

ABSTRACT

The purpose of this research is to examine the effect of capital structure with debt ratio, consist of debt to asset ratio (DAR), debt to equity ratio (DER), long term debt to equity ratio (LDER) and time interest earned ratio (TIER) as guarantee ratio on financial firm performance companies listed on Indonesia Stock Exchange (IDX) from 2009-2013. Method of sampling which used was purposive sampling. The samples are 14 companies. The method on this research using multiple linear regression analysis. To get the unbiased test results, first the data was tested by classical assumptions test. The result show showed that: DAR has a negative direction but no effect on financial firm performance; DER has a positive direction but no effect on financial firm performance; LDER has a negative effect on financial firm performance and TIER has a positive effect on financial firm performance.

Keywords : *Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER), Long Term Debt to Equity Ratio (LDER), Time Interest Ratio (TIER), financial performance*