paper was limited to the territory of the Republic of Serbia and to companies included in the list of the Serbian Business Registers Agency (SBRA) ranked by revenue. Future research could focus on companies operating in other post-socialist Balkan countries. In addition, other determinants could be included in the analysis, as well as examine whether differences in the studied factors exist across industries. The analysis covered a five-year period from 2019 to 2023. Extending the analysis over a longer time frame would yield more precise results, although the five-year period nonetheless provides a solid basis for drawing conclusions.

References

Akinyomi, O. J., & Olagunju, A. (2013). Determinants of capital structure in Nigeria. International Journal of Innovation and Applied Studies, 3(4), 999–1005.

Albart, N., & Purnomo, H. (2024). The Influence of Asset Structure and Capital Structure on Return on Assets. Kontigensi: Jurnal Ilmiah Manajemen, 12(1), 269-282. https://doi.org/10.56457/jimk.v12i1.536

Ariyani, H. F., Pangestuti, I. R. D., & Raharjo, S. T. (2019). The effect of asset structure, profitability, company size, and company growth on capital structure (the study of manufacturing companies listed on the IDX for the period 2013-2017). Jurnal Bisnis Strategi, 27(2), 123-136. https://doi.org/10.14710/jbs.27.2.123-136

Ayem, S., & Agustina, C. A. (2024). Testing Company Size as a Moderation Variable on the Influence of Asset Structure and Growth on Capital Structure. https://doi.org/10.30736/.v9i3.2358

Boenyamin, A. W., & Santioso, L. (2023). the Effect of Profitability, Capital Structure, Firm Size, and Asset Growth on Firm Value. International Journal of Application on Economics and Business, 1(3), 1097-1107. https://doi.org/10.24912/ijaeb.v1i3.1097-1107

Booth, L., Aivazian, V., Demirguc-Kunt, A., & Maksimovic, V. (2001). Capital structures in developing countries. The journal of finance, 56(1), 87-130. https://doi.org/10.1111/0022-1082.00320

Campello, M., & Giambona, E. (2013). Real assets and capital structure. Journal of financial and quantitative analysis, 48(5), 1333-1370. https://www.jstor.org/stable/43303844

Cooley, T. F., & Quadrini, V. (2001). Financial markets and firm dynamics. American Economic Review, 91(5), 1286–1310. https://doi.org/10.1257/aer.91.5.1286

Čavlin, M., Dmitrović, V., Jovanović, Z., & Đurović, M. (2025). Controlling vs. Business Analysis: Theoretical and Practical Perspectives in a Dynamic Business Environment. J Agron Technol Eng Manag 2025, 8(1), 1448-1458. https://doi.org/10.55817/GPYL6982

Desliniati, N., & Sundiman, D. (2017). Effect of the Assets Structure, Growth Opportunity, and Systematic Risk on Capital Structure and Capital Structure Effect on Company Value. Manajemen dan Bisnis, 15(1).

Detthamrong, U., Chancharat, N., & Vithessonthi, C. (2017). Corporate governance, capital structure and firm performance: Evidence from Thailand. Research in International Business and Finance, 42, 689–709. https://doi.org/10.1016/j.ribaf.2017.07.011

Dharmawan, D., Susanti, S., Fauzi, A., (2021) Pengaruh struktur aktiva, profitabilitas, dan pertumbuhan penjualan terhadap struktur modal pada perusahaan manufaktur yang terdaftar di bursa, Indonesian Journal of Economy, Business, Entrepreneuship and Finance, Volume 1, No. 2, Agustus https://doi.org/10.53067/ijebef.v1i2.12

Dmitrović, V., Dobrota, M., & Knežević, S. (2015). A statistical approach to evaluating bank productivity. Management: Journal of Sustainable Business and Management Solutions in Emerging Economies, 20(75), 47-56. https://doi.org/10.7595/management.fon.2015.0010

Doloksaribu, G. C., & Hutabarat, F. M. (2019). Asset structure and capital structure: An evidence of transportation company listed at Indonesian Stock Exchange. Abstract

Proceedings International Scholars Conference, 7(1), 1315–1321. https://doi.org/10.35974/isc.v7i1.1995

Fadhilla, H. N. (2023). The Influences of Asset Structure and Asset Growth Toward Capital Structure. Journal of Business and Behavioural Entrepreneurship, 7(1), 23-32. https://doi.org/10.21009/JOBBE.007.1.02

Feni, F., Burhanuddin, B., & Guasmin, G. (2021). Effect of Asset Structure and Firm Size on Capital Structure (Case Study on Food and Beverage Companies on the Indonesian Stock Exchange). International Journal of Health, Economics, and Social Sciences (IJHESS), 3(3), 191-201. https://doi.org/10.56338/ijhess.v3i3.1580

Frank, M. Z., & Goyal, V. K. (2009). Capital structure decisions: Which factors are reliably important? *Financial Management, 38*(1), 1–37. https://doi.org/10.1111/j.1755-053X.2009.01026.x

Gaud, P., Jani, E., Hoesli, M., & Bender, A. (2005). The capital structure of Swiss companies: An empirical analysis using dynamic panel data. European Financial Management, 11(1), 51–69. https://doi.org/10.1111/j.1354-7798.2005.00275.x

Harc, M. (2019). Struktura kapitala malih i srednjih poduzeća u Republici Hrvatskoj. Poslovna izvrsnost, 13(1), 87-101. https://doi.org/10.22598/pi-be/2019.13.1.87

Heliani, H., Handayani, W., Fadhillah, N. H. K., & Fadhilah, S. H. (2022). Effect of asset structure, company size, liquidity, profitability, and sales growth on capital structure. Jurnal Bisnisman: Riset Bisnis dan Manajemen, 4(1), 80–92. https://doi.org/10.52005/bisnisman.v4i1.120

Huang, S. G. H., & Song, F. M. (2006). The determinants of capital structure: Evidence from China. China Economic Review, 17(1), 14–36. https://doi.org/10.1016/j.chieco.2005.02.007

Istan, M. (2024). Analysis of the influence of assets structure, earning volatility, and financial flexibility on capital structure and corporate performance in manufacturing sector companies on the IDX. Икономически изследвания, (1), 49-65.

Lestari, T., Kadir, A., Rahman, Y., & Wijaya, H. (2023). Analysis of the influence of profitability, asset structure, and growth rate on capital structure in registered mining companies on the indonesian stock exchange. International Journal of Economics Business and Management Research, 7(03), 173-191. : https://doi.org/10.51505/IJEBMR.2023.7313

Mardan, R. M., Moeljadi, B., Sumiati, C., & Indrawati, N. K. (2023). The determinants of capital structure: Evidence from Indonesia. International Journal of Professional Business Review, 8(5), 1–30. https://doi.org/10.26668/businessreview/2023.v8i5.878

Milanović, N., Andžić, S., & Butulija, M. (2017). Struktura kapitala kao determinanta vrednosti preduzeća. Oditor, 3(1), 80-91. https://doi.org/10.5937/Oditor1701080M

Milenia, S., & Sha, T. L. (2023). Pengaruh Asset Growth, Leverage, Struktur Aktiva Dan Risiko Bisnis Terhadap Struktur Modal. Jurnal Paradigma Akuntansi, 5(3), 1055-1064. https://doi.org/10.24912/jpa.v5i3.25086

Myers, S. C. (2001). Capital structure. Journal of Economic perspectives, 15(2), 81-102.

Novićević Čečević, B., Janković Milić, V., & Nikolić, S. (2024). Can sustainability reporting be a factor of business success? The case of Serbia. *Journal of Regenerative Economics, 1*(2), 177–189. https://doi.org/10.5937/jre2402177N

Novićević Čečević, B., Nikolić, S., & Jovanović, S. (2025). Pprofitability determinants of serbian agricultural companies. *Ekonomika Poljoprivrede*, *72*(1), 329–343. https://doi.org/10.59267/ekoPolj2501329N

Padillah, N., Rahayu, S., & Rahman, A. (2024). The influence of asset structure, asset growth, and sales growth on capital structure. *Bimantara: Journal of Business and Management,* *6*(1), 1–14. https://ejournal.umm.ac.id/index.php/bimantara/article/view/36236

Pandey, I. M. (2004). Capital Structure and MarketPower.

Putri, A., & Asyik, N. F. (2019). The influence of asset structure, asset growth, and business risk on the value of the company with capital structure as an intervening variable. Journal of Accounting Science and Research, 8(3), 1–21.

Putri, N. K. (2024). The effect of asset growth, profitability, and liquidity on capital structure with firm size as a moderator. In *Proceedings of the International Conference on Research in Social Sciences and Education (ICRSE)* (pp. 345–356). Sunan Kalijaga State Islamic University. https://sunankalijaga.org/prosiding/index.php/icrse/article/view/1083

Rajan, R. G., & Zingales, L. (1995). What do we know about capital structure? Some evidence from international data. The Journal of Finance, 50(5), 1421-1460.

Ristianti, A. A., Suwitho, S., & Satrio, B. (2023). Does capital structure mediate the relationship between asset structure and company size on profitability?. Jurnal Penelitian, 20(1), 9-20. https://doi.org/10.26905/jp.v20i1.10633

Rulebook on the Chart of Accounts and the Content of Accounts in the Chart of Accounts for Companies, Cooperatives, and Entrepreneurs ("Official Gazette of the Republic of Serbia," No. 89/2020), https://www.paragraf.rs/propisi/pravilnik-o-kontnom-okviru-sadrzini-racuna-za-privredna-drustva-zadruge.html

Santosa, P. W. (2020). The effect of financial performance and innovation on leverage: Evidence from Indonesian food and beverage sector. Organizations and Markets in Emerging Economies, 11(2), 367–388. https://doi.org/10.15388/omee.2020.11.38

Setijaningsih, H. T. (2020). Analysis of the influence of asset structure, asset growth, and company size on capital structure. Journal of Accounting Paradigm, 2(2), 801–815. https://doi.org/10.24912/jpa.v2i2.7662

Tauseef, S., Lohano, H. D., & Khan, S. A. (2015). Effect of debt financing on corporate financial performance: Evidence from textile firms in Pakistan. Pakistan Business Review, 17(1), 1–18.

Tijow, A. P., Sabijono, H., & Tirayoh, V. Z. (2018). Pengaruh struktur aktiva dan profitabilitas terhadap struktur modal pada perusahaan sektor industri barang konsumsi yang terdaftar di Bursa Efek Indonesia. Jurnal Riset Akuntansi Going Concern, 13(3), 477–488. https://doi.org/10.32400/gc.13.03.20327.2018

Titman, S., & Wessels, R. (1988). The determinants of capital structure choice. The Journal of finance, 43(1), 1-19.

Vidučić, L. (2001). Teorijska i praktična motrišta strukture kapitala. Ekonomski pregled, 52(7-8), 784-800.

Vu, T. T. T., Le, T. T. O., & Nguyen, T. H. T. (2019). The impact of capital structure on the performance of construction companies: A study from Vietnam stock exchanges. Accounting, 5(6), 507–512. Growing Science. https://doi.org/10.5267/j.ac.2019.6.002

Yoo, S., & Wu, J. (2019). Capital structure and stock returns: Evidence from Korean stock markets. Global Business and Finance Review, 24(4), 8–23. Https://doi.org/10.17549/gbfr.2019.24.4.8

Zulkarnain, I. (2023). The influence of company size, asset growth, and sales growth on capital structure in the automotive sub-sector and automotive components in the Indonesia stock exchange for the 2016-2021 period. PENANOMICS: International Journal of Economics, 2(1), 96-111.

Žarkić Joksimović, N. (2005). Upravljanje finansijama: osnove i principi. Fakultet organizacionih nauka, Beograd.

UNAPREĐENJE PERFORMANSI PREDUZEĆA USKLAĐIVANJEM ODNOSA IZMEĐU IMOVINE I STRUKTURE KAPITALA – SLUČAJ REPUBLIKE SRBIJE

Apstrakt. Primarni cilj ovog istraživanja je ispitivanje da li struktura i rast sredstava preduzeća mogu da utiču na strukturu kapitala sa ciljem unapređenja poslovanja preduzeća. Da bi se postigao definisani cilj, razvijen je model multiple linearne regresije uz prethodno ispitivanje svih uslova za njegovu primenu. Uzorak za istraživanje obuhvatao je 88 preduzeća koja su na listi najuspešnijih po ostvarenim prihodima u Republici Srbiji za 2023. godinu. Prikupljeni su sekundarni podaci iz finansijskih izveštaja za petogodišnji period 2019–2023. godine. Zavisna varijabla je struktura kapitala, koja predstavlja odnos između Total Liabilities i Total Equity. Nezavisne varijable su: struktura sredstava (merena odnosom Fixed Assets i Total Assets), rast sredstava (procentualno povećanje u odnosu na prethodnu godinu) i veličina preduzeća (prirodnim logaritmom ukupne aktive). Rezultati sprovedene analize su pokazali da sve nezavisne varijable imaju statistički značajan uticaj na strukturu kapitala preduzeća u Republici Srbiji, s tim što je jedino uticaj povećanja sredstava pozitivan, dok je uticaj druge dve varijable korišćene u istraživanju negativan.

Ključne reči: struktura kapitala, struktura sredstava, rast sredstava, veličina preduzeća

Authors' biographies

Veljko Dmitrović, Ph.D., is an Associate Professor at the Faculty of Organizational Sciences, University of Belgrade, Republic of Serbia, at Department of Financial Management and Accounting. He obtained his Ph.D. degree at the Faculty of Organizational Sciences, University of Belgrade. He earned his M.Sc. degree in Financial Management at the Faculty of Organizational Sciences, University of Belgrade, B.Sc. and M.A. degrees in Marketing Management at the Faculty of Economics in Subotica, University of Novi Sad. To date, he has authored and coauthored more than 120 papers published in international and national journals and conferences, as well as chapters in monographs and textbooks. He has reviewed papers in domestic and international journals, as well as conferences. He has participated in several national and international projects. He attended the the IMTA International Business School in Slovenia under the auspices of the CEEMAN organization. He teaches courses in Accounting, Financial Management and Accounting, Evaluation of Financial Performance, etc. His research interests include accounting, financial and non-financial reporting/sustainability reporting, intellectual capital.

Bojana Novićević Čečević, PhD., Associate Professor, was born in 1983 in Niš. She graduated from the Faculty of Economics in Niš and successfully defended her master's thesis in Strategic Management Accounting. During her studies, she was awarded multiple times for outstanding academic achievements. She received scholarships from the City of Niš, EFG Bank, and the Ministry of Youth and Talent. She was also recognized as the best graduate student in the field of accounting. In 2016, she defended her doctoral dissertation entitled Management and Accounting Support to Company Management in a Lean Business Environment at the Faculty of Economics in Niš. Since October 2008, she has been employed at the same faculty. She investigates issues in the fields of Management Accounting and Cost Accounting. She has participated in several national projects and one international project (*Horizont*). She is the author of numrous papers published in leading national journals and proceedings of scientific conferences. Also, she is a co-author of the monograph and workbook from Management Accounting and Cost Accounting

Miroslav Čavlin, Ph.D., is a Full professor and Head of the Department of Finance and Banking at the University of Business Academy in Novi Sad, Faculty of Economics and Engineering Management. He is also engaged at Subotica Tech - College of Applied Sciences. Generally, his research interests are in the field of business analysis and finance and investment management, but he is particularly interested in the possibility of affirming the application of business analysis and controlling in theory and practice. He has published papers in several international scientific journals and has participated in many research projects. In addition to scientific, he also has strong references and experience in management - executive and (non)executive functions - in Serbian business entities.