

ABSTRACT

ANALYSIS THE EFFECT OF ACCOUNTING AND NON-ACCOUNTING FACTORS TO BOND RATINGS

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The purpose of this research is to provide empirical evidence of the effect of profitability, liquidity, time interest earned, managerial ownership, institutional ownership and insurance on bond ratings. The population of this research is all companies ranked by PT. Pefindo and is listed on the Indonesia Stock Exchange 2007-2011 period. This research used purposive sampling method and acquired a sample of 25 companies. Hypothesis testing was done by using ordinal logistic regression analysis.

The result shows that statistically, profitability, institutional ownership, and guarantees have a significant effect on bond ratings. Liquidity, time interest earned and managerial ownership, statistically, has no significant effect on bond ratings.

Keywords: bond ratings, profitability, liquidity, time interest earned, managerial ownership, institutional ownership, and guarantees.