

ABSTRACT

Financial management is important in an uncertain global situation and demand company to be able to determine the source of their fund in order to operate and run its bussiness. The company's main goal is to increase corporate value by increasing the prosperity of their owners or the shareholders. Given the many factors that affect the company's capital structure research will examine the influence of tangible fixed assets, profitability, sales growth, firm size, dividend payout ratio, and institutional ownership of capital structure on non-financial companies which listed on Indonesian Stock Exchange of the period 2006 to 2009.

The samples using 18 companies on non-financial sector, where the method used is purposive sampling. Use pooling data method to obtained the study sample of 72 observations. Data analysis use multiple regression analysis, method which initial by classical test for normality, multicollinearity test, heteroskedastisitas test and autocorrelation test. Hypothesis test is using the F test and t test.

The result of this research found that profitability, growth sales, and institutional ownership variable which significantly influence to capital structure while fixed asset, firm size, and dividend payment are not significantly influence to capital structure. The amount of adjusted R square is 0,438 it means 43.8 percentage dependent variable is capital structure can be explained by five independent variable, they are fixed asset, profitability, firm size, growth sales, dividend payment and institutional ownership but 56.2 percentage capital structure explained by other variable outside

Keywords: Capital structure, Fixed Tangible Asset, Profitability, Firm Size, Growth Sales, Dividend Payout Ratio, Institutional ownership