

ABSTRACT

Bond rating useful for investors and issuers, which provide information about the company's ability to pay the bond issued. This research aimed to explain factors that affect bond rating. Independent variables were examined are: (1)profitability, (2) liquidity, (3) firm size, (4) leverage, and (5) guarantee (bond give or not).

The sample of this research is the manufacturing companies listed in Indonesia Stock Exchange. Criteria of selected samples using purposive sampling method. Total sample were collected 45 companies during the year 2007-2010. Testing the hypothesis using an ordinal regression analysis because the dependent variable is ordinal scale (rating).

The result of this research indicate that all independent variable not affect bond rating. this case is prove that evaluation of agency rating not only about financial statement. PEFINDO more consider other aspect than financial statement.

Keyword: Bond Ratings, Profitability, Liquidity, Firm Size, Leverage, Guarantee, Ordinal Regression.