ABSTRACT

Global competition is something that can not be avoided by companies, to continue to survive, the companies requires to improve their performance, however, many companies decrease profitability every year. The role of capital structure and corporate governance through long-term and short-term debt and the proportion of the board of commissioners as well as the audit committee is a variable that can be considered by the company. This study aims to provide empirical evidence about the effect of short term debt ratio, long term debt ratio, the proportion of independent commissioners, and audit committees on company profitability.

The sample in this study were 77 companies which were divided into five ASEAN countries from 2015 to 2018 which were selected using the purposive sampling method. The method of data analysis uses regression analysis with EVIEWS 9 software.

The results showed that the short-term debt ratio ,long-term debt ratio and proportion of independent commissioners had a negative effect on ROE, while the audit committees had a positive effect on ROE

Keywords: Return Short Term Debt Ratio, Long Term Debt Ratio, Proportion of Independent Commissioners, Audit Committee, Firm Size, and Sales Growth.