

ABSTRACT

Business competition in the field of industry, especially food and beverages subsector is very felt because it becomes a subsector is very closely related to the food needs of the people of indonesia. The factor that makes the company have the power to compete is the strength in the capital structure in the financial management of the company. Capital structure describes the financial state of the industry both long-term debt and own capital by the company. The strength of the capital structure comes from internal funds and external funds.

The main purposes of this research is to test the influence of activity (TATO), profitability (ROA), liquidity (CR), and asset structure towards capital structure. 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 and the official website of firms. The population in this study are various industrial sector food and beverages companies listed on the Indonesia Stock Exchange in 2015-2019. The sampling technique used was purposive sampling and obtained 18 companies.

The result showed that simultaneous activity ratio, profitability, liquidity and asset structure effect significantly towards capital structure. Partially activity (TATO) and asset structure does not a significant effect towards capital structure. Profitability (ROA) positive and a significant effect towards capital structure. Liquidity (CR) negative and a significant effect towards capital structure.
Keyword: TATO, ROA, CR, asset structure, capital structure