

## **ABSTRACT**

The optimal capital structure occurred when external funding sources not higher than internal funding sources. There are many factors that affect capital structure are profitability, liquidity, asset structure, sales growth and firm size. Objective of this research is to analyze the factors that affect capital structure with firm size as a moderating variable in the property and real estate companies listed in Indonesia Stock Exchange period 2008-2012.

The sampling method used in this study is purposive sampling method is the method of sampling based on certain criteria. The number of samples used in this study is based on 21 criteria as property and real estate companies. This research was conducted in the period 2008-2012. So total observation data are 105. The analysis used in this research are Moderated Regression Analysis (MRA).

The results of this research showed that simultaneous liquidity and asset structure significantly and negatively related to capital structure. As for profitability and sales growth does not affect the capital structure. Then, firm size become moderating variable which strengthens correlation among profitability, liquidity, asset structure and sales growth to capital structure. The magnitude of the Adjusted R Square is 0.537. This means that 53,7% of capital structure dependent variable can be explained by the four independent variables are profitability, liquidity, asset structure and sales growth as well as the moderating variables are firm size. While the remaining 46,3% is explained by the variable capital structure or other reasons outside the model.

***Keyword : Capital structure, profitability, liquidity, asset structure, sales growth and firm size.***