ABSTRACT

Companies that can balance the owner's capital with the debt from external companies are good companies. A good company is a company that can maintain its existence in the public and investors to invest in the company.

This study aims to determine the effect of asset structure, firm size, and level of liquidity on the capital structure of food and beverage companies listed on the Indonesia Stock Exchange for the 2016-2020 period. The data used in this study were obtained from financial statement data taken from the official website of the Indonesia Stock Exchange.

The population used in this study is the food and beverage sub-sector companies listed on the Indonesia Stock Exchange in the 2016-2020 period. The sampling technique used is purposive sampling. 23 companies were obtained within 5 years research period so 115 sample data were obtained. The data analysis method in this study is panel data regression analysis using E-views 9 software.

The capital structure has a greater average value than the standard deviation, so it means that the capital structure does not vary or is grouped. The asset structure has a greater average value than the standard deviation, so it means that the asset structure does not vary or is grouped. The company size has a greater average value than the standard deviation, so it means that the company size does not vary or is grouped. The liquidity level has a smaller average value than the standard deviation so the liquidity level data can vary or not in groups.

The results of the study showed that asset structure (SA), company size (SIZE), and liquidity level (CR) have a significant effect on capital structure (DER) simultaneously. Partially, the company size and the liquidity level do not affect the capital structure. Meanwhile, the asset structure affects the capital structure.

Keywords: Asset Structure, Company Size, Liquidity Level, and Capital Structure