

## **ABSTRACT**

*This research is performed in order to test the influence of variable, current ratio, sales growth, return on asset, retained earning and size on Debt to Equity Ratio (DER), comparison study the insider ownership and no insider ownership manufacture company in the BEI during period 2005-2007.*

*Methodology research as the sample used purposive sampling with criteria as (1). The Company listed to the BEI during research period (2005-2007; (2). The Company always showed financial report during research period (2005-2007; (3). During research period, company must have positive retained earning (negative or zero retained earning is unacceptable); (4). Having complete data which suitable for the research. The data based on publicity ICMD since 2005-2007. Sample was acquired 72 of 159 company. Analysis technic with multiliner regression of ordinary least square and hypotheses test used t-statistic and f-statistic at level of significance 5%. While to examine the difference determining current ratio, sales growth, ROA, retained earning and size toward DER insider ownership and no insider ownership companies those are listed in BEI using chow test regression analysis.*

*Empirical evidence in t-test show that in insider ownership companies, retained earning and size, each variable have significance negative and significance positif influence toward DER at level of significance less than 5% as 0,000. But current ratio, sales growth and return on asset have not significance influence toward DER at level of significance as 37,2%; 34,5%; 10,7%. Then, in no insider ownership companies, current ratio and retained earning have significance negative influence toward DER, while size have significance positif influence toward DER with level of significance as 0,000, but sales growth and return on asset have not significance influence toward DER at level of significance as 50% and 56,3%. Based on f-test, five variable to have significance influence toward DER at level of significance as 0,000. Adjusted R square value in insider ownership companies as 45,8% while the rest 54,2% is affected by other factors. Adjusted R square value in no insider ownership companies as 54,1% while the rest 45,9% is affected by other factors. Chow Test result indicates there is differences in determining current ratio, sales growth, return on asset, retained earning and size toward DER between insider ownership and no insider ownership company.*

*Key word : DER, current ratio, sales growth, ROA, retained earning, size*