

# The Relationship between Capital Structure and Profitability of the Limited Liability Companies

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**Abstract:** *Capital structure is very important, especially the decision which concern with this problem, because the profitability of a company is directly affected by such decision. The successful choice and use of capital is one of the key components of the enterprises financial strategy. This means that it is the vital to pay attention and proper care capital structure. The aim of this paper is to investigate the relationship between capital structure and profitability of the limited liability companies from an agricultural sector in the Czech Republic over the past six year period from 2008 to 2013. Data was obtained and processed from the database of enterprises of Albertina and was analyzed by using descriptive statistics, i.e. mean, median, variation range, standard deviation, coefficient of variation, skewness, kurtosis, and correlation analysis to find out the association between the variables. The results of this paper describe a small negative correlation between the debt ratios and profitability ratios.*

**Key words:** Capital structure, profitability, limited liability companies, statistics, correlation.

**JEL classification:** G32, Q14

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