

ABSTRACT

Capital structure is a balance or ratio between foreign capital (long-term) with its own capital. This study aims to examine the firm size, profitability and managerial ownership on the capital structure of mining companies listed on the Stock Exchange. The variables studied include firm size, profitability and managerial ownership.

The sampling method used in this study is purposive sampling method sampling method based on specific criteria as much as 10 mining companies. The study was conducted in the period 2009 to 2012. So the observation data obtained by 40 observation data. The analysis used is multiple regression analysis, which is preceded by the classical assumption test of normality test, heteroscedasticity, multikolonieritas test, autocorrelation test.

The results of the data analysis or regression results show that simultaneous size of the company, profitability and managerial ownership affect the capital structure. while partially indicates that only firm size and profitability significantly influence capital structure while managerial kepemilikan not affect the capital structure. The magnitude of coefficient of determination adjusted R square is shown from the value of the adjusted R^2 of 0.296. This means that 29.6% of capital structure variation can be explained by firm size and profitability ROE, while the remaining 70.4% of capital structure is explained by other variables.

Keywords: Capital structure, company size, profitability and managerial ownership