

## **ABSTRACT**

*Capital structure is an important indicator in the presentation of financial statements that can help investors when making investments. This is because the capital structure can describe whether the company's operational activities use more of its own capital or capital from outside.*

*This study aims to determine the effect of asset structure, business risk, liquidity, company growth on the capital structure of basic and chemical industrial sector companies listed on the Indonesia Stock Exchange for the 2017-2020 period.*

*The research method used is a quantitative method. The analysis used in this study is descriptive analysis and panel data regression analysis assisted by E-views 10 software. The sample selection technique used is purposive sampling by obtaining 46 samples of companies with a period of 4 years in order to obtain 184 observational data.*

*The results of hypothesis testing indicate that the asset structure, business risk, liquidity, and company growth simultaneously affect the capital structure. Partially, asset structure has a significant positive effect on capital structure. While business risk, liquidity, company growth partially has no effect on the capital structure.*

*It is recommended for further researchers to retest the independent variables that have no effect on the dependent variable, such as liquidity, company growth, business risk and it is recommended for the capital structure variable to use indicators other than the Debt Equity Ratio (DER) for further research.*

**Keywords:** *Asset Structure, Business Risk, Capital Structure, Company Growth, and Liquidity*