

ABSTRACT

Firms needs a funding source to fulfill and finance all of the company's operational activities. The funding source can be either debt or capital. The composition of debt and capital is more based on the needs of each company and the company's financial capabilities. Firm needs to consider how much activity can be financed with capital and debt

The purpose of this study is to investigate the effect of Return On Assets and Firms Growth both simultaneously and partially on Debt Policy in the Property and Real Estate sector companies listed on the Indonesia Stock Exchange.

The data used in this study are secondary data obtained from the annual financial statements of Property and Real Estate companies listed on the Stock Exchange for the period 2013-2017. The samples obtained were 200 observations from 40 Property and Real Estate companies. The method used is purposive sampling. The technique used in this analysis is panel data regression and descriptive statistics.

The results of the study explain that simultaneously the return on assets, company growth, and tax ratio affect the debt policy. Return on assets has no effect on debt policy. The growth of the company has a significant positive effect on debt policy.

Keywords: ROA, Firms Growth, Debt Policy