

ABSTRACT

This study is performed to test the effect of DFL, DOL, growth, profitability, size, and current ratio toward DER. The objective to analyze the effect of the company financial ratios performance (DFL, DOL, growth, profitability, size, and current ratio) toward DER in non financial industry over period 2012-2014.

Sampling technique used here is purposive sampling. The data was taken Indonesian Capital Market Directory (ICMD). It is gained sample amount of 49 data. The analysis technique used here is multiple regression with the least square difference and hypothesis test using t-statistic to examine partial regression coefficient and f-statistic to examine the mean of mutual effect with level of significance 5%. In addition, classical assumption is also performed including normality test, multicollinearity test, and heteroscedasticity test.

During research period show as data research was normally distributed. Based on multicollinearity test, and heteroscedasticity test variable digressing of classic assumption has not founded, its indicate that the available data has fulfill the condition to use multi linier regression model. The result shows DFL, DOL and size to have influence significant toward DER at level of significance less than 5%.

Keywords: DFL, DOL, growth, profitability, size, current ratio and DER