

ABSTRACT

In 2020, the surge in the number of covid-19 sufferers in the world, caused the government to set a PSBB (Large-Scale Social Restrictions) policy. This policy caused the number of foreign tourists to decrease drastically and had a major impact on the restaurant, hotel and tourism sub-sector companies.

This study aims to examine the effect of profitability ratios (ROA), liquidity (CR), asset structure and firm size on capital structure. The data used in this study were obtained from financial statement data. The financial statements were obtained from the official website of the Indonesia Stock Exchange and the company's official website. The population in this study is the restaurant, hotel and tourism sub-sector companies listed on the Indonesia Stock Exchange in 2016-2020. The sampling technique used in this research is purposive sampling and obtained 15 companies.

The results showed that the ratio of profitability, liquidity, asset structure and firm size simultaneously had a significant effect on capital structure. Partially, profitability (ROA), liquidity (CR) and asset structure have a negative and significant effect on capital structure, while firm size has a positive and significant effect on capital structure.

Keywords: *asset structure, capital structure, current ratio, firm size, return on asset.*