

ABSTRACT

Capital Expenditures are budget expenditures for the acquisition of fixed assets and other assets that benefit more than one accounting period. Capital expenditure includes, among others, capital expenditure for the acquisition of land, buildings and buildings, equipment, and intangible assets. Capital Expenditure Budget Allocation is an allocation of funds in the form of APBD which aims to add fixed assets. Capital expenditure budget itself occurs due to the need for facilities and infrastructure of an area in the aim of improving public facilities and in order to help the smooth implementation of government tasks.

The purpose of this study was to examine the effect of Economic Growth, Original Local Government Revenue, and General Allocation Funds on the Allocation of Capital Expenditures Budget in Regency / City Governments in Central Java Province 2011-2017 Period.

This research method uses quantitative methods. The population used in this study is the Regency / City in Central Java Province in the period 2011-2017. The sampling technique used was purposive sampling with a total sample of 11 regencies / cities in Central Java Province for 7 years. Testing the hypothesis of this study using a panel analysis of regression data and using the Eviews 9 application.

The result of this study showed that there is simultaneously a significant influence between Economic Growth, Original Local Government Revenue, and General Allocation Funds of Capital Expenditure Budget. Partially Economic Growth did not significantly influence Capital Expenditure Budget, while Original Local Government Revenue and General Allocation Funds significantly influence Capital Expenditure Budget.

Based on the results of the study, it is expected that further research will add variables or use other variables that can affect capital expenditure. for regional governments, it is better to be able to optimize the original income of the region so that they can build adequate facilities and infrastructure so as to increase the capital expenditure budget.

Keywords: Economic Growth, Original Local Government Revenue, General Allocation Funds, Capital Expenditure Budget