

ABSTRACT

This study aimed to analyze the effect of tax rates, asset tangibility, firm size, Return On Investment, business risk, institutional ownership and growth of sales of the company's to Debt to Equity Ratio (DER). The study was based on the several previous studies that showed vary results or the research gap and business phenomenon in the object of research with these variables.

The study used purposive sampling methods for sample collection. Source of research data were obtained from the publication of financial statements by The Indonesian Capital Market Directory (ICMD) in 2004-2010 years which is the last publication at the time of the study was conducted. Sample of this study is a manufacturing company whose shares are listed on the Indonesian Stock Exchange in 2004-2010 with a sample of 32 companies. The research data were processed using SPSS 17 software, with a regression technic analysis or 5% of significance level.

Results of analysis showed that assets tangibility, firm size and growth of sales is positive and significant effect on DER. While tax rates, Return On Investment and Institutional Ownership negative and they are not significant effect on DER. Business risk positive and it has not no significant effect on DER.

Keywords : Tax rates, Asset tangibility, Firm size, Return On Investment, Business risk and Growth of sales, Debt to Equity Ratio