

ABSTRACT

TRADE OFF THEORY AND PECKING ORDER THEORY TO DETERMINING CAPITAL STRUCTURE POLICY TESTED IN LISTED COMPANY IN LQ 45

By

ALAN BASTIAN

This research attempt to investigating which factors determine capital structure policy at LQ 45 listed company. This research used a sample of the nine companies which are listed in Indonesia Stock Exchange (IDX). Dependen variable in this research is debt to equity ratio/DER, while independent variables are asset tangibility, profitability, firm size, company growth, internal deficit (DEF) and last year leverage. This research using multiple regression linier method. The research results indicated that factors determine the capital structure policy is asset tangibility and DEF. Meanwhile profitability, firm size, company growth and last year leverage didn't have significant relationship.

Keywords: *capital structure, debt, asset tangibility, profitability, firm size, company growth, internal deficit, last year leverage.*