ABSTRACT

One of the major decisions faced by financial managers in relation to the continuity of operation of the company is making funding decisions or capital structure, which is a financial decision relating to the composition of debt used by companies. Any funding decisions require financial managers to be able to weigh the benefits and costs of data sources to be selected for each source of funds have different financial consequences.

The purpose of this study was to determine the factors that increase the chances of SMEs in the city of Semarang in the use of external funds and the factors that affect capital structure SMEs in Semarang city in terms of the variable differences in ROE (return on equity), the amount of labor, capital expenditure, tangibility asset, sales growth, firm size, and age of the company. Object of research is micro small and medium enterprises (SMEs) in the city of Semarang as many as 70 units. Type of data collected are the primary data and secondary data. The research method of data include multicoloniearity test, goodness of fit test, the omnibus test (overall test), the coefficient of determination for logistic regression analysis, and testing of the classical assumptions for multiple regression analysis.

Based on the results showed that for logistic regression during the study period partially for the ROE (return on equity), total employment, sales growth, firm size, and firm age significant negative effect SMEs use external funding opportunities in the city, while the capital expenditure, tangibility asset significant positive effect on the opportunities of SMEs in the use of external funds in Semarang the amount of 0.489 or 48.9%. For multiple regression analysis results showed that the amount of labor, sales growth, firm size significant negative effect on capital structure of SMEs in the city, while the ROE (return on equity),capital expenditure, tangibility asset and firm age significantly positive effect on corporate capital structure of SMEs in the city of Semarang is equal to 0.543 or 54.3%.

Keywords: capital structure, ROE, the amount of labor, capital expenditure, tangibility asset, sales growth, firm size and firm age.