

ABSTRACT

The objectives of this research are to know the influence of growth opportunity on leverage and the influence of debt covenant as the moderating variable on relations between growth opportunity.

The samples are determined by purposive sampling method, a sampling method which takes sample with some criterions. The criterions which is used in this research are non financial companies which issue bonds from 2006 until 2010, issue financial report from 2006 until 2010, and shows debt covenants. This method resulted 32 samples.

Those samples were analyzed with simple regression analysis and absolute difference value test. The analysis result showed that growth opportunity has a negative effect on leverage. The analysis result also showed that debt covenant can attenuate the negative effect of growth opportunity on leverage.

Keyword : growth opportunity, leverage, debt covenant