## *ABSTRACT*

*The main purpose of company is to increase and maximize the profit of the company's owner. Company's profit is reflected in net profit, while the company owner's profit reflected in earnings for common shareholders or Earning Per Share (EPS). In an effort to achieve that goal, company needs funds to run the business, in this case the company can enforce policies through debt financing with the fixed costs in order to increase earning per share or commonly known as financial leverage policy. In addition, company's size is also considered to affect the value of earning per share because the company with sufficient total assets's relatively stable, more able to process total assets so as to produce a relatively large profit.*

*This study aims to determine the effect of financial levereage and company size to earning per share (EPS) either simultaneously or partially.*

*The research is descriptive verification and causality research. The object that used in this research is manufacturing firm basic industry and chemical sector that listed in Indonesian Stock Exchange period 2013-2015. The sample in this research are 42 companies. This research using panel data regression analysis technique.*

*The result of this research shows that simultaneously, financial leverage and company size have effect to earning per share. Partially, financial leverage have negative effect to earning per share, while company size has no effect to earning per share.*

*The next research may use another independent variable in order to know the other factors that affect earning per share as well as using research period is longer. For investors should be more selective in investing in order to get a rate of return as expected. For company should manage the business better so that investors trust to investing their funds.*


**Keywords:** *financial leverage, company size, earning per share*