

ABSTRACT

FACTORS AFFECTING CAPITAL STRUCTURE IN FOOD AND BEVERAGE TO GO PUBLIC IN INDONESIA STOCK EXCHANGE (IDX) PERIOD 2006-2010

by

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One of the major decisions faced by financial managers in relation to the continuity of operation of the company is making funding decisions or capital structure. Company size, profitability and liquidity are factors - factors that affect capital structure decisions. The problem is "Is firm size, profitability and liquidity affect the capital structure of the Food and Beverage companies that go public on the Indonesia Stock Exchange (BEI) The period from 2006 to 2010?"

The research was conducted with the aim to determine the effect of firm size, Profitabilitas and Liquidity on the company's capital structure. The Company is a sample of Food and Beverage company is listed on the Stock Exchange and used the study period in 2006 to 2010. Test equipment used is regression testing tool to see the contribution of each independent variable either simultaneously or partially in influencing the dependent variable.

The test results show a partial measure of the company had no significant effect of capital structure, but a significant positive effect of profitability, liquidity and a significant negative effect on capital structure. Together while the company size, profitability and liquidity proved to significantly influence the capital structure of DER. Predictive ability of these three variables to the DER as indicated by the large R square of 0.201 or 20.1%, while the rest of 79.9% influenced by other factors not included in the research model.

Keywords: Capital Structure, Company Size, Profitability, and Liquidity