ABSTRACT

Profit is one of main objectives of each business entity. Without profit, company can not meet other objectives, that is continuous growth and corporate social responsibility. Now the business development is increasing to meet the needs of society and leads to competitive competition, especially among similar companies.

This study aims to analyze and provide empirical evidence of the influence of capital structure, liquidity and investment opportunity set on profitability. The object of research used is on manufacturing companies listed on the Indonesia Stock Exchange year 2013-2015.

The sample used in this research was the secondary data from annual repot of Manufacturing companies which list on Bursa Efek Indonesia. The sample was taken using the method of purposive sampling, and those meeting the selection criteria were also taken. The sample used was of 50 companies. The statistic method used was analysis of panel data with hypothesis testing of statictic t and F test.

Based on the test results using Eviews 8.0, an independent variables which are Debt to Asset Ratio (DAR), Current Ratio (CR), and Market Value to Book Value of Equity (MVE/BVE) simultaneously has a significant influence to Return on Asset (ROA). While the pastial test results that variable Debt to Asset Ratio (DAR) has a significant influence to Return on Asset (ROA), Current Ratio (CR) has a significant influence to Return on Asset (ROA), and Market Value to Book Value of Equity (MVE/BVE) has a significant influence to Return on Asset (ROA).

Based on the results of the study, it is expected that companies with low average value of profitability make efforts tp increase by increasing debt to asset ratio, current ratio, and market value to book value of equity of the company. Because, these three variables were able to increase the level of profitability of the company.

Keyword: Debt to Asset Ratio (DAR) , Current Ratio (CR) , Market Value to Book Value of Equity (MVE/BVE), Return on Asset (ROA)