

ABSTRACT

The research aims to analyze debt policy, firm size and profitability on investment opportunity set which occurred by market to book value of equity, listed in Indonesia Stock Exchange.

Population of this research is listed public company at Indonesia Stock Exchange with automotive company as sample. Sampling method uses purposive sampling method. Data analysis technique uses classic assumption test and hypothesis test uses multiple regression analysis.

The results of this research indicate that the debt policy has a positive effect on investment opportunity set, not supported. Firm size has a positive effect on investment opportunity set, supported. Profitability has a positive effect on investment opportunity set, not supported

Keywords: debt policy, firm size, profitability and investment opportunity.