

ABSTRACT

This research was performed to investigate the influence of business risk, size, growth and institutional ownership on capital structure and profitability at manufacturing company published financial report during period 2007 - 2010.

The sample of this research was selected based on purposive sampling with the following criteria: (1) manufacturing company published financial report during period 2007 - 2010; and (2) manufacturing company reported earning during period 2007 - 2010. The Data was based on publicity Indonesian Capital Market Directory (ICMD) from 2007 to 2010. Sample was acquired 65 of 159 company. Data was analyzed with multi linier regression of ordinary least square and hypotheses was tested using t-statistic and f-statistic at level of significance 5%.

Empirical evidence showed that size and growth had significant influence on capital structure of manufacturing company listed in IDX over period 2007-2010 at level of significance less than 5%, and capital structure and institutional ownership had significant influence on profitability of manufacturing company listed in IDX over period 2007-2010 at level of significance less than 5%.

Key Words : business risk, size, growth, institutional ownership, capital structure and profitability