THE EFFECT OF CAPITAL STRUCTURE, FIRM SIZE, AND THE AGENCY COST TO FIRM PERFORMANCE

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ABSTRACT

This research has purpose to know the influence of capital structure, firm size, and agency cost of firm performance that partially or simultaneously. Sample that used in this research is company of food and beverage that listed at Indonesia Stock Exchange 2009-2011 period. The observation that used is quantitative research that has function to test the hypothesis presented in research also for knowing the result from this observation. The statistic method that used for this research is multiple regression analysis.

The result of this research shows that: there is positive significant effect of capital structure on firm performance; insignificant effect of firm size on firm performance; insignificant effect of agency cost on firm performance. Ratio that used in this research is Debt To Equity Ratio for capital structure; Ln asset total for firm size; and expense ratio for agency cost. While firm performance that used Return On Equity.

Keywords: Capital structure, firm size, agency cost, firm performance, DER, Total Asset, Expense, ROE.