

THE FIRM'S TRADE CREDIT ANALYSIS: CASE OF FIRMS LISTED ON THE BUCHAREST STOCK EXCHANGE

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Please cite this article as:

Deari, F. and Pinte, M.O., 2017. The firm's trade credit analysis: Case of firms listed on the Bucharest Stock Exchange. *Review of Economic Studies and Research Virgil Madgearu*, 10(1), pp.47-68.
doi: 10.24193/RVM.2017.10.04.

Article History:

Received: 2 January 2017
Accepted: 27 March 2017

Abstract: *This paper examines the firm's trade credit for a sample of 37 firms for the period 2010-2014. Selected firms are non-financial entities and are listed on the Bucharest Stock Exchange. Selected firms on average are financed more with equity rather than debt. Even to those firms on average have satisfied profitability and liquidity ratios, managing receivables and inventories remains a concern issue. Concerning is fact that the operating cycle has an increased positive trend. On the other hand, these firms have sold more than have bought on credit. This evidence is present during all the period. Firms with higher net trade credits have higher current to assets ratio, profit margin and cash ratio, whereas used less long term debt than counterparties. Furthermore, more profitable and liquid firms have more net trade credits than counterparties.*

Key words: *trade credit; listed firms; correlation; analyse*

JEL Classification: *C10; G30; G32*

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