

## Summary

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“Market Timing and Financing Decisions:  
Are there any Differences Between Europe and the USA?”

After publication of the Baker/Wurgler study (2002) the Market Timing theory has established itself as an alternative capital structure theory. It implies that the capital market structure of an enterprise represents the accumulated result of Equity Market Timing attempts. Within the framework of this study, it has been examined to what extent it would be possible to generalize the Market Timing hypotheses so that they are also valid for capital markets other than those of the USA. With this in mind, it would be fair to assume that no - or just insignificant - Market Timing effects occur in a European market environment owing to different institutional structures. In line with this hypothesis, the results we have obtained demonstrate that Equity Market Timing cannot be proven to exist for DAX enterprises and for EURO Stoxx 50 companies. It rather appears that the results we have obtained are in conformity with the Dynamic Pecking Order theory.