

ABSTRACT

This study examines the relationship between mechanism corporate governance, ownership structure and agency costs measured in term asset turn over and operating expense, general expense and administration expense.

Collecting data using a purpose sampling method for financial companies listed in Indonesia Stock Exchange in 2008 until 2010. A total of 107 financial companies used a sample. The method of analysis of this study used multiple regression.

The result of this study that the variable that affect agency costs is board compositon, government ownership, institutional ownership, foreign ownership and concentrated ownership.

Key word : agency costs, mechanism corporate governance, government ownership, institutional ownership, foreign ownership, concentrated ownership