

ABSTRACT

Capital structure is the comparison between the amount of long-term debt with equity. This research is used to test the influence of variables Asset Structure, Return On Asset, Size, Operating Cash Flow, and Liquidity Rate of the Capital Structure.

The number of samples in this study are 52 manufacture compaanies uses purposive sampling method. It is a method to found sample with various measurement. All the sample are companies that listed in Indonesia Stock Exchange which apply polled data method and collects data are about 208 data observation. Data analysis that used in this study are multiple regression liniear and assumption classic tests which consist of normality test, multicolienarity test, autocorrelation test and heterocedasticity test. Hypotesis testing uses F-test and t- test.

Based on the result of analysis shows independent variables (Asset Structure, Return On Asset, Size, Operating Cash Flow, and Liquidity Rate) simultaniously effect Capital Structure. Whereas partially, Asset Structure, Return On Asset, Size and Liquidity Rate have negative and significant impact on Capital Structure. In addition, Operating Cash Flow has positive and insignificant influence to Capital Structure. The value of adjusted R square is 0,602 and it means independent variables can explain the dependent variable as much as 60,2%, while the remaining amount of 39,8% is influenced by other factors which not included in the model.

Keywords: DER, asset structure, return on asset, size, operating cash flow and liquidity rate.