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TITLE:CASUALITY RELATIONSHIP BETWEEN ASYMMETRIC INFORMATION AND CREDIT RATIONING IN BANKING SECTOR OF TURKEY

ABSTRACT

In this research, whether the credit allocation has effect on the banking sector has been questioned. As a result of Granger casuality test, the one way casuality relationship from the ratio of credits in follow / total credits, through the ratio of total credits / total active assets is observed. From this result, an increase in the credits in follow causes a decrease of the share of total credits in total active assets. In another words, banks which are experiencing trouble in repayments for the credits they let people use, they choose credit allocation and they are not willingly to supply credit to the markets. Also the findings of this research, supports the previous ork on the credit allocation of Turkish banking sector.

KEYWORDS

Financial Markets

Banking Sector

Asymmetric Information

Credit Allocation

Granger Casuality Testi