Table 3: **Panel A. Regression of Investment Measures. DRAFT.**Automated output. The version in the submitted thesis was manually adjusted due to style and space constraints.

New financial covenut violation   COORSI   COO			Change in Ln(Assets)	$\operatorname{Ln}(\operatorname{Assets})$			Change in Ln(PPENT)	n(PPENT)	
roichtore (2008) (10.089) (10.089) (10.089) (10.099) (10.		(1) I	(2) II	(3) III	(4) IV	I (2) I	II (9)	III (2)	VI (8)
violator         (10008)         (10008)         (10009)         (10009)         (10009)         (10009)         (10009)         (10009)         (10000)         <	New financial covenant violation	-0.092***	$-0.046^{***}$	-0.041***	-0.036***	-0.100***	-0.036***	-0.030***	-0.029***
condition:         (0.006)         (0.007)         (0.007)           g cash flow/Average assets         (0.194************************************	One-time violator	(0.000)	(0.000)	(0.000)	$0.017^{**}$	(0.010)	(0.010)	(0.010)	$0.022^{**}$
Comparison   Com					(0.007)				(0.009)
g cash flow/ Average assets         0.194**         0.200**         0.200**         0.200**         0.200**         0.200**         0.000*         0.00	Frequent violator				$-0.016^{***}$				-0.006 (0.007)
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Operating cash flow/ Average assets		0.194***	0.200***	$0.202^{***}$		$0.201^{***}$	0.204***	0.205***
State   Average assets   Co.009   Co.			(0.005)	(0.032)	(0.032)		(0.006)	(0.025)	(0.025)
Expense Name         0.1313***         0.1314**         0.130**         0.020**         0.020**           b / Assets         0.078***         0.033**         0.031**         0.032**         0.077**         0.022**           stio         0.078***         0.078**         0.032**         0.031**         0.017**         0.027**           stio         0.000***         0.000**         0.000**         0.000**         0.000**         0.007**           stio         0.000***         0.000**         0.000**         0.000**         0.000**         0.000**           stook ratio         0.000**         0.000**         0.000**         0.000**         0.000**         0.000**           stook ratio         0.000**         0.000**         0.000**         0.001**         0.000**         0.000**           stook ratio         0.000**         0.000**         0.000**         0.000**         0.000**         0.000**           stook ratio         0.000**         0.000**         0.000**         0.000**         0.000**         0.000**           Assets         0.000**         0.000**         0.000**         0.000**         0.000**         0.000**           sterces (Assets)         0.000**         0.000**         0.0	Levelage		(0.009)	-0.000 $(0.023)$	-0.037 $(0.023)$		(0.012)	(0.029)	(0.030)
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Interest expense/ Average assets		0.313***	$0.347^{*}$	$0.350^*$		0.680***	$0.629^{**}$	$0.629^{**}$
atio (0.007) (0.007) (0.022) (0.022) (0.010) (0.007) (0.007) (0.001) (0.001) (0.007) (0.001) (	Net worth/ Assets		$(0.054) \\ 0.078^{***}$	(0.183) $0.093***$	$(0.182)$ $0.091^{***}$		$(0.071) \\ 0.179^{***}$	$(0.258) \\ 0.217^{***}$	$(0.258) \\ 0.215^{***}$
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Chrrent ratio		(0.007) $-0.004***$	(0.022) $-0.005***$	(0.022) $-0.005***$		(0.010)	(0.027)	(0.027)
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$			(0.000)	(0.001)	(0.001)		(0.001)	(0.002)	(0.002)
Asserts $(0.001)$ $(0.002$	Market-to-book ratio		$0.019^{***}$	0.018***	$0.018^{***}$		0.015***	$0.014^{***}$	$0.014^{***}$
Assets (Assets) (0.001) (0.002) (0.00	$\operatorname{Ln}(\operatorname{Assets})$		-0.006***	-0.007***	-0.008***		0.005***	0.001	0.000
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	PPENT/ Assets		$(0.001) \\ 0.099^{***}$	$(0.002) \\ 0.041^{***}$	$(0.002) \\ 0.040^{**}$		$(0.001) \\ -0.027^{***}$	$(0.002) \\ -0.202^{***}$	$(0.002) \\ -0.203***$
rences (Assets) $0.235^{***}$ $0.215^{***}$ $0.205^{***}$ $0.204^{***}$ $0.0401^{***}$ $0.0401^{***}$ $0.0401^{***}$ $0.0401^{***}$ $0.0401^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.058^{***}$ $0.001$ $0.065^{***}$ $0.060$ $0.066^{***}$ $0.046^{***}$ $0.046^{***}$ $0.015^{***}$ $0.001$ $0.065^{***}$ $0.001$ $0.067$ $0.001$ $0.079$ $0.08204$ $0.08204$ $0.08204$ $0.08204$ $0.08204$ $0.08204$ $0.073$			(0.005)	(0.015)	(0.015)		(0.007)	(0.023)	(0.022)
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	First differences (Assets)		0.235***	$0.205^{***}$	0.204***		0.449***	0.401***	$0.401^{***}$
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	First differences (PPENT/Assets)		0.417***	0.421***	$0.419^{***}$		0.358***	0.358***	0.357***
ms 6633 5885 5885 6591 5878 5878 5878 5878 5878 5878 5878 587	Constant	0.065***	(0.030) $-0.008$	(0.060)	(0.060)	0.046***	$egin{pmatrix} (0.040) \\ -0.156^{***} \\ (0.008) \end{pmatrix}$	(0.128)	(0.127)
sterred SE         No         No         Yes         A         A         A         A         A         A         A         A         A         A<	No of firms	(2002)		x x x x	κ. 88 κ.	6591	5878	787 878	25 27 27
s. 151059 108204 108204 149429 107946 107946 107946 107944	FE & Clustered SE		9						Yes
s. 151059 108204 108204 108204 10946 107946 107946 107949 outper calendar and calen	$rac{R^2}{r^2}$	0.001							
ar $108204$ $108204$ $108204$ $108204$ $107940$ $107940$ $10794$ $107940$	$Adj. R^2$	0.001	0.079	70000	70000	0.001	0.067	010	0.00
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Num. obs.	151059	108204	108204 15	108204 15	149429	107946	107946 15	107946 15
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Num groups: calendar			36	36			36	45 36
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Num. groups: fqtr			\$ 4	\$ 4			\$ 4	3 4
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$ m R^2~(full~model)$			0.111	0.111			0.094	0.094
$\begin{array}{cccc} 0.110 & 0.111 & 0.093 \\ 0.072 & 0.073 & 0.068 \end{array}$	$\mathbb{R}^2$ (proj model)			0.072	0.073			0.068	0.068
0.002	Adj. $\mathbb{R}^2$ (full model)			0.110	0.111			0.093	0.093
	Adj. K <sup>-</sup> (proj model)			0.072	0.079			0.009	0.009

Table 4: Table 3: Panel B. Regression of Investment Measures (continued). DRAFT. Automated output. The version in the submitted thesis was manually adjusted due to style and space constraints.

	C	Change in CAPEX/	X/ Average assets	ts		Change in R&D/	&D/ Assets	
	I (6)	(10) II	(11) III	(12) IV	(13) I	(14) II	(15) III	(16) IV
New financial covenant violation	0.009*** (0.002)	-0.007*** (0.002)	-0.006*** (0.002)	0.006*** (0.002)	$-0.003^{**}$ (0.001)	-0.001 (0.001)	-0.001	-0.001 (0.001)
One-time violator				$0.002^{**}$				0.000
Frequent violator				(0.001)				-0.000
Operating cash flow/ Average assets		0.012***	0.013***	0.013***		0.005***	0.006*	*900.0
Leverage		(0.001) $-0.013***$	(0.002) -0.009*	(0.002) -0.009*		$(0.001) \\ 0.006***$	(0.003) $0.008***$	(0.003) $0.008***$
Interest expense/ Average assets		(0.002) $0.069***$	(0.004) $0.080***$	$(0.004) \\ 0.080^{***}$		$(0.001) \\ 0.016^{**}$	$(0.003) \\ 0.016$	$(0.003) \\ 0.016$
Net worth/ Assets		(0.014) $-0.008***$	(0.028) $-0.003$	(0.028) $-0.003$		$(0.007) \\ 0.004***$	$(0.021) \\ 0.005*$	$(0.021) \\ 0.005*$
Current ratio		(0.002) $0.001***$	$(0.002) \\ 0.001^{***}$	$(0.002) \\ 0.001^{***}$		$(0.001) \\ 0.001***$	$(0.003)$ $0.001^{***}$	$(0.003)$ $0.001^{***}$
Market-to-book ratio		(0.000)	(0.000)	(0.000)		(0.000)	(0.000) $-0.000***$	(0.000) $-0.000***$
$\operatorname{Ln}(\operatorname{Assets})$		$(0.000) \\ 0.001***$	(0.000) $-0.000$	(0.000)		(0.000) -0.000**	(0.000) $-0.000***$	(0.000) $-0.000**$
$\mathrm{PPENT}/\mathrm{Assets}$		(0.000) $-0.018***$	(0.000) $-0.029***$	(0.000) $-0.029***$		(0.000) $-0.004***$	(0.000) $-0.004***$	(0.000) $-0.004***$
First differences (Assets)		(0.001) $-0.068***$	(0.003) -0.070***	$(0.003) \\ -0.070^{***}$		$(0.001) \\ 0.009***$	(0.001) $0.008***$	$(0.001) \\ 0.008***$
First differences (PPENT/Assets)		$(0.002) \\ -0.530***$	$egin{pmatrix} (0.005) \\ -0.524^{***} \end{pmatrix}$	$(0.005) \\ -0.524^{***}$		$(0.001) \\ -0.013**$	(0.002) -0.015	(0.002) -0.015
Constant	-0.004*** $(0.000)$	$(0.008) \\ 0.002 \\ (0.002)$	(0.036)	(0.036)	0.000**	$(0.005)$ $-0.003^{***}$ $(0.001)$	(0.009)	(0.009)
No. of firms	6556	5810	5810	5810	4031	3473	3473	3473
FE & Clustered SE $_{ m P2}$	No	No 048	Yes	m Yes	$^{ m No}$	No	Yes	Yes
$_{ m Adj.~R^2}$	0.000	0.048			0.000	0.015		
Num. obs.	141434	101035	101035	101035	73797	48906	48906	48906
Num. groups: calendar			45 26	45 36			45 አፍ	4 ද ව ස
Num. groups. in			06 4	0° 4			S: 4	56 4
$\mathbf{R}^2$ (full model)			0.053	0.053			0.022	0.022
$ m R^{2}~(proj~model)$ Adj. $ m R^{2}~(full~model)$			$0.048 \\ 0.052$	$0.049 \\ 0.052$			$0.015 \\ 0.020$	$0.015 \\ 0.020$
$Adj. R^2 \text{ (proj model)}$			0.048	0.048			0.015	0.015
$^{***}p < 0.01;  ^{**}p < 0.05;  ^{*}p < 0.1$								