

ABSTRACT

The purpose of this study is analyzing the impact of the variables Return On Investment (ROI), Current Ratio (CR), Sales Growth (SGROWTH), Firm Size (FIRMSIZE), and Assets Tangibility (AT) on variable LEVERAGE (Debt to Total Assets) on Real Estate and Property companies listed in Indonesia Stock Exchange 2005 – 2009 period.

Research using purposive sampling method for taking samples. Data obtained on the basis of the publication of Indonesian Capital Market Directory (ICMD), obtained 14 samples of Real Estate and Property companies. Analysis technique which is used in this research is multiple linear regression analysis.

Based on the statistical F indicates that the model is fit because has a significance value less than 5% of Alpha value (α). Meanwhile, based on statistical t test showed that the Return On Investment (ROI), Current Ratio (CR) is negative and significant impact on LEVERAGE (Debt to Total Assets) because it has a significance value less than 5% of Alpha value (α). Similarly, Assets Tangibility (AT) is positive and significant impact on LEVERAGE (Debt to Total Assets). Meanwhile, Sales Growth (SGROWTH) is negative and not significant impact on LEVERAGE (Debt to Total Assets) because it has a significance value more than 5% of Alpha value (α). Similarly, Firm Size (FIRMSIZE) is positive and not significant impact on LEVERAGE (Debt to Total Assets). Results of the analysis show that predictive ability of the five independent variables (Return On Investment (ROI), Current Ratio (CR), Sales Growth (SGROWTH), Firm Size (FIRMSIZE), and the tangibility Assets (AT)) is 30.4% and it shown by adjusted R^2 value, the rest 69.6% influenced by other variables outside the model.

Keyword: Return On Investment (ROI), Current Ratio (CR), Sales Growth (SGROWTH), Firm Size (FIRMSIZE), tangibility Assets (AT), LEVERAGE (Debt to Total Assets), Real Estate and Property Companies.