

## ABSTRACT

*The cigarette industry is one of the consumer goods sub-sectors that are most in demand by the Indonesian people. As a result of high interest, the cigarette industry is one of the largest excise contributors that contribute to the state budget, especially in the domestic revenue group (PDN). Cigarette excise dominates with an average contribution of 96 to total excise income.*

*The high interest in cigarette products, as previously explained, makes business competition in this industry even higher. Every company is obliged to always pay attention to funding or financing to ensure the availability of capital. With the availability of good capital, it will create products that have variants with guaranteed quality, and widen market share both between countries, regionally, and multi-nationally, so that companies can maximize profit gains and also support economic development in Indonesia.*

*The main concern in this study is to find out whether there is an influence from the ratio of profitability, liquidity, and activity. Previous research on capital structure has been widely studied but there are still many that are inconsistent with its relation to capital structure.*

**Keyword:** *Capital Structure, Profitability, Liquidity, Activity, Cigarette Industry*