

ABSTRACT

This research is performed in order to test the influence of variable current ratio (CR), debt to equity ratio (DER), total asset turnover (TAT) and size toward return on equity (ROE) with institutional ownership (INSTOWN) as moderating variable of debt to equity ratio toward return on equity.

Population of this research was acquired 4 company of animal feed and husbandry over period 2001 – 2009 that listed in BEI. Data analysis with multi linier regression of ordinary least square and hypotheses test used t-statistic and f-statistic at level of significance 5%.

Empirical evidence show as CR, DER, TAT and SIZE have influence simultaneously toward ROE at level of significance less than 5%. TAT have positive influence toward ROE at level of significance less than 5%. CR have negative influence toward ROE at level of significance less than 5%. While, DER not influence toward ROE at level of significance more than 5% and Size not influence toward ROE at level of significance more than 5%. Predictable of the four variables toward ROE is 55,6% as indicated by adjusted R square is 55,6% while the rest 44,4% is affected by other factors is not included into the study model.

The result of this research also show Institutional Ownership is not able to be moderating variable of debt to equity ratio toward return on equity at level of significance more than 5%

Key words: current ratio (CR), debt to equity ratio (DER), total asset turnover (TAT), size, return on equity (ROE), Institutional Ownership (INSTOWN)