

Table 1: Asset structure (tangible asset asset versus intangible asset asset) and internal finance

	Dependent variable					
	(1)	(2)	(3)	(4)	(5)	(6)
Tangible to asset	Tangible to asset RD	RD	Tangible to asset	RD	Tangible to asset	RD
log(cashflow)	−0.149*** (0.002)	0.0003*** (0.0001)	−0.149*** (0.002)	0.001*** (0.0001)	−0.151*** (0.002)	0.001*** (0.0001)
log(current ratio)	−0.024*** (0.002)	0.0001* (0.0001)	−0.024*** (0.002)	−0.00001 (0.00005)	−0.025*** (0.002)	−0.00002 (0.00005)
log(liabilities to asset)	−0.040*** (0.004)	0.0004*** (0.0002)	−0.040*** (0.004)	−0.0001 (0.0001)	−0.041*** (0.004)	−0.0001 (0.0001)
log(age)	0.019*** (0.002)	0.00004 (0.0004)	0.019*** (0.002)	0.001*** (0.0001)	0.019*** (0.002)	0.001*** (0.0001)
export to sale	−0.001 (0.006)	0.0002 (0.0002)	−0.001 (0.006)	−0.001*** (0.0002)	−0.0004 (0.006)	−0.001*** (0.0002)
all credit			1.603*** (0.171)	−0.003*** (0.0003)		
long term credit					0.444*** (0.046)	−0.001*** (0.0001)
firm	Yes	Yes	Yes	No	Yes	No
industry	Yes	Yes	Yes	Yes	Yes	Yes
year	Yes	Yes	Yes	Yes	Yes	Yes
Observations	402,287	152,673	402,287	152,673	402,369	152,673
R ²	0.878	0.669	0.878	0.026	0.879	0.026

This table estimates equation XX. Independent variable cash flow is measured as net income + depreciation over asset; current ratio is measured as current asset over current liabilities. Credit supply (all and long term) is measured by taking the average bank loan to GDP ratio by province (2001–2007). Financial dependency is the share of capital expenditure not financed with cash flow from operations. Heteroskedasticity-robust standard errors clustered at the firm level appear in parentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.