

## **ABSTRACT**

*The purpose of the research is to investigate and get empirical evidence of effect in Institutional Ownership, Compensation on Equity Costs through Investment Efficiency in company which listed in Indonesian stock exchange (IDX) in 2017*

*The population of the research are all companies listed in IDX for the periode 2017. The sampling method of this research is used purposive sampling with total samples 532 companies which consist of financial industry, mining, and infrastructure, utilities and transportation. To test hypothesis of this research, we use path analysis.*

*The results of this research show that Institutional Ownership, Compensation disclosure have a significant possitive effect on Investment Efficiency, which means. the highest the level of compensation and institutional ownership of the company, the more efficient the company is in disclosing its investment. In addition, investment efficiency has a positive effect on the cost of equity, which means that the better the level of efficiency of investment companies will increase the cost of equity*

**Keywords:** *Institutional Ownership, Compensation, Equity Costs, Investment Efficiency*