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**AN ALTERNATIVE ACQUISITION STRATEGY FOR THE TURKISH LAND
FORCES: ARMY LEASING**

by

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~146694~

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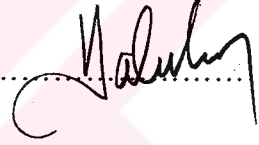
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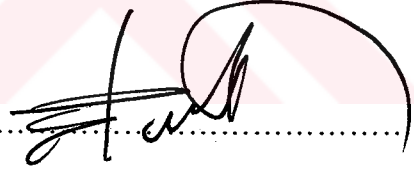
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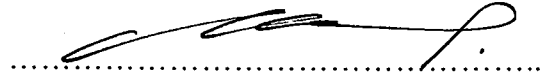
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ABSTRACT

Leasing is a widely used financial instrument in the world, it has shown significant development especially since 1950. A lease is a contract where the owner of an asset permits a user to use his asset for a predetermined period in exchange for the payment of a series of lease payments over the term of the lease agreement. The asset subject to the lease agreement can be almost anything that can alternatively be purchased. For most businesses, being able to use equipment is far more important than the need to own it since the primary benefit of higher productivity and profit come from the use of equipment, not owning it.

This thesis investigates the relative merits of the forms of leasing available to the Turkish Land Forces (TLF). The purpose is to evaluate the usability of financial leasing as an alternative acquisition method for the TLF. The TLF is a non-profit institution and is included in the general budget. It has limited budgets, and naturally, the equipment it purchase is proportional to size of its budget. As a result of the economical difficulties that our country faces, finding out some alternative acquisition methods for the army becomes a necessity; because these economic conditions have a negative impact on the military expenditures.

An ideal acquisition strategy in periods of restricted cash flow should absorb defense budget reductions without loss of force structure, decreased readiness, and restrictive organization changes. In this regard, leasing has to be considered as an alternative purchase option by the TLF, because it provides for the opportunity to obtain the maximum amount of goods and services with the limited resources that are now available for the TLF. The present limitations on the budget can easily be overcome by making use of leasing without having to ask for a budgetary increase.

Key Words : Leasing, Acquisition, Military Procurement, Land Forces Command, Ministry of Defense

ÖZET

Finansal Kiralama tüm dünyada yaygın olarak kullanılan bir mali araç olup, özellikle 1950'lerden itibaren bu alanda önemli gelişmeler kaydedilmiştir. Finansal kiralama sözleşmesinde, bir malın sahibi, kiralama sözleşmesi boyunca yapılacak kira ödemeleri karşılığında, malının önceden belirlenen bir süre boyunca başkası tarafından kullanılmasına izin vermektedir. Kiralama sözleşmesine konu olacak mal, mevcut yöntemlerle tedarik edilebilecek herhangi bir mal olabilir. Birçok işletme için bir malın kullanılması o mala sahip olunmasından daha önemlidir; çünkü daha yüksek verim ve daha fazla kar, bir malın mülkiyetinin alınmasıyla değil o malın kullanılmasıyla elde edilir.

Elinizdeki bu tez, Türk Kara Kuvvetleri'nin kullanabileceği leasing yönteminin diğer tedarik yöntemleri karşısındaki avantajlarını incelemektedir. Tezin amacı, alternatif bir tedarik yöntemi olarak finansal kiralamanın KKK için ne derecede kullanılabilirliğinin araştırılmasıdır. KKK gibi resmi kuruluşlar kar amacı gütmeyen hizmet veren ve genel bütçeden pay alan kuruluşlardır. Dolayısıyla sınırlı bütçelere sahiptirler ve ihtiyaç duydukları teçhizatı almak da bütçeleri ile orantılıdır. Ülkemizin içinde bulunduğu ekonomik güçlüklerin bir sonucu olarak, bu güçlüklerden olumsuz etkilenen askeri harcamaların gerçekleştirilmesinde alternatif tedarik yöntemlerinin bulunması bir ihtiyaç olarak karşımıza çıkmaktadır.

Nakit akışının sınırlı olduğu dönemlerde kullanılacak ideal bir tedarik stratejisi, kuvvet yapısında bir azalmaya, hazırlık durumunun zayıflamasına ve organizasyonel değişikliklere neden olmaksızın savunma maliyetlerinin azaltılmasını sağlamalıdır. Bu bağlamda leasing, KKK tarafından alternatif bir tedarik yöntemi olarak düşünülmelidir; çünkü leasing, KKK'na mevcut sınırlı kaynaklarını kullanarak azami seviyede mal ve hizmet edinme imkanı sağlar. Bütçe üzerindeki mevcut kısıtlamalar, finansal kiralamadan yararlanılarak ve bütçe artışı talebinde bulunmaya gerek kalmaksızın kolayca aşılabilir.

Anahtar Sözcükler : Leasing, Tedarik, Askeri Tedarik, Kara Kuvvetleri Komutanlığı, MSB

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LIST OF ABBREVIATIONS

GDP	Gross Domestic Product
FASB	Federal Accounting Standards Board
FMS	Foreign Military Sales
FLL	Financial Leasing Law
IRS	Internal Revenue Service
MoD	Ministry of Defense
MoF	Ministry of Finance
NATO	North Atlantic Treaty Organization
NPV	Net Present Value
OSCE	Organization for Security and Co-operation in Europe
OYTEP	Ten Year Procurement Program
PEO	Public Economic Enterprises
SPO	State Planning Organization
TAF	Turkish Armed Forces
TLF	Turkish Land Forces
UTFT	Undersecretariat of Treasury and Foreign Trade
VAT	Value Added Tax

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CHAPTER ONE

INTRODUCTION

Many societies seem to demand security as much as they demand social services, like health and education. Because security is seen to be linked with military force, the psychological need to feel secure is normally and politically most conveniently satisfied by military expenditures. Military expenditure is also high when countries feel directly threatened by external and internal powers.

The demise of the Soviet Union has brought new opportunities as well as enormous military and security risks for Türkiye. Surrounded by three seas and linking Europe and Asia, Türkiye has a very special geostrategic location. Located in a volatile region, bordered by the Balkans, the Middle East, and the Caucasus, the country is faced with a multitude of internal and external threats to its security. The region in which Türkiye resides is vital and Türkiye is a stabilizing and balancing element in the Balkans, Caucasus and the Middle East where risks and threats have emerged. Türkiye provides the stability in the region; therefore, Türkiye must remain strong to keep the region stable.

Since joining the NATO in 1952, Türkiye has maintained the largest standing army of any European member of the alliance. Also, Türkiye fields the second largest armed forces within the NATO, consisting of approximately 830,000 men (OSCE Forum, 1999, pp.10-14). A substantial portion of the current equipment holdings were originally received from other allied countries during the Cold-War years, as surplus aids. Consequently, there will be a substantial requirement for modern defense equipment during the coming years. Türkiye ranks as one of the most prominent players in the international defense markets. Türkiye's estimated yearly defense expenditure is about U.S. \$ 7 billion (SIPRI Yearbook'98, p.238). The Cold-War encouraged the deployment of the most advanced technology as quickly as possible. Today's threats know no boundaries, they require armed

forces ready to provide a flexible response. Also, these forces need faster and easier upgrades to their equipment, allowing them to stay current more reliably and more cheaply.

The Turkish Armed Forces (TAF) intends to allocate over U.S.\$ 150 billion for its equipment modernization over the next three decades (Sariibrahimođlu, 1998, pp.30-31). This modernization program is a strong signal that Türkiye is committed to stability in the region, and it would bring into our loaded agenda a number of new projects. In order to minimize the negative impact of this substantial sum on our national economy, we should take concrete measures to render the possible return of those resources into the Turkish Economy. The Armed Forces are obliged to possess and to maintain a considerable force in order to execute its assigned missions in the risky and uncertain environment extending into the 21st century. Besides, it should benefit from allocated resources effectively and realistically in order to prepare today for the solution of future problems.

1.1. DEFINITION OF THE PROBLEM

The procurement method that is obtaining supplies or services in support of the army will be changing, but the goal of TAF remains constant : to get the right equipment for their tasks at the right time and at the right price for the economy. It means that equipping, training, and supporting the armed forces as effectively and efficiently as possible. Therefore, defense procurement has always been one of the top priority issues in the country. Defense equipment are becoming increasingly complex and diverse, demanding more flexible and shorter acquisition procedures. The TAF is facing less predictable threats and a wider range of tasks, so new technology, being the most important factor enhancing the achievements of modern societies, needs to be deployed more quickly. Rapidly changing and widely available technology insist that TAF must reduce the time it takes to introduce new systems, otherwise we will end up with obsolete systems and our competitors will use more advanced technology.

The starting point of any procurement project, like in any of Türkiye's Western allies, is the Ten Year Procurement Program, or the so-called OYTEP, which is formulated by the Turkish General Staff Headquarters, on the basis of the equipment requirements reported periodically by individual Force Commands. In this sense, OYTEP also cites the categories

of financial resources from which those requirements are to be met, and the particular procurement organization to undertake each one of those.

Budgeting is the financial arrangement for probable source allocation defined in the Ten Year Procurement Program, in terms of items, purpose and amount. While evaluating the resources which will probably be allocated to the TAF in a current plan period, factors such as general economic indicators, growth rate, balance of trade, increase of prices and costs, possibility of foreign aids and credits, development plans, program of the government, liability and programs that are in effect and, in this framework, probable sources, that are Ministry of Defense Budget, Defense Industry Support Fund, Source allocated for the Military Foreign Payment by the Treasury of the State, Foreign Military Aid, which could be allocated to defense expenditures, are all taken into consideration.

In 1990's, the acquisition of needed equipment has been impacted by reduced budgets that have meant that the procurement processes, concerned with availability of the desired materials where and when needed, have to be efficient. Thus, we have to seek ways to use limited sources effectively and efficiently. An ideal acquisition strategy in periods of restricted cash flow should absorb defense budget restrictions without loss of force structure, weapon systems cancellations, decreased readiness, and restrictive organization changes.

1.2. OBJECTIVE OF THE THESIS

In this study, the main objective is to evaluate the leasing that showing an increasing development trend since 1987 in Türkiye and providing the middle and long term financing method for the investors, whether it is an appropriate method for TAF to procure equipment for doing their tasks due to the reasons mentioned before.

Leasing is a widely used financial instrument in the world. The modern leasing started in 19th century in the U.S. and spread to other countries from there, and it has shown significant development especially since 1950. The equipment subject to the lease agreement can be almost anything that can alternatively be purchased.

Governmental bodies and municipal governments are among the customers served by the lessors. For example, in the U.S., federal government leasing market averages U.S.\$ 1

billion in appropriations for lease payments each year which represents a minimum of U.S. \$ 3 billion of capital equipment leased (Yates, 1988, p.18). During World War II, leasing became a widespread means of equipment financing for the U.S. government contracts. Also, about 40 % of all the building space used by the U.S. federal government is leased rather than owned; the figures are similar in Canada.

In addition to various advantages leasing offers to lessees, public sectors enjoy leasing to lift the barriers of budget restrictions. Government units may choose to lease their equipment rather than outright purchase. This may often help them to get rid of budget restrictions on their capital requirement investments. By means of leasing, governmental and public organizations can afford to use equipment which they cannot afford to buy out of their tight budgets. In the U.S., which is the largest leasing market in the world, leasing operations are also highly developed in this sector.

Financial leasing was introduced in Türkiye in 1985, with the Law on Financial Leasing*, the first company was established in 1986 and first leasing contract was signed a year later. After the enactment of the Financial Leasing Law (FLL), a number of government decrees, regulations, and communiqués issued by various public bodies. The Turkish leasing industry is very young but there has been a big development since 1987. Within few years, it will become one of the most utilized ways of equipment financing as it is now in developed countries.

As stated before, The Turkish Armed Forces long term spending plan allocates \$ 150 billion over the next 30 years for its equipment modernization and for the acquisition of important hardware needed to support the National Military Strategy Concept. Roughly \$ 60 billion will be spent by the Land Forces. Currently, the share of defense expenditures in the Turkish National Budget is around 13 percent or about 3 percent of the gross domestic product, GDP. (Koknar, 1999, p.22).

Within this framework, the activities carried out aim at bringing to a certain level the force structure, modernization process and military readiness of the Units, Headquarters and Institutions of the Land Forces in the middle and the long run so as to cover the needs of the present and the future. What is of primary importance in attaining these goals is the

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extension of financial means, and the role that financial leasing can play in the development of such means should not be understated.

However, what directly comes to mind is whether financial leasing is a suitable means for the provision of the needs of the army. In only Turkish Naval Forces can we come up with a case of financial leasing, where it was used in the provision of frigates by means of Foreign Military Sales (FMS) credits. On the contrary, when we look into the U.S. Navy, we find out that 60 % of the ships and other necessary equipment bought for the Navy are purchased by financial leasing (Finans Dünyası Dergisi, 1990, p.38). This reveals the necessity that financial leasing also be reviewed for use in TLF.

1.3. SCOPE OF THE THESIS

The scope of this thesis is leasing in general and leasing in Türkiye, especially in TLF. The objective is to analyze the lease versus purchase decision for TLF as an alternative acquisition strategy. This thesis is arranged into chapters which are having specific objectives.

Chapter 2, What is leasing ? ; provides the basic background information to give the reader a quick insight into this study. Specifically, it gives the general definition of leasing, terms of a leasing contract, reasons for leasing, history of leasing and the types of leases. It also includes the advantages of leasing both to a lessor and to a lessee.

Chapter 3, Leasing in Türkiye; presents the legal arrangement of leasing, the assessment of FLL and the establishment of financial leasing sector in Türkiye. The impact of financial leasing on the Turkish Economy and the advantages of leasing in Türkiye are also examined. At the end of this chapter, the evaluation of lease versus buy decision is made on a numerical example.

Chapter 4, Turkish Land Forces Command and Leasing; presents the defense policy and the structure of Land Forces, and the process in which leasing might be considered as an element of national defense planning. And also, it deals with the goods and equipment that the Land Forces Command can lease, and the possible advantages of financial leasing for the Land Forces Command. Finally, a juxtaposition on the current body of law on the purchases by the Land Forces Command and the law on financial leasing is made.

Chapter 5, Evaluation of Leasing as An Alternative Acquisition Method For The Land Forces Command; this chapter has presented the detailed description of the research method. It reports the empirical results of statistical analyses and their interpretations, together with an evaluation of the relevant hypotheses.

Chapter 6, Conclusions; summarizes major conclusions, and theoretical and practical implications of this study, and provides several research areas that deserve further investigation.

The needed cadre changes and the time for adapting are beyond the scope of this study.



CHAPTER TWO

WHAT IS LEASING?

2.1. DEFINITION OF LEASING

Before defining what leasing is, the concept of ownership should be clarified. There are two types of ownership, namely legal ownership and user ownership. The legal owner holds title to the equipment and is responsible and has rights related with the ownership of equipment on the taxes, expenses, etc. The user owner, on the other hand, has no legal title to equipment, but can have the right to use the equipment by the permission of legal owner, the legal and user owner may be the same body or separate bodies (Karabaž, 1989, p.12).

In the past, businessmen have not accepted readily the user ownership without legal ownership, because of the pride they felt in “actually owning” the equipment. And, generally leasing had the feeling of implying the lack of necessary funds to acquire the equipment by the company’s own means and therefore many businessmen avoided the practice. However, with the widespread acceptance of the concept that the profits are made through the use of the assets, not through the actual ownership of them, leasing was accepted in the business circles as a financing alternative (Karabaž, 1989, p.13).

Leasing is an alternative method of financing for companies to acquire capital equipment. A lease is a simple agreement between the owner (lessor) of equipment and the user (lessee) covering the use of equipment for a fee (rental) which becomes complex because of tax consequences, cash flows, and financial reporting. In other words, a lease is a contract where the owner of an asset permits a user to use his asset for a predetermined period in exchange for the payment of a series of lease payments over the term of the lease agreement.

According to the leasing terminology, there are usually three parties involved in a lease, the seller of equipment who is called the “vendor”, the one who will use the equipment is

the “lessee”, and the leasing company that pays cash to the seller of the equipment is called the “lessor”. The function of the leasing company (lessor) is to buy equipment from a vendor for cash and lease it for a specified period of time to a lessee.

For most business, being able to use equipment is far more important than the need to own it. Leasing provides unrestricted equipment use that can be paid for as the equipment produces. This way, a few cents of spending can work like dollars. Sophisticated business managers have learned that the primary benefits of higher productivity and profit come from the use of equipment, not owning it. Thus, leasing is simply an alternative method of financing.

A typical leasing transaction works simply as follows:

- The user- lessee first decides on the equipment needed.
- The lessee then decides on the manufacturer, the equipment, and the model.
- The lessee specifies the terms of warranties, guaranties, delivery, any special features desired, installation, services, and also negotiates the price.
- After the equipment and terms have been specified and the sales contract negotiated, the lessee enters into a lease agreement with the lessor.
- The lessee negotiates with the lessor on the length of the lease, the rental payments, whether delivery and installation charges should be included in the lease, and other optional considerations.
- After the lease contract has been signed, the lessee assigns its purchase rights to the lessor.
- The lessor then pays for the equipment, and the lease goes into effect.
- At the end of the lease term, the lessee usually has the option to renew the lease, to buy the equipment, or to terminate the agreement and return the equipment.

2.2. TERMS OF A LEASE

The following lists consist of major terms of a lease:

1. The period or term of the lease -- This is usually expressed in months or years.
2. The rate or lease payment -- The determined payments derived from the total equipment cost paid and the length of the term.
3. Specific financial terms -- These are usually requested by the lessor and include items

such as the day of the month payment is due, additional charges for late payment, etc.

4. Residual values and purchase options -- They take effect at the end of the term and dictate whether the lessee is legally bound to purchase an item and at what price.

5. Financial terms -- These terms spell out the market value of the property for insurance purposes in the event of damage or loss of equipment.

6. Tax responsibility -- Designates a party responsible for taxes, insurance, and maintenance costs as well as the investment tax credit.

7. Modern equipment substitution provision -- This provides for updating the equipment or exchanging it for later models during the lease term.

8. Renewal options -- They specify whether the lessee can renew their lease or not.

9. Cancellation clause -- This clause specifies any penalty for early cancellation.

10. Miscellaneous options -- These are any other specific terms or stipulations such as security deposits, warranties, extra fees, etc.

2.3. REASONS FOR LEASING

Leasing provides flexibility. Companies have different needs, different cash flow patterns, different and sometimes irregular streams of income. For example, startup companies typically are characterized by little cash and limited debt lines. Mature companies might have other needs - to keep debt lines free, to comply with debt covenants, and to avoid committing to equipment that may quickly become obsolete. Therefore, the business conditions - cash flow, specific equipment needs, and tax situation may help define the terms of lease. Moreover, a lease provides the use of equipment for specific periods of time at fixed rental payments. Therefore, leasing allows companies to be more flexible in the management of their equipment.

Leasing protects the business against operating obsolete equipment, and it provides an opportunity to use new or updated equipment. A company can negotiate a short-term lease and exchange the equipment at the end of the lease term. Equipment is costly and some of the costs are unexpected. When a company leases, its risk of getting caught with obsolete equipment is lower because it can upgrade or add equipment to best meet its needs. Further, the equipment needs can change over time due to the changes to the company, such as diversification or expansion. Leasing allows the companies to stay on the cutting

edge of technology. And most corporate financial executives recognize that profit are derived from the use of an asset, not its ownership.

Leasing acts as a hedge against inflation. It is generally better to borrow long in a period of inflation if one's revenue sources are to inflate accordingly. By taking an advantage of long-term financing, a company is paying cheaper dollars due to an extended future period.

Leasing may provide tax savings. Maybe the primary benefit is the deductibility of a lease as an operating expense. The cost of a certain types of leases is 100 % tax deductible. The full cost of leasing can often be treated as an expense deduction for income tax purposes and may result in larger tax depreciation and interest expenses. This can mean substantial tax savings and improved cash flow.

Leasing provides 100 % financing for equipment acquisitions. Through leasing, the use of an asset is acquired without a large initial capital outlay. Leasing does not affect the bank lines of credit, rather a company obtains an additional line of credit for equipment purchases which is not shown on its balance sheet. It keeps the lines of credit open. Leasing helps to overcome budget restrictions and limitations.

Leasing is practical. By leasing, a company transfers the uncertainties and risk of equipment ownership to the lessor, which allows the company to concentrate on using that equipment as a productive part of its business.

With the leasing agreements between lessors and non-profit organizations as lessees, the tax advantages lay on the side of the lessor and therefore this can be reflected to the lessee in the form of reduced lease payments. Also, due to the difficulties in obtaining necessary budgets for the purchase of the assets in non-profit organizations, leasing is a flexible and easy method that can be frequently used by such organizations.

In a lessee survey by Hull and Hubbard (Hull and Hubbard, 1980, pp.619-637) for the United Kingdom Practice, the respondents (of which 56 % had signed lease agreements within the last two years) gave the following main reasons for why they lease :

	<u>Important Factor</u>	<u>Marginal Factor</u>
• Conserved cash flow	54 %	24 %
• Cheaper than purchase	45 %	19 %
• Additional form of finance which does not affect other borrowing sources	27 %	26 %
• Safeguard against obsolescence	18 %	19 %
• Certainty of fixed payments	12 %	31 %

2.4. ROLE OF LEASING

Economic conditions in a country play a major role in the level of leasing activity. Leasing has grown during both good and bad times, and in expanding and contracting economies. In some cases leasing activity actually increases more rapidly in bad economic times. Such as increase usually is caused by a credit crunch that forces equipment users to seek alternative sources of capital. As a general rule, however, leasing is at its strongest when the economy is healthy.

The years of 1990-1991 have brought into focus the correlation between the economy and the level of leasing activity, as leasing's record of continued worldwide growth was broken for the first time. During this period, the major developed countries in the world experienced economic problems, ranging from simple stagnation to near depression. The leasing industries of these countries have suffered declines in volume. Countries that are experiencing robust economic activity, such as those in Latin America, have seen leasing expand, especially if supported by the government and a strong domestic leasing association.

Nations in the process of industrialization require significant amounts of capital. Leasing industries the world over help meet this need for capital, furthering economic development wherever they exist. Many developing countries use leasing as a means of attracting foreign capital. Governments and world agencies are encouraging this process. The means of developing the domestic leasing industry are diverse but a sizable amount of assistance from the public and private sector is required.

Given the many benefits of leasing, it is somewhat puzzling why emerging nations have taken so long to adopt leasing as a means of solving capital shortages. It now appears that

recognition of lease financing on a worldwide basis is accelerating. The greatest challenge to further expansion of leasing lies in the legal complexities involving repossession and other problems connected with collection. The establishment of a secondary market for equipment also is critical to this expansion.

Since leasing is predominantly a domestic product, constrained by the individual legal, tax and accounting guidelines of each jurisdiction, it is not easy to compare leasing with other international capital market products. This does not mean that cross-border leasing is an insignificant business. Extremely sophisticated international lease transaction have been designed to provide equipment at a low cost and protect the right and yields of the funding sources and equity participants.

To facilitate cross-border lease transaction, major leasing companies from various countries have formed several different associations, commonly referred to leaseclubs, to solve difficult cross-border tax, accounting and legal differences. The members of these associations cooperate in offering to their export customers a complete international leasing service, providing significant marketing and operating cost saving to all parties involved in a lease transaction. By utilizing their membership as a marketing instrument, the members of these associations can offer both their exporting and multinational customers a worldwide leasing service.

The major benefits of membership in a leaseclub are (1) local advice and decision support for exporters' foreign equipment sales, which might include the provision of lease quotations and the conclusion of leasing contracts with customers abroad ; (2) establishment of personal and commercial contacts between the various member ; and (3) access to credit information on companies abroad. Members have access to this information through credit reference facilities.

2.5. HISTORY OF LEASING

Leasing is actually a very ancient form of commercial transaction. Although the exact date of the first leasing transaction is unknown, the earliest records of leasing are those of transactions occurring sometime before 2000 B.C., in the ancient Sumerian city of Ur. Sumerian lease documents, which were produced in damp clay, recorded transactions

YEDİTEPE ÜNİVERSİTESİ
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ranging from leases for agricultural tools and land and water rights to oxen and other animals. The clay tablets, some of which were found as recently as 1984, indicate the priest of the temples (lessors) leased to the local farmers (lessees). These early documents do not preclude the possibility that leasing may have existed elsewhere in the world at an earlier date but no documentation of such leases has been preserved.

Many early legal systems make mention of the financial tool called leasing. The most noteworthy record of leasing laws relates to roughly 1700 B.C., when the famous Babylonian king, Hammurabi, incorporated Sumerian and Achaian mores concerning leasing into his extensive collection of laws.

Leasing in earlier times was not limited to the leasing of only one or two types of property. In fact, historical evidence provides illustrations of the leasing of various types of agricultural and industrial equipment, as well as equipment used in militaristic endeavors. Many knights of old were known to have leased their armor. For instance, in 1248, Bonfils Manganella of Gaeta leased a suit of armor for the Seventh Crusade, paying a lease rental of close to its original value (Amembal and Halladay,1995, p.2).

Modern equipment leasing in the United States had its significant beginnings in the 1850s in connection with the financing of barges, railroad cars, and railroad locomotives under equipment trust certificates. The world's first registered leasing company, the Birmingham Wagon Company, was constituted in 1855.

Another sector interested in leasing was the manufacturers concerned about protecting their monopoly positions in their respective markets. For example, Bell Telephone Company adopted the policy to provide equipment in a customer's home or office on a rental basis only in 1877 (Amembal and Halladay,1995, p.4).

In the early 20th century, similar practices were followed by manufacturers of boot and shoe making machinery, private telephone equipment, office calculating machines in both the U.S. and the U.K. Consumer leasing in the U.S. began on a large scale with leases of sewing machines by Singer Sewing Machines Company. Vendor leasing began to evolve in the 1920s as manufacturers sought to encourage sales of their equipment. For example, United Shoe Machinery Corporation distributed almost all of its products under lease

contracts and International Business Machines Corporation (IBM) gained more than half of its income from leasing between 1927 and 1940.

During World War II, leasing became a widespread means of equipment financing for the U.S. government contracts. Although leasing has a history dating to ancient Sumerians, it started to establish itself as a major financial tool in the second half of the 19th century in the United States of America and the United Kingdom.

In 1952, the first modern leasing company, United States Leasing Corporation, established by Henry Sohoenfeld. It became the first company formed to engage in general equipment leasing and it did not manufacture the equipment leased to customers. Instead, it approached equipment manufacturers in order to lease their equipment to willing customers.

By the end of 1950s, leasing was sufficiently developed in the United States for the leasing companies to turn their attention to foreign markets. In 1959, United States Leasing Corporation participated in a joint venture leasing company in Canada, called Canadian Dominion Leasing Corporation, which was the first of many ventures into foreign markets. In 1960, leasing moved to Europe and Japan, Mercantile Leasing Company established as the first British leasing company and Orient Leasing established as the first Japanese leasing company. In 1961, the first leasing companies were started in Italy and France and a year later in Germany. In the early 1960s, leasing industry had been established in most of the major West European Countries.

Leasing then experienced rapid growth and at that time the popularity of leasing can be attributed to several factors: It offering 100 % financing, flexibility in timing and amounts of rental payments, tax benefits, financing on a basis appropriate to the life or income generation potential of the equipment, and off-balance-sheet treatment. Leasing was aggressively marketed as an alternative to medium to long term bank loans and contractual formalities were completed with great speed by the leasing companies. As a result, customers found that it was faster and simpler to deal with a leasing company than with a bank. In some countries, such as the U.S., Canada, Australia, and the U.K., a favorable tax environment also further encouraged the growth of leasing.

In 1962, The American Association of Equipment Lessors was formed as a trade association to promote leasing and to monitor federal and state laws and regulations affecting leasing. A very major event of the late 1960s was the development of modern leveraged lease structures.

During the 1970s, leasing showed a dramatic growth. Most airlines and railroads utilized leases in financing major portions of their equipment needs. The total amount of new leasing business in both Europe and Japan grew by more than 800 % during the period 1970 -1979 and by the end of 1970s, leasing was recognized as a primary source of equipment finance (Clark, 1985, p.2).

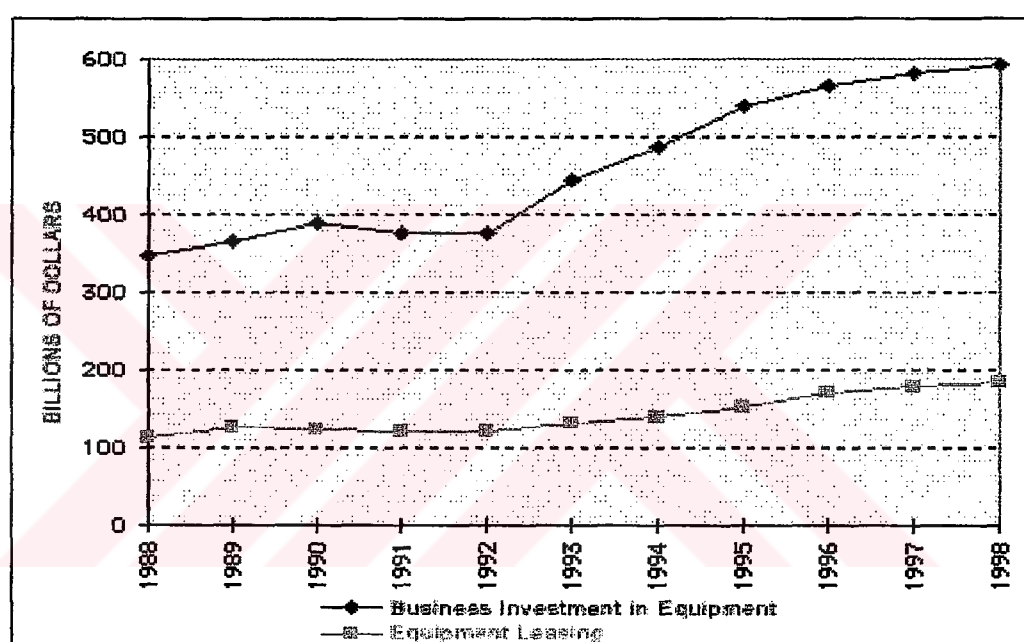


Figure 2.1 The volume of leasing transactions

Source : U.S. Dept. of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, and Equipment Leasing Association of America. Estimates and forecasts by International Trade Administration. (Note: 1997 data are estimates and 1998 data are forecasts)

Little by little, the momentum has increased until today. Leasing is recognized as the fastest growing and largest external source of capital for plant and equipment in the U.S. In 1988 alone, 85 % of American companies including 65 % of the Fortune 1000 companies used leasing to acquire the use of capital equipment.* The amount of dollars involved in equipment leasing in 1997 is estimated by the U.S. Department of Commerce to be \$179.8

* At <http://www.870.com/leasing.html>, September 27,1999

billion of the total investment in business equipment of \$582.1 billion. Figure 2.1 illustrates the trends for the industry between 1988 and 1998. The record shows that equipment leasing has financed close to one-third of total business investment for most of the years 1988-1998.

Today, all kinds of office equipment, computers, cars, aircraft, medical equipment, railroads, agricultural tools can be a subject of a lease agreement. Figure 2.2 illustrates the volume by equipment type for 1997-1998. Moreover, some industrial companies do not sell their products, instead they lease and provide the necessary maintenance and repair services, and change the equipment with the new one when there is a technological improvement in the product (Arikel, 1986, p.24).

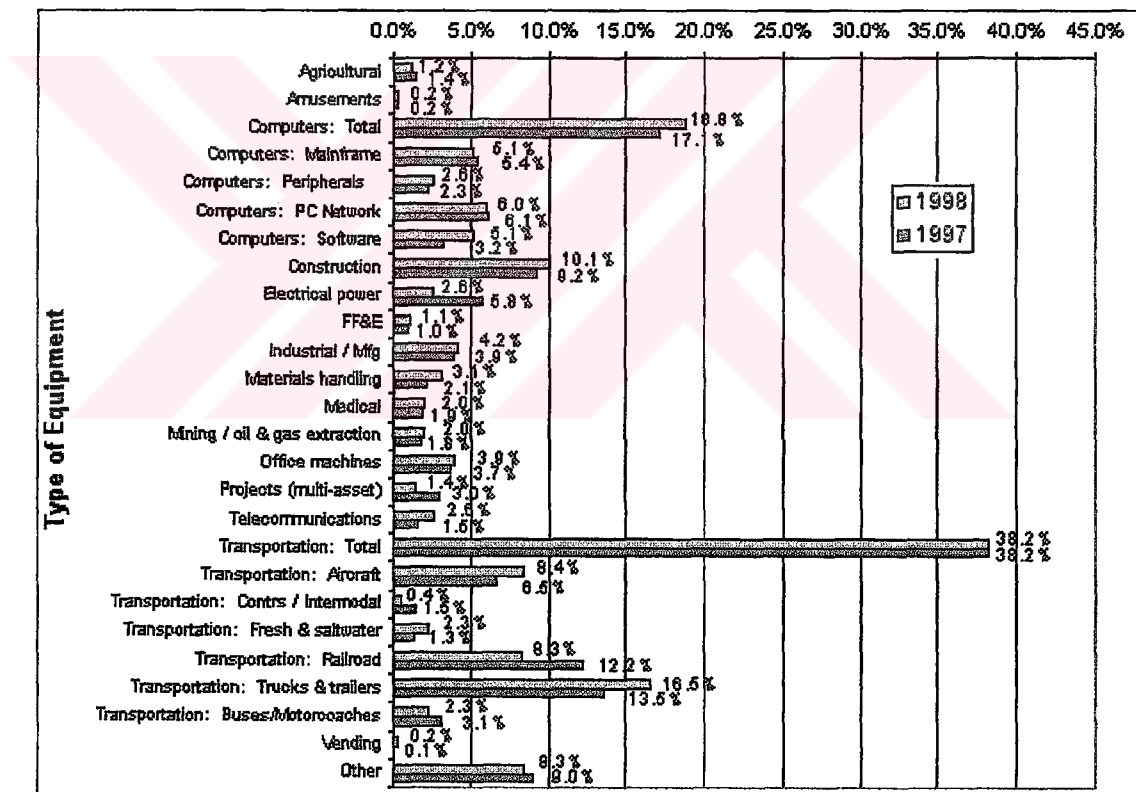


Figure 2.2 Volume by Equipment Type for 1997-1998

Source : Equipment Leasing Association's Survey of Industry Activity and Business Operations

2.6. TYPES OF LEASES

2.6.1. Operating Lease

If the lease does not transfer ownership rights, risks, and rewards from the lessor to the lessee, the lease is called an operating lease and is similar to a rental. Operating leases, sometimes called service leases, provide for both financing and maintenance. Operating leases are most offered by the manufacturer. IBM is one of the pioneers of the operating lease contract, and computers and office copying machines, together with automobiles and trucks, are the primary types of equipment involved. The lessor is responsible for payment of personal property taxes and often responsible for equipment maintenance. Thus, these leases call for the lessor to maintain and service the leased equipment, and the cost of providing maintenance is built into the lease payment.

Another important characteristic of operating leases is the fact that they frequently are not fully amortized; in other words, the payments required under the lease contract are not sufficient to recover the full cost of the equipment. However, the lease contract is written for a period considerably shorter than the expected economic life of the leased equipment, and the lessor expects to recover all investment costs through subsequent renewal payments, through subsequent leases to other lessees, or by selling the leased equipment. This type of lease is popular for high-tech equipment, because shorter term leases help equipment users stay ahead of equipment obsolescence.

Another feature of operating leases is that they frequently contain a cancellation clause which gives the lessee the right to cancel the lease before the expiration of the basic agreement. This is an important consideration for the lessee, for it means that the equipment can be returned if it is rendered obsolete by technological developments or if it no longer is needed because of a decline in the lessee's business. The operating lease is excellent for the user who needs the equipment for only a relatively short time or is considered with obsolescence.

2.6.2. Financial Lease

Financial leases, sometimes called capital leases, are differentiated from operating leases in three respects : (1) they do not provide for maintenance services, (2) they are not

cancelable, and (3) they are fully amortized that is, the lessor receives rental payments which are equal to the full price of the leased equipment plus a return on the investment. In other words, financial leases are defined as a contract under which a lessee will make payments exceeding the purchase price of the equipment so as to return the lessor's investment plus a profit. Financial leases are generally for a fixed, noncancelable term except with a penalty. Lessees are responsible for personal property taxes, maintenance and insurance. The lessee will generally have an option at the end of the lease term to purchase the equipment, renew the lease for an additional term or return the equipment. Equipment warranties from manufacturer and vendor are passed on to the lessee. Financial leases generally offer longer terms than those available from banks or commercial finance companies for loans.

At this point, we can point out that there are two different sets of definitions regarding leases : those of the Financial Accounting Standards Board (FASB) and those of the Internal Revenue Service (IRS) .

The Financial Accounting Standards Board has issued its Standards of Financial Accounting Standards No. 13 establishing criteria for classifying leases and prescribing accounting and reporting requirements for each classification. FASB categorizes leases as either capital leases or operating leases. In the case of the lessee, the Statement requires that a lease can be classified and accounted for as an operating lease if it does not meet any one of the following four criteria:

1. The lease transfers ownership of the property to the lessee by the end of the term;
2. The lease contains an option to purchase the property at a bargain price;
3. The lease term is equal to 75% or more of the estimated economic life of the property;
4. The present value of the rentals and other minimum lease payments, as defined, is equal to 90% or more of the fair market value of the leased property less any relative investment tax credit retained by the lessor.

These four basic guidelines are referred to as "Handee Fasbee". If the lease does not meet any of those criteria, it is to be classified and accounted for as an operating lease. The Figure 1.3 illustrates this situation.

IRS categorizes leases as true leases and all others. A company may treat a true lease as an expense for tax purposes and deduct it accordingly. It is also known as a tax-oriented lease. The true lease rental payments are a 100 % tax deductible expense. The IRS Ruling 55-540 states the position of the Internal Revenue Service regarding the income tax aspects of leased equipment. The lease cannot meet any one of the following criteria in order to be classified as a true lease for tax reporting purposes:

1. The lease transfers ownership of the property to the lessee by the end of the term;
2. The lease contains an option to purchase the property at a bargain price; or
3. The lease term is equal to 75% or more of the estimated economic life of the property.

If the lease, at inception, meets any of the above criteria, it is considered a lease purchase and will be treated as such by the IRS. The lessee cannot deduct 100% of the rental payments, but will only be able to deduct the depreciation and the interest expense.

True leases do not call for full pay-out of the equipment cost and financing charge during the term of the lease. Typically, the lessee does not have an option to purchase the equipment at the end of the lease. Such an agreement is recognized by the IRS as a rental agreement. Hence, the monthly lease payments are classified as operating expenses, and qualify as fully tax deductible expenses. True leases are not capitalized on the lessee's financial statements, eliminating impacts on the company's stated financial condition.

2.6.3. Non-Payout Lease And Payout Lease

With equipment which tends to have a high resale value, the lessor might choose to offer a non-payout lease where the equipment is leased for less and the costs are not completely recovered. At the end of the term, the lessor will either sell the equipment or lease it out again.

The payout lease simply specifies that the lessor will charge a payment schedule that will recover the cost of the equipment

2.6.4. Sale And Lease-Back

This type of lease offers an option for the small business owner to free up some capital in the assets he or she already owns. In this case, the owner sells the asset and leases it back

for a specific term. The lessee is bound to a long-term contract, usually with renewal options, at an annual rental computed as a percentage of the selling price. This annual return for the purchaser will fully amortize his investment over the original term of the lease.

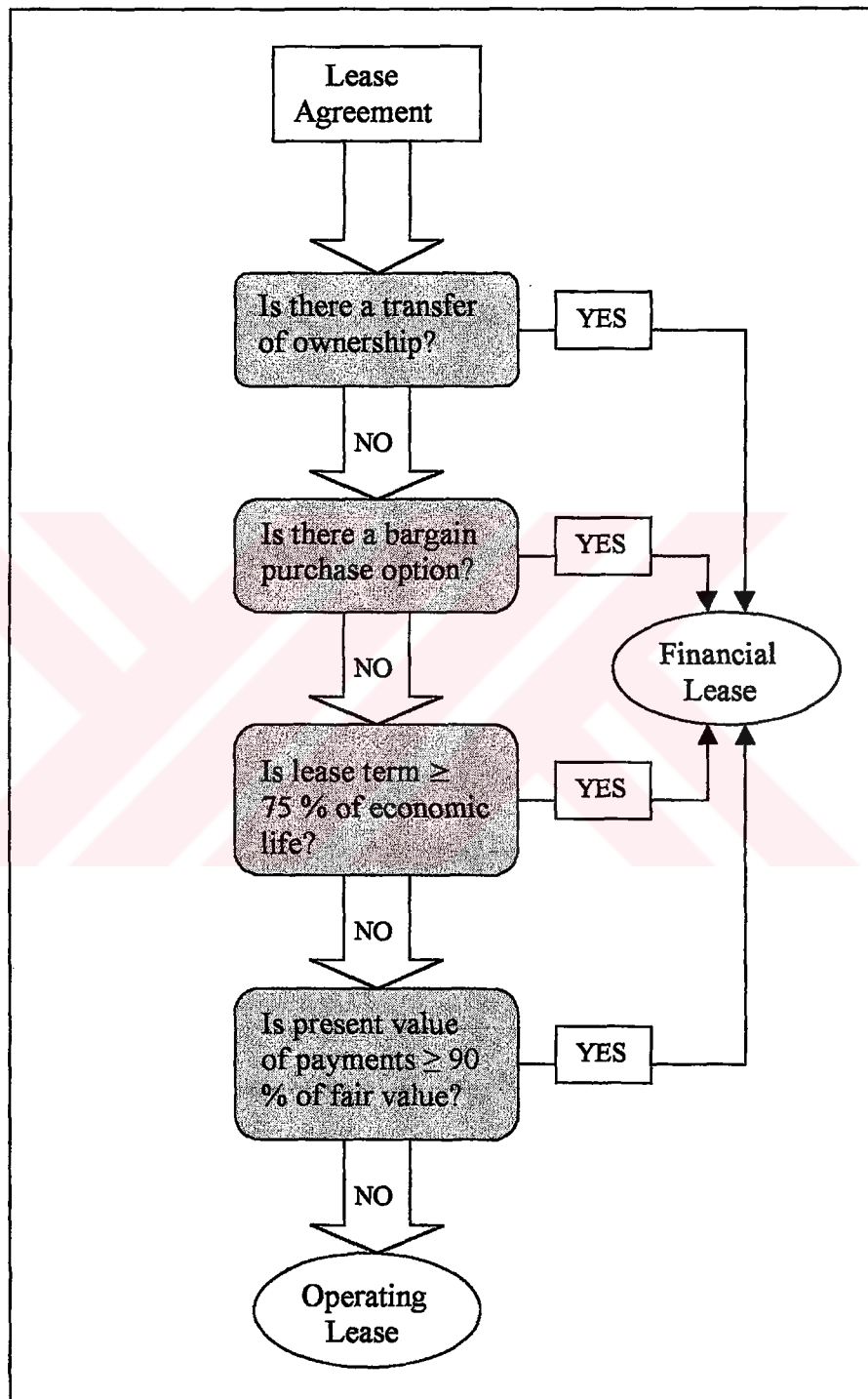


Figure 2.3 Criteria for classifying leases (FASB No:13)

2.6.5. Sublease

Occasionally a lessee may enter into a sublease with a third party, and the original lease between the original lessor and lessee may remain in effect. Alternatively, a new lease with a new lessee may replace the original lease, and the original lessee may or may not be secondarily liable. For example, because of inflation, intense competition, and other factors, many discount store chains that leased their buildings from real-estate developers have closed unprofitable outlets and have been forced to sublease the property to other businesses.

2.6.6. Leveraged Lease

Leveraged leases have become popular since the late 1960s, primarily because of certain tax benefits that they afford lessors in high tax brackets. A leveraged lease involves three parties : the owner-lessor called an equity-participant, the lessee, and a third party who provides financing for the lessor's initial purchase of the leased property. This third party is called a debt participant and usually is a financial institution. The lease is called leveraged lease because the lessor issues debt for a large portion of the purchase price. Thus, leveraging increases the lessor's rate of return on equity.

2.6.7. Domestic Lease

One of the most common types of leasing is domestic leasing, where the lessor and lessee are domiciled in the same country. It may be a company seeking finance for its investment program which contacts its bankers and is directed by them to a leasing company. Or it may be a seller, using his existing contacts with a leasing company, who initiates a new lease. Domestic leasing occurs in the long-life consumer goods industry as well as in the capital goods industry. However, the most commonly leased items are capital goods, which thereby generate income to pay for themselves over their economic life.

2.6.8. Cross Border Lease

In cross border leasing both the lessor and the lessee come from different countries. For example, a British exporter sells his product to a British leasing company which then leases the equipment to a foreign lessee. Therefore, the leasing is done across borders.

Cross border leasing takes the place of an export transaction. The goods are shipped to the foreign country but remain the property of the domestic leasing company. This creates many legal and tax problems. In most cases, at the end of a leasing period, the equipment is bought by the lessee at a low price. The item is thus finally exported, although it has been in the possession of the importer for some time.

2.6.9. Net Lease And Gross Lease

The net lease and gross lease both recognize that the ownership of the equipment will return to the lessor at the end of the term. The lessee must make all payments for the entire term, as these contracts are irrevocable. The difference between the two leases is that in the net lease contract, the lessee is responsible for all maintenance, taxes and insurance during the term, and in the gross lease the lessor is liable.

2.7. ADVANTAGES OF LEASING

There are many conventional reasons for leasing to be executed between willing parties. In this section, these advantages are explained from the viewpoint of the lessee and the lessor.

2.7.1. To A Lessee

Although leasing is not without its disadvantages, the growth in its use suggests that it often has a genuine advantage over owning property. Some of the commonly discussed advantages to a lessee of leasing are :

1. **100 % Financing at Fixed Rates** : Leases are often signed without requiring any money down from the lessee, which helps to conserve scarce cash - an especially desirable feature for new and developing countries companies. The most significant problem any business faces is that of cash flow. It is important, therefore, that each decision made has this in mind. If this businessman purchases equipment outright, his cash reserves are depleted to that level. If he borrows from the bank, that portion of his line of credit is used up. If he tries to purchase on a time payment base, few suppliers can permit a long-term payoff. Therefore, his monthly payments can be exorbitant. Leasing, will, however, furnish this cash to purchase the equipment with long-term leases. The monthly cash flow is at a level where actual savings can be realized immediately.

Leasing provides up to 100% of the cost of the equipment. In many cases no deposits or advance payments are required. In addition, lease payments often remain fixed, which protects the lessee against inflation and increases in the cost of money.

2. **Protection against Obsolescence** : A firm concerned about possible obsolescence of high technology equipment may not want to own. Leasing equipment reduces risk of obsolescence to the lessee, and in many cases passes the risk in residual value to the lessor. By means of leasing, the lessees can hedge against obsolescence by using leases such as short-term cancelable leases where the lessee can return the equipment when he no longer needs it, and upgrade leases where obsolete equipment are replaced with the new ones as a result of leasing agreement.
3. **Flexibility** : Lease agreements may contain less restrictive provisions than other debt agreements. Innovative lessors can tailor a lease agreement to the lessee's special needs, and they have proved more adaptable than banks and financing institution with regard to contract structures. Rental payments may be varied according to the revenue expectations of lessees. For instance, rental payments can be structured to meet the timing of cash revenues generated by the equipment, so that payments are made when the equipment is productive.
4. **Conservation of Working Capital** : Leasing can typically finance a higher percentage of the capital cost of equipment than bank borrowing, with little or no initial down payment required. This is an important factor especially for small and rapidly growing companies in need of cash to pay for operating expenses, finance their payables and their inventories. Since leasing requires lower down payments than the banks' loans, the company preserves its cash or bank facilities to meet working capital needs. Thus, leasing does not tie up valuable working capital or credit lines, and also it preserves liquidity for other more appropriate uses.
5. **Off-Balance Sheet Financing** : Certain leases do not add debt on a balance sheet or affect financial ratios which gives the company a more liquid, profitable and solvent appearance, as a result, the company management has an additional ability to manipulate the company standing against the banks, shareholders, etc.

6. **After-tax present value of costs** : The after-tax present value of costs may be lower to a lessee as compared to normal financing methods due to the transfer of several rights such as depreciation, investment tax credit to the lessor which in turn reflects those in the form of lower payments. In many countries lessees can offset their full lease payments against income before tax, compared to just the interest on bank loans. Furthermore, lessors may pass on tax benefits associated with their depreciation to lessees via reduced financing costs.
7. **Convenience** : Leasing can be arranged more quickly and simply than conventional loan financing because outside security often does not need to be established. Furthermore, many leases are provided by specialized companies, with management focused on providing leasing related services. Speed and ease of processing are an important service of competitive advantage to such companies. And also leasing simplifies record keeping, and it avoids the necessity of selling equipment no longer wanted.

2.7.2. To A Lessor

Some of the commonly discussed advantages to a lessor of leasing are :

1. **Ownership of the asset** : It gives the lessor strong security. In countries where weak collateral laws hinder bank lending, leasing offers the advantage of not requiring collateral beyond the security of the leased asset itself, because ownership of the asset already lies with the lessor.
2. **Dedicated use of funds** : Because the lessor purchases the equipment directly from the supplier (often after the lessee has chosen it), there is no opportunity for the lessee to utilize the funds for other purposes.
3. **Lessor specialization** : Lessors may be specialized in a limited set of assets, which permit them to know more about the market for the assets than most lessee/ users. Economies of scale exist in gathering and assessing information about obsolescence risk and in projecting future asset values. Constant contact with the market improves a lessor's ability to re-market an off-lease asset and lowers his cost of bearing these risks.
4. **Lighter regulation** : Because leasing companies are not usually deposit takers they tend to be less tightly regulated than banks. This may allow them to use higher leverage than

some other financial institutions (and frees them from directed lending mandates sometimes imposed on banks by governments).

5. **Relatively simple documentation :** The formalities involved in transacting a lease are straightforward and leasing facilities normally avoid the complexities of a comparable borrowing or capital-raising arrangements. It keeps transaction costs down, allowing leasing companies to achieve high volumes efficiently. As a result, leasing companies enhance close client relationships, which facilitate processing and supervision.
6. **Tax shield :** Sometimes lessors can make better use of depreciation tax shield generated by an asset than the lessees. Therefore, it may make sense for the leasing company to own the equipment and pass on some of the tax benefits to the lessee in the form of low lease payments.
7. **Lessor bank advantage :** In addition to the other advantages, if a lessor is a bank, then it has two distinct advantages from being a lessor: The first is that, equipment leasing answering a need of some bank clients which should be a necessary part of the banks' full service package. The second is that, a bank assists in maintaining an exclusive relationship with the client by preventing other banks or other financial institutions that lease equipment from gaining a foothold with the client.

2.8. SUMMARY

This chapter provides a detailed literature survey and the basic background information to give the reader a quick insight into this study. Specifically, it gives the general definition of leasing, terms of a leasing contract, reasons for leasing, history of leasing and the types of leases. Finally, the advantages are explained from the viewpoint of the lessee and the lessor. Some of the commonly discussed advantages to a lessee of leasing are : 100 percent financing at fixed rates, protection against obsolescence, flexibility, conservation of working capital, off-balance sheet financing, after-tax present value of costs, and convenience. However, ownership of the asset, dedicated use of funds, lessor specialization, lighter regulation, simple documentation, and the tax shield are the advantages of leasing to a lessor. The next chapter deals with the establishment of financial leasing sector and the legal arrangement of financial leasing in Türkiye.

CHAPTER THREE

LEASING IN TÜRKİYE

3.1. THE LEGAL ARRANGEMENT OF FINANCIAL LEASING IN TÜRKİYE AND THE ASSESSMENT OF FINANCIAL LEASING LAW, NO:3226

Financial Leasing entered the Turkish finance sector by means of the “Financial Leasing Law”, Law No.3226, which has been enacted on 10th June 1985.* It has been the first of a series of regulatory framework concerning leasing. As stated in the first article of the Financial Leasing Law, the purpose is to regulate financial leasing activities as a means of finance.

Financial Leasing in Türkiye is governed by Law No.3226 and a number of government decrees, regulations, and communiqués issued by various public bodies. The following regulations and decrees have been announced after the enactment of the law :

- Regulation Regarding The Establishment Of Financial Leasing Companies, Opening Branches And Supervision Thereof.**
- Regulation Regarding The Determination Of Periods And Limits For Financial Leasing Activities.***
- Regulation Regarding The Procedures And Principles Of Establishing Guarantees For Custom Taxes And Duties On Assets Subject To Financial Leasing Within The Context Of The Provisions Of Law No.3226****
- General Communiqué Regarding Income Taxes, Serial No.146*****
- General Communiqué Regarding Income Taxes, Serial No.150*****
- General Communiqué Regarding Law of Charge, Serial No.13*****

* Published in the Official Gazette No: 18795 date June 28, 1985

** Published in the Official Gazette No: 21212 date April 28, 1992

*** Published in the Official Gazette No: 21278 date July 8, 1992

**** Published in the Official Gazette No: 18872 date September 28, 1985

***** Published in the Official Gazette No: 19130 date June 7, 1986

The Turkish leasing industry is closely controlled and regulated by the Undersecretariat of Treasury. All cross border leasing agreements are submitted to the Treasury for approval. Domestic leasing companies are required to report the details of each transaction to the Treasury within 20 days after the leasing contract is signed. Domestic leasing companies are also required to file their quarterly financial statements with the Treasury.

The Law does not define what leasing is but it closely regulates the legal nature and structure of the leasing agreement and the rights and the duties of the contracting parties. Movable or immovable goods of any description, with the exception of nonmaterial rights such as patents, copyrights, and trade-mark, can be leased. The assets which are depreciated are the subject of leasing. Thus, raw materials also are not leased. The Law requires that the goods to be leased must be selected by the lessee and purchased or otherwise acquired by the lessor as demanded by the former. Throughout the lease term the lessor keeps the ownership of the leased asset, thus enjoying all the benefits associated with ownership, while the lessee has the right to use the asset without interference from the lessor and third parties.

In return for the right to use the asset the lessee makes rental payments, as determined in the lease agreement, which may be dominated in Turkish Lira or in any convertible foreign currency acceptable by the Central Bank of Türkiye. Minimum annual lease payments in cross border leasing transactions cannot be less than U.S. \$25,000. Payments may be fixed or variable. The minimum uncancellable period for a lease agreement is four years. The three exceptions to this general rule allow the early cancellation of the agreement if the leased asset :

- a) has certain technological and economic characteristics which limit its use to less than four years or,
- b) can be the subject of a new lease agreement or,
- c) is likely to create economic and financial difficulties for the lessee and the lessor in the event of imminent war

The lease agreement is drawn and registered by a notary public. In the case of cross border leases the agreement is registered by the Undersecretariat of Treasury. Real right acquisition claims by third parties can not be entertained after registration. The lease

agreement may contain a purchase option at the end of the lease term. This option may be nominal and substantial. Duly incorporated companies only with a paid-up capital of a minimum of TL 1 billion can be lessors. For foreign leasing companies to establish branch offices in Türkiye, they must have a minimum paid-up capital in Turkish Liras equivalent to U.S. \$ 2 million. However, cross border lease agreements can be made directly between a foreign lessor and a local lessee. The lessor's charter clearly defines the corporation's main line of business as leasing and excludes any other type of activity.

A governmental decree, published on July 8, 1992, introduced considerably enlarged cost limits for investment projects that can be financed by leasing companies. The decree removed the proportional relationship between the rental receivables from a single lessee and the equity capital of the leasing company and imposed a limit on the total investments of a leasing company in direct financing leases. Under these new conditions, the book value of the leased assets of a leasing company cannot exceed 30 times its equity. In the case of leasing transactions with the subsidiaries or direct/indirect shareholders of a leasing company, the book value of the leased assets cannot be more than 15 times the equity of the leasing company.

If the lessee is a state owned entity, these limits do not apply provided that the transaction is approved by the Undersecretariat of Treasury and the State Planning Organization.

The Law requires that the leased asset must be insured for the duration of the lease and the insurance premiums be paid by the lessee. If the lessee defaults on lease payments, the lessor must grant 30 days' grace before abolishing the contract. This grace period is 60 days for contracts containing a purchase option.

3.2. THE ESTABLISHMENT OF FINANCIAL LEASING SECTOR IN TÜRKİYE AND THE DEVELOPMENTS THEREAFTER

After the enactment of the Financial Leasing Law on June 10, 1985, the first leasing company, İktisat Leasing, was established in 1986 and transactions started in 1987. The leasing sector has been in a developing period with its increasing number of projects, companies, and revenues since 1987. According to the data published by the "Undersecretariat of Treasury and Foreign Trade", 100 companies were making leasing

activity in 1997, these are as follows* :

1. Financial Leasing Companies : 84
2. Development & Investment Banks : 10
3. Private Finance Associations : 6

The reason why leasing become so popular in a short period of time, is its tax and cost advantages. Today, these advantages are known better by investors. So it has begun to be preferred against bank credits which carry the same risk. Especially, it is very advantageous for the investors who look for a method of financing with a maturity of 1-2 years, and for investors that have small projects and who can not get any incentives from the "Undersecretariat of Treasury and Foreign Trade". In addition to that, leasing emerges as a medium term method of finance in Türkiye, where the possibility of finding medium term credits is restrictive. Leasing was preferred by the firms which have problems in financing huge projects.

The entrance of the State into the sector as a lessee and the lease of real estates will be increased the portion of leasing among all investments.

Customers benefit from the increasing number of companies because the service quality gets better. Besides, lessors decrease discount rates. Especially new entrants charge low interest rates to form their customer portfolio. As the number of leasing companies is increasing continuously, some decreases in interest rates are also expected in the following periods.

Competition increases with the number of firms. But, the effect of competition does not occur in the services of the firms, instead on their prices. The competition in prices makes leasing business more risky. The tax and cost advantages of leasing is known better. It seems cheaper than bank credits, so leasing firms should compete in service areas instead of prices.

Table 3.1 and Table 3.2 illustrates the volume and number of transactions of domestic leasing and of cross border leasing. In 1997, the share of the leases of computer, office equipment, and telecommunication systems, textile and printing machines, and other

* At [http:// www.foreigntrade.gov.tr/stat/finans/ti59.html](http://www.foreigntrade.gov.tr/stat/finans/ti59.html) , October 12,1999 (Last updated on April 29,1999)

machines increase over 100 % with respect to previous year. And also, the leasing volume of these equipment increase every year, because leasing has offered an attractive source of capital for financing the procurement of assets for a number of years. Besides, it provides flexible payments, middle and long term method of finance, importation of new and high technology, and reduces risk of obsolescence. One of the common characteristic of these sectors is that they require high technology. Turkish Armed Forces procure some of these high-tech equipment for their needs.

Table 3.1 Domestic leasing transactions

Source : <http://foreigntrade.gov.tr/stat/finans/ti59.html>, October 12,1999

DOMESTIC LEASING TRANSACTIONS(Billion TL)				
SECTORS	1994	1995	1996	1997
Computer, Office equipment, Telecommunication	2.067	7.172	21.588	53.189
Land Transportation Vehicles	1.402	7.808	13.329	27.587
Marine Transportation Vessels	2.897	6.571	10.224	3.599
Aircraft	607	1.281	874	2.341
Textile and Printing Machines	2.536	7.553	19.051	66.233
Medical Appliances	846	1.900	18.139	14.370
Other Manufacturing Machines	5.541	28.269	62.204	124.496
TOTAL	15.896	60.554	145.409	291.815
Number of Transactions	2.704	6.002	8.001	17.053

In 1997, the share of the leases of aircraft was about 97.3 % of the cross border transactions which was about \$ 477 million. In the world, 75 % of the airline fleet is financed through leasing. Other manufacturing machines and medical appliances follow it with shares of 2.1% and 0.6% respectively.

Total investments were affected negatively due to the Gulf Crisis and fluctuations in the Turkish economy in 1991. In 1992 and 1993, the sector was again in a development trend. However, the sector entered in a recessionary stage after the austere measures taken on April 5, 1994.

Table 3.2 Cross-border leasing transactions

Source : <http://foreigntrade.gov.tr/stat/finans/ti59.html>, October 12,1999

CROSS BORDER LEASING TRANSACTIONS (Million \$)				
SECTORS	1994	1995	1996	1997
Computer, Office equipment, Telecommunication	0	0	0	0
Land Transportation Vehicles	0	0	0	0
Marine Transportation Vessels	0	0	0	0
Aircraft	499	746	412	464
Textile and Printing Machines	0	0	0	0
Medical Appliances	0	22	20	3
Other Manufacturing Machines	2	0	0	10
TOTAL	501	768	432	477
Number of Transactions	16	45	22	21

Different criteria are taken into account in leasing agreements. These are type of asset, season, region, balance sheet and profit of company, and whether there is any incentives or not.

3.3. THE ADVANTAGES OF LEASING IN TÜRKİYE

The financial leasing offers benefits to the countries and also companies. The equipment brought to the company through financial leasing improves the production possibilities of the company and increase the production of goods and services. When we look at these benefits, we see that the following advantages can be drawn about the financial leasing.

1. Leasing finances 100% of investment including freight and assemblage.
2. Paid-up capital of company does not exhaust. It does not cause a negative effect on bank credit resources.
3. Flexibility of payments.
4. Leasing is not recorded on the balance sheet, so the ratio of debt/equity does not worsen.
5. Lessee can benefit from incentives.
6. The leased asset can be shown as a security especially if the value of the asset is high in the secondary market.
7. At the end of the lease period, the lessee can purchase the asset at a symbolic price.
8. If lessee goes bankrupt, the leased asset is not confiscated so that lessee can go on investment.

9. Value-added tax (VAT) rate is 1%, except for automobiles.
10. Lease payments are shown as expense in income statement. So that less tax is paid.
11. Bank credits are paid back in every three months. But in leasing, the installments are adjusted according to the cash flow of the company. Also funds and bank insurance tax are not paid in leasing.

3.4. THE IMPACT OF FINANCIAL LEASING ON THE TURKISH ECONOMY

Leasing can be considered as a quite new kind of process in our country. According to the economical model that is employed in Türkiye, foreign capital and foreign credit have been accepted as important resources. The impact of leasing on Turkish economy has been increased tremendously in recent years, especially due to the insufficiency of the internal savings in feeding the economy and the inability of the financial system in meeting the investors' demands for funds. Besides the scarcity of the funds, their high price, namely their high rate of interest has been affecting the investments in a negative way. In such a financial situation, leasing will be able to enliven the economy. Leasing as a new dimension in finance is able to contribute a great deal to the economies such as Türkiye's in which the efforts of development have been restricted on account of the insufficient internal and external savings.

The functions of leasing in Türkiye firstly should be taken into consideration with respect to importation and exportation. The leasing agreements that will be carried out in abroad, will be able to contribute positively to our importation and generally to the economy with the effects of the increase in buying capacity of the underdeveloped countries which are the potential markets of Türkiye, the mobilization of the idle machine park of the private and the public sector, and the increase in the information about the foreign market.

With respect to the conditions in Türkiye, the following conclusions can be drawn about the effects of financial leasing :

3.4.1. Providing The Middle and The Long Term Method of Finance

The capital market in Türkiye is very insignificant in comparison to the economical growth and the level of development. The capital market meeting the demands of the investors for the middle and the long term funds of investment has been unable to develop efficiently.

The insufficiency of the capacity of the capital market for providing funds has been contributing to the importance of the banks as the sources of the middle and the long term funds. Since the banks are not given the authority to accumulate deposits, they need to depend on the foreign resources and they have a limited capacity to provide funds. As a result of this, the sources of the commercial banks, the middle and the long term credits, have been getting more and more important. It has been getting more difficult to make predictions about the future due to the vagueness which is the result of the high inflation rate.

The gradual decrease of the subsidies that are provided for preferential credits by the Central Bank, especially by means of the interest difference funds has been decreasing the interest of the banks for middle and long term credits to a great deal. As a result, commercial banks have preferred to allocate their resources mostly to the short term credits.

Meanwhile, with the aim of meeting the growing demand of the economy for the funds and the efficient utilization of the available funds, the efforts made to develop money and capital markets have gained great importance and speed. One of those that can be considered as the middle and the long term fund market is expected to overcome the scarcity of the middle and the long term funds as it stated before. However, the high rate of inflation is again an important obstacle to the development in this area.

One of the most important contributions of the foundation and the employment of the leasing sector in Türkiye to the economy of the country is the opportunity for the supply of the middle and the long term finance which is needed in Türkiye as it is in most other developing countries.

3.4.2. The Importation of New Technology

Another great contribution of leasing to the economy of Türkiye is the opportunity it provides for the importation of new technology. The opportunity leasing provides for the substitution of a hired machine or equipment after being used for a short time by the one which is the production of the new technology and the importation of new technology by this way, with the probability of an increase it may create in the cost, is important in

creating the suitable conditions for the competition and for the survival of it. It is obvious that leasing will be advantageous for the continuation of the increase in the exportation which is critically important for Türkiye, the use of advanced technology in new investments and in the meantime the improvement of the current industrial structure.

3.4.3. The Effect of Leasing on Marketing

Leasing is a very effective method in the markets experiencing the scarcity of production and the obstruction of the demand due to the financial straits. The inability of small and medium industries in coping with the difficulties of saving funds raises problems for producers in marketing their products. Therefore, there are innumerable contributions that a firm or a leasing company is able to make in providing the required fund accumulation to revive the home market and to increase the production. In the times of crisis when there is a decrease in the world's trade capacity, the efforts the developed countries make to overcome the limitations in the market by employing leasing will be able to contribute to the growth of the developing countries (Özel, 1992, p.3).

3.4.4. Being an Important Method for The Procurement of Some Equipment

The most economical way of procuring some goods is leasing (For instance; means of transport; ship, plane, etc.). The use of leasing in procuring those goods becomes more obvious in the periods of recession in the demand for heavy machine and equipment, ships, and planes in the world market.

3.4.5. The Control of Foreign Currency Outflow

Since the payment of the rents to foreign countries in the form of foreign currency and the credit payments have expanded over a certain period of time as a result of the leasing financed by foreign resources, the effect of foreign currency exit by this way on the balance of payment is limited and furthermore, on condition that there is a trend in investments towards exportation, the foreign currency expenditures that will exist as a result of the rent and credit payments can be compensated.

3.4.6. Taking Advantage of The Funds in Islamic Countries

Islamic countries are considered to be a potential of sources that can be provided from abroad by way of leasing. Within the scopes of Islamic banking, leasing occupies a

position which does not employ the rate of interest. Therefore, the oil funds in Islamic countries may create the source of finance for the establishment of leasing corporations or the demand for a variety of leasing processes. Thus, it will be highly effective to generalize the ongoing process that is being carried out in public sector with a limited access by the Islamic Development Bank. When it is taken into consideration that the funds of Islamic countries are exempt from tax, this source attracts more attention than it does before (Şenay, 1986, p.29).

3.4.7. Providing The Opportunity of Investment for The Areas Given Priority of Development

The facilities such as the reduction employed for investments, the exemption from duty, and depreciation advantages in leasing processes may be made more attractive with the aid of supplementary encouragement and the investments that are thought to be made in those areas may be stimulated (Gerni, 1990, p.116).

3.4.8. The Realization of The Investments With The Help of The Foreign Resources

The economic policy that is employed in Türkiye has two important elements with respect to the supply and the allocation of the resources; the policy of the positive interest rate and the financing of the investments with the real resources. Despite the measures taken, the policy of the positive interest rate with the effect of the high inflation rate that can not be reduced to a certain level has been causing the rise in the cost of finance and the increase in the investors' demands for the short term funds. In the meantime, besides the decrease in the expectancy of profitable investments, the high cost of funds and owing to the scarcity of the resources, there is a recession in the economy.

In spite of the policy of the positive interest rate being applied the internal savings which are mainly depended on personal income that can not be raised to the required level that is necessary to employ a rapid economical developmental process, and therefore foreign capital and external credits have become more important within the scopes of the application of the economical model. The developing leasing sector based on foreign capital corporation and external credits is considered to be an important means.

In the condition of hiring the machine and the equipment necessary for any investment directly by way of leasing or the act of buying and hiring out the machine and the equipment to the investor by a leasing company which is aided with a credit form an external source, both the demand for the resources of investment is met and since the importation needed for investment is carried out with external credit, no bad effects are seen on the balance of the foreign trade and furthermore, because of the finance for the investments came from real sources, an inflationary pressure does not exist.

3.4.9. Providing Indirect Incentives To Industrialists And Exporters

Leasing is an important means to provide the industrialists and the exporters with the indirect incentives that are thought to be necessary to maintain the increase in the exportation which is on Türkiye's agenda. The tax advantages and finance facilities that can be provided by means of leasing are considered as secret elements of incentives which will be able to contribute to the power of competition and prevent the claim of unfair competition (Altop, 1990, p.31).

3.4.10. Flexibility of Providing Credit

There is an ample opportunity to supply credit from abroad by way of leasing. For large scale leasing contracts that are carried out to finance important projects, both banks and other finance companies have the capacity to finance those leasing contracts with the credits they give. The amount of the indirect credits that can be provided by this way may reach beyond limits. The need of Türkiye for foreign credit is still at a level that can not be minimized. In this area, leasing is of great importance in creating the flexibility of movement on the part of Türkiye and a new option for getting into dept (Varlık, 1985, pp.30-41).

3.5. EVALUATION OF LEASE VERSUS BUY DECISION

The decision to lease or buy an asset is a secondary consideration in the capital budgeting process. Contemporary financial opinion adheres to the principal that the attractiveness of any capital investment opportunity should be appraised without reference to the type of financing which will be used to gain the use of that asset. In that regard, the question of

whether an entity should lease or buy an asset is secondary to the question of whether the entity should acquire the asset in the first place.

Once the firm has decided to acquire the asset, the next question is how to finance it. Well-run businesses do not have excess cash lying around, so new assets must be financed in some manner. Firms generally own fixed assets and report them on their balance sheet, but it is the use of buildings and other equipment that is important, not their ownership per se. Funds to purchase the asset could be obtained by borrowing, by retained earnings, or by issuing new stock. Alternatively the asset could be leased.

The decision to lease or buy an asset is made by comparing the financing costs of the two alternatives and choosing the financing method with the lower cost.

One of the most basic and important concepts of investing is the time value of money. This concept is based upon the idea that an amount of money available today can be safely invested to accumulate to a larger amount in the future. As a result, an amount of money available today is considered to be "equivalent in value" to a larger sum available at a future date.

The decision to lease or buy an asset requires the analyst to compare the costs and benefits associated with each form of acquisition. Any such comparison must take into account the timing differences in the cash flows associated with each of the two alternatives. The total cost of leasing is the sum of the series of periodic payments made over the life of the lease term. The cost of buying depends upon whether the asset is purchased with or without debt. If the owner is able to buy the asset without having to borrow, the cost of the asset is simply its purchase price. If the owner must borrow in order to finance the purchase, then the real cost of the asset is the sum of the down payment and the principal and the interest payments made over the life of the debt instrument used to help finance the acquisition. To make a meaningful comparison between the lease or buy alternatives, analysts must reconcile these timing differences because of the time value of money. More simply put the value of a dollar paid at the beginning of a contract term is greater than a dollar paid at the end of a contract term. The difference is evaluated as equivalent to the interest which can be earned on money that is held rather than spent and the effects of inflation.

Analysts account for such timing differences using present value calculations which provide the value now of a series of payments to be made periodically in the future. The most frequently used and the basis of lease versus buy decision making is the net present value (NPV) analysis. The intuition behind this analysis is quite simple. The lessee is saving the cost of purchasing the asset. In return, the lessee commits to a series of lease payments that are generally tax deductible. The lessee thereby gives up the depreciation tax shields and any other tax credit associated with ownership, forgoes the interest tax shields that come from any debt financing, and loses the salvage or residual value of the asset. NPV analysis compares the present value of all these cash flows in terms of today's money. The net advantage of leasing is the difference between the present value of purchasing and the present value of leasing. If the NPV is positive, the present value of leasing is superior to purchasing, or vice versa.

The existing tax laws and regulations, and the interest rates, the possibility of lessee's funding credit, the lessee's cash flow position and equity determine the way of acquisition of lessee, whether leases or purchases. But the most important thing is the net present value of cost of acquiring. Both the NPV of leasing and the NPV of purchasing depend on the depreciation method which the lessee applied its operations whether it is straight-line or accelerated, whether there is any investment incentives or not, the leased equipment's residual value, and the applied value added tax (VAT) rate.

It is important to note that the lessor will own the property upon the expiration of the lease. The estimated end-of-lease value of the property is called the residual value. Superficially, it would appear that if residual value is expected to be large, owning would have an advantage over leasing. However, if expected residual value is large - as it might be under inflation for certain types of equipment as well as if real property is involved - then competition among leasing companies will force leasing rates down to the point where potential residual value will be fully recognized in the lease contract. Thus, the existence of a large residual value on equipment is not likely to bias the decision against leasing.

Also within the body of the decree regarding investment incentives as determined by the State Planning Organization (SPO), prepared and published annually, financial leasing activities qualifying for incentives and the governing regulations are defined.

Almost all analyses of lease versus purchase decision are derived from a general NPV equation. The following equation presents the general NPV formula :

Equation 3.1

$$NPV = A_0 - \sum_{t=0}^{n-1} L_t / (1+i)^t + \sum_{t=1}^n L_t(T) / (1+i)^t - \sum_{t=1}^n D_t(T) / (1+i)^t - \sum_{t=1}^n I_t(T) / (1+i)^t - S_n / (1+i)^n$$

where ; NPV = Net present value of leasing to the lessee firm

A_0 = Price of the asset at present time ($t=0$)

L_t = Lease payment at time t

D_t = Depreciation charge at time t

I_t = Investment incentives at time t

S_n = expected after tax residual value of the asset at time n

i = inflation rate

T = marginal corporate tax rate of the lessee

n = number of time periods covered by the lease

The first of the six terms in Equation 3.1 represents the savings to the lessee of the cost of the asset. The second represents the present value of the series of lease payments that the lessee has committed to pay due at the beginning of the period. The third symbolizes the present value of the tax deductions applicable to lease payments. The fourth shows the present value of the opportunity loss of tax deductions allowed for depreciation. The fifth also shows the present value of the opportunity loss of tax deductions for investments incentives. The sixth represents the present value of the after tax salvage value of the asset, another opportunity loss if the asset is leased.

Now, we can illustrate our discussion on NPV analysis on a numerical example : On January 1,1999, ABC company wants to sign a lease agreement calling for annual payments of \$50,000 per year for five years, with payments due at the beginning of the year. If purchased, the equipment would cost \$100,000 that has an estimated economic life of five years and has a residual value of \$10,000. The VAT rate on purchasing is 15% and on leasing is 1% and the investment incentives is 30%. Annual inflation rate is 70% and the marginal corporate tax rate of the lessee is 40%. The company applied accelerated depreciation method on its operations.

YEDİTEPE ÜNİVERSİTESİ
KÜTÜPHANE MÜDÜRLÜĞÜ

Table 3.3 The inputs of the example

Total cost of the asset	\$100000
Annual inflation rate	%70
Economic life of the asset	5 year
Depreciation method	Accelerated(40%)
Corporate tax rate	%40
VAT rate on purchasing	%15
VAT rate on leasing	%1
Rental payments	\$50000
Rental payments date	at the beginning of year
Residual Value of the asset	\$10000
Investment incentives rate	%30

In order to analyze this example, let's turn to the equation 3.1 and apply to our example. Table 3.3 illustrates the inputs of the example. Table 3.4 demonstrates the result of equation 3.1 that is applied to our numerical example.

Table 3.4 The results of the example

YEARS	1999(\$)	2000(\$)	2001(\$)	2002(\$)	2003(\$)	TOTAL(\$)
PV of \$1 paid at the beginning of year	1	0,58824	0,34602	0,20354	0,11973	2,25753
PV of \$1 paid at the end of year	0,58824	0,34602	0,20354	0,11973	0,07043	1,32796
Cost of the purchased asset	100000					100000
VAT rate (15%)	15000					15000
Total cash outflows	115000					115000
PV of total cash outflows	115000					115000
Rental payments	50000	50000	50000	50000	50000	250000
VAT rate (1%)	500	500	500	500	500	2500
Total rental payments	50500	50500	50500	50500	50500	252500
PV of total rental payments	50500	29705,9	17474	10278,9	6046,38	114005
Tax deductions for rental payments	11882,4	6989,62	4111,54	2418,55	1422,68	26824,7
Depreciation	40000	24000	14400	8640	2960	90000
PV of depreciation	23529,4	8304,5	2931	1034,47	208,472	36007,9
Tax deductions for depreciation	9411,76	3321,8	1172,4	413,788	83,3887	14403,1
Residual value					10000	10000
VAT rate(15%)					1500	1500
PV of residual value					809,941	809,941
Investment incentives	6000	6000	6000	6000	6000	30000
PV of investment incentives	3529,41	2076,12	1221,25	718,382	422,578	7967,75
Tax deductions for inv. Incentives	1411,76	830,45	488,5	287,353	169,031	3187,1

Table 3.5 demonstrates a positive NPV of about \$9419 for the ABC's lease. In other words, the lease saves the company more than \$9000 in today's dollars. So, if we draw a conclusion from the example, we would say: First, if the company applies straight-line

depreciation method on its operations, the decision for leasing will become more attractive. Second, the increase in VAT rate on leasing affects the leasing alternative negatively. Third, if residual value is expected to be large, purchasing the asset would have an advantage over leasing. And the last, if the lessee will pay the rentals at the end of the period, the leasing decision attracts more.

Table 3.5 The summary of the example

PV of total cash outflows	115.000
PV of total rental payments	-114.005
Tax deductions for rental payments	26.825
Tax deductions for depreciation	-14.403
Tax deductions for inv. incentives	-3.187
PV of residual value	-810
NPV	9.419

The decision to lease or buy an asset is a secondary consideration in the capital budgeting process. Contemporary financial opinion adheres to the principal that the attractiveness of any capital investment opportunity should be appraised without reference to the type of financing which will be used to gain the use of that asset. In that regard, the question of whether an entity should lease or buy an asset is secondary to the question of whether the entity should acquire the asset in the first place. Once the decision has been made to invest in a capital asset, then the entity is ready to address the question of how to finance the acquisition of that asset (Johnson and Lewellen, 1972, pp.815-823).

When faced with the question of how to acquire an asset, the decision-maker can make one of two basic choices: buy the asset or lease it. To make that decision, several factors must be considered, the most important of which include :

One, the ability of the entity to raise funds to buy the asset. Entities in the private sector must consider the availability of equity and dept capacity. Public sector entities must assess their ability to obtain procurement appropriations from the authorizing body.

Two, the total relative costs of buying versus leasing must be compared. Since there are different cash flows associated with each alternative, some meaningful method of comparison must be used.

Three, the impact of the method of acquiring the asset on the entity's financial statements must be assessed. Purchase of the asset requires disclosure of any liability incurred in its purchase. Leasing, on the other hand, can be off-balance sheet financing and no such liability is disclosed.

Four, the risks and costs inherent in the buy and lease alternatives. Obsolescence, for instance, may be a major concern which makes the lease alternative more attractive than a purchase.

Five, the availability of tax benefits is usually a major advantage to buying. The ability to use the tax benefits inherent in ownership, however, is a major consideration which may favor the lease alternative.

Six, the selection of an appropriate cost comparison methodology that takes into account all of the pertinent elements, in addition to those listed above, involved in the lease versus buy decision is a critical task.

The process of selecting the financing alternative to acquire an asset encompasses several criteria which require managerial judgement as well as quantitative analysis. The lease and buy alternatives are, in themselves, a system of complex decisions. The decision to buy is often a decision to borrow since few companies are able, or find it to their advantage, to fund capital investments purely from equity sources. The lease alternative is even more complex to decision-maker because there are so many facets to be considered when structuring a lease. In summary, the decision to lease or buy is not an investment decision, rather it is a financing decision.

3.6. SUMMARY

This chapter focuses on the leasing in Türkiye. Financial Leasing entered the Turkish finance sector by means of the "Financial Leasing Law", Law No.3226, which has been enacted on 10th June 1985. It has been the first of a series of regulatory framework concerning leasing. After the enactment of the FLL, a number of government decrees, regulations, and communiqués issued by various public bodies. The first leasing company was established in 1986 and transactions started in 1987. In addition, the impact of financial leasing on the Turkish Economy and the advantages of leasing in Türkiye are examined. Finally, the evaluation of lease versus buy decision is made on a numerical example by using the NPV analysis. The next chapter examines the usability of leasing in Land Forces Command.

CHAPTER FOUR

TURKISH LAND FORCES COMMAND AND LEASING

4.1. DEFENSE POLICY AND THE STRUCTURE OF THE LAND FORCES COMMAND

The dramatic changes which occurred in the world in the course of the last decade brought a new political and security environment marked by an ongoing transition from confrontation to cooperation.

The emergence of this new environment was hailed by Türkiye as a development that would pave the way for a new era of greater security, stability and prosperity.

However, the new environment has also been accompanied by new risks and challenges. The transition period has not been all that smooth. Ancient feuds, after being suppressed for so long under totalitarian regimes, have resurfaced in most violent forms. Age old rivalries, aggressive nationalism, ethnic strife, racism, religious fundamentalism, xenophobia, terrorism, illegal arms and drug trafficking, environmental destruction and proliferation of weapons of mass destruction have emerged as major threats and risks (OSCE Forum, 1999, p.1).

Against this background, some states have perceived a security vacuum. Efforts aimed at addressing these concerns are underway in relevant fora.

Economic difficulties faced by many countries, sometimes leading to social upheavals are another characteristic of the new environment, which causes concern and demands attention.

Thus most of the conflicts have assumed a new character, making it difficult to distinguish the civilians from the combatants, the declared reasons for the conflict from social and

economic undercurrents. This new dimension requires the application of universal and non-discriminatory criteria in conflict resolution.

In most cases, Türkiye cannot enjoy the luxury of a stable and calm environment. Developments in neighboring regions and countries, have a direct bearing on Türkiye and thus, on its security considerations.

Most of the new security risks and threats mentioned above, have emerged in areas adjacent to or very close to Türkiye such as Caucasus, and the Balkans in general. There is also the volatile situation, often evolving into conflicts in the Middle East countries in direct proximity to Türkiye's southern borders.

Turkish security policy and doctrine are defensive in nature and are designed to preserve and protect the national independence, sovereignty, territorial integrity and vital interests of the country. This doctrine also aims at contributing to regional and global peace and security. Political and peaceful means are the foremost methods to be applied in cases of disputes.

Although in general terms, the basic elements of Turkish defense policy and doctrine remain the same, they are continuously adjusted according to the requirements of the time and the international environment.

Türkiye continues her rightful fight against terrorism, as a country who has suffered most from it. Struggle against terrorism is a vital element of international norms and all countries must sincerely participate in this struggle. Türkiye supports the common implementation of sanctions efficiently and decisively against the countries who use terrorism as a tool.

In view of its defense policy and doctrine and the changing circumstances, the Turkish Land Forces are going through a process of restructuring in order to meet the requirements of the present day and the near future. This process includes the restructuring of military units into smaller units with higher mobility and fully equipped with modern weapons.

Since joining NATO in 1952, Türkiye has maintained the largest standing army of any European member of the alliance. The Turkish Land Forces Command has 525,000

personnel, 462,000 of whom are conscripts (The Military Balance, 1998/99, pp.67-69). Under the structure of the Land Forces consists of four army headquarters, each of the four armies is assigned two corps that is based primarily on brigades. It has created air defense and intelligence units to meet the changing threat perceptions.

Turkish Land Forces Command provides a force structure which is strong in active ability and fire power. It has the ability of long range surveillance, targeting and identification. It has more survivability and is flexible for using in multi-functioned tasks. It provides deterrence.

The Turkish Land Forces have been aiming at establishing and maintaining peace in the region and in the world. It has also been given consideration to training and education as main activities of peace. Within this framework, while coping with new demands and challenges of rapidly changing environment, in regard to military training, it is still essential to be ready for combating for peace, preserving integrity and freedom of the country.

4.2. NATIONAL DEFENSE PLANNING PROCESS AND LEASING

Defense Planning process builds upon the studies made by the relevant institutions. The Turkish General Staff is responsible for coordinating all the planning actions and determining the guidelines in accordance with the directives of the Government. National defense planning is a process that covers studies conducted nearly in a two year period in four different terms in a cyclic manner.

Within the context of the process, the resources that can be allocated to defense budget are determined following political evaluations and risk assessments, and at the end the most suitable force structure and utilization policies of Armed Forces are materialized.

The Chief of the General Staff determines programs and priorities related with the military needs, in accordance with the National Goals and National Security Policy, develops the National Military Strategy, establishes coordination with the related institutions in order to supply the needs of the Turkish Armed Forces.

In the first phase of the Defense Planning Process, the National Military Strategy is prepared and published. In the preparation of the National Military Strategy; the national strategy as well as the political, politico-military, technological, economic and the threat assessments are taken into consideration.

The second phase covers the activities for the preparation of the planning and programming directive. In this phase; general operational concept is being published by Turkish General Staff, in the light of the national military strategy and then the three services prepare their respective operational concepts, tactical concepts, tactical sub-concepts and weaponry concepts. Upon the completion of the concepts, the services determine their requirements by taking into account these concepts and relevant operational plans and forward them to the Turkish General Staff for the finalization of the planning and programming directive.

The requirements of the services, force commands, are evaluated by Turkish General Staff. The planning and programming directive is published to give the way for the detailed planning and programming.

In the third phase, in the light of the planning and programming directive, the services prepare their force proposals without considering any financial restrictions and forward them to Turkish General Staff. Force proposals are then jointly evaluated in accordance with the criteria and the objectives mentioned in the planning and programming directive. After approval of these force proposals, they compiled in a single document, namely the Strategic Goals Plan.

The fourth phase covers the preparation and publishing of the ten-year procurement program, the so called "OYTEP". In this phase, Turkish General Staff promulgates the program budget directive by considering the possible resources which may be allocated to Turkish Armed Forces in the coming ten years. The services and other units lay their requirements into a ten-year period, within the limits of the allocated resources and forward them to Turkish General Staff. These are evaluated and ten-year procurement program is prepared which is revised every two years. The first two-year period of OYTEP constitutes the basis for the proposals of the modernization section of the national defense

budget. During these four phases, the process is continuously monitored (OSCE Forum,99, pp.3-4).

Leasing might be considered in the fourth phase of the process while evaluating the resources which will probably be allocated to the Turkish Armed Forces. Also, it can be reviewed in the projecting process of how the objectives that have been determined by plans, are realized in terms of financial resources, and in the financial arrangement for probable source allocation defined in OYTEP in terms of items, purpose and amount.

4.3. THE LEASEABLE GOODS AND EQUIPMENT FOR THE LAND FORCES COMMAND

As stated in the fifth article of Financial Leasing Law, movable or immovable goods of any description, with the exception of nonmaterial rights such as patents, copyrights, and trademark, can be a subject of the leasing agreements. The assets which are depreciated are the subject of leasing. Thus, raw materials also are not leased. Also, the Law does not require that the leased equipment can be a new one, it will be a second hand goods on condition that the lease is domestic. On the contrary, if the lease is cross-border, the leased equipment must be new.

When we consider the State Budget that is allocated to Ministry of National Defense, it can be clearly seen that approximately 50 % of it is allocated to the Land Forces in 1998.* Also the expenditures that are made out of this source were partly spent on the purchase of the equipment that are considered to be a subject for leasing. These are;

- Medical Appliances
- Land Transportation Vehicles
- Engineering and Construction Vehicles, Machines, and Equipment
- Office Equipment and Components
- Electronics and Communications Systems
- Training Facilities (such as simulators)
- Computers

* "K.K.K. 1998 Mali Yılı Bütçe Uygulama Sonuçları", K.K.Komp.Yayınları, 1999, Ankara

4.4. THE POSSIBLE ADVANTAGES OF LEASING FOR THE LAND FORCES COMMAND

The effect of financial leasing on Turkish economy was mentioned in the previous chapters. If we are to examine its advantages for the Land Forces, we can figure them out as follows:

1. Financial leasing may be considered when there is no allowance in the budget for the necessary item.
2. The unspent portion of the allowance may be used in the purchasing of items which could not be leased financially in the same period.
3. Since, in a long-term financial leasing contract, the conditions are agreed upon in the beginning, the budget of the Land Forces Command can be protected from inflationary effects, provided that the contract is well prepared.
4. That the cost of an item which is subject to financial leasing is set at the time of contract may allow for a better budget planning.
5. When the period of leasing is same as the period within which the leased item is economical, it would be easier to renew the equipment which completes their economic life cycles. This allows the Land Forces Command to keep pace with technology and make use of the newly devised equipment.
6. The producers who lease their products may want to advert their goods.
7. Especially, when the leased equipment is a product of a sophisticated technology, financial leasing would help the lessee to decrease the cost of maintenance to a bare minimum or eliminate it totally. In some high-tech machines which require special maintenance and operational information (such as simulators), the contract may be prepared such that the maintenance is guaranteed by the lessor. The Land Forces Command, then, may be relieved of the financial burden of having to maintain in its staff the specialized technicians whose sole responsibility is the upkeep of the related equipment.
8. Costs might be reduced since the financial leasing contracts are exempt from the VAT.
9. The purchasing of a number of equipment necessary for a specific investment might be completed under a single leasing contract.

10. The investment projects may completely be financed by financial leasing. The cost of freight, assemblage, or taxes which sometimes may add up to great amounts might be covered by the lessor. These costs might then be added to the total cost and be reflected in the periodical leasing payments.
11. The financial leasing contracts are generally prepared in accordance with the needs of the contracting parties. Therefore, the Land Forces Command may decide on the periods and conditions of payments specifically for any single equipment without having to sign general contracts for differentiated items.
12. At the end of the leasing period, the leased equipment might be purchased at a symbolic price that was previously agreed upon and stated in the contract.

The official institutions, such as the Land Forces Command, are non-profit institutions. They have limited budgets and, naturally, the equipment they purchase are proportional to size of their budgets. The Land Forces Command, which could make use of the above-mentioned advantages may solve its budgetary problems, or at least decrease them by a significant portion because financial burden of down-payments would be shared by several financial leasing agreements.

4.5. CURRENT BODY OF LAW ON THE PURCHASES BY THE LAND FORCES COMMAND AND THE LAW ON FINANCIAL LEASING: A JUXTAPOSITION

The State bids are regulated by the State Tender Law, Law No. 2886.* In the first article of this Law, it is stated that the acts of the official institutions, whose budgets make up a part of the General Budget, related to the purchasing, selling, servicing, building, renting, bartering and carrying of goods should be carried out in accordance with the provisions of that Law.

Since the budget of the Land Forces Command comprises a part of the budget of the MoD, it is obvious that the Land Forces Command is bound by the same Law.

Financial leasing occupies a significant place in the annual decrees on the State Bids published by the Ministry of Finance (MoF). When these decrees are reviewed, it is clear from the applications of the official institutions that these institutions want to buy various

* Published in the Official Gazette, September 10, 1983. No: 18161

machines and equipment through leasing them in accordance with the provisions of the FLL. These decrees also make clear that “... *in financial leasing, since the financially leased items would be bought in the end, it is possible to obtain machine and equipment by means of financial leasing provided that the leasing procedure is carried out in accordance with the article of 7 and 10 of the Financial Leasing Law and the current body of law enacted with regard to the implementation of that Law*”. This statement leaves no doubt on the applicability of financial leasing for official institutions which has to act in compliance with the Law No. 2886.

Non-profit public institutions have a limited budget and can not benefit from tax exemptions when purchasing the necessary equipment. These institutions have to overcome various bureaucratic obstacles in order to buy the high-tech and expensive equipment they need. Financial leasing can play an important role in solving this problem, since the leasing payments can be covered by the institutional budgets, rather than the General Budget. The leasing payments of these non-profit institutions do not mean a loss on their side; since they cannot benefit from the tax exemptions provided for investments, they cannot lower their tax assessment by subtracting the downpayment they would make in the case if they purchase that equipment. However, the lessors can benefit from these exemptions which would result in a decrease in the leasing payments of these institutions (Bankacılık Dergisi, 1993, p.12).

The necessary machines and the equipment is purchased on behalf of the financial intermediary institutions and the necessary funds for this purchase are obtained through the agreements signed with international financial intermediary institutions. The machines and the equipment are then leased for a specific period, and the leasing payments are made on a foreign currency basis. At the end of the leasing period the leased items are purchased by the non-profit institution at a previously agreed upon price. All the acts related to the purchasing of the leased items are carried out on behalf the creditor financial intermediary, but are performed by the non-profit institution. However, since both the leasing payments and purchase payments are covered from the budget of related institution, the SPO and the Undersecretariat of Treasury and Foreign Trade have to be consulted with regards to the use of the foreign credit extended, especially on the issues of annual budget and foreign

exchange programs, before the bidding process for the purchase of such items is under way.

An administrative authority which has a general budget can obtain the necessary machines, equipment and services only if the necessary allowance is made for these items in the budget of that specific year. If the payments for such items are left over to the following years, the related authority has to obtain a concise contracting power from the SPO in accordance with the Law No. 527; it has to obtain a visa from the MoF in compliance with 64th article of the Law on General Accounting, Law No. 1050, the amount of visa being determined by the amount of payment, and it has to register these payments in the Court of Accounts in congruence with the 30th article of the Law on the Court of Accounts, Law No. 832.

4.6. SUMMARY

This chapter focuses on leasing in Land Forces Command. It presents the defense policy and the structure of Land Forces Command, and the process in which leasing might be considered as an element of national defense planning. Also, it deals with the goods and equipment that the Land Forces Command can lease, and the possible advantages of financial leasing for the Land Forces Command. Finally, a juxtaposition on the current body of law on the purchases by the Land Forces Command and the law on financial leasing is made. The next chapter deals with the evaluation of leasing as an alternative acquisition method for the Land Forces Command.

CHAPTER FIVE

EVALUATION OF LEASING AS AN ALTERNATIVE ACQUISITION METHOD FOR THE LAND FORCES COMMAND

5.1. PURPOSE OF THE STUDY

Financial Leasing has first been used in the U.S. during the severe economic crisis of 1929, in order to encourage firms to investment and to relieve them of the great financial burden of the then present conditions of the economy. Later, this method has found usage in Western Europe in the industrialized countries and is now practiced on a widespread scale. In the second half of the 1980s, Türkiye has been introduced with financial leasing; since then, the method is being made use of for various purposes and by an ever-growing number of lessors and lessees.

However, due to the legal limitations, there are still a number of institutions for which financial leasing is still not a valid option. The TLF, for instance, has not been a part of any financial leasing contract yet; although this method is both profitable and reliable for the army.

The purpose of this study is to evaluate the usability of financial leasing as an alternative acquisition method for the TLF in the provision of computers and related equipment, high-capacity management information systems, medical equipment, communication systems and electronics, engineering and construction vehicles, land transportation vehicles and bureau equipment.

The TLF, and other official institutions, are non-profit institutions and are included in the general budget. They have limited budgets and, naturally, the equipment they purchase is proportional to size of their budget. As a result of the economical difficulties that our country faces, finding out some alternative acquisition methods for the army becomes a

necessity; because these economic conditions have a negative impact on the military expenditures. That the US Navy purchases 60 % of its ships and other necessary equipment by financial leasing reveals the necessity that financial leasing be also reviewed for use in Turkish Land Forces Command.

5.2. METHODOLOGY

When investigating the advantages of financial leasing as an alternative method of acquisition, two different surveys have been carried out. In the first survey, the personnel who work as branch managers and acquisition specialists in the MoD and in the Land Forces Command have been asked to fill in the questionnaire in Appendix-A. The aim of these questions, therefore of the survey, is to elicit their opinions on the applicability of financial leasing in those institutions as an alternative to the conventional purchasing methods. The questions in this survey have been grouped under three headings, which, I believe, also point out the factors that are effective on the applicability of financial leasing in the Turkish Land Forces: (1) The present knowledge of the surveyed personnel on financial leasing, (2) The present methods of acquisition and their sufficiency, (3) The effect of the advantages of financial leasing on the preference of the method.

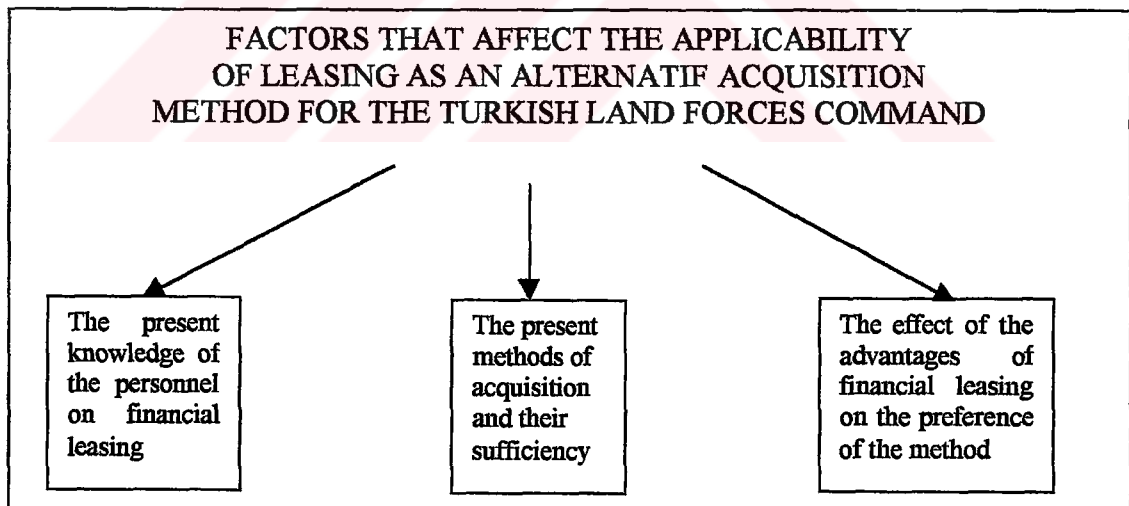


Figure 5.1. Schematic Diagram of the Theoretical Framework - 1

The second survey has been performed among the people who work as finance managers, managers of the credit and marketing branches, marketing specialists and marketing analysts in the financial leasing firms that operate in Türkiye. The aim of this second

survey is to find out the factors that affect the decisions of these personnel when entering into financial leasing contracts with the MoD and the Turkish Land Forces Command, and to what extent these factors bear importance. These personnel have been asked to fill in the questionnaire in Appendix-B. The questions here have been grouped under four headings : (1) The importance of the factors that are effective on the preference of the lessee, (2) The effect of the current body of law on financial leasing, (3) The effect of the current status of the financial leasing sector, (4) The effect of the financial leasing firms' present relations with state institutions. In accordance with the research questions of this dissertation, I believe it is useful to construct the research framework shown in Figure 5.1 and Figure 5.2.

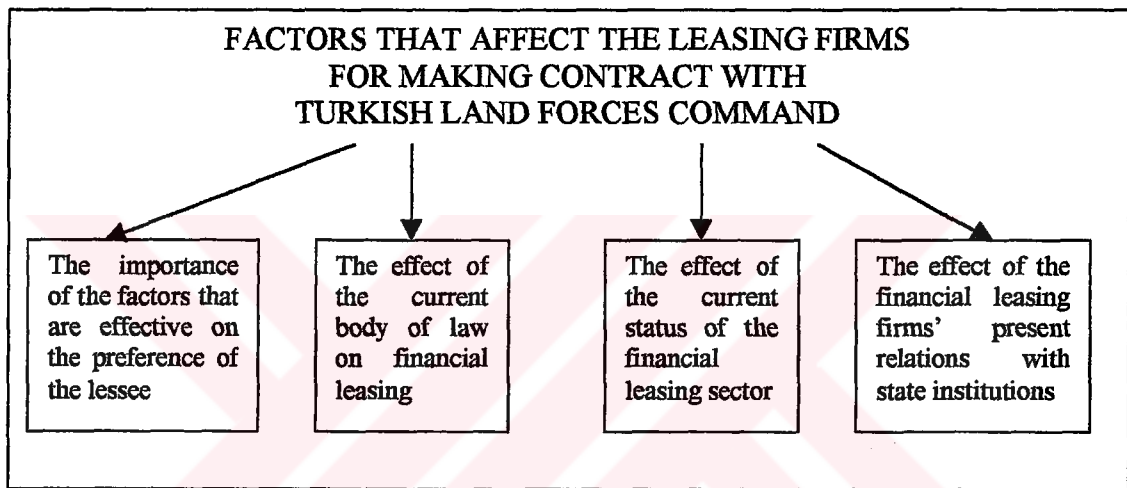


Figure 5.2. Schematic Diagram of the Theoretical Framework - 2

5.3. SAMPLING

Since the nature of the data for this research, in terms of the kind and the amount of the desired information, necessitates the use of primary data sources, the data were gathered through structured-questionnaires (Appendix-A and Appendix-B)* completed by interviewing the personnel of the MoD and the Land Forces Command who are experienced in acquisition process, procedures, and methods. Furthermore, a similar survey has been carried out with the personnel of the leasing firms in Türkiye who could and did provide reliable and satisfactory information about leasing process and procedures.

* For practical purposes, the questionnaire handed out to the surveyed personnel have been prepared in Turkish. Thus, Appendices A and B submitted together with this thesis are also prepared in Turkish.

Table 5.1. Sample characteristics of the surveyed personnel

	Frequency	Percent	Cumulative Percent
1. EDUCATION			
High School	3	6,4	6,4
College	4	8,5	14,9
University	33	70,2	85,1
Master's Degree	7	14,9	100
2. JOB			
Engineer	7	14,9	14,9
Social Sciences	8	17,0	31,9
Officer	23	48,9	80,8
Non-Commissioned Officer	3	6,4	87,2
Agent	6	12,8	100
3. JOB LEVEL			
Expert Assistant	12	25,5	25,5
Expert	26	55,3	80,8
Manager	9	19,2	100
4. AGE			
20-30	12	25,5	25,5
31-40	18	38,3	63,8
41- Upper	17	36,2	100
5. DEPARTMENT			
R & D	2	4,3	4,3
Foreign Trade	3	6,4	10,7
Finance/Budget	14	29,8	40,5
Engineering	5	10,6	51,1
Acquisition	20	42,5	93,6
Cost/Price Analysis	3	6,4	100
6. JOB EXPERIENCE			
0-5	8	17	17
6-10	7	14,9	31,9
11-Upper	32	68,1	100
7. TENURE			
0-2	21	44,7	44,7
3-4	7	14,9	59,6
5-6	4	8,5	68,1
7-8	3	6,4	74,5
9-Upper	12	25,5	100
8. FOREIGN LANGUAGE			
English	40	85,1	85,1
French	1	2,1	87,2
Not Knowing	6	12,8	100

The financial leasing literature has been reviewed and through interviews have been carried out with ten people working in different financial leasing firms and in different positions before the questionnaire was designed. With regards to the MoD and the TLF, the attempt has been to interview all the personnel that takes part in the acquisition processes. However, due to the personnel on leave and those unwilling to fill in the questionnaire,

only 47 of the above-mentioned personnel could be interviewed. The demographic properties of this sample is given in the Table 5.1. 85 percent of the survey participants are graduate at least, 15 percent have a master's degree. 55 percent of them are ex-military and 45 percent are employed as civilian specialist. Also, 55 percent are work as acquisition specialists and 19 percent as department manager. 85 percent of the sample knows English as a foreign language.

Table 5.2. Sample characteristics of the surveyed personnel

	Frequency	Percent	Cumulative Percent
<u>1. EDUCATION</u>			
High School	2	6,7	6,7
University	23	76,7	83,3
Master's Degree	4	13,3	96,7
Doctoral Degree	1	3,3	100
<u>2. JOB</u>			
Economist	7	23,3	23,3
Banker	6	20,0	43,3
Accountant	3	10,0	53,3
Business Administrator	14	46,7	100
<u>3. JOB LEVEL</u>			
Marketing Analyst	6	20,0	20,0
Marketing Specialist	14	46,7	66,7
Marketing Manager	10	33,3	100
<u>4. AGE</u>			
20-25	11	36,7	36,7
26-30	12	40,0	76,7
31-35	4	13,3	90,0
35-Upper	3	10,0	100
<u>5. GENDER</u>			
Male	12	40,0	40,0
Female	18	60,0	100
<u>6. JOB EXPERIENCE</u>			
0-5	13	43,3	43,3
6-10	13	43,3	86,6
11-Upper	4	13,4	100
<u>7. # of FIRMS WORKED</u>			
1	11	36,7	36,7
2	8	26,7	63,4
3	5	16,6	80,0
4	6	20,0	100
<u>8. SALARY (MILLION TL)</u>			
250-500	11	36,6	36,6
500-750	8	26,7	63,3
750-1000	8	26,7	90,0
1000-Upper	3	10,0	100
<u>9. FOREIGN LANGUAGE</u>			
English	26	86,7	86,7
Not Knowing	4	13,3	100

For the second survey, ten of the 100 financial leasing firms operating in Türkiye have been visited. In each firm, three people have been interviewed in person: the marketing branch manager, marketing specialist and the marketing analyst. The demographic properties of this sample is given in the Table 5.2.

The sample comprised 60 percent women and 40 percent men. The mean age of the respondents is 28. Also, 93 percent of the sample are graduate at least, 17 percent have a master's degree. 47 percent are working as marketing specialists of leasing firm and 33 percent as manager, and 63 percent are working in at least one leasing firm. There are 26 person, 87 percent of the sample, who knows English as a foreign language, besides 20 percent knows a second foreign language. Job experience of the 86 percent is at most ten years.

5.4. DATA ANALYSIS METHOD

The data obtained from the questionnaires have been analyzed using SSPS (Statistics for Social Sciences) for Windows. This package program can be used for generating frequencies, descriptive statistics such as the mean and the standard deviation, correlations, t-test, the ANOVA, multiple regressions, factor analyses and for drawing tables and graphs. The analyses in this research have been performed at a 95% confidence level; the generally accepted level of confidence in social science research is 95%. The statistical methods used in data analysis are as follows;

- “*Frequency Distribution*”, for describing the sample;
- “*Chi-square test*”, for the detection of relationships among nominal variables;
- “*The paired sample t-test*”, for the detection of significant mean differences between two groups;
- “*One-way ANOVA*”, for detection of significant mean differences among multiple groups;
- “*Factor Analysis*”, for the grouping of different criteria meaningfully and for the explanation of the variation among a set of interrelated groups;
- “*Reliability Analysis*”, for measuring the internal consistency of both the different factors and the criteria that make up these factors. (Reliability here refers to how accurate the estimation of the true score in a population is.)

5.5. HYPOTHESES TESTING

The relevant hypotheses are developed based on the research framework as shown in Figures 5.1 and 5.2. These hypotheses are tested through the frequencies obtained, the Chi Square test, the t-test, and the ANOVA.

5.5.1. Chi-Square Test Hypotheses

We might sometimes want to know if there exists a relationship between two nominal variables or whether they are independent of each other. The Chi-Square (χ^2) test is a non-parametric test which indicates whether the observed pattern is incidental or not. So, the χ^2 test of significance helps us to see whether or not two nominal variables are related.

Hypothesis 1: H_0 : There is no significant relationship between having information about leasing and considering it as an alternative acquisition method.

H_1 : It cannot be said that such a relationship does not exist.

Table 5.3 Chi-square test for Hypothesis-1

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
13,664	8	0,001	0,521

As can be seen from the Table 5.3, H_1 (alternative hypothesis) cannot be rejected. Thus, it can be said that there is a significant relationship between having information about leasing and considering it as an alternative acquisition method. When the definition of leasing was asked, 49 percent of survey participants answered correctly. 92 percent of the group those who have information about the leasing, declare that it may be considered as an alternative acquisition method. Besides, 64 percent of those who have no idea about leasing, declare that it may be considered as an alternative acquisition method.

Hypothesis 2: H_0 : There is no significant relationship between insufficiency of current acquisition methods and considering leasing as an alternative acquisition method.

H_1 : It cannot be said that such a relationship does not exist.

Table 5.4 Chi-square test for Hypothesis-2

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
11,093	8	0,017	0,495

As can be seen from the Table 5.4, H_1 (alternative hypothesis) cannot be rejected. Thus, it can be said that there is a significant relationship between insufficiency of current acquisition methods and considering leasing as an alternative acquisition method.

When asked about the method of acquisition preferred most by their departments, 72 percent of the surveyed personnel have stated it as down-payment, 9 percent as installment purchases, and 15 percent as public/private credit extensions. The personnel have also been asked about the sufficiency of the methods; 53 percent have stated it as insufficient. Of these 53 percent, 92 percent agree with the opinion that leasing could be considered as an alternative acquisition method for the Land Forces Command. In addition, 83 percent of the personnel who have stated that they find the current methods of acquisition satisfactory have also told that they could consider leasing as an alternative. As a whole, 85 percent of the personnel who have agreed to fill in the questionnaire told that they agree with this opinion.

Hypothesis 3: H_0 : There is no significant relationship between experience in leasing and considering it as an alternative acquisition method.

H_1 : It cannot be said that such a relationship does not exist.

Table 5.5 Chi-square test for Hypothesis-3

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
9,735	12	0,623	0,265

As can be seen from the Table 5.5, H_0 (null hypothesis) can be accepted. So, it can be said that there is no significant relationship between experience in leasing and considering it as an alternative acquisition method.

92 percent of the military acquisition personnel declared that they had never made use of leasing, and 8 percent of them declared that they seldom made use of leasing. As a result, since 92 percent of our survey participants have no experience, such relationship was found to be insignificant. On the other hand, whereas 77 percent of the group, who had no experience in leasing agreed with the expression "Leasing can be considered as an alternative acquisition method for the Land Forces Command", 100 percent of those having been charged in some contracts agreed with the same expression.

Hypothesis 4: H₀: There is no significant relationship between having information about leasing applications in other countries' armed forces and considering it as an alternative procurement method.

H₁: It cannot be said that such a relationship does not exist.

Table 5.6 Chi-square test for Hypothesis-4

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
5,620	8	0,852	0,294

As can be seen from the Table 5.6, H₀ (null hypothesis) can be accepted. So, it can be said that there is no significant relationship between having information about leasing applications in other countries' armed forces and considering it as an alternative procurement method, because 75 percent of survey participants have no idea about the usage of this method in foreign armed forces.

Hypothesis 5: H₀: There is no significant relationship between knowing the definition of leasing exactly and education level.

H₁: It cannot be said that such a relationship does not exist.

Table 5.7 Chi-square test for Hypothesis-5

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
6,543	3	0,001	0,336

As can be seen from the Table 5.7, H₁ (alternative hypothesis) cannot be rejected. So, it can be said that there is a significant relationship between knowing the definition of leasing exactly and education level. While 85 percent of the survey participants are graduate at least, 15 percent have a master's degree. 96 percent of the ones who know the definition of leasing correctly are graduates.

Hypothesis 6: H₀: There is no significant relationship between knowing the definition of leasing exactly and the source they received information about leasing from.

H₁: It cannot be said that such a relationship does not exist.

Table 5.8 Chi-square test for Hypothesis-6

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
1,605	3	0,668	0,208

As can be seen from the Table 5.8, H_0 (null hypothesis) can be accepted. So, it can be said that there is no significant relationship between knowing the definition of leasing exactly and the source they received information about leasing from, since 77 percent of the participants declared that they have information about leasing. Of those informed, 11 percent have reached the information from books about the subject, 23 percent from lessons in universities and concept of some courses. But there is nobody who has reached information on leasing by interviewing with leasing firms. According to results of the questionnaire conducted with the leasing firms, while it is stated that no military institution demanded information/briefing from these firms, it appears that no firm has intended to inform the military institutions about leasing and/or their activities so far.

Hypothesis 7: H_0 : There is no significant relationship between knowing the definition of leasing exactly and being informed by the management about new acquisition methods such as leasing.

H_1 : It cannot be said that such a relationship does not exist.

Table 5.9 Chi-square test for Hypothesis-7

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
8,981	3	0,008	0,337

As can be seen from the Table 5.9, H_1 (alternative hypothesis) cannot be rejected. So, it can be said that there is a significant relationship between knowing the definition of leasing exactly and being informed by the management about new acquisition methods such as leasing. 87 percent of survey participants do not agree with the idea that "information for personnel is provided by the management". 75 percent of those who described leasing incorrectly stated that information about new acquisition methods was not provided by the management.

5.5.2. t-test Hypotheses

There are many instances when we would be interested in knowing whether the variables in a group are different from each other. A t-test is used to see if there are any significant differences in terms of the means and the standard deviations of the variable in the group. The t-test takes into consideration the means and the standard deviations of the variables and examines if the numerical difference in the means is significantly different from 0 (zero) as postulated in our null hypothesis (H_0).

Hypothesis 8 : H_0 : One of the advantages of leasing is that it provides for the purchase of more goods and services with the same amount of budget, and the other is that it allows for easier budget forecasting. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.10 t-test for Hypothesis-8

Factors	Means	Standard Deviations	Significance
V08	4,4681	0,584	0,000
V09	4,0426	0,624	

Hypothesis 8 is sustained, the alternate hypothesis (H_1) can be accepted. So, the level of importance attached to the advantage of acquiring more goods and services with the same amount of budget is higher than the level of importance attached to the advantage of facilitating budget planning.

Hypothesis 9 : H_0 : One of the advantages of leasing is that there is less paperwork involved in the process, and the other is that it requires less personnel and management control. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.11 t-test for Hypothesis-9

Factors	Means	Standard Deviations	Significance
V15	4,1489	0,834	0,152
V16	3,9574	0,806	

Hypothesis 9 is not sustained, the null hypothesis (H_0) can be accepted. Although it can be seen that the level of importance attached to the advantage of reducing the paperwork is higher than the level of importance attached to the advantage of less management control during contracting, there is no difference between the levels of importance attached to these two advantages.

Hypothesis 10 : H_0 : One of the advantages of leasing is that it increases the share of R&D in the budget, and the other is that it gives more importance to performance. There is no difference between the levels of importance

attached to these two advantages.

H₁: The level of importance attached to the former is higher than that attached to the latter.

Table 5.12 t-test for Hypothesis-10

Factors	Means	Standard Deviations	Significance
V19	4,2979	0,778	0,017
V20	3,9787	0,794	

Hypothesis 10 is sustained, the alternate hypothesis (H₁) can be accepted. So, the level of importance attached to the advantage of the share of R&D expenses in the budget is higher than the level of importance attached to the advantage of attaching importance to performance.

Hypothesis 11 : H₀: One of the advantages of leasing is that it enables to buy high-tech equipment, and the other is that it provides usage of goods and equipment without possessing them. There is no difference between the levels of importance attached to these two advantages.

H₁: The level of importance attached to the former is higher than that attached to the latter.

Table 5.13 t-test for Hypothesis-11

Factors	Means	Standard Deviations	Significance
V13	4,0213	0,897	0,002
V17	4,4894	0,547	

Hypothesis 11 is sustained, the alternate hypothesis (H₁) can be accepted. So, the level of importance attached to the advantage of acquisition of high-tech equipment is higher than the level of importance attached to the advantage of using goods and equipment without possessing them.

Hypothesis 12 : H₀: One of the advantages of leasing is that it helps to decrease the cost of maintenance, and the other is that it prevents delays in delivery. There is no difference between the levels of importance attached to these two advantages.

H₁: The level of importance attached to the former is higher than that attached to the latter.

Table 5.14 t-test for Hypothesis-12

Factors	Means	Standard Deviations	Significance
V12	4,0851	0,952	0,161
V28	4,3191	0,663	

Hypothesis 12 is not sustained, the null hypothesis (H_0) can be accepted. Although it can be seen that the level of importance attached to the advantage of decreasing the cost of maintenance is higher than the level of importance attached to the advantage of preventing delays in delivery, there is no difference between the levels of importance attached to these two advantages.

Hypothesis 13 : H_0 : One of the advantages of leasing is that it helps to decrease the cost of maintenance, and the other is that it provides using of goods and equipment without possessing them. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.15 t-test for Hypothesis-13

Factors	Means	Standard Deviations	Significance
V13	4,0213	0,897	0,038
V28	4,3191	0,663	

Hypothesis 13 is sustained, the alternate hypothesis (H_1) can be accepted. So, the level of importance attached to the advantage of decreasing the cost of maintenance is higher than the level of importance attached to the advantage of using goods and equipment without possessing them.

Hypothesis 14 : H_0 : One of the advantages of leasing is that it provides for the purchase of more goods and services with the same amount of budget, and the other is that it allows to follow the technology closely. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.16 t-test for Hypothesis-14

Factors	Means	Standard Deviations	Significance
V8	4,4681	0,584	0,026
V11	4,2340	0,666	

Hypothesis 14 is sustained, the alternate hypothesis (H_1) can be accepted. So, the level of importance attached to the advantage of acquiring more goods and services with the same budget is higher than the level of importance attached to the advantage of following the technology closely.

Hypothesis 15 : H_0 : One of the advantages of leasing is that it allows to follow the technology closely, and the other is that it provides using of goods and equipment without possessing them. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.17 t-test for Hypothesis-15

Factors	Means	Standard Deviations	Significance
V11	4,2340	0,666	0,192
V13	4,0213	0,897	

Hypothesis 15 is not sustained, the null hypothesis (H_0) can be accepted. Although it can be seen that the level of importance attached to the advantage of following the technology closely is higher than the level of importance attached to the advantage of using goods and equipment without possessing them, there is no difference between the levels of importance attached to these two advantages.

Hypothesis 16 : H_0 : One of the advantages of leasing is that it provides renewing the modern equipment in the course of time, and the other is that it covers investment incentives as well. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.18 t-test for Hypothesis-16

Factors	Means	Standard Deviations	Significance
V18	4,5745	0,580	0,000
V21	3,8936	0,866	

Hypothesis 16 is sustained, the alternate hypothesis (H_1) can be accepted. So, the level of importance attached to the advantage of renewing the modern equipment in the course of time is higher than the level of importance attached to the advantage of covering investment incentives as well.

Hypothesis 17 : H_0 : One of the advantages of leasing is that it enables to buy high-tech equipment, and the other is that its exemption from all sorts of revenue stamp expenditure, tax and fees. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.19 t-test for Hypothesis-17

Factors	Means	Standard Deviations	Significance
V17	4,4894	0,547	0,002
V25	3,8936	1,165	

Hypothesis 17 is sustained, the alternate hypothesis (H_1) can be accepted. So, the level of importance attached to the advantage of acquisition of high-tech equipment is higher than the level of importance attached to the advantage of exemption from all sorts of revenue stamp expenditure, tax and fees.

Hypothesis 18 : H_0 : One of the advantages of leasing is that it helps to decrease the cost of maintenance, and the other is that it allows for easier budget forecasting. There is no difference between the levels of importance attached to these two advantages.

H_1 : The level of importance attached to the former is higher than that attached to the latter.

Table 5.20 t-test for Hypothesis-18

Factors	Means	Standard Deviations	Significance
V09	4,0426	0,624	0,041
V28	4,3191	0,663	

Hypothesis 18 is sustained, the alternate hypothesis (H_1) can be accepted. So, the level of importance attached to the advantage of decreasing the cost of maintenance is higher than the level of importance attached to the advantage of facilitating the budget planning.

5.5.3. The ANOVA Test Hypotheses :

Whereas the t-test indicates whether or not there is a significant mean difference between two variables, the Analysis of Variance (ANOVA) helps us to examine if there are significant mean differences among more than two groups.

The results of ANOVA indicates whether or not the means of the various groups of variable are significantly different from each other. If there are significant mean differences among the groups as indicated by the significance level of the F statistics, the ANOVA results cannot solely account for the differences. So, several tests such as Scheffe's test, Duncan Multiple Range test, Tukey's test are available and can be used, where appropriate, to detect where exactly the mean differences come from.

Hypotheses 19: H₀: There will be no difference in thought of the respondents about leasing as an alternative acquisition method at three different job levels.

H₁: The thought of the respondents about leasing as an alternative acquisition method at three different job levels will vary significantly.

Table 5.21 Analysis of variance for Hypothesis-19

----- ONE WAY -----						
Variable V32		Leasing as an alternative acquisition strategy				
By Variable V35		Job level				
Analysis of Variance						
Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.	
Between Groups	2	1,3914	,6957	1,0732	,3507	
Within Groups	44	28,5235	,6483			
Total	46	29,9149				
Levene Test for Homogeneity of Variances						
Statistic	df1	df2	2-tail Sig.			
4,3859	2	44	,018			
Variable V32		Leasing as an alternative acquisition strategy				
By Variable V35		Job level				
Multiple Range Tests: Scheffe test with significance level ,05						
The difference between two means is significant if $MEAN(J)-MEAN(I) \geq ,5693 * RANGE * SQRT(1/N(I) + 1/N(J))$ with the following value(s) for RANGE: 3,58						
- No two groups are significantly different at the ,050 level						

The results of ANOVA shown in the Table 5.21, do not indicate any significant differences in thought of the respondents about leasing as an alternative acquisition method among the three groups. Thus, hypothesis 19 is not sustained, the null hypothesis can be accepted.

Hypotheses 20: H₀: There will be no difference between the thought of the leasing as an alternative acquisition method and number of years in this organization.
H₁: The thought of the respondents about leasing as an alternative acquisition method at five different tenure will vary significantly.

Table 5.22 Analysis of variance for Hypothesis-20

----- O N E W A Y -----					
Variable V32		Leasing as an alternative acquisition strategy			
By Variable V39		Tenure			
Analysis of Variance					
Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	4	2,4863	,6216	,9518	,4438
Within Groups	42	27,4286	,6531		
Total	46	29,9149			
Levene Test for Homogeneity of Variances					
Statistic	df1	df2	2-tail Sig.		
1,5731	4	42	,199		
Variable V32		Leasing as an alternative acquisition strategy			
By Variable V39		Tenure			
Multiple Range Tests: Scheffe test with significance level ,05					
The difference between two means is significant if $MEAN(J)-MEAN(I) \geq ,5714 * RANGE * SQRT(1/N(I) + 1/N(J))$ with the following value(s) for RANGE: 4,56					
- No two groups are significantly different at the ,050 level					

The results of ANOVA shown in the table above do not indicate any significant differences in thought of the respondents about leasing as an alternative acquisition method among the five different tenure. Thus, hypothesis 20 is not sustained, the null hypothesis can be accepted.

5.5.4. The Hypotheses of the Second Survey :

The results of the second survey handed out to the personnel of the leasing firms show us that the Financial Leasing Law, Law No: 3226 does not adequately satisfy the needs of financial leasing sector.

Hypothesis 21: H_0 : There is no significant relationship between sufficiency of the current body of law on financial leasing and making a leasing contract with the Land Forces Command.

H_1 : It cannot be said that such a relationship does not exist.

Table 5.23 Chi-square test for Hypothesis-21

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
7,7486	2	0,03787	0,16068

As can be seen from the Table 5.23, H_1 (alternative hypothesis) cannot be rejected. So, it can be said that there is a significant relationship between sufficiency of the current body of law on financial leasing and making a leasing contract with the Land Forces Command.

There are different types of leasing, such as operational leasing and sub-lease, but because of the current body of law on financial leasing, they can not be applied in Türkiye. Operational leasing has a particular importance for the Turkish leasing sector and the economy. So, there has to be provisions in the current body of law that allow for this type of financial leasing.

The minimum uncancellable period for a lease agreement is four years. It is a very long period for a lease agreement. If the current body of law allows operational leasing, period limitations can be eliminated. Generally accepted leasing principles have to be stated in the current body of law on financial leasing.

Hypothesis 22: H_0 : There is no significant relationship between the adequacy of the number of firms and making a leasing contract with the Land Forces Command.

H_1 : It cannot be said that such a relationship does not exist.

Table 5.24 Chi-square test for Hypothesis-22

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
2,05598	3	0,56087	0,21545

As can be seen from the Table 5.24, H_0 (null hypothesis) can be accepted. So, it can be said that there is no significant relationship between the adequacy of the number of firms and making a leasing contract with the Land Forces Command. According to the data published by the Undersecretariat of Treasury and Foreign Trade, 100 firms were

performing leasing activity in 1997*. It is an adequate amount for the sector. But competition increases with the number of firms. Customers benefit from the increasing number of companies because the service quality gets better. Besides, lessors decrease discount rates. As the number of leasing companies increases continuously, some decreases in interest rates are also expected in the following periods.

Hypothesis 23: H₀: There is no significant relationship between the high cost of funding in Türkiye and making a leasing contract with the Land Forces Command.

H₁: It cannot be said that such a relationship does not exist.

Table 5.25 Chi-square test for Hypothesis-23

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
0,03915	2	0,98062	0,03612

As can be seen from the Table 5.25, H₀ (null hypothesis) can be accepted. So, it can be said that there is no significant relationship between the high cost of funding in Türkiye and making a leasing contract with the Land Forces Command. Although the financial leasing contracts are made for a period of four years, the leasing firms often have difficulty in finding such long-term funds. These firms do not accept a long-term leasing contract and the back-payment spread throughout that long term, claiming that the high cost of funding and the level of inflation do not make this option feasible.

Hypothesis 24: H₀: There is no significant relationship between the satisfaction from making contract with PEOs and the municipals, and making a leasing contract with the Land Forces Command.

H₁: It cannot be said that such a relationship does not exist.

Table 5.26 Chi-square test for Hypothesis-24

Chi-Square (χ^2) Value	DF	Significance	Cramer's V Phi
5,33521	3	0,01488	0,47619

As can be seen from the Table 5.26, H₁ (alternative hypothesis) cannot be rejected. So, it can be said that there is a significant relationship between the satisfaction from making contract with PEOs and the municipals, and making a leasing contract with the Land Forces Command.

* At <http://www.foreigntrade.gov.tr/stat/finans/ti59.html>, October 12, 1999

73 percent of the surveyed personnel have made a leasing agreement with the PEOs (Public Economic Enterprises), the universities and the hospitals that operate with circulating capitals, and with the municipals. They have leased computers and related equipment, high-capacity information systems, medical equipment, electronics, communication systems, construction machines and vehicles, land transportation vehicles, and real estate to these institutions. But 100 percent of them have not made an agreement with the state institutions included in the general budget, such as MoD.

When asked whether they would prefer to enter into a financial leasing contract with these institutions, 57 percent have replied affirmatively whereas 43 percent stated that they would not. Those who have answered affirmatively have shown two reasons for their preference: that doing business with the TAF is less risky since it is seen as the most reliable public institution, and that it would be a new experience for them to enter into a financial contract with the TAF. On the other hand, those who have answered negatively have shown the limitations in the current body of related law, the great amount of bureaucracy in entering into contracts with state institutions and the unreliability of the political authority as the reasons for their preference.

When asked what type of goods they would lease in the case if they enter into a financial leasing contract, they have stated that they could also lease helicopters, high-capacity information systems, energy installations, and real estate, in addition to those we have mentioned in Chapter 4.3.

In addition, personnel of the leasing firms do not have adequate information about leasing applications in other countries' armed forces. According to results of the questionnaire conducted with the leasing firms, while it is stated that no military institution demanded information/briefing from these firms, it appears that no firm has intended to inform the military institutions about leasing and/or their activities so far.

When asked what kind of factors are effective in selection of the lessee, they have stated that the solvency of the lessee and the cash generating power of the financing project are the most important ones. However, the economic and technologic life of the asset and the expectations from the future are less important. In addition to these factors, they have mentioned that the guarantee that the lessee provides, payback period of the lease agreement, and the market intelligence about lessee are also important factors in selection.

The first article of the State Tender Law* states that the acts related to the purchasing, selling, servicing, building, renting, bartering, and carrying of goods of the official institutions whose budgets make up a part of the General Budget, should be carried out in accordance with the provisions of that Law. Consequently, it should be stated that the applicability of financial leasing for official institutions depends on the conformity of this alternative method of purchasing with the State Tender Law.

5.6. FACTOR ANALYSIS

Factor analysis allows us to comment more easily and satisfactorily on a great number of variables by bringing them together in a meaningful pattern. It has been used in this study in order to determine the advantages of financial leasing that are important in the preference of an alternative method of acquisition.

As a result, 21 criteria have been meaningfully reduced to 7 factors in total. When determining these 7 factors, the factors with an eigenvalue of at least 1 have been accepted as meaningful. The explanatory power of these 7 factors are found to be 72.7%, which is a satisfactory percentage. It can be seen that the estimated "Kaiser-Meyer-Olkin Measure of Sampling Adequacy" value is 0.59924; this shows us the appropriateness of choosing this data set for the explanation of this subject. That the significance obtained by the "Bartlett Test of Sphericity" is at the level of 0.0000 allows us to perform the analysis. These can be seen from the Table 5.27.

Table 5.27 Factor analysis of the variables

----- FACTOR ANALYSIS -----			
<u>Factor</u>	<u>Eigenvalue</u>	<u>Pct of Var</u>	<u>Cum Pct</u>
1	4,98032	23,7	23,7
2	2,86525	13,6	37,4
3	2,03161	9,7	47,0
4	1,48674	7,1	54,1
5	1,43645	6,8	61,0
6	1,41177	6,7	67,7
7	1,04755	5,0	72,7
8	,90224	4,3	77,0
9	,83334	4,0	80,9
10	,67317	3,2	84,1
PC extracted 7 factors.			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = ,59924			
Bartlett Test of Sphericity = 421,65131, Significance = ,00000			

* Law No : 2886, Published in the Official Gazette, September 10, 1983, No : 18161

The factors that are produced by the factor analysis and the explanatory power of the criteria that make up these factors have been outlined in the Table 5.28. As can be seen from the table, the criterion just under each factor has the greatest explanatory power on that factor.

Table 5.28. Grouping of the variables by factors analysis

Factors	Explanatory Power
F1 Cost Advantage	23,7 %
V25 Advantage of exemption from all sorts of revenue stamp expenditure, tax and fees	0,81191
V24 Advantage of budget protection against inflation	0.72675
V23 Advantage of paying less amounts of Value Added Tax	0.70226
V19 Advantage of increasing the share of R&D expenses in the budget	0.51592
V22 Advantage of removing extra expenses such as transportation and assembling	0.51273
F2 Advantage of Keeping Up More with Technology	13,6 %
V26 Advantage of renewing the current equipment faster	0.84242
V17 Advantage of acquisition of high-tech equipment	0.76303
V18 Advantage of renewing the modern equipment in the course of time	0.64294
F3 Advantage of Budget Planning	9,7 %
V8 Advantage of acquiring more goods and equipment with the same budget	0.71300
V9 Advantage of facilitating the budget planning	0.71062
V10 Advantage of providing medium and long term finance	0.64333
F4 Advantage of Allowing Easy Maintenance	7,1 %
V27 Advantage of maintenance	0.80045
V28 Advantage of maintenance staff	0.79593
V11 Advantage of following the technology closely	0.53864
F5 Advantage of Management Control	6,8 %
V16 Advantage of less management control during contracting	0.74819
V15 Advantage of reducing the paperwork	0.73136
V14 Advantage of contract flexibility	0.62939
F6 Advantage of Usage	6,7 %
V13 Advantage of using goods and equipment without possessing them	0.83894
V20 Advantage of attaching importance to performance	0.61214
F7 The Others	5,0 %
V21 Advantage of covering investment incentives as well	0.81137
V12 Advantage of preventing delays in delivery	0.48660

Although these advantages can be grouping meaningfully and reducing to 7 factors, there are significant mean differences between the said level of effect and the computed level of effect as can be shown the said-computed level of effect matrix on page 75.

The said-computed level of effect matrix have four different region. On the vertical axis, computed level of effect provides a measure of factor analysis. On the horizontal axis, said level of effect serves as a measure of questionnaire results.

The first region have both high said level of effect and high computed level of effect. The survey participants have stated that the advantages located in the first region are very important in the preference of an alternative method of acquisition. As a result of the factor analysis; the advantage of acquiring more goods and equipment with the same budget, the advantage of acquisition of high-tech equipment, the advantage of covering investment incentives as well, the advantage of renewing the current equipment faster, and the advantage of reducing the cost of maintenance are really very important factors.

The second region can be constituted by the advantages that have a high said level of effect and a low computed level of effect. The survey participants have stated that the advantages located in this region are very important in the preference of an alternative method of acquisition. In fact, the advantage of providing medium and long term method of finance, the advantage of increasing the share of R&D expenses in the budget, the advantage of removing extra expenses such as transportation and assembling, and the advantage of renewing the modern equipment in the course of time are not very important.

The third region have both low said level of effect and low computed level of effect. The survey participants have stated that the advantages located in the third region are not very important in the preference of an alternative method of acquisition. So, the advantage of preventing delays in delivery, the advantage of contract flexibility, and the advantage of attaching importance to performance are, in fact, not very important.

The advantages that have a low said level of effect and a high computed level of effect are compiled in the fourth region. Although, the survey participants have mentioned that the advantages located in the fourth region are not very important in the preference of an alternative method of acquisition; the advantage of facilitating the budget planning, the advantage of using goods and equipment without possessing them, the advantage of reducing the paperwork, the advantage of less management control during contracting, the advantage of paying less amount of VAT, the advantage of budget protection against inflation, and the advantage of exemption from all sorts of tax and fees are more important.

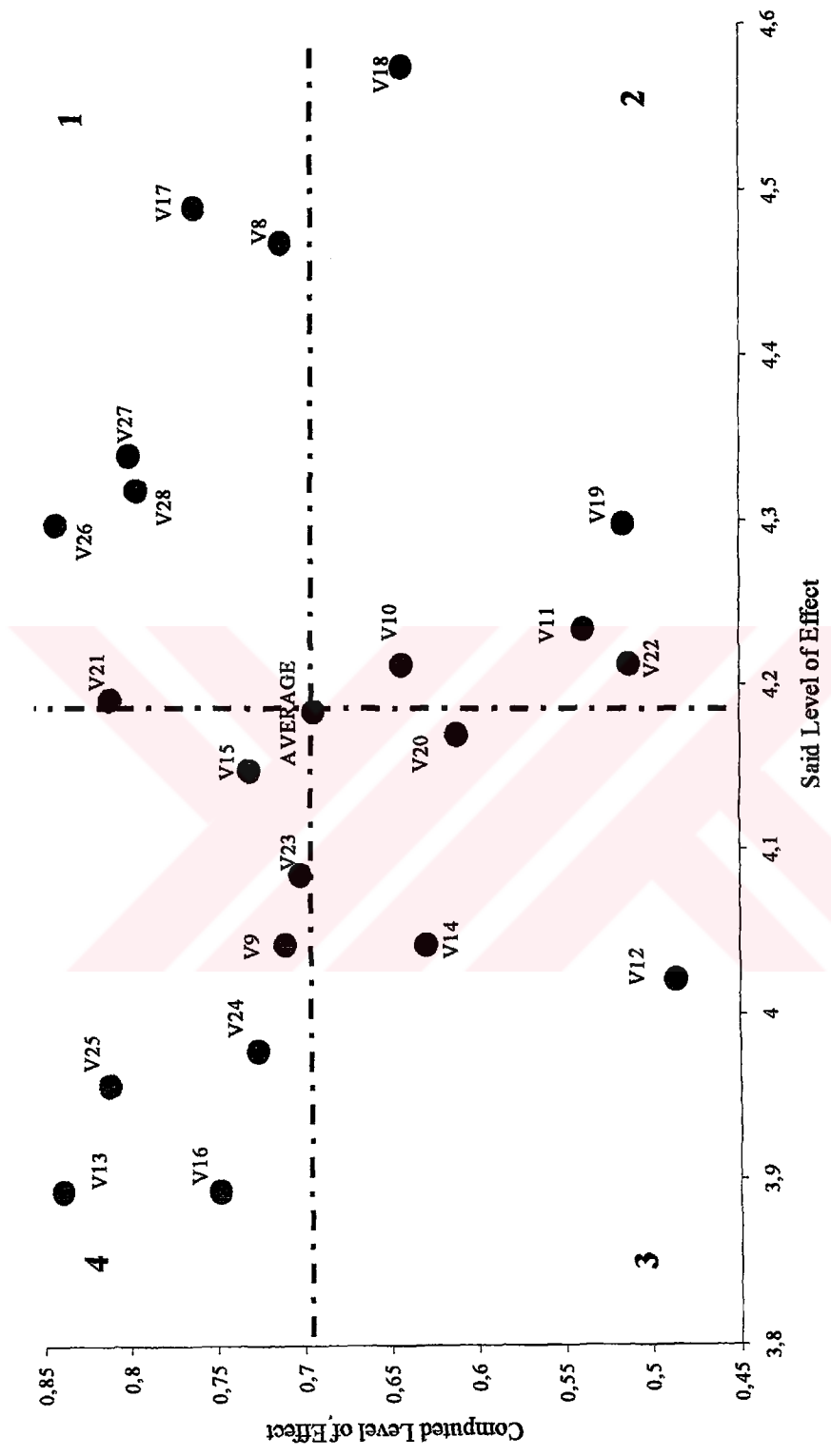


Figure 5.3. The Said-Computed Level of Effect Matrix

5.7. RELIABILITY ANALYSIS :

In general, the concept of reliability refers to how accurate, on the average, the estimate of the true score is in a population of objects to be measured. Reliability tests how consistently a measuring instrument measures whatever concept it is measuring. In other words, reliability is concerned with stability and consistency in measurement. The internal consistency of measures is indicative of the homogeneity of the items in the measure that tap the construct. In other words, the items “should hang together as a set” and be capable of independently measuring the same concept such that the respondents attach the same overall meaning to each of the items.

Table 5.29 Reliability test of the variables

-----RELIABILITY ANALYSIS - SCALE (ALPHA)-----				
	Item-total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
V08	83,4043	58,5939	,1123	,8183
V09	83,8298	57,0574	,2644	,8129
V10	83,6596	56,6207	,2096	,8167
V11	83,6383	55,6707	,3847	,8079
V12	83,8511	53,6512	,4176	,8058
V13	83,9787	56,0648	,2411	,8154
V14	83,8298	53,4052	,5443	,7999
V15	83,7234	53,0305	,5119	,8007
V16	83,9787	53,4126	,3035	,8156
V17	83,3830	56,4154	,3928	,8085
V18	83,2979	55,1267	,5195	,8035
V19	83,5745	54,9454	,3807	,8078
V20	83,7021	53,3441	,5669	,7991
V21	83,6809	54,0046	,3106	,8135
V22	83,6596	51,9685	,5648	,7973
V23	83,7872	52,5190	,4724	,8025
V24	83,8936	52,0102	,6376	,7945
V25	83,9149	55,1665	,3442	,8096
V26	83,5745	56,5976	,2466	,8141
V27	83,5319	57,0805	,2239	,8148
V28	83,5532	55,5569	,3991	,8074
Reliability Coefficients				
N of Cases =	47,0	N of Items =	21	Alpha = ,8155
<u>FACTOR</u>	<u>Cronbach's Alpha</u>		<u>ASSESSMENT</u>	
1. Cost Advantage	0,7654		Good	
2. Advantage of Keeping Up More with Technology	0,7681		Good	
3. Advantage of Budget Planning	0,6182		Satisfactory	
4. Advantage of Allowing Easy Maintenance	0,6862		Satisfactory	
5. Advantage of Management Control	0,6551		Satisfactory	
6. Advantage of Usage	0,5371		Acceptable	
7. The Other Advantages	0,3935		Poor	

Firstly, the internal consistency of the factors grouped by the Factor Analysis and, secondly, the internal consistency of the criteria that make up these factors have been measured by subjecting them to Reliability Analysis. “Cronbach’s Alpha Method” was used for testing the reliability of these factors. It is a reliability coefficient that reflects how well the items in a set are positively correlated to one another. It is computed in terms of the average intercorrelations among the items measuring the concept. The closer Cronbach’s Alpha is to 1, the higher the internal consistency reliability. Reliabilities less than 0.60 are generally considered to be poor, those in the 0.60 range acceptable, and those over 0.70 good. The resulting alpha values are shown in Table 5.29. Among these factors, only two have reliability coefficients lower than 0.6, which is known to be the minimum satisfactory criterion to establish an adequate reliability measurement for factors. This finding can be explained by the fact that the advantages that make up the 7th factor should not hang together as a set, and they cannot be capable of independently measuring the same concept. On the other hand, the advantages – using goods and equipment without possessing them and attaching importance to performance – that make up the 6th factor have a reliability coefficient of 0,5371 closer to 0,6 and may be considered to be acceptable for measuring the usage advantage. However, the internal consistency of all the factors have a reliability coefficient of 0,8155 that is considered to be good and should hang together as a set. It means that the respondents attach the same overall meaning to each of the items and the items are capable of independently measuring the effect of the advantages of leasing on the preference of an alternative method of acquisition.

CHAPTER SIX

CONCLUSIONS

Leasing is an alternative method of financing for companies to acquire capital equipment with the widespread acceptance of the concept that the profits are made through the use of the assets, not through the actual ownership of them. A lease is a simple agreement between the owner of equipment and the user covering the use of equipment for a fee.

When we analyze the pros and cons of leasing, there are more positive factors than negative ones. First of all, leasing conserves working capital. Demand for working capital is spread out longer. The second one is that leasing provides flexibility. Companies have different needs, different cash flows patterns, different and sometimes irregular streams of income. So, the business conditions may help define the terms of lease. Third, leasing protects the business against operating obsolete equipment, and it provides an opportunity to use new or updated equipment. When a company leases, its risk of getting caught with obsolete equipment is lower because it can upgrade or add equipment to best meet its needs. It allows companies to stay on the cutting edge of technology. Fourth, leasing provides 100 percent financing for equipment acquisitions. It helps to overcome budget restrictions and limitations. In addition, it is practical. By leasing, a company transfers the uncertainties and risk of ownership to the lessor, which allows the company to concentrate on using that equipment as a productive part of its business. Finally, leasing acts as a hedge against inflation.

During World War II, leasing became a widespread means of equipment financing for the U.S. government contracts. It has been used in order to encourage firms to investment and to relieve them of the great financial burden of the 1929's economic crisis. Although it has a history dating to ancient Sumerians, it started to establish itself as a major financial tool in the second half of the 20th century in the U.S. In the early 1960's, leasing industry had been established in most of the major West European Countries. And then, it is now practiced on a wide spread scale.

In the second half of the 1980's, financial leasing has been entered the Turkish finance sector by means of the FLL; since then, it is being made use of for various purposes and by an ever-growing number of lessors and lessees. Today all kinds of equipment, computers, cars, aircraft, medical equipment, construction and textile machines, agricultural tools can be a subject of a lease agreement.

Türkiye is located in a volatile region and bordered by the Balkans, the Middle East and the Caucasus, so it might be faced with a multitude of internal and external threats to its security. It provides the stability in the region; therefore, it must remain strong to keep the region stable. In view of dramatic changes occurred in the world in the course of the last decade, TAF are going through a process of restructuring in order to meet the requirements of the present day and the near future. Today's threats know no boundaries, they require armed forces ready to provide a flexible response. So, TAF needs faster and easier upgrades to their equipment and must deploy the most advanced technology as quickly as possible.

Economic difficulties faced by our country have a negative impact on government expenditures, especially on military ones. We have to seek ways to use limited sources effectively and efficiently to meet the requirements of this new environment. In this regard, the activities are carrying out aim at bringing to a certain level of force structure, modernization process and military readiness of the units, headquarters and institutions of the TLF in the middle and the long run to cover the needs of the present and the future.

In addition to various advantages leasing offers to lessees, government institutions enjoy leasing to lift the barriers of budget restrictions. By means of leasing, government and public organizations can afford to use equipment which they cannot afford to buy out of their tight budgets. Because the TLF is a non-profit institution included in the general budget, the equipment that purchased is proportional to size of its budget.

In this study, we try to evaluate the usability of leasing as an alternative acquisition method for the TLF, especially in the provision of computers, simulators, electronics, office equipment, medical appliances, land transportation vehicles, and engineering vehicles.

Financial leasing has to be considered as an alternative purchase option by the TLF because it provides for the opportunity to obtain the maximum amount of goods and services with the limited resources that are now available for the Land Forces Command.

The present limitations on the budget can easily be overcome by making use of leasing without having to ask for a budgetary increase.

The results of the surveys handed out to the personnel of MoD and TLF who are experienced in acquisition process, procedures, and methods show that leasing can be considered as an alternative acquisition method for TLF. But the information deficiency of personnel on leasing, the present methods of acquisition and their sufficiency, and the effect of the advantages of leasing on the preference of the method affect the leasing decision.

When asked the personnel whether they have a knowledge about leasing, 51 percent of them replied negatively and 87 percent of them do not agree with the idea that “information for personnel about new acquisition methods such as leasing is provided by the management”. There is nobody who has reached information on leasing by interviewing with leasing firms, and 75 percent of survey participants have no idea about leasing applications in other countries’ armed forces. Therefore, the information deficiency on leasing can affect the alternative acquisition method selecting decisions. As a result, the personnel have been informed by management about new subjects on acquisition, and if there is a demand for information/briefing from the leasing firms by military institutions to inform their personnel, they stated that they will be pleased for such a demand. Because they stated that TAF is less risky as the most reliable public institution and it would be a new experience for them to enter into a financial contract with the TAF.

The personnel have also been asked about the sufficiency of the current acquisition methods; 53 percent have stated it as insufficient. Of these 53 percent, 92 percent agree with the opinion that leasing could be considered as an alternative acquisition method for the Land Forces Command. In addition, 83 percent of the personnel who have stated that they find the current methods of acquisition satisfactory have also mentioned that they could consider leasing as an alternative. As a whole, 85 percent of the personnel who have agreed to fill in the questionnaire told that they agree with this opinion.

To determine the advantages of financial leasing that are important in the preference of an alternative method of acquisition, factor analysis has been used. As a result, six factors have been accepted meaningful. These are; cost advantage, the advantage of keeping up

more with technology, the advantage of budget planning, the advantage of allowing easy maintenance, the advantage of management control, and the advantage of usage. The factors that are produced by the factor analysis and the explanatory power of the criteria that make up these factors have been outlined in the Table 5.3 on page 73.

The results of the second survey handed out to the personnel of the leasing firms show us that the Financial Leasing Law, Law No: 3226 does not adequately satisfy the needs of financial leasing sector. Although leasing legislation and law has been introduced, certain points have yet to be clarified regarding accounting and taxation; the uncertainty in such a case affects the growth of leasing's popularity on the negative. There are different types of financial leasing, some of which is suitable for the TAF (e.g. operational leasing); but because of the current body of law on financial leasing, they cannot be applied in Türkiye.

There is no firm that has made an agreement with the state institutions included in the general budget, such as MoD. When asked whether they would prefer to enter into a financial leasing contract with these institutions, 43 percent stated that they would not. Those who have answered negatively have shown the limitations in the current body of related law, the great amount of bureaucracy in entering into contracts with state institutions and the unreliability of the political authority as the reasons for their preference. And also, what underlies this preference is that these private sector firms can not make it certain whether the leases shall be paid in due time or in due amount.

Although the financial leasing contracts are made for a duration of four years, the leasing firms often have difficulty in finding such long-term funds. This difficulty forces them to demand that back-payments be completed in at most 24 months. These firms do not accept a long-term leasing contract and the back-payment spread throughout that long term, claiming that the high cost of funding and the level of inflation do not make this option feasible.

A healthy leasing industry requires private investment activity which, in turn, is facilitated by a positive macroeconomic environment : fiscal and price stability, undistorted prices of capital and foreign exchange, competitive markets and availability of medium term local currency finance. Leasing companies particularly need foreign exchange convertibility. In most developing countries, foreign exchange is needed for importing capital equipment but

lessees, especially small and domestically-oriented firms, are unwilling to take foreign exchange risk by accepting dollar-denominated leases. So leasing companies need foreign exchange convertibility in order to offer local currency leases to finance imported equipment.

Since the TLF is not a profit-oriented organization, it is not possible for the army to operate the investment goods that could be purchased through financial leasing in order to yield a profit. This makes it impossible to cover the leasing payments with the profit earned from the operation of such goods.

The most important reason why financial leasing is more profitable than many other alternative ways of purchasing is the possibility of tax reduction. However, since the budget of TLF is included in the general budget, this possibility ceases to be valid for the TLF; that is, each and every cost reflects itself in the overall budget of any particular financial lease.

6.1. FURTHER RECOMMENDATIONS :

When public institutions undertake financial leasing operations, these operations have to be backed with tax incentives, VAT as the first step, which have a direct bearing upon the costs. The investments for which tax incentives can be made use of have to be clearly defined and stated in the current body of law on financial leasing.

The first article of the State Tender Law states that the acts related to the purchasing, selling, servicing, building, renting, bartering, and carrying of goods of the official institutions whose budgets make up a part of the General Budget, should be carried out in accordance with the provisions of that Law. Consequently, it should be stated that the applicability of financial leasing for official institutions depends on the conformity of this alternative method of purchasing with the State Tender Law. The first thing to be done is to clearly place the financial leasing in the Law No: 2886 on State Bidding, to define the terms under which the financial leasing could be considered as an option and how it should be carried out.

Operational leasing has a particular importance for the TLF. There has to be provisions in the current body of law which allow for this type of financial leasing.

The items that can be a part of financial leasing contracts have to be clearly defined and explained. In the 5th article of the FLL, the statement is that “The subjects of a leasing contract are the movable or immovable goods. Industrial and/or intellectual rights such as patent cannot be a subject of leasing contracts”. Detailed explanations, instead of general ones, should be preferred.

When the comparative advantages of financial leasing are considered in a macro framework, it would be more than obvious that the contribution to the Turkish economy of the financial leasing operations carried out by the state institutions would be significant. The MoF and the SPO have to seriously investigate the feasibility of the financial leasing operations for the state institutions.

A further suggestion can be made as a future research area that this study should be extended by developing the criteria that affect the selection of leasing agent, lessor, by the lessees. And also, a special contract and a leasing application form should be developed for the state institutions included in the general budget such as MoD.

The driving factor is the goal of saving costs. Although saving money is a very worthwhile goal, it does not provide a vision of the desired end state. Our resources are severely limited in terms of people and money, but money seems more available than people, and we have to protect the people and use the money for better conditions.

We are of the opinion that the Turkish Land Forces Command can eliminate a number of disadvantages resulting from ordinary acts of purchase and equip itself with modern devices by taking a closer look at the developments in financial leasing sector, thereby acting out its capacity more efficiently.

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TSK BÜNYESİNDE LEASİNG
YÖNTEMİNİN UYGULANABİLİRLİĞİ
ÇALIŞMASI

Bu çalışma, Yeditepe Üniversitesi İşletme Fakültesi yüksek lisans programında yapılmakta olan bilimsel bir çalışmada veri olarak kullanılmak üzere dizayn edilmiştir. Çalışmanın amacı, ABD’nde 1930’lu yıllarda yaşanan ekonomik kriz sırasında işletmeleri yatırıma teşvik etmek ve büyük mali yüklerden kurtarmak amacıyla başvurulan, Batı Avrupa’ya sıçrayarak sanayileşmiş batılı ülkelerde de geniş bir uygulama alanı bulan ve 1980’li yılların ikinci yarısından itibaren ülkemizde de kullanılmaya başlayan, sürekli bir gelişme gösteren ve Avrupa Birliği’ne girmeye hazırlandığımız şu günlerde öneminin giderek artacağı düşünülen “Leasing (Finansal Kiralama)” yönteminin, TSK’lerinin ihtiyacı olan bilgisayar donanımları ve yüksek kapasiteli bilgi-işlem birimleri, tıbbi cihazlar, iletişim araçları ve elektronik aletler, istihkam iş makineleri, hizmet araçları ve büro malzemeleri gibi ekipmanların alınmasında alternatif bir tedarik yöntemi olarak kullanılabilirliğinin araştırılmasıdır.

TSK gibi resmi kuruluşlar kar amacı gütmeyen hizmet veren ve genel bütçeden pay alan kuruluşlardır. Dolayısıyla, sınırlı bütçelere sahiptirler ve ihtiyaç duydukları teçhizatı almak da bütçeleri ile orantılıdır. Ülkemizin içinde bulunduğu ekonomik güçlüklerin bir sonucu olarak, bu güçlüklerden olumsuz etkilenen askeri harcamaların gerçekleştirilmesinde alternatif tedarik yöntemlerinin bulunması bir ihtiyaç olarak karşımıza çıkmaktadır. ABD Donanması’nın, ihtiyaç duyduğu ekipmanların %60’ını Leasing yöntemini kullanarak tedarik etmesi, bu yöntemin TSK bünyesinde ne derecede uygulanabilirliğinin araştırılması gerektiğini ortaya çıkarmıştır.

Anket formundaki sorulara cevap verirken mümkün olduğunca doğru ve eksiksiz cevap vermenizi rica eder, değerli zamanınızı bu çalışmaya ayırdığınız için şimdiden teşekkür ederiz.

APPENDIX-A : QUESTIONNAIRE-1

Soru 1 : Leasing (Finansal Kiralama) yönteminin ne olduğunu biliyor musunuz? (Lütfen ilgili kutuyu işaretleyiniz)

- Evet Hayır Biraz

Soru 2 : Leasing yöntemi hakkında bilgilerinizi hangi şekilde sağladınız? (Lütfen ilgili kutuyu/kutuları işaretleyiniz)

- Leasing'i anlatan kitaplardan
 Leasing hakkındaki dergi, broşür vb. kaynaklardan
 Verilen bir kurs kapsamında (Üniversitedeki dersler ve eğitim programları dahil)
 Diğer sahişlar ile yapılan görüşmelerden
 Leasing firmaları ile yapılan görüşmelerden
 Diğer (Lütfen Yazınız:

Soru 3: "Tedarik ile ilgili personele Leasing gibi yeni yöntemler hakkında, yönetim tarafından yeterli bilgi sağlanmaktadır." Bu ifadeye;

- Hiç Katılmıyorum Katılmıyorum Ne Katılıyorum Ne Katılmıyorum Katılıyorum Tamamen Katılıyorum

Soru 4 : Daha önce Leasing Sözleşmeleri ile ilgili herhangi bir uygulamada bulundunuz mu? (Lütfen ilgili kutuyu işaretleyiniz)

- Hiç uygulamadım.
 Bir iki kere uygulanmasını izledim.
 Bir iki kere uygulanmasında görev aldım.
 Bazı sözleşmelerin uygulanmasında görev alıyorum.
 Tüm sözleşmelerin uygulanmasında görev alıyorum.

Soru 5 : Aşağıdaki ifadelerden hangisi Leasing (Finansal Kiralama) yöntemini en iyi açıklamaktadır? (Lütfen ilgili kutuyu işaretleyiniz)

- Herhangi bir mal alma ihtiyacı olan bir kurumun, mevcut sermayesi ile bu mali alamamasından dolayı bankadan kredi kullanmak yoluyla mal ya da hizmet alma yöntemidir.
 Herhangi bir malı almak isteyen bir kurumun, satıcı ile anlaşarak gerekli olan paranın başka bir kurum tarafından satıcıya ödenmesi ve malı alacak kurumun ödemeyi yapan kuruma parayı taksitle geri ödedikten sonra mala sahip olma yöntemidir.
 Herhangi bir malı almak isteyen bir kurumun, mal alacağı kurum ile anlaşarak malın mülkiyetini almak yerine, belirli bir süre kiralayıp sonra o malı aldığı kuruma geri vermesi yöntemidir.
 Herhangi bir malı almak isteyen bir kurumun, satıcıya, almak istediği ürün fiyatı yerine, elindeki mevcut ya da başka firmalara ait aynı değerdeki ürünlerle değiştirmesi suretiyle mala sahip olma yöntemidir.

Soru 6 : Şu anda bölümünüzde herhangi bir malın tedarikinde çoğunlukla kullanılan finansman yöntemi hangisi ya da hangileridir? Lütfen ilgili kutuyu/kutuları işaretleyiniz)

- Peşin satın alım Devlet-firma kredisi Leasing
 Taksitle ödeme Yap-işlet-devret Diğer (Lütfen Belirtiniz :

Soru 7 : "Şu anda bölümünüzde herhangi bir malın alımında kullanılan tedarik yöntemleri yeterlidir." Bu ifadeye;

- Hiç Katılmıyorum Katılmıyorum Ne Katılıyorum Ne Katılmıyorum Katılıyorum Tamamen Katılıyorum

APPENDIX-A : QUESTIONNAIRE-1

Soru 8 : Aşağıda Leasing yönteminin sağladığı faydalar sıralanmıştır. Sıralanan bu faydalar alternatif bir tedarik yönteminin seçiminde sizce ne kadar önemlidir? (Lütfen ilgili kutuyu üstteki ölçeğe göre işaretleyiniz)

	Hiç Önemli Değil	Önemli Değil	Ne Önemli Ne önemsiz	Önemli	Ço Öner
• Aynı bütçe ile daha fazla mal ve hizmet alımına imkan sağlaması	1	2	3	4	5
• Gelecek dönemlerdeki bütçelerin planlanmasını kolaylaştırması	1	2	3	4	5
• Yatırımlar için orta ve uzun vadeli kaynak sağlaması	1	2	3	4	5
• Sürekli gelişen teknolojinin yakından takip edilmesine olanak sağlaması	1	2	3	4	5
• Malın tesliminde yaşanabilen gecikmeleri önleyen bir sistem olması	1	2	3	4	5
• Mala sahip olunmadan da, o malın kullanılmasına olanak vermesi	1	2	3	4	5
• Tarafların isteklerine uygun ve esnek sözleşmeler yapmaya imkan tanınması	1	2	3	4	5
• Daha az formalite içermesi	1	2	3	4	5
• Sözleşme yapılırken daha az personel ve yönetim kontrolüne imkan tanınması	1	2	3	4	5
• İleri teknoloji gerektiren ekipmanların alınmasına imkan sağlaması	1	2	3	4	5
• İleri teknoloji gerektiren ekipmanların zaman içinde yenilenmesini sağlaması	1	2	3	4	5
• ARGE (Araştırma&Geliştirme) faaliyetlerine ayrılacak payı artırması	1	2	3	4	5
• Dizayn özelliklerinden çok performansa önem veren bir yöntem olması	1	2	3	4	5
• Yatırım teşviklerinin sağladığı tüm avantajları kapsamaması	1	2	3	4	5
• Nakliye, montaj, sigorta, bakım gibi masrafları ortadan kaldırması	1	2	3	4	5
• Daha az KDV ödenmesinden dolayı daha düşük maliyet sağlaması	1	2	3	4	5
• Bütçenin enflasyona karşı korunması	1	2	3	4	5
• Her türlü damga vergisi, resim ve harçtan muaf olması	1	2	3	4	5
• Mevcut ekipmanların daha hızlı şekilde yenilenmesine imkan tanınması	1	2	3	4	5
• Karmaşık yapılı ekipmanların (simulatör vb.) bakım problemlerinin çözülmesi yükünün kiralayan şirkete yüklenmesi imkanı sağlaması	1	2	3	4	5
• Bakım onarım için gerekli olan özel bir kadro ihtiyacını ortadan kaldırması	1	2	3	4	5

APPENDIX-A : QUESTIONNAIRE-1

Soru 9 : Yukarıdaki faydaların yanısıra, sizce bir tedarik yönteminin ek olarak sağlaması gereken faydalar nelerdir, yazar mısınız?

.....
.....
.....

Soru 10 : Diğer ülke silahlı kuvvetlerinde Leasing yönteminin uygulanması hakkında;

- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Hiç
Bilgim yok | Az
Bilgim var | Bilgim var | Yeterli
Bilgim var | Tam
Bilgim var |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Soru 11 : “Leasing yöntemi TSK için alternatif bir tedarik yöntemi olarak düşünülebilir.”
Bu ifadeye;

- | | | | | |
|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|
| Hiç
Katılmıyorum | Katılmıyorum | Ne Katılıyorum
Ne Katılmıyorum | Katılıyorum | Tamamen
Katılıyorum |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Soru 12 : Lütfen kendinizle ilgili bilgileri, kutulara çarpı koymak ya da boş bırakılan yerlere yazmak suretiyle cevaplandırır mısınız?

EN SON MEZUN OLDUĞUNUZ OKUL:

- | | | |
|--|--|--|
| <input type="checkbox"/> Lise ve dengi | <input type="checkbox"/> Yüksekokul (2 Yıllık) | <input type="checkbox"/> Üniversite (4 Yıllık) |
| <input type="checkbox"/> Yüksek lisans | <input type="checkbox"/> Doktora | <input type="checkbox"/> Diğer (Yazınız) |

MESLEĞİNİZ :

UNVAN :

YAŞINIZ :

ÇALIŞTIĞINIZ DEPARTMAN (BÖLÜM) :

- | | | |
|--------------------------------------|--|--|
| <input type="checkbox"/> AR-GE | <input type="checkbox"/> Personel | <input type="checkbox"/> Satın Alma |
| <input type="checkbox"/> Bilgi İşlem | <input type="checkbox"/> İdari Hizmetler | <input type="checkbox"/> Diğer (Lütfen Belirtiniz :) |
| <input type="checkbox"/> Denetim | <input type="checkbox"/> Maliye/Bütçe Planlama | |
| <input type="checkbox"/> Dış Ticaret | <input type="checkbox"/> Mühendislik | |

KAÇ YILDIR İŞ HAYATINDA ÇALIŞMAKTASINIZ ?

BULUNDUĞUNUZ BÖLÜMDE KAC YILDIR ÇALIŞMAKTASINIZ ?

BİLDİĞİNİZ YABANCI DİLLER :

- | | | |
|--|------------------------------------|---------------------------------|
| <input type="checkbox"/> İngilizce | <input type="checkbox"/> Fransızca | <input type="checkbox"/> Rusça |
| <input type="checkbox"/> Almanca | <input type="checkbox"/> İtalyanca | <input type="checkbox"/> Arapça |
| <input type="checkbox"/> Diğer (Yazınız :) | | |

Çalışmamıza katkılarınızdan dolayı teşekkür ederiz.

TÜRK SİLAHLI KUVVETLERİ
BÜNYESİNDE LEASİNG YÖNTEMİNİN
UYGULANABİLİRLİĞİ ÇALIŞMASI

Bu çalışma, Yeditepe Üniversitesi İşletme Fakültesi yüksek lisans programında yapılmakta olan bilimsel bir çalışmada veri olarak kullanılmak üzere dizayn edilmiştir. Çalışmanın amacı, ABD’nde 1930’lu yıllarda yaşanan ekonomik kriz sırasında işletmeleri yatırıma teşvik etmek ve büyük mali yüklerden kurtarmak amacıyla başvuru alan, Batı Avrupa’ya sığınarak sanayileşmiş batılı ülkelerde de geniş bir uygulama alanı bulan ve 1980’li yılların ikinci yarısından itibaren ülkemizde de kullanılmaya başlayan, sürekli bir gelişme gösteren ve Avrupa Birliği’ne girmeye hazırlandığımız şu günlerde önemini giderek artacağı düşünülen “Leasing (Finansal Kiralama)” yönteminin, Türk Silahlı Kuvvetleri’nin ihtiyacı olan bilgisayar donanımları ve yüksek kapasiteli bilgi-işlem birimleri, tıbbi cihazlar, iletişim araçları ve elektronik aletler, istihkam iş makineleri, hizmet araçları ve büro malzemeleri gibi ekipmanların alınmasında alternatif bir tedarik yöntemi olarak kullanılabilirliğinin araştırılmasıdır.

Anket formundaki sorulara cevap verirken mümkün olduğunca doğru ve eksiksiz cevap vermenizi rica eder, değerli zamanınızı bu çalışmaya ayırdığınız için şimdiden teşekkür ederiz.

Soru 1 : Finansal Kiralama şirketleri açısından aşağıda sıralanan faktörlerin her biri, bir kiracının seçiminde ne derece önemlidir. (Lütfen ilgili kutuyu üstteki ölçeğe göre işaretleyiniz)

	Hiç Önemli Değil	Önemli Değil	Ne Önemli Ne önemsiz	Önemli	Çok Önemli
• Kiracının faaliyet gösterdiği sektörün durumu ve gelecekteki performansı	1	2	3	4	5
• Kiracının ödeme kapasitesi	1	2	3	4	5
• Finanse edilen projenin nakit yaratabilme kapasitesi	1	2	3	4	5
• Malın ekonomik ve teknolojik ömrü	1	2	3	4	5
• Finansman kaynakları	1	2	3	4	5
• Finansmanın maliyeti ve alternatif getiri olanakları	1	2	3	4	5
• İşlemin yapıldığı ülkenin ekonomik koşulları	1	2	3	4	5
• Gelecekte beklenenler	1	2	3	4	5

APPENDIX B : QUESTIONNAIRE-2

Soru 2 : Yukarıda sıralanan faktörlerin dışında eklemek istediğiniz önemli faktörler nelerdir, yazar mısınız?

.....
.....
.....

Soru 3 : Yürürlükte bulunan 3226 sayılı Finansal Kiralama Kanunu, sizce ihtiyacı karşılayacak yeterlilikte midir?

Evet Neden? Hayır Neden?.....
.....
.....

Soru 4 : Diğer ülkelerdeki finansal kiralama mevzuatı dikkate alındığında, Türkiye'deki finansal kiralama işlemleri ve mevzuatı değiştirilmelidir. Bu ifadeye;

Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Tamamen Katılıyorum
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Soru 5: Ülkemizde uygulanmayan diğer leasing türleri de (faaliyet kiralaması, alt kiralama vb.) finansal kiralama kanununda yer almalı ve uygulanmalıdır. Bu ifadeye;

Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Tamamen Katılıyorum
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Soru 6: Finansal kiralama sözleşmelerinde süre kısıtlaması kaldırılmalıdır. Bu ifadeye;

Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Tamamen Katılıyorum
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Soru 7: Türkiye'de uygulanan mevzuatta bu konuda genel kabul görmüş uluslararası kurallara yer verilmemektedir. Bu ifadeye;

Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Tamamen Katılıyorum
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Soru 8: Sektörde yeterli sayıda şirket hizmet vermektedir. Bu ifadeye;

Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Tamamen Katılıyorum
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Soru 9: Sektörde hizmet veren şirket sayısının artması hem yatırımcılar hem de finansal kiralama şirketleri açısından olumlu bir gelişmedir. Bu ifadeye;

Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Tamamen Katılıyorum
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Soru 10: Finansal Kiralamanın yapıldığı ithalat işlemlerinde fon yaratmak daha kolaydır.

Hiç Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyorum	Katılıyorum	Tamamen Katılıyorum
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX B : QUESTIONNAIRE-2

Soru 11: Ülkemizde fon yaratma maliyeti yüksek, ithalat işlemlerinde ise daha düşüktür.

- | | | | | |
|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|
| Hiç
Katılmıyorum | Katılmıyorum | Ne Katılıyorum
Ne Katılmıyorum | Katılıyorum | Tamamen
Katılıyorum |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Soru 12: Genel olarak hukuki işlem yapmaya ehil her türlü kişi ve kuruluşlar kiracı olabilirler. Ancak leasing şirketleri, kiracıların ticari niteliği bulunmasına öncelik vermektedirler.

- | | | | | |
|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|
| Hiç
Katılmıyorum | Katılmıyorum | Ne Katılıyorum
Ne Katılmıyorum | Katılıyorum | Tamamen
Katılıyorum |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Soru 13: Türkiye’de faaliyet gösteren KİT’ler, döner sermayeli hastaneler veya üniversiteler, belediyeler gibi kuruluşlar ile finansal kiralama sözleşmesi yaptınız mı?

- Evet Hayır

Soru 14: Bu kuruluşlar ile yaptığınız sözleşmelerden;

- | | | | | |
|--------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|
| Hiç Memnun
Değilim | Memnun
Değilim | Ne Memnun
Ne Memnun Değilim | Memnunum | Çok
Memnunum |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Soru 15: Daha önce Türk Silahlı Kuvvetleri (Milli Savunma Bakanlığı) gibi genel bütçeden pay alan ve yaptığı yatırımlardan kar amacı gütmeyen devlet kurumları ile finansal kiralama sözleşmesi yaptınız mı?

- Evet (Cevabınız evet ise 19. soruya geçiniz) Hayır

Soru 16: Eğer yapmadıysanız, yapmak ister misiniz?

- Evet Neden? Hayır Neden?.....
.....
.....

Soru 17: Yapacak olsanız ne tür mallar/ekipmanlar kiralardınız?

- | | | |
|---|---|--|
| <input type="checkbox"/> Bilgisayar Donanımları | <input type="checkbox"/> Enerji Tesisleri | <input type="checkbox"/> Askeri savaş araçları |
| <input type="checkbox"/> Bilgi-İşlem Üniteleri | <input type="checkbox"/> Kara Nakil Vastaları | <input type="checkbox"/> Komplike silah sistemleri |
| <input type="checkbox"/> Tıbbi Cihazlar | <input type="checkbox"/> Komple Bina | <input type="checkbox"/> Savaş ve nakliye uçakları |
| <input type="checkbox"/> İnşaat Makineleri | <input type="checkbox"/> Telefon Santralleri | <input type="checkbox"/> Helikopterler |
| <input type="checkbox"/> Ağır İş Makineleri | <input type="checkbox"/> Haberleşme Araçları | <input type="checkbox"/> Gemiler |
| <input type="checkbox"/> Diğer : | | |

Soru 18: TSK ile finansal kiralama sözleşmesi yapma fikrine;

- | | | | | |
|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|
| Hiç
Katılmıyorum | Katılmıyorum | Ne Katılıyorum
Ne Katılmıyorum | Katılıyorum | Tamamen
Katılıyorum |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Soru 19: TSK gibi genel bütçeden pay alan resmi kurumlar mal alırken 2886 sayılı Devlet İhale Kanunu’na göre işlem yaparlar. 3226 sayılı Finansal Kiralama Kanunu’nun da bu kanuna uyumlu olması, bu kurumlar ile iş yaparken;

- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Hiç önemli
Değildir | Az
Önemlidir | Önemlidir | Oldukça
Önemlidir | Tamamen
Önemlidir |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

APPENDIX B : QUESTIONNAIRE-2

Soru 20: Diğer ülkelerdeki Leasing şirketlerinin kendi ordularına finansal kiralama yaptıkları hakkında;

- Hiç Bilgim yok Az Bilgim var Bilgim var Yeterli Bilgim var Tam Bilgim var

Soru 21: Askeri personele veya kurumlara, Leasing ve uygulanması hakkında şirketiniz tarafından bilgi/brifing verilmektedir. Bu ifadeye;

- Hiç Katılmıyorum Katılmıyorum Ne Katılıyorum Ne Katılmıyorum Katılıyorum Tamamen Katılıyorum

Soru 22: Askeri kurumlardan, Leasing ve uygulanması hakkında personeli aydınlatıcı bilgi/brifing vermek için şirketinize başvurulmaktadır. Bu ifadeye;

- Hiç Katılmıyorum Katılmıyorum Ne Katılıyorum Ne Katılmıyorum Katılıyorum Tamamen Katılıyorum

Soru 23: Lütfen kendinizle ilgili bilgileri, kutulara çarpı koymak ya da boş bırakılan yerlere yazmak suretiyle cevaplandırır mısınız?

EN SON MEZUN OLDUĞUNUZ OKUL:

- Lise ve dengi Yüksekokul (2 Yıllık) Üniversite (4 Yıllık)
 Yüksek lisans Doktora Diğer (Yazınız)

MESLEĞİNİZ :

UNVAN :

YAŞINIZ :

CİNSİYETİNİZ : Erkek Bayan

ÇALIŞTIĞINIZ DEPARTMAN (BÖLÜM) :

- AR-GE Personel Satın Alma
 Bilgi İşlem İdari Hizmetler Diğer (Lütfen Belirtiniz :)
 Denetim Planlama
 Dış Ticaret Mühendislik

AYLIK GELİRİNİZ (MİLYON TL) :

- 250-499 500-749 750-999 1,000-1,249
 1,250-1,499 1,500-1,749 1,750-1,999 2,000 ve üzeri

KAÇ YILDIR İŞ HAYATINDA ÇALIŞMAKTASINIZ ?

DAHA ÖNCE KAÇ FARKLI FİRMADA ÇALIŞTINIZ ?

BİLDİĞİNİZ YABANCI DİLLER :

- İngilizce Fransızca Rusça
 Almanca İtalyanca Diğer (Yazınız :)

Çalışmamıza katkılarınızdan dolayı teşekkür ederiz.

APPENDIX-C : Computer Output of the SPSS

----- FACTOR ANALYSIS -----

Factor	Eigenvalue	Pct of Var	Cum Pct
1	4,98032	23,7	23,7
2	2,86525	13,6	37,4
3	2,03161	9,7	47,0
4	1,48674	7,1	54,1
5	1,43645	6,8	61,0
6	1,41177	6,7	67,7
7	1,04755	5,0	72,7
8	,90224	4,3	77,0
9	,83334	4,0	80,9
10	,67317	3,2	84,1
11	,59239	2,8	87,0
12	,56844	2,7	89,7
13	,48148	2,3	92,0
14	,35820	1,7	93,7
15	,31257	1,5	95,2
16	,23703	1,1	96,3
17	,20651	1,0	97,3
18	,17310	,8	98,1
19	,16649	,8	98,9
20	,13838	,7	99,5
21	,09697	,5	100,0

PC extracted 7 factors.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = ,59924

Bartlett Test of Sphericity = 421,65131, Significance = ,00000

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
V25	,81191	-,26139	-,11901	,10202	,06602	,14402	-,06506
V24	,72675	,19568	,01722	,14339	,26510	-,12980	,29182
V23	,70226	,15634	,26768	-,20277	,18936	-,05139	,18041
V19	,51592	,29150	-,28992	,32497	-,10051	,34880	-,16023
V22	,51273	,27269	-,18625	,10306	,35756	-,13426	,40122
V26	,10078	,84242	,10445	-,08542	,03003	-,15999	-,05894
V17	-,02256	,76303	,16644	,24248	,06217	,27725	-,01948
V18	,01789	,64294	,15303	,41400	,07023	,40289	,04526
V08	-,18169	,11584	,71300	,14925	-,00227	,09241	-,05241
V09	,08082	,22634	,71062	,08246	-,11198	-,02966	,25527
V10	,35145	-,04871	,64333	,01752	,13158	-,10269	-,21680
V27	,06048	,16289	,14177	,80045	-,02989	-,00748	-,24194
V28	,06154	-,02200	,03084	,79593	,27356	-,04138	,23461
V11	-,01523	,24387	,49948	,53864	-,05961	,15748	,30630
V16	-,03083	,16353	-,25181	,11258	,74819	-,11547	,30364
V15	,33455	-,12963	,05063	,14707	,73136	,31275	-,04931
V14	,39797	,11175	,22538	-,03884	,62939	,24593	-,00447
V13	-,07181	,10304	-,08495	-,01667	,14716	,83894	,11409
V20	,54668	,04102	,22432	,00218	,06679	,61214	,20687
V21	,15985	-,18349	,12759	-,01562	,10519	,19787	,81137
V12	,22177	,39740	-,41960	,08690	,19514	,13511	,48660

APPENDIX-C : Computer Output of the SPSS

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
V08	83,4043	58,5939	,1123	,8183
V09	83,8298	57,0574	,2644	,8129
V10	83,6596	56,6207	,2096	,8167
V11	83,6383	55,6707	,3847	,8079
V12	83,8511	53,6512	,4176	,8058
V13	83,9787	56,0648	,2411	,8154
V14	83,8298	53,4052	,5443	,7999
V15	83,7234	53,0305	,5119	,8007
V16	83,9787	53,4126	,3035	,8156
V17	83,3830	56,4154	,3928	,8085
V18	83,2979	55,1267	,5195	,8035
V19	83,5745	54,9454	,3807	,8078
V20	83,7021	53,3441	,5669	,7991
V21	83,6809	54,0046	,3106	,8135
V22	83,6596	51,9685	,5648	,7973
V23	83,7872	52,5190	,4724	,8025
V24	83,8936	52,0102	,6376	,7945
V25	83,9149	55,1665	,3442	,8096
V26	83,5745	56,5976	,2466	,8141
V27	83,5319	57,0805	,2239	,8148
V28	83,5532	55,5569	,3991	,8074

Reliability Coefficients

N of Cases = 47,0 N of Items = 21 Alpha = ,8155

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
V22	16,3191	6,0046	,5607	,7136
V23	16,4468	5,9917	,4966	,7403
V24	16,5532	5,8612	,7077	,6644
V25	16,5745	6,3367	,5477	,7188
V19	16,2340	7,0093	,3877	,7692

Reliability Coefficients

N of Cases = 47,0 N of Items = 5 Alpha = ,7654

APPENDIX-C : Computer Output of the SPSS

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item <u>Deleted</u>	Scale Variance if Item <u>Deleted</u>	Corrected Item- Total <u>Correlation</u>	Alpha if Item <u>Deleted</u>
V26	9,0638	1,0611	,5381	,8021
V17	8,8723	1,3312	,6527	,6505
V18	8,7872	1,2581	,6595	,6324

Reliability Coefficients

N of Cases = 47,0 N of Items = 3 Alpha = ,7681

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item <u>Deleted</u>	Scale Variance if Item <u>Deleted</u>	Corrected Item- Total <u>Correlation</u>	Alpha if Item <u>Deleted</u>
V08	8,2553	1,4117	,4817	,4666
V09	8,6809	1,3959	,4316	,5182
V10	8,5106	1,0379	,4074	,5918

Reliability Coefficients

N of Cases = 47,0 N of Items = 3 Alpha = ,6182

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item <u>Deleted</u>	Scale Variance if Item <u>Deleted</u>	Corrected Item- Total <u>Correlation</u>	Alpha if Item <u>Deleted</u>
V11	8,6596	1,4033	,4336	,6750
V27	8,5532	1,2525	,5035	,5894
V28	8,5745	1,2498	,5686	,5048

Reliability Coefficients

N of Cases = 47,0 N of Items = 3 Alpha = ,6862

APPENDIX-C : Computer Output of the SPSS

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item <u>Deleted</u>	Scale Variance if Item <u>Deleted</u>	Corrected Item- Total <u>Correlation</u>	Alpha if Item <u>Deleted</u>
V14	8,0426	2,9112	,4569	,5898
V15	7,9362	2,4524	,5737	,4330
V16	8,1915	1,8973	,4328	,6738

Reliability Coefficients

N of Cases = 47,0 N of Items = 3 Alpha = ,6551

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item <u>Deleted</u>	Scale Variance if Item <u>Deleted</u>	Corrected Item- Total <u>Correlation</u>	Alpha if Item <u>Deleted</u>
V13	4,1702	,5356	,3724	.
V20	3,8936	,7493	,3724	.

Reliability Coefficients

N of Cases = 47,0 N of Items = 2 Alpha = ,5371

----- RELIABILITY ANALYSIS - SCALE (ALPHA) -----

Item-total Statistics

	Scale Mean if Item <u>Deleted</u>	Scale Variance if Item <u>Deleted</u>	Corrected Item- Total <u>Correlation</u>	Alpha if Item <u>Deleted</u>
V21	4,0213	,8039	,2482	.
V12	4,1915	1,1147	,2482	.

Reliability Coefficients

N of Cases = 47,0 N of Items = 2 Alpha = ,3935

APPENDIX-C : Computer Output of the SPSS

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V08	47	,421	,003	4,4681	,584	,085
V09				4,0426	,624	,091

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,4255	,651	,095	4,48	46	,000
95% CI (-,234; ,617)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V15	47	,398	,006	4,1489	,834	,122
V16				3,9574	,806	,118

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,1915	,900	,131	1,46	46	,152
95% CI (-,073; ,456)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V19	47	,363	,012	4,2979	,778	,113
V20				3,9787	,794	,116

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,3191	,887	,129	2,47	46	,017
95% CI (,059; ,580)					

APPENDIX-C : Computer Output of the SPSS

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V13	47	,200	,178	4,0213	,897	,131
V17				4,4894	,547	,080

Paired Differences			t-value	df	2 -tail Sig
Mean	SD	SE of Mean			
-,4681	,952	,139	-3,37	46	,002
95% CI (-,748; -,188)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V12	47	,059	,692	4,0851	,952	,139
V28				4,3191	,663	,097

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,2340	1,127	,164	-1,42	46	,161
95% CI (-,565; ,097)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V13	47	,281	,056	4,0213	,897	,131
V28				4,3191	,663	,097

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,2979	,954	,139	-2,14	46	,038
95% CI (-,578; -,018)					

APPENDIX-C : Computer Output of the SPSS

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V24	47	-,178	,232	4,2128	,832	,121
V25				3,8936	1,165	,170

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,3191	1,548	,226	1,41	46	,164
95% CI (-,135; ,774)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V14	47	,501	,000	4,0426	,751	,109
V10				4,1702	,732	,107

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,1277	,741	,108	-1,18	46	,243
95% CI (-,345; ,090)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V08	47	,111	,457	4,4681	,584	,085
V28				4,3191	,663	,097

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,1489	,834	,122	1,23	46	,227
95% CI (-,096; ,394)					

APPENDIX-C : Computer Output of the SPSS

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V08	47	,383	,008	4,4681	,584	,085
V11				4,2340	,666	,097

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,2340	,698	,102	2,30	46	,026
95% CI (-,029; ,439)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V08	47	-,007	,960	4,4681	,584	,085
V23				4,1915	1,056	,154

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,2766	1,210	,177	1,57	46	,124
95% CI (-,079; ,632)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V25	47	,211	,154	3,8936	1,165	,170
V23				4,1915	1,056	,154

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,2979	1,397	,204	-1,46	46	,151
95% CI (-,708; ,113)					

APPENDIX-C : Computer Output of the SPSS

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V11	47	,028	,852	4,2340	,666	,097
V13				4,0213	,897	,131

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
,2128	1,102	,161	1,32	46	,192
95% CI (-,111; ,536)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V12	47	,238	,107	4,0851	,952	,139
V26				4,2979	,749	,109

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,2128	1,062	,155	-1,37	46	,176
95% CI (-,525; ,099)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V24	47	,005	,973	4,2128	,832	,121
V17				4,4894	,547	,080

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,2766	,994	,145	-1,91	46	,063
95% CI (-,568; ,015)					

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KÜTÜPHANE MÜDÜRLÜĞÜ

APPENDIX-C : Computer Output of the SPSS

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V21	47	,341	,019	3,8936	,866	,126
V18				4,5745	,580	,085

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,6809	,862	,126	-5,41	46	,000
95% CI (-,934; -,428)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V09	47	,019	,899	4,0426	,624	,091
V28				4,3191	,663	,097

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,2766	,902	,132	-2,10	46	,041
95% CI (-,541; -,012)					

--- t-tests for paired samples ---

Variable	Number of pairs	Corr	2-tail Sig	Mean	SD	SE of Mean
V25	47	,049	,742	3,8936	1,165	,170
V17				4,4894	,547	,080

Paired Differences			t-value	df	2-tail Sig
Mean	SD	SE of Mean			
-,5957	1,262	,184	-3,24	46	,002
95% CI (-,967; -,225)					

APPENDIX-C : Computer Output of the SPSS

----- O N E W A Y -----

Variable V32 Leasing as an alternative acquisition method
By Variable V35 Job level

Analysis of Variance

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	2	1,3914	,6957	1,0732	,3507
Within Groups	44	28,5235	,6483		
Total	46	29,9149			

Group	Count	Standard Mean	Standard Deviation	Error	95 Pct Conf Int for Mean
Grp 1	26	4,1538	,4641	,0910	3,9664 TO 4,3413
Grp 2	9	4,1111	1,2693	,4231	3,1354 TO 5,0868
Grp 3	12	3,7500	,9653	,2787	3,1367 TO 4,3633
Total	47	4,0426	,8064	,1176	3,8058 TO 4,2793

GROUP	MINIMUM	MAXIMUM
Grp 1	3,0000	5,0000
Grp 2	1,0000	5,0000
Grp 3	2,0000	5,0000
TOTAL	1,0000	5,0000

Levene Test for Homogeneity of Variances

Statistic	df1	df2	2-tail Sig.
4,3859	2	44	,018

Variable V32 Leasing as an alternative acquisition method
By Variable V35 Job level

Multiple Range Tests: Scheffe test with significance level ,05

The difference between two means is significant if
 $MEAN(J)-MEAN(I) \geq ,5693 * RANGE * SQRT(1/N(I) + 1/N(J))$
 with the following value(s) for RANGE: 3,58

- No two groups are significantly different at the ,050 level

APPENDIX-C : Computer Output of the SPSS

----- ONEWAY -----

Variable V32 Leasing as an alternative acquisition strategy
By Variable V39 Tenure

Analysis of Variance

Source	D.F.	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	4	2,4863	,6216	,9518	,4438
Within Groups	42	27,4286	,6531		
Total	46	29,9149			

Group	Count	Mean	Standard Deviation	Standard Error	95 Pct Conf Int for Mean
Grp 1	21	3,8095	1,0305	,2249	3,3405 TO 4,2786
Grp 2	7	4,1429	,3780	,1429	3,7933 TO 4,4924
Grp 3	4	4,5000	,5774	,2887	3,5813 TO 5,4187
Grp 4	3	4,3333	,5774	,3333	2,8991 TO 5,7676
Grp 5	12	4,1667	,5774	,1667	3,7998 TO 4,5335
Total	47	4,0426	,8064	,1176	3,8058 TO 4,2793

GROUP	MINIMUM	MAXIMUM
Grp 1	1,0000	5,0000
Grp 2	4,0000	5,0000
Grp 3	4,0000	5,0000
Grp 4	4,0000	5,0000
Grp 5	3,0000	5,0000
TOTAL	1,0000	5,0000

Levene Test for Homogeneity of Variances

Statistic	df1	df2	2-tail Sig.
1,5731	4	42	,199

Variable V32 Leasing as an alternative acquisition strategy
By Variable V39 Tenure

Multiple Range Tests: Scheffe test with significance level ,05

The difference between two means is significant if
 $MEAN(J)-MEAN(I) \geq ,5714 * RANGE * \sqrt{1/N(I) + 1/N(J)}$
 with the following value(s) for RANGE: 4,56

- No two groups are significantly different at the ,050 level

APPENDIX-D : TELEPHONE AND FAX NUMBERS OF TURKISH LEASING FIRMS

	PHONE	FAX
AKTİF FİNANSAL KİRALAMA A.Ş	0212 2784861	0212 2817987
BNP-AK DRESDNER FİNANSAL KİRALAMA A.Ş	0212 2516069	0212 2519074
CITILEASE FİNANSAL KİRALAMA A.Ş	0212 2123328	0212 2127963
DEMİR FİNANSAL KİRALAMA A.Ş	0212 2880565	0212 2759045
DIŞ TİCARET FİNANSAL KİRALAMA A.Ş	0212 2744280	0212 2742247
EGE FİNANSAL KİRALAMA A.Ş	0212 2744222	0212 2756999
ERA FİNANSAL KİRALAMA A.Ş	0212 2755058	0212 2881395
ES FİNANSAL KİRALAMA A.Ş	0212 2931100	0212 2930743
FİNANS FİNANSAL KİRALAMA A.Ş	0212 2821036	0212 2821040
GARANTİ FİNANSAL KİRALAMA A.Ş	0212 2741736	0212 2741654
GRUP FİNANSAL KİRALAMA A.Ş	0212 2743396	0212 2724969
HALK FİNANSAL KİRALAMA A.Ş	0212 2309248	0212 2304669
İKTİSAT FİNANSAL KİRALAMA A.Ş	0212 2747055	0212 2757530
İNER FİNANSAL KİRALAMA A.Ş	0212 2117556	0212 2117419
İŞ GENEL FİNANSAL KİRALAMA A.Ş	0212 2889090	0212 2889500
İPEK FİNANSAL KİRALAMA A.Ş	0212 2742442	0212 2745375
K FİNANSAL KİRALAMA A.Ş	0216 4633939	0216 4633940
KOÇ FİNANSAL KİRALAMA A.Ş	0212 2747878	0212 2749596
M FİNANSAL KİRALAMA A.Ş	0212 2883635	0212 2885507
MENGERLER FİNANSAL KİRALAMA A.Ş	0212 2525772	0212 2451779
RANT FİNANSAL KİRALAMA A.Ş	0212 2930915	0212 2930927
SANKO FİNANSAL KİRALAMA A.Ş	0212 2132900	0212 2132910
SÜMER FİNANSAL KİRALAMA A.Ş	0212 2852700	0212 2765257
TEB FİNANSAL KİRALAMA A.Ş	0212 2525000	0212 2525501
TEKSTİL FİNANSAL KİRALAMA A.Ş	0212 2596747	0212 2595446
TİCARET FİNANSAL KİRALAMA A.Ş	0212 2755916	0212 2755424
TOPRAK FİNANSAL KİRALAMA A.Ş	0212 2243262	0212 2244401
TÜTÜN FİNANSAL KİRALAMA A.Ş	0212 2745280	0212 2887570
VAKIF FİNANSAL KİRALAMA A.Ş	0212 2933444	0212 2529630
VAKIF DENİZ FİNANSAL KİRALAMA A.Ş	0212 2529631	0212 2933442
YALÇINLAR FİNANSAL KİRALAMA A.Ş	0212 6390823	0212 6390825
YAPI KREDİ FİNANSAL KİRALAMA A.Ş	0212 2530440	0212 2501260
ZİRAAT FİNANSAL KİRALAMA A.Ş	0212 2828400	0212 2828407

CV

Birth of Date : 25.10.1973

Birth of Place : NEVŞEHİR

High School : 1987-1991 Kuleli Military High School

Çengelköy / İSTANBUL

Bachelor's Degree :1991-1995 Military Academy (System Engineering)

Bakanlıklar / ANKARA

Master's Degree :1998-2000 Yeditepe University

MBA program, Financial Management

Nakkaştepe / İSTANBUL

Institution : Army

Rank : First Lieutenant

Duty Address : Armour School

Etimesgut / ANKARA

54th Mechanized Infantry Brigade

Karaağaç / EDİRNE