

ABSTRACT

Corporate financing decisions are important in financing the operations of the company. Therefore, companies should pay attention to its capital structure which is a reflection of how much the company use its own capital and how much debt that will be used, so as to produce an optimal capital structure. Meanwhile, the Islamic economy company that accompanied the use of debt interest is forbidden. Considering of many factors affecting the company's capital structure, this study will examine the influence of profitability, asset structure, firm size and growth opportunities in Islamic issuers listed on the Jakarta Islamic Index. The purpose of this study is to investigate and test the pecking order hypothesis that more priority to the use of internal funds through linkages profitability, asset structure, firm size and growth opportunity toward financial leverage through the Islamic issuers listed on the Jakarta Islamic Index in 2006 until 2009.

The sample used sharia as many as 12 issuers in a variety of industry sub-sectors, where the method used was purposive sampling is a sampling method that takes an object with certain criteria. The number of samples that match the criteria specified as many as 12 issuers of sharia in Jakarta Islamic Index (JII) by using pooled data so that the study sample (n) is obtained as many as 48 observation data. Analysis of data using multiple regression analysis tool, which is preceded by classical assumption of normality test, multicollinearity test, autocorrelation test and the heteroscedasticity test. Hypothesis testing is done by using F test and T test.

Results of data analysis or regression results indicate that simultaneously profitability, asset structure, firm size and growth opportunities affect the capital structure. While the partially variable affecting the profitability and capital structure is the structure of assets while the variable size of the company and the opportunity to grow partially not affect the capital structure. The amount of testing the degree of determination (adjusted R square) is approximately 0,246. It means that 24,6 percent of the dependent variable which is capital structure can be explained by four independent variables those are profitability, assets structure, firm size, and the growth opportunity, while the remaining amount of 75,4 percent of capital structure can be explained by the other causes outside the model.

Keyword : *Pecking order hypothesis, profitability, assets structure, size, growth opportunity and financial leverage*