

## **ABSTRACT**

*This study aims to identify and examine the effect of Profitability, Firm Size, Sales Growth, Assets Structure, Non-Debt Tax Shield, and Liquidity on the Capital Structure of Wholesale & Retail Companies registered in the Indonesia Stock Exchange in the period of 2008-2011 year. This study used a data sample of 84 Wholesale & Retail companies. Sampling method used was purposive sampling method.*

*The analysis used was multiple linear regression and was conducted a classical assumption test that consist of normality test, multicollinearity, autocorrelation test, heterocedasticity test, t test, and F test. The sample used were 84 corporate data, in normality test the observed data should undergo removal of outliers as many as 13 data. So that the observational data that can be used were 71 data.*

*Results of this study indicated that simultaneous profitability, firm size, growth sales, asset structure, non-debt tax shield, and the liquidity effect on the capital structure. Whereas in partial variable growth sales, non debt tax shield, and liquidity had a significant effect on the capital structure. Value of Adjusted R square was equal to 0.305. This means that 30.5% of capital structure of the dependent variable can be explained by the six independent variables in this study. While the remainder is equal to 69.5% can be explained by variables or other causes beyond the model.*

*Keywords: Capital Structure, Profitability, Firm Size, Sales Growth, Asset Structure, Non Debt Tax Shield, Liquidity.*