

companies that achieved positive financial result and the companies that achieved negative financial result, it is assumed that there is difference in indebtedness indicators between these two groups of companies at the statistically significant level.

The results of the Mann-Whitney U test in the context of testing differences in the average values of indebtedness indicators regarding the achieved financial result in the observed companies point out a statistically significant difference ($p < 0.05$) in the following indebtedness indicators: Total debt in number of the years and Interest coverage ratio, while the differences in other indebtedness indicators were not statistically significant. Based on the results the second working hypothesis of this study can be accepted - that there is a difference in indebtedness indicators between the companies that achieved positive financial result and the companies that achieved negative financial result, whose equity shares are listed on the capital market in the Federation of BiH, that is, on the quotation market and free primary market on the SASE.

5. CONCLUSION

The correlation analysis between profitability and indebtedness is an interesting scientifically question because it is the basic performance of business safety indicators, which are often set up as the main business objectives. For the purpose of this study profitability and indebtedness are measured by the traditional indicators (ratios) of financial statement analysis based on the accrual basis.

In the structure of the observed companies included in the sample, manufacturing companies dominate compared to trade and service companies. The results of the profitability analysis of the observed

companies show an acceptable level of profitability, with a positive trend. The results of the indebtedness analysis indicate that the observed companies are usually funded from their own capital resources rather than from external sources (liabilities). The trend analysis shows that the funding structure is stable without significant fluctuations.

The results of the correlation analysis point out that there is a negative correlation between profitability indicators and indebtedness indicators in the observed companies, which is especially noticeable in the indebtedness indicators - Total debt in number of years and Interest coverage ratio.

The results of the analysis of differences in indebtedness indicators regarding profitability indicate that there is a difference in the indebtedness indicators - Total debt in number of years and Interest coverage ratio between the companies that achieved positive financial result and the companies that achieved negative financial result.

The results of the conducted research are consistent with the results of similar research and papers (Ching et.al. 2011; Bagchi et.al. 2012; Gropp & Heider 2009). A relatively small number of companies included in the sample is a certain limitation to the research, but this limitation is to some extent offset by observation through a relatively longer period of time. In subsequent studies, the emphasis can and should be on researching profitability and indebtedness measured by cash flow indicators, and on the comparative analysis of the obtained results with the results based on traditional indicators of financial statement analysis.

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