Abstract

Objective The main purpose of this case study based thesis is to analyze the capital structure of the company. Furthermore, this paper investigates the determinants of capital structure of financial services in Indonesia.

Method This thesis used 100 listed companies in Indonesian Stock Exchange. The data is analyzed by using statistical tool, which is used for descriptive statistics, t and f test, Kolmogorov Smirnov, Pearson, Regression analysis.

Result Through the analysis process, it was found leverage is affected by many factors. Some factors are affected the leverage significantly.

Conclusion Determinants of capital structure are affecting the leverage directly. This paper can help many finance managers to make a decision about capital structure. Right decision and maximizing leverage can result an optimal capital structure.

Keywords Leverage, ROA, asset tangibility, earnings volatility, growth opportunities, and firm size.