

ABSTRACT

This study aims to find empirical evidence about the influence of profitability, business risk, firm growth, firm size and blockholder ownership of the debt policy on the LQ-45 companies listed in Indonesia Stock Exchange 2011-2012. The sample are listed companies in Indonesian Stock Exchange are included in the LQ-45 sector during 2011 until 2012 and comply sample criteria. Total sample are 67 companies. The method of analysis used to test the hypothesis of this study is Multiple Regression Analysis with classic assumption. Then to examine the significant was used simultaneous (F test) and partial (t test).

The result of this research show that profitability had significant and negative effect to debt policy. The firm growth had significant and positive effect to debt policy. Business risk, firm size, and blockholder ownership had no significant effect on debt policy.

Keywords: profitability, business risk, firm growth, firm size, blockholder ownership, debt policy.