

ABSTRACT

This study was conducted to examine the effect of factors affecting Capital Structure was measured by Profitability, Company Size, Corporate Growth, Asset Structure, Liquidity, Effective Tax Rate, Business Risk on Manufacturing Companies Listed on IDX in the period 2011-2015

Data used on this research was obtained from the Annual Report and Public Expose published to the public, either through Indonesia Stock Exchange or company website. The sampling technique used was purposive sampling with total sample of 270 samples. Data analysis technique used in this research is multiple linear regression analysis where previously data have been tested by testing classical assumption include data normality, heteroskedastisitas, multikolinieritas and autokorelasi.

Under the observation period, the data shows signs of normal distribution. Based on the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test, there were no variables that deviated from the classical assumption. This shows that the available data have been qualified using multiple linear regression equation model. The results of this study indicate that the variables of Company Size, Corporate Growth, Effective Tax Rate, and Business Risk do not show significant influence on capital structure. Profitability Variables, Asset Structure, and Liquidity significantly influence the capital structure. The prediction ability of the six variables on stock return in this research is 67.7%, while the rest is influenced by other factors not included in the research model.

Keywords: Capital Structure, Profitability, Company Size, Corporate Growth, Asset Structure, Liquidity, Effective Tax Rate, Business Risk, Multiple Regression.