

ABSTRACT

This research is performed in order to test the influence of the variable, Fixed asset ratio, Profitability, Corporate tax rate and Growth Opportunities toward Debt to Equity Ratio (DER).

Methodology research as the sample used purposive sampling with criteria as (1) Manufacturing company who provide financial report during period 2002 through 2004; (2) Manufacturing always listed in JSX during period 2002 through 2004. The Data is based on publicity Indonesian Capital Market Directory (ICMD) since 2002 to 2004. Sample was acquired 149 of 159 manufacturing company. Data analysis with multi linier regression of ordinary least square and hypotheses test used t-statistic and f-statistic at level of significance 5%. While to examine the difference determining Fixed asset ratio, Profitability, Corporate tax rate and Growth Opportunities toward DER in insider ownership and no insider ownership companies those are listed in BEJ using Chow Test regression analysis.

Empirical evidence show as fixed asset ratio and growth opportunities to have positive influence toward DER of manufacturing company listed in JSX over period 2002-2004 at level of significance less than 5% (as 0,5% and 0,01% each), but Profitability, and Corporate tax rate not influence toward DER at level of significance more than 5% as 99,4%, and 85,7%. While, four independent variable Fixed asset ratio, Profitability, Corporate tax rate and Growth Opportunities to have influence toward DER at level of significance less than 5% as 0,01%. Predictable of the four variables toward DER is 32,1% as indicated by R square that is 32,1% while the rest 67,9% is affected by other factors is not included into the study model. While Chow Test result indicates no difference in determining Fixed asset ratio, Profitability, Corporate tax rate and Growth Opportunities toward DER between Insider ownership and no insider ownership company.

Key Words : Fixed asset ratio, Profitability, Corporate tax rate, Growth Opportunities and DER