THE ANALYSIS OF FIRM SIZE AND NET PROFIT MARGIN'S EFFECT TO THE CAPITAL STRUCTURE ON THE COMPANIES OF CEMENT INDUSTRIES LISTED IN INDONESIAN STOCK EXCHANGE

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ABSTRACT

The purpose of this research is to examine the effect of firm size and net profit margin on capital structure. Effect of partially and simultaneously influence firm size and net profit margin on capital structure.

The populations in this research are the companies of cement industries in Indonesia 2010-2012. Total sample in this research are three companies of cement industries listed in Indonesian Stock Exchange 2010-2012 that selected with purposive sampling. Independent variables in this research are : firm size and net profit margin. Dependent variable in this research is capital structure. Data analyzed with classic assumption test and hypothetical testing with multiple regression models.

The result of this research indicates that firm size variable had not significant influence to capital structure. Net profit margin variable had negative significant influence to capital structure.

Keywords : firm size, net profit margin, capital structure, multiple regression models.

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