

ABSTRACT

Capital structure is an important thing for companies, because capital structure is part of the financial structure of a company which can be described as a comparison between long-term debt and own capital. To calculate the capital structure in this study, Debt to Equity Ratio (DER) will be used. A company whose funding is greater than debt rather than its own capital, the greater the business risk, and the risk of default or meeting the obligations faced by the company

This study aims to determine the effect of Liquidity, Profitability, Sales Growth, and Asset Structure on manufacturing companies manufacturing sectors listed on the Indonesia Stock Exchange in 2014-2017. The data used in this study was obtained from financial report data. Financial reports are taken from the official website of the Indonesia Stock Exchange.

The population in this study are various industrial sector manufacturing companies listed on the Indonesia Stock Exchange in 2014-2017. The sampling technique used was purposive sampling and obtained 21 companies with a research period of 4 years, so that obtained 84 sample data. The method of data analysis in this study is panel data using Eviews9 software.

The results showed that simultaneous liquidity, profitability, sales growth, and asset structure had an effect on the asset structure (DER). Partially profitability has a significant effect on the negative direction of the capital structure. Sales growth and asset structure have a significant effect in a positive direction. Liquidity does not significantly influence the capital structure.

Based on the results of this study, the company is expected to be able to manage its assets well, so that the company continues to prioritize internal financing before using external funds, use debt effectively to develop the company, investment and operational activities, and make external financing while still having fixed assets to be guaranteed

Keyword : Asset Structure, Capital Structure, Liquidity, Profitability, Sales Growth