

Takeaway

- Under what conditions does capital structure have no effect on the value of the firm or the wealth of shareholders?
- **Transactions costs**
 - Comparing similar debt instruments. Clienteles.
- **Taxes are not equal** (lecture 9)
- **Bankruptcy costs are not zero** (lecture 10)
- **Capital markets are not perfect** (lecture 11)
- **Managers do not always maximize shareholder wealth** (lecture 12).