

Abstrak

This study aims to examine the effect of institutional ownership, profitability and firm size on debt policy. Institutional ownership is measured by the percentage of shares held by institutional ownership. Profitability is reflected in the return of assets. Firm size is measured using the logarithm of total assets.

This study uses quantitative research design and secondary data from manufacturing companies listed on the Indonesia Stock Exchange. By using purposive sampling in the observation period of 2015-2017, 216 observations were obtained. The data were analyzed using the ordinary least square regression model. Criteria for companies that are used include manufacturing companies that have institutional ownership. Another criterion is that companies must have complete data and support the implementation of research.

The regression results show that institutional ownership and profitability have a negative and significant effect on debt policy. In addition, the size of the company does not affect debt policy.

Keywords : Debt Policy, Institutional Ownership, Profitability, and Firm Size