

ABSTRACT

This study aims to examine the effect of variable of profitability (ROA), liquidity (CR), sales growth and firm size on capital structure with tangibility asset and firm age as control variable.

The population in this study were retail trade sub-sector companies that were listed on the Indonesian Stock Exchange in 2013 – 2017. The sample technique used was purposive sampling. So that a sample of 12 companies was obtained, thus obtained 60 research data. The analysis technique used is multiple linear regression using the classical assumption test and regression analysis with a significance level of 5%.

Based on the results of research that simultaneously uses the F test variable profitability, liquidity, sales growth, firm size, tangibility asset and firm age as control variable significantly influence the capital structure. The result of partial testing using the T test show that profitability, liquidity, firm size, tangibility asset and firm age have a negative and significant effect on capital structure. While sales growth has a positive and insignificant effect on capital structure and the result of control variables there are tangibility asset and firm age are -3,223 with the significantcy 0,001 and -3,915 with the significantcy 0,003 so tangibility asset and firm age has a negative and significant effect on DER. Determination of coefficient R^2 of 0,471 shows that 47,1% of the variation of the DER is explained by the independent variables in the study while the remaining 52,9% is explained by other variables outside the research.

Keywords: profitability (ROA), liquidity (CR), sales growth, firm size, tangibility asset, firm age, capital structure.