

ABSTRACT

Capital needed to build and ensure the continuity of the company, beside resources, machinery, material as a contributing factor. An attempt would require much capital for the company intends to expand. Therefore, companies must determine how much capital is required to fulfill or funding its business. This study aims to determine the effect of sales growth, structure of the assets, operating leverage, and profitability to capital structure of manufacturing companies listed on the Indonesian Stock Exchange.

The research was conducted using year data of 2008-2010. The sampling method used is purposive sampling. The amount of data obtained by 70 companies. The data obtained were analyzed using multiple linear regression analysis. These results indicate that: sales growth significantly influence the capital structure with a significance level of $0.008 < 0.05$. Structure of the assets significantly influence the capital structure with a significance level of $0.002 < 0.05$. Operating Leverage significantly influence the capital structure with a significance level of $0.000 < 0.05$, and profitability significantly influence the capital structure with a significance level of $0.003 < 0.05$. Based on the value or R squared value of 0.211, in other word only the four variables can explain 21.1% while 78.9% are explained by other variables.

Keywords : Sales Growth, Structure of the Assets, Operating Leverage, Profitability, Capital Structure.