

ABSTRACT

**THE EFFECT OF GOOD CORPORATE GOVERNANCE
ON COST OF CAPITAL
(EMPIRICAL STUDY ON MANUFACTURING COMPANIES THAT
LISTED ON IDX FOR THE PERIOD FROM 2010-2014)**

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This study investigates the influences of Good Corporate Governance on cost of capital in Indonesia public companies. The research samples are manufacturing companies listed in Indonesia Stock Exchange for the period from 2010-2014. There are 225 observations that meet the sample criteria, data were analyzed using Eviews 9. The result of this study shows that board of directors variable has significant negative effect on cost of capital. Meanwhile institutional ownership, board of independent commissioners, audit quality, and frequency of audit committee meeting does not have significant effect on cost of capital.

Keywords: Cost of Capital, Frequency of Audit Committee Meeting, Board of Independent Commissioners, Institutional Ownership, Audit Quality, Size of Board Directors

ABSTRAK

PENGARUH *GOOD CORPORATE GOVERNANCE* TERHADAP BIAYA MODAL (STUDI EMPIRIS PADA PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BEI PERIODE TAHUN 2010-2014)

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Penelitian ini menguji pengaruh *Good Corporate Governance* terhadap biaya modal pada perusahaan-perusahaan publik di Indonesia. Sampel penelitian adalah perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia selama periode 2010-2014. Terdapat 225 data observasi yang memenuhi kriteria sampel, data dianalisis dengan menggunakan *Eviews 9*. Hasil penelitian menyebutkan bahwa variabel ukuran dewan direksi berpengaruh negatif signifikan terhadap biaya modal. Sedangkan variabel kepemilikan institusional, dewan komisaris independen, kualitas audit, dan frekuensi pertemuan komite audit tidak berpengaruh signifikan terhadap biaya modal.

Kata kunci: Biaya Modal, Frekuensi Pertemuan Komite Audit, Komisaris Independen, Kepemilikan Institusional, Kualitas Audit, Ukuran Dewan Direksi