

ANALYSIS OF THE EFFECT OF CAPITAL STRUCTURE ON THE PROFITABILITY OF MANUFACTURING COMPANIES GO PUBLIC IN INDONESIA STOCK EXCHANGE

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ABSTRACT

Company's capital consists of equity and loan capital. Company's capital structure is the comparison of the use of both types of capital. Capital structure is an important issue because it relates directly to the company's financial position. Therefore, it is also important to know the factors that influence capital structure.

These factors include profitability. The Purpose of this study was to determine the effect of capital structure on the profitability of manufacturing companies, which have go public on Indonesia stock exchanges studied with data from 2007 to 2009 period. This study has 13 samples food and beverages company which analysed the influence of independent variable that's Capital Structure (X_1) towards Profitability whis is the dependen variabel (Y). Analysis uses a simple regression method. The Results of data analysis and discussion lead to a conclusion where there is no significant effect on the Capital Structure of Profitability.

Keywords: Profitability (ROI), Capital Structure.

