

ABSTRACT

Capital Expenditure is a form of government investment in development that is expected to improve the economy. Increased capital expenditure signifies an increase in fixed assets / other assets that are expected to benefit more than one year. With increased capital expenditure, the government should be able to increase local revenue to finance expenditures that are government activities. Such revenues include either the Original Revenue, the Balancing Fund, the Regional Loan, the Other Legal Receipts as well as the remainder of the previous year's financing.

This study aims to determine the effect of General Allocation Funds, Special Allocation Funds and Time More Budget Financing on Capital Expenditures in Cities and Regencies in the Province of West Java Year 2013-2016. The data used in this study using data taken from the official website of the Badan Pusat Statistik (BPS) year 2013-2016.

This research use saturated technique (census) and population that used is City and Regency in West Java Province with study period 2013-2016. Data analysis method in this research is panel data regression analysis by using software EvIEWS version 9.

The results of this study indicate, simultaneously General Allocation Funds, Special Allocation Funds and Time More Budget Financing has a significant influence on Capital Expenditures. While partially, the variable of General Allocation Fund has a positive influence on Capital Expenditure. While the variable of Special Allocation Fund and Remaining Time of Budget Financing has a negative effect on Capital Expenditure.

For the development of research, it is suggested that researchers further add to the study period, research object, and use other variables. while based on research results, it is expected for the central government to assist in budgeting the General Allocation Fund and the Special Allocation Fund to the local government. As for the Local Government is expected to maximize the General Allocation Fund and Time More Budget Financing in order to be realized in the form of Capital Expenditure so that the development of facilities and infrastructure and local government programs are achieved.

Keywords: *General Allocation Funds, Special Allocation Funds, Time More Budget Financing, Capital Expenditures*