ASEAN International Sandbox Conference 2025 AISC Proceedings, Volume 7, 2025
http://aseansandbox.org

A Comprehensive Systematic Literature Review and Bibliometric Analysis on Corporate Bond Issuance and Cost of Capital

Ha Hong Hanh
Department of Accounting Information System, School of Accounting and Auditing,
National Economics University, Vietnam
Email: hanhhh@neu.edu.vn

Abstract

From 2011, the Vietnamese corporate bond market has developed significantly, especially after the COVID-19 pandemic, and is currently strongly supported by the Government. According to Vietnam Chamber of Commerce and Industry (VCCI) reports (2025), the size of the corporate bond market reached approximately 21% of national GDP by the end of 2025, illustrating considerable attention from investors and local enterprises in this typical capital market. From both academic research and society perspectives, corporate bond issuance has therefore become a considerable topic in Vietnam, which is an emerging economy and has experienced several devastating financial scandals. The paper proposes a comprehensive understanding of the literature on the relationship between corporate bond issuance and cost of capital by applying the recently popularised methods of systematic literature review and bibliometric analysis. From the data of 176 academic publications on the Scopus database from 1957 to 2025, the bibliometric mapping and citation analyses are graphically performed by VOSviewer and R bibliometric analysis. The paper illustrates three issues relating to corporate bond market, including the motivation of corporate bond issuance, perception of corporate bond market risk, and ultimately, corporate perception of the limitations of the corporate bond market. The visualization of the conceptual interrelations among all articles reveals the most influential themes in the existing literature. In addition, the theoretical background of research issues, including agency theory, information asymmetry, and bond market liquidity, is systematically reviewed.

Keywords: *corporate bond, cost of capital, systematic literature review, bibliometric analysis*

1. Introduction

Corporate bonds are essential for a company to enter a sustained phase of development, driven by market-based capital allocation, and to increase several competitive advantages compared to other debt instruments. Prior literature reviews show that meaningful economic benefits, such as greater flexibility in setting final terms and reduced overall cost of capital, can be earned by issuing firms (Cornelli and Goldreich, 2003; Derrien, 2005). These firms can also gain other benefits from improved capital market access, including shortening the period before they can return for subsequent security issuance. However, these underlying theoretical reasons could not completely depict the motivation of issuing bonds by enterprises. Figure 1 presents the VCCI survey (2024) on Vietnamese firms' views on the importance of corporate bonds. The result shows that the majority of surveyed firms (47.9%) rated corporate bonds as moderately important debt instruments, alongside loans from banks and other financial institutions. While the number of firms considered the bonds as slightly important and unimportant are 22.9% and 10.3% respectively, the smaller number of firms evaluated this debt instrument as very important and important are 1.5% and 17.4%. Therefore, it is necessary to research to investigate the motivation of enterprises to raise capital by corporate bonds as in spite of the fact that almost all companies do not recognize the importance of corporate bonds, the corporate bonds market has been increasing considerably in recent years.

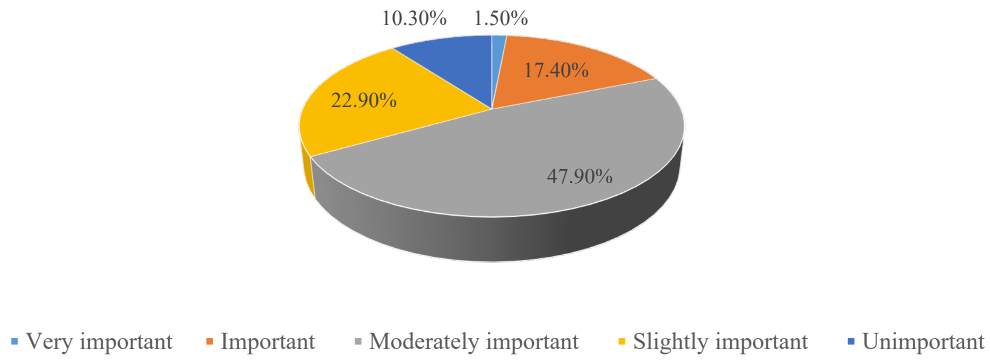

Figure 1. The importance of corporate bonds from enterprises' viewpoint

When it comes to the macroeconomic situation, the presence of corporate bonds is important for the Vietnamese economy during the crisis period (including the effect of COVID-19 pandemic and financial scandals) (Pham, 2023). The Vietnamese Government has set a finance development strategy until 2030, with the goal of total outstanding loans in the corporate bond market reaching at least 30% of GDP by 2030. According to VCCI (2025), the market is considered an effective mid- and long-term capital mobilization channel for enterprises and reduces the economy's dependence on bank credit capital. Therefore, the Government will focus more on a strategy to encourage enterprises utilize corporate bonds. In turn, the study is useful for interested users such as investors and financial institutions who are attracted by emerging economies.

To achieve the above objectives, the study uses VOSviewer to provide a comprehensive and reliable literature review of research issues. VOSViewer is an updated and modern tool for bibliometric analysis that helps researchers visualize prior studies by co-authorship, co-citation, keyword occurrence, and bibliographic coupling research patterns, trends, and connection networks. Secondly, finding evidences are applied to investigate the current studies in the context of Vietnam.

To present the above issues, the paper is structured as follows. Section 2 develops a bibliometric analysis of corporate bonds and the cost of capital. Section 3 reviews the existing literature and develops the hypothesis. Section 4 presents the current situation of the corporate bonds market. Section 5 is the overall conclusion, contributions, and some identification for future research, and some limitations of the study.

2. Objectives

From both academic and practical perspectives, the study aims to provide evidence to fill the "research gap" in the existing literature on corporate bonds and the cost of capital. In detail, the study focuses on two main objectives:

1) Investigate the real reasons for issuing corporate bonds by Vietnamese firms.
2) Empirically examine the impact of corporate bonds on the cost of capital within the typical context of Vietnam.

3. Materials and Methods

To develop a comprehensive and reliable literature review of the research issues, the paper applies bibliometric analysis and bibliographic visualization maps to data from 176 academic publications in the Scopus database from 1957 to 2025 using VOSviewer. The method obtains relevant information on scientific production, following the methodological structure of a rigorous bibliometric process, which ranges from the search for descriptors or keywords to the configuration of visualizations of tables and maps that allow to the consideration of the contributions by authors, journals, and topics that have shaped the evolution of this field of study.

The generations of bibliometric maps present the overall understanding of the intellectual structure of corporate bonds and the cost of capital, comprising 176 articles, with analysis of co-occurrence of author keywords (Illustrated in Figure 2). The map identified five main lines of association between corporate bonds and the cost of debt, the capital market, the cost of capital, investment, and the financial crisis.

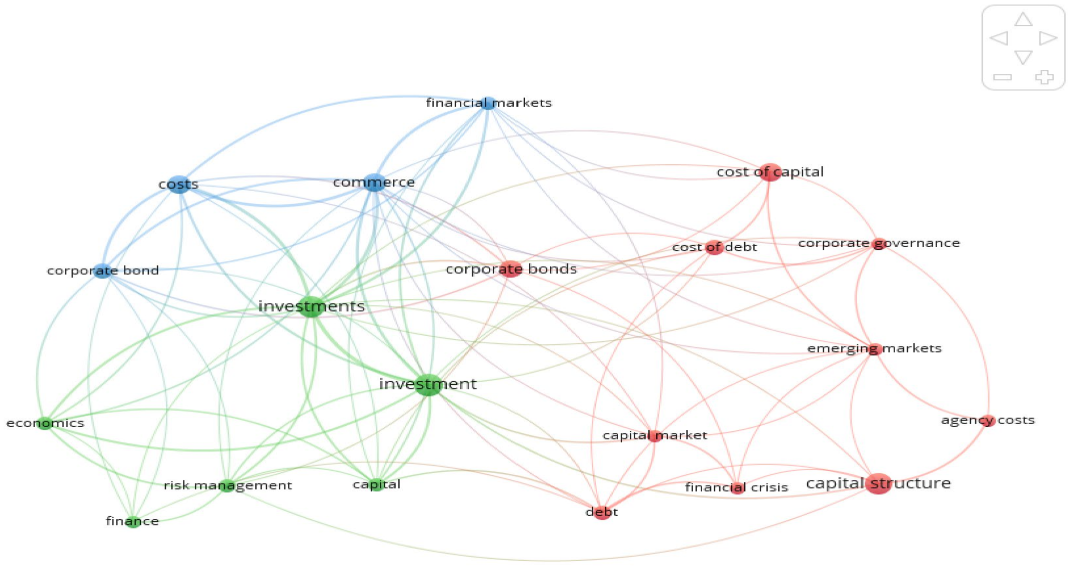

Figure 2. The association lines between corporate bonds and other typical keywords

Table 1 presents the authors who had the highest cited publications. In the scope of this research, the paper focuses on these typical articles to accumulate and analyze research trends of existing literature reviews. The result shows that a study by Leland (1994) "Corporate Debt Value, Bond Covenants, and Optimal Capital Structure", which was published on the Journal of Finance has been cited by 1207 times and a study by John & John (1993) "Risk-shifting incentives and signaling through corporate capital structure", which was published on the Journal of Finance has been cited by 401 times are classical outstanding research.

Table 1. Statistic of the highest citation publication in the literature review

Verify selected documents

Selected	Document	Citations	Links
✓	bolton p. (2006)	95	1
✓	bolton p. (2000)	231	1
✓	bradley m. (2015)	147	0
✓	kim s. (2013)	125	0
✓	mansi s.a. (2011)	86	0
✓	delcoure n. (2007)	167	0
✓	partnoy f. (2007)	111	0
✓	goergen m. (2001)	110	0
✓	leland h.e. (1994)	1207	0
✓	john t.a. (1993)	401	0

Source: Author's assessment based on Scopus databases by VOSViewer

4. Results and Discussion

4.1. Literature review on corporate bond issuance and cost of capital and hypotheses development

Corporate bonds benefit issuing organizations by either attracting more investors (Leland, 1994) or lowering corporate operating costs (Goergen and Renneboog, 2001; Bolton and Freixas, 2006). Developing the research identification trend, this study accumulates and analyses three alternative ways that corporate bond issuance affect the cost of capital namely: debt market liquidity, information asymmetry, and the corporate's perceived risk.

Prior research such as Titman (1985), Kim and Ryan (2013), Kim and Jeon (2015), Sierpińska and Bak (2016) states that investors often follow subjective norms when they form their investment portfolios. Some findings suggest that common subjective norm constrain institutional investors are frequent issuance, good credit rating, the Government's policy. In addition, identification from existing literature shows that firms with bond market access are larger, have stronger credit ratings, and have a higher reliable level of leverage, and these characteristics attract investor demand. Despite investor demand for lower-leverage firms, investors seem more interested in frequent issuers in the bond market. These behaviors are explained by debt sourcing theories that propose that a firm builds reputation in credit markets through borrowing and repaying private debt initially, and that repeating this process over time allows the firm to build a reputation in credit markets (Diamond, 1991). As a result, the firm will benefit by lowering borrowing costs. Moreover, high demand for the current corporate bond issue shortens the time for subsequent issues, suggesting that firms increase future supply following high demand for current issues. As a result, the frequency of corporate bond issuance creates the liquidity ability for firms to enter the debt market. Several academic studies provide evidence for this statement and conclude that debt market liquidity improves after issuing corporate bonds (Bolton and Freixas, 2000; Bolton and Freixas, 2006; Dangl and Zechner, 2004; Ni and Giles, 2010). In reality, many corporate bond issuers tend to take this advantage. Overall, corporate bonds issuances will attract investors' attention; therefore, debt market liquidity improves after issuing the bonds and in turn the liquidity of that corporate bond has a significant impact on the cost of capital (Diamond 1991). From the well-established arguments in the literature review, the paper proposes the following hypothesis:

Hypothesis 1: Corporate bond issuance increases bond market liquidity, then reduces the cost of capital

Asymmetric information is a problem addressed by Joseph Stiglitz, George Akerlof, and Michael Spence in their 2001 theory of information asymmetry. The theory is commonly used in academic research to explain several market failure situations of missing information. In the research field of corporate bond issuance and cost of capital, the theory could be applied to explain a problem in debt markets of borrowing and lending. In these typical markets, the borrower is more equipped with information about his financial position than the lender. This result in an information asymmetry situation and a market failure (Bessembinder et al., 2018). Several authors suggest that private equity, such as corporate bonds or self–financing, is the financial intermediary best suited for situations where information is significantly asymmetric (Bernile et al., 2007; Gompers, 1995). In line with these views, to issue corporate bonds effectively and build lender confidence, a company must provide detailed information on its current financial statements, as well as the required legal documents. In accordance with the studies of Bessembinder et al (2018), Zhang et al (2020), Huaman et al (2022), Krebbers et al (2022), the disclosure requirements of corporate bond issuance increase information exposure by directly reducing the asymmetric information between corporate insiders and the debt market participants. As a result, both parties gain benefits from corporate bond issuance by reducing corporate information asymmetry and saving the cost of capital. From the well-established arguments in the literature review, the paper proposes the following hypothesis:

Hypothesis 2: Corporate bond issuance reduces corporate information asymmetry, then reduces the cost of capital

In order to issue bonds, the issuing companies are legally required by the Government to fulfill several conditions. In accordance to Decree 81/2020 ND-CP on 09/07/2020, the issuing entities must satisfy the following criteria:

- Total equity must be more than 30 billion VND at the time of registration.
- The previous year's performance must be profitable.
- There must be no accumulated losses and no overdue debts over 1 year at the time of registration.
- There must be legal commitments to fulfill the obligations to investors, ensuring the legitimate rights and benefits of investors.
- The corporate bond issuance must be provided by registered security firms.
- The issuing company is not subject to criminal prosecution by the law.
- The issuing company must be rated by a government certified agency.

By qualifying legal requirements, the issuing entity itself can prove its financial position true and fair and can avoid both financial risks and credit risks. In addition, Leland (1994), Dangl and Zechner (2004), Bolton and Freixas (2006), Stephan et al (2011) argue that corporate bond issuance provides a positive signal to investors that they are committed to disclose financial information and to maintain a good performance. Therefore, corporate bond issuance can reduce the corporate perceived credit risks.

The corporate cost of capital would naturally be lower with lower perceived risk, since an essential part of the cost of capital is risk compensation (Ho Thuy Tien, 2022). From the well-established arguments in the literature review, the paper proposes the following hypothesis:

Hypothesis 3: Corporate bond issuance lowers perceived risk, then reduces the cost of capital

4.2. Corporate bond market in the context of Vietnam

4.2.1. Legal policies on corporate bond in Vietnam

The The Vietnamese corporate bond market was established in the 1990s and began to develop in 2000. From 2011, the bond market has developed significantly to reach the capital mobilization requirements of the Government, provincial governments, banks and other financial institutions. To reduce risks, the Vietnamese Government aims to stabilize the corporate bond market by issuing several legal documents (Illustrated in Table 2). The legal policies and announcements define and regulate the issuance of corporate bonds, the investment scope of funds raised, and the management and disclosure of funds.

Table 2. Legal policies on corporate bond issuance in Vietnam

No	Issue date	Content	Note
1	Decree 120/ ND - CP on 19/09/1994	Regulation on the issuance of shares and bonds of the State – owned enterprises.	
2	Circular 91/ TC – KBNN on 05/11/1994	Guidance of regulation on the issuance of shares and bonds of the State – owned enterprises.	
3	Decision 1179/ TC – KBNN on 05/12/1994	Guidance of regulation on bidding the Government bonds and the State – owned enterprises' bonds	
4	Decision 212/ QĐ – NH1 on 22/09/1994	Announcement on the issuance of commercial bank's bonds	
5	Decree 48/1998/ NĐ – CP on 11/07/1998	Stocks and stock market (Public Offering)	
6	Decree 144/2003/ NĐ – CP on 28/11/2003	Announcement on stock and stock market	Replace Decree 48/1998/ NĐ – CP
7	Decree 56/2006/ NĐ – CP on 19/05/2006	Announcement on the the issuance of shares and bonds of the State – owned enterprises	Replace Decree 120/ ND – CP on 19/09/1994
8	Law 70/2006/QH11	Security Law 2006	Amended by Security Law No 62/2010/QH12
9	Decree 14/2007/ NĐ – CP on 19/01/2007	Announcement on the guidelines of Security Law (Public Offering)	
10	Decree 53/2009/ NĐ – CP on 04/06/2009	Announcement on the international bonds	
11	Law 62/2010/QH12 on 24/11/2010	Amendment on the Security Law 2006	Rejected article 103 and 106 of Security Law 2006
12	Decree 90/2011/ NĐ – CP on 14/10/2011	Announcement on corporate bond issuance (Single corporate bond issuance)	
13	Law 68/2014/QH13 on 26/11/2014	Company Law 2014	Article 127 on bond issuance
14	Decree 163/2018/ NĐ – CP on 04/12/2018	Announcement on corporate bond issuance (Single corporate bond issuance)	Replace Decree 90/2011/ NĐ – CP on 14/10/2011
15	Law 59/2020/QH14 on 17/06/2020	Company Law (Single bond issuance)	Replace Law 68/2014/QH13 Article 128, 129, 130

No	Issue date	Content	Note
16	Decree 81/2020/ND-CP on 09/07/2020	Amendment on the Decree 163/2018/ NĐ – CP	
17	Consolidated documents 36/ VBHN-BTC on 07/09/2020	Regulation on corporate bond issuance	Consolidate Decree 163/2018/ NĐ – CP and Decree 81/2020/ND-CP

4.2.2. The current situation of the corporate bond market in Vietnam

Vietnam Chamber of Commerce and Industry (VCCI) is a national organization that assembles and represents business community, employers and business associations of all economic sectors in Vietnam. VCCI is an independent, non-governmental, non-profit organization having the status of a legal entity and operating with financial autonomy. The organization annually conducts survey on several topics such as corporate tax, corporate bonds, land rent payment, etc. to address the current issues and also deliver suggestions to the Government. The paper uses the VCCI questionnaire to re-examine the current situation of corporate bond issuance within the research sample. The questionnaire includes 28 questions which are divided into three main sections apart from a section of corporate general information:

• Section 1: Corporate perception on the motivation of corporate bond issuance
• Section 2: Corporate perception of corporate bond market risk
• Section 3: Corporate perception on the limitations of the corporate bond market

In the scope of this study, the survey result illustrates the three above issues relating to the corporate bond market.

Section 1: The motivation of corporate bond issuance

There are several explanations representing the motivation of corporate bond issuance of Vietnamese firms, in which the majority of reasons for the behavior are "The firm evaluates corporate bond is the most effective capital raising tool" and "Investors rely on the integrity of firms," accounted for 48% and 36% respectively. 10% of the answer is "The Government encourages the corporate bond issuance," where 6% of the answer is for other reasons.

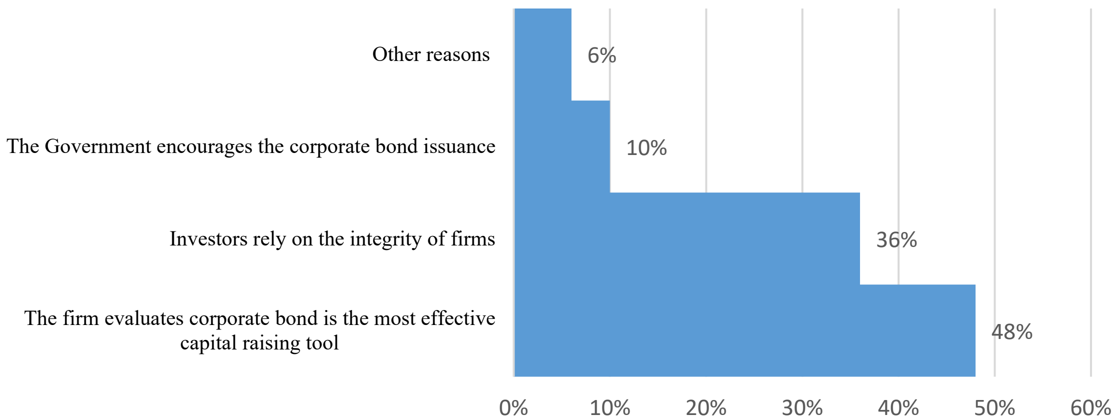

Figure 3. Motivation of corporate bond issuance

Section 2: Perception on corporate bond market risk

In this study, the perception of risk is defined as the aggregated possible risks for all market participants (VCCI, 2024). Accordingly with 5 levels from "No risk" to "Very risky", the survey indicates that 90% of the firms consider Vietnamese corporate bond market to be risky, in which 41.5% enterprises assessed the market as "Risky", 40.8% for "Less Risky", 9.4% for "Very Risky". Only 1% of surveyed business states that the market has no risk.

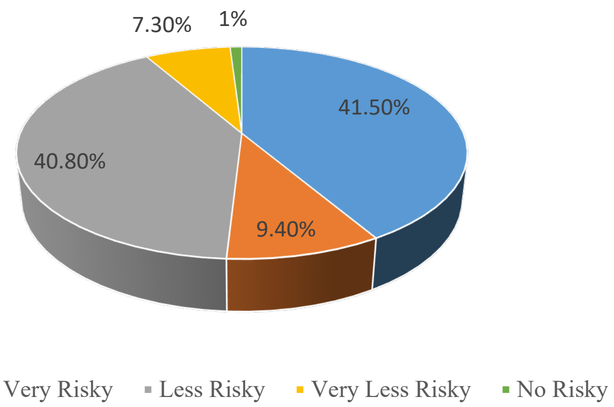

Figure 4. Perception on corporate bond market risk

Section 3: Corporate perception on the limitation of corporate bond market

The limitations of corporate bond market have been identified by Vietnamese firms in the scope of the study including: (1) The legal framework is incompletely improvement (38.8%); (2) The lack of market regulators (33.8%); (3) The corporate bond issuers are not diversified (33.3%); (4) The low liquidity of corporate bond (31.3%); (5) The infrastructure does not meet requirements (29.5%).

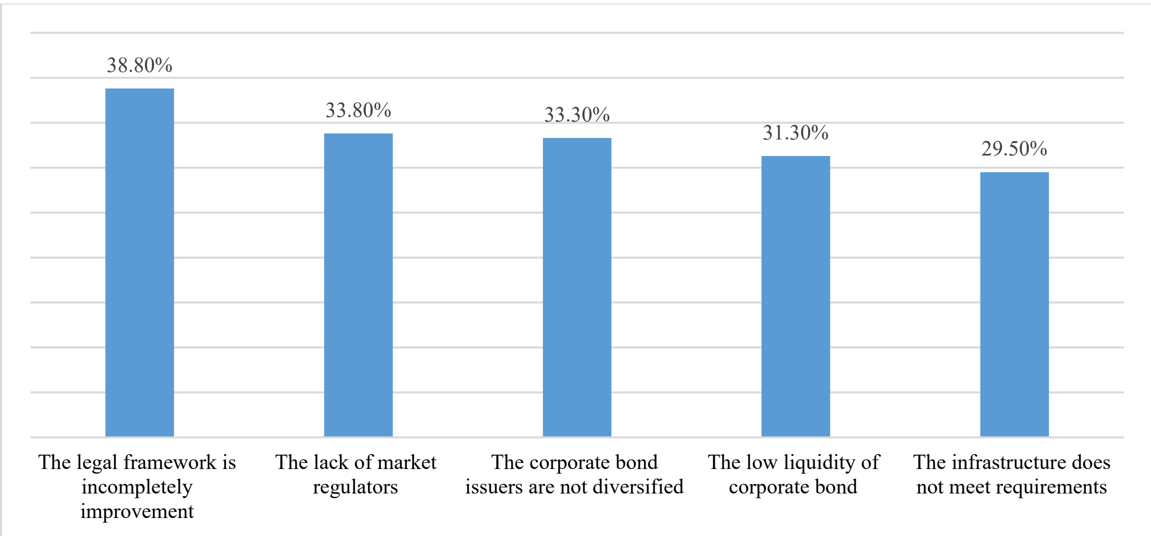

Figure 5. Perception on the limitations of the corporate bond market

5. Conclusion

The objective of this paper is to examine trends in research on corporate bonds and the cost of capital. The study has found the existing literature by undertaking a bibliometric analysis review. The dataset is extracted from the Scopus database, one of the largest, and it is convenient for extracting existing studies conducted by other researchers. The VOSviewer software is also applied to generate the network diagrams.

Based on the bibliometric analysis of 176 articles on corporate bonds and cost of capital during the period from 1957 to 2025, the relevant knowledge was obtained, and the development status and research trends were revealed. The most influential themes are highlighted for further research. Therefore, the study is important from the perspective that it gives a direction to future researchers by apprising the existing studies in the area of corporate bonds and cost of capital. The study is unique in that it gives co-authorship and keyword analysis.

6. References

Ahmed, K. and Nicholls, D. (1994). The impact of non – financial company characteristics on mandatory disclosure compliance in developing countries. The case of Bangladesh. *The International Journal of Accounting*, 29(1), 62-77

Allegrini, M., & Greco, G. (2013). Corporate boards, audit committees and voluntary disclosure: Evidence from Italian listed companies. *Journal of Management & Governance*, *17*(1), 187-216.

Bessembinder, H., Jacobsen, S., Maxwell, W., & Venkataraman, K. (2018). Capital commitment and illiquidity in corporate bonds. *The Journal of Finance*, *73*(4), 1615-1661.

Bernile, G., Cumming, D., & Lyandres, E. (2007). The size of venture capital and private equity fund portfolios. *Journal of Corporate Finance*, *13*(4), 564-590.

Boateng, R. N., Tawiah, V. & Tackie, G. (2022) Corporate governance and voluntary disclosures in annual reports: A post International Financial Reporting Standard adoption evidence from an emerging capital market. *International Journal of Accounting and Information Management*, *30* (2), 252 – 276.

Bolton, P., & Freixas, X. (2006). Corporate finance and the monetary transmission mechanism. *Review of Financial Studies*, *19* (3), 829 – 870.

Bolton, P., & Freixas, X. (2000). Equity, bonds, and bank debt: Capital structure and financial market equilibrium under asymmetric information. *Journal of Political Economy*, *108* (2), 324 – 351.

Charoenwong, B., & Zamawi, A. (2022). Foreign financing, exchange rate exposures and corporate investment in Singapore. *Singapore Economic Review*, 141 (2), 551 – 572.

Cornelli, F., & Goldreich, D. (2003). Bookbuilding: How informative is the order book?. *The Journal of Finance, 58* (4), 1415 – 1443.

Dangl, T., & Zechner, J. (2004). Credit risk and dynamic capital structure choice. *Journal of Financial Intermediation*, *13* (2), 183 – 204.

Derrien, F. (2005). IPO Pricing in "Hot" Market Conditions: Who Leaves Money on the Table?. *Journal of Finance*, *60* (1), 487-521.

Diamond, D. W. (1991). Disclosure, liquidity and the cost of capital. *Journal of Finance*, *46* (4), 1325 – 1359.

Easton, P.D., (2004). Pe ratios, peg ratios, and estimating the implied expected rate of return on equity capital. *Accounting Review, 79*(1), 73–95.

Frank, M. Z., & Shen, T. (2016). Investment and the weighted average cost of capital. *Journal of Financial Economics*, *119*(2), 300-315.

Goergen, M., & Renneboog, L. (2001). Investment policy, internal financing and ownership concentration in the UK. *Journal of Corporate Finance*, *7*(3), 257 – 284.

Gompers, P.A. (1995). Optimal Investment, Monitoring, and the Staging of Venture Capital. *The Journal of Finance*, *50*(5), 1461-1489.

Huaman-Ñope, A. G., Serrato-Cherres, A. G., Ramos-Cavero, M. J., & Cordova-Buiza, F. (2022). Reputational risk and stock price: A corporate management analysis. *Managerial Finance*, *23* (1), 325 – 339.

John, T. A., & John, K. (1993). Top‐management compensation and capital structure. *The Journal of Finance*, *48*(3), 949-974.

Leland, H. E. (1994). Corporate Debt Value, Bond Covenants, and Optimal Capital Structure. *The Journal of Finance, 49* (4), 1213 – 1252.

Ni, Y., & Giles, D. E. (2010). Capital structures in an emerging market: A duration analysis of the time interval between IPO and SEO in China. *Applied Financial Economics*, *20* (19), 1531 – 1545.

Kim, S., & Ryan, S. G. (2013). Financial statement comparability and credit risk. *Review of Accounting Studies*, *18* (3), 783 – 823.

Kim, T.-J., & Jeon, S.-I. (2015). The effect of investor relations on corporate bond credit rating. *Academy of Accounting and Financial Studies Journal, 19* (1), 98 – 208.

Krebbers, A., Marshall, A., McColgan, P., & Neupane, M. (2022). Orderbook demand for corporate bonds. *European Financial Management, 29,* 247 – 287.

Kumari, M., & Mary, J. V. (2023). Bond rating and bond market of Indian corporate – issues and recommendations. *International Journal of Business Excellence*, *29* (2), 204 – 221.

Ohlson, J., & Juettner-Nauroth, B. (2005). Expected eps and eps growth as determinants of value. *Review Accounting Study, 10* (4), 349–365.

Pham, D. T., (2023). The role of credit growth limit on the economic size of Vietnam. *Journal of Economics and Development*, 308, 2 – 10.

Sierpińska, -Sawicz A., & Bak, P. B. (2016). Costs of corporate bond issue in coal mining companies. *Contemporary Economics*, *10* (2), 99 – 112.

Stephan, A., Talavera O., & Tsapin, A. (2011). Corporate debt maturity choice in emerging financial markets. Quarterly *Review of Economics and Finance, 51* (2), 141 – 151.

Titman, S. (1985). The Effect of Forward Markets on the Debt-Equity Mix of Investor Portfolios and the Optimal Capital Structure of Firms. *Journal of Financial and Quantitative Analysis*, *20*(1), 19 -27.

Vietnam Chamber of Commercial Industry. (2024). Viet Nam business update December 2024. Retrieved from https://en.vcci.com.vn/hm_content/uploads/vcci-news-bulletin/VCCI_Newsletter_-_Issue_December_2024.pdf

Vietnam Chamber of Commercial Industry. (2025). Annual Report on Vietnamese Corporate Performance. Retrieved from https://en.vcci.com.vn/vcci-kpmg-monthly-news-bulletin-issue-28-1

Zhang, R., Li, Y., & Liu, Y. (2021). Green bond issuance and corporate cost of capital. *Pacific-Basin Finance Journal*, *69*, 101626.