

ABSTRACT

This research was performed to investigate the influence of business risk, size, sales growth, Return on Investment (ROI), and institutional ownership on Debt to Equity Ratio (DER) at manufacturing company published financial report during period 2004 - 2008 .

The sample of this research was selected based on purposive sampling with the following criteria: (1) manufacturing company published financial report during period 2004 - 2008; and (2) manufacturing company reported earning during period 2004 - 2008. The Data was based on publicity Indonesian Capital Market Directory (ICMD) 2009. Sample was acquired 33 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 firm size, profitability, and sales growth had significant influence on DER of manufacturing company listed in JSX over period 2004 - 2008 at level of significance less than 5%.

Key Words : business risk, size, sales growth, profitability, institutional ownership and Debt to Equity Ratio (DER)