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## THE EFFECT OF PROFITABILITY, COMPANY SIZE, LIQUIDITY, AND ASSETS STRUCTURE ON CAPITAL STRUCTURE IN LQ45 INDEX MANUFACTURING ISSUERS IN THE INDONESIA STOCK EXCHANGE IN 2014-2019

Krisanta Sumardi Putra<sup>1</sup>, Matrodji H. Mustafa<sup>2</sup>

<sup>1</sup>) Mercu Buana University, Jakarta, Indonesia, krisantasumardip@gmail.com

<sup>2</sup>) Mercu Buana University, Jakarta, Indonesia, mustafamatt@yahoo.com

Corresponding Author: Krisanta Sumardi

**Abstract:** The purpose of this research is to prove the effect of profitability, company size, liquidity, and asset structure on the capital structure of manufacturing issuers in LQ45 in IDX in 2014- 2019. The study analyzed four free variables using secondary data in panel data with eight company cross-sections and a six-year time series. Analysis method used in the form of regression of panel data with random effect method. The results showed that profitability (ROE) has a positive and significant effect on the capital structure (DER), company size (SIZE) positively and significantly affect the capital structure (DER). , liquidity (CR) positively and significantly affect the capital structure (DER), asset structure (AS) positively but insignificantly affect the capital structure (DER) and profitability (ROE), company size (SIZE), liquidity (CR) and asset structure (AS) simultaneously influence the capital structure by 87.1496%, In comparison the remaining 12.8504% was explained by other independent variables that were not studied.

**Keywords:** Capital structure, profitability, company size, liquidity, asset structure

### INTRODUCTION

As a financial manager, financial decisions are the main thing in making funding decisions. These problems will encourage managers to increase productivity in order to maximize company profits. However, this can be realized with a large investment from the company, so more funds are needed to increase the productivity and profits of the company.

Profitability is a factor that affects the capital structure. A organisation has the capacity to generate income from a number things to do via many commercial enterprise insurance policies and selections inside a duration of time.

The measurement of the enterprise is the measurement of the company, which can be taken out of the complete belongings at the give up of the year. The large the company, the greater cash it needs, so the dimension of the business enterprise influences the capital structure.

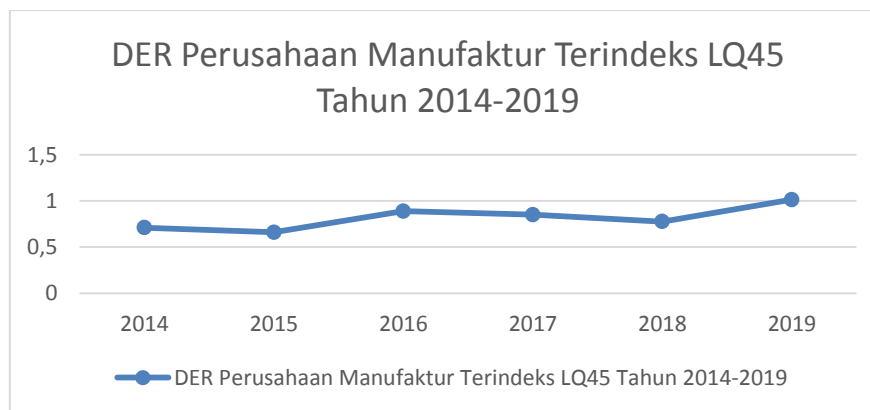
Liquidity is ability of a company to repay short-term debts with current assets that must be repaid immediately. The current solvency ratio and the breakdown of fixed assets and total assets.

The capital structure corresponds to the assets held by the company at a certain time or for a certain period of time (Kasmir, 2017).

This survey is aimed at producers listed on the LQ45 index of the Indonesian stock exchange. There are eight manufacturing companies on the LQ45 Index, a row of 45 stocks with the most transactions on the Indonesia Stock Exchange. Researchers choose a manufacturing company because this company requires significant funds from investors for its business continuity, so information about good performance is needed so that investors are interested in the company.

The LQ45 index is an indicator of the stock index on the Indonesia Stock Exchange (IDX) which is 45 (forty five) issuers selected based on 61 criteria of liquidity and market capitalization and issuing shares included in the bluechip stock category.

In this study, the ratio used is the ratio of the capital structure using the leverage ratio and the rate of return used is the return on equity, the size of the firm relative to the natural logarithm of the firm. Asset structure through Total Annual Assets (LN TA), current solvency ratios and breakdown between fixed assets and total assets. Therefore, researchers hope to study the impact of profitability, company size, liquidity, and capital structure.



**Picture 1. Graph of Average DER of LQ45 Indexed Manufacturing Companies for 2014-2019**

Based on Picture 1, DER has increased in 2016 and 2019, while decreased in 2015, 2017 and 2018. The common variables in this find out about can be considered in the desk below:

**Table 1 Average of Independent and Dependent Variables**

MEAN						
Variable	Mean					
	2014	2015	2016	2017	2018	2019
ROE (X1) %	31.78	30.30	31.34	29.33	27.31	30.01
SIZE (X2)	17.47	17.54	17.59	17.67	17.73	17.84
CR (X3) %	227.43	225.21	220.33	218.86	208.97	191.87
SA (X4)	0.350	0.373	0.388	0.392	0.385	0.418
DER (Y)	0.709	0.659	0.888	0.850	0.775	1.013

Source: Data processed by the author

According to Dermawan Sjahrial (2013), large, well-established companies will find it easier to According to Dermawan Sjahrial (2013), large companies are more confident in seeking capital, so it is easier to raise capital in capital markets than SMEs, and it is easier to trust sources of finance external. The measurement of the corporation has a high-quality have an effect on on the capital structure. However, in accordance to a survey carried out via Indrajaya, Herlina, and Rini Setiadi (2011), employer measurement has an impact on capital shape and, in accordance to Table 1, the size increases but the DER decreases. These relationships occur from 2014 to 2015 and 2017 to 2018.

Liquid companies have large amounts of internal funds, and they use these funds more often than debt (Dwilestari, 2010). Therefore, liquidity has a bad affect on the capital structure. However, in a find out about with the aid of Ditya Yudi Primantara and Made Rusmala Dewi (2016), liquidity has a big advantageous affect on capital structure. Although liquidity seems to be declining according to Table 1, DER has been There was also a decline from 2016 to 2017, and from 2017 to 2018.

Based on the trade-off theory, asset shape has a superb influence on capital structure. The more activities a company has, the more guarantees it has to raise external funds in the form of debt (Sansoethan and Suryono, 2016). The higher the capital structure, the larger the capital structure of the enterprise due to debt. However, although the capital structure increased, DER decreased from 2014 to 2015 and 2015 to 2016.

Based on the description above, this research takes the title **"THE EFFECT OF PROFITABILITY, COMPANY SIZE, LIQUIDITY AND ASSETS STRUCTURE ON CAPITAL STRUCTURE IN LQ45 INDEX MANUFACTURING ISSUERS IN THE INDONESIA STOCK EXCHANGE IN 2014-2019"**

## LITERATURE REVIEW

### Capital Structure

Capital shape is the ordinary value that displays the stability of long-term debt and capital, and is the supply of financial institution capital, in particular:

- a. The source of the bank's capital itself includes shareholders' deposits in the bank's reserve fund and retained earnings.
- b. Funding comes from a larger community of check, savings and term deposits.
- c. Funding comes from liquid credits from Bank Indonesia, interbank loans from foreign banks and other institutions made up of money market securities. (Ulum dan Matrodji, 2019)

### **Profitability**

According to Widana and Yasa (2013) by means of Agustin Eka (2020), profitability is the capacity of a employer to generate profits. When a organization has a excessive stage of profit., it means management has the ability to run the business to make a profit. Companies that perform well in generating net income and equity are reflected in the higher level of corporate profits. According to order theory, when retained earnings are high, companies prefer to use retained earnings before using debt. On this basis, the higher the profitability, the weaker the capital structure of the debt portion.

### **Company Size**

According to Brigham and Houston (2011), firm size is a description of firm size. Companies find it difficult to finance their investments in the capital markets because of the imbalance in the amount of information. Investors can get more information from small than from large companies. The share of debt in the capital structure becomes even more important by raising capital in the capital markets.

### **Liquidity**

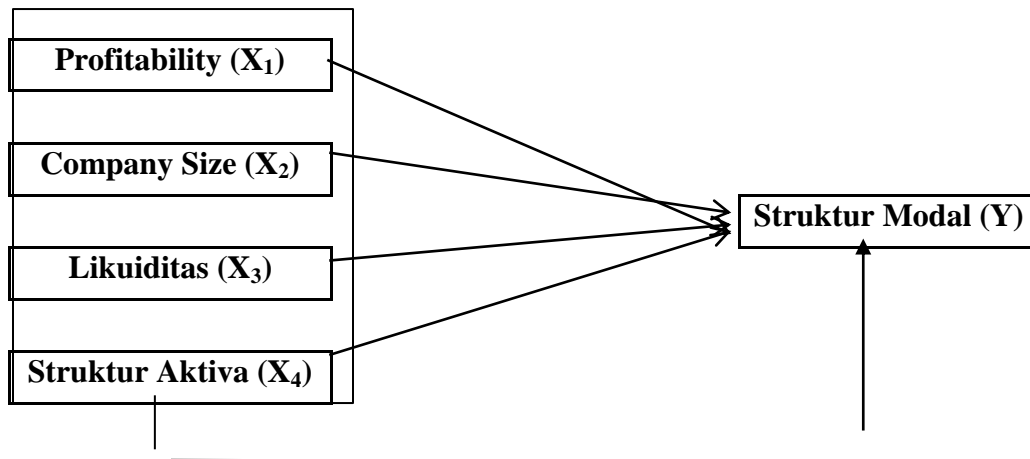
According to Van Horne and Machowicz (2012) de Dava, Sudjono and Ahmad Badawi (2021), liquidity is a ratio used to measure a company's capacity to meet its obligations. This ratio can be used to compare debt defaults with energy shortfalls at source (current assets) and meet shortfall obligations. According to Muhajir and Triyono (2010), the more liquid a company is, the better it is able to meet its short-term liabilities and reduce its total debt. Quick reports ensure investors invest in the business and affect the capital structure of the business. Therefore, the conclusion can be drawn that there is a sizeable terrible relationship between liquidity variables and capital structure. Higher the liquidity, the smaller the debt-equity structure.

### **Asset Structure**

According to Riyanto (2011), most industrial enterprises, where most of their capital is attached to fixed assets, support the realization of capital in perpetuity, or capital from capital, but debt is complementary. Therefore, if there is a guarantee, the investor will always lend. This is because companies with a lot of tangible assets will be able to do so. Companies with large significant assets can fulfill some of their obligations using these assets, as they will not

be lost if the company goes bankrupt. Therefore, it can be stated that asset shape has a fine have an effect on on capital structure.

Framework



Picture 2 Framework

## RESEARCH METHODS

The data type used in this study is panel data. Panel data is a combination of time series data and cross-sectional data. Time series data consists of objects or individuals placed on the timeline of daily, monthly, quarterly, or yearly data. The section data is composed of one or more objects with different types of data. The combination of the two types of data can be seen from the dependent variable. The dependent variable is composed of several regions (cross-sections), but in different time periods (time series) (Widarjono, 2013).

Technical sampling is sampling saturated. According to Sugiyono (2018), saturation sampling is a sampling technique when all members of a population are used as a sample. The ranking of the eight companies is as follows:

1. Companies listed on the LQ45 index of the Indonesian stock exchange in 2014-2019.
2. Companies belonging to the type of manufacturing sector.
3. Manufacturing companies listed in the LQ45 index for six consecutive years, namely 2014-2019.

Based on the classification, 8 companies responded to the classification. Therefore, the population for this survey is eight, so the sample for this survey is eight. An example list can be found in the following table:

Table 2. Sample List

Nomor	Kode	Perusahaan Manufaktur
1	ASII	Astra International Tbk

2	GGRM	Gudang Garam Tbk
3	INTP	Indocement Tunggul Prakasa Tbk
4	ICBP	Indofood CBP Sukses Makmur Tbk
5	INDF	Indofood Sukses Makmur Tbk
6	KLBF	Kalbe Farma Tbk
7	SMGR	Semen Indonesia (Persero) Tbk
8	UNVR	Unilever Indonesia Tbk

Source: [www.idx.co.id](http://www.idx.co.id)

Secondary data used in this study are balance sheets from Indonesia ([www.ticmi.co.id](http://www.ticmi.co.id)), ([www.idx.co.id](http://www.idx.co.id)) and Hots Mirae Asse Sekuritas and related sources.

The capital structure is measured by the debt ratio (DER). The DER is calculated by comparing the amount of debt with the company's capital (Kasmir, 2017)

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$$

The rate of return used in this study is measured by return on equity (ROE). ROE is the equity ratio to measure after-tax net profit (Kasmir, 2017)

$$ROE = \frac{\text{Net Profit After Tax}}{\text{Total Equity}}$$

Size is a symbol of the stature of the company. This proxy can be determined from the natural logarithm (LnTA) of total assets per year (Mita Tegar Pribadi, 2018).

$$Size = Ln \text{ Total Asset}$$

According to Kasmir (2018), the current ratio is a ratio that measures a company's ability to pay short-term debt or debt that must be repaid immediately after being fully invoiced.

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Debt}} \times 100\%$$

Equity structure includes assets, plant and equipment, and total assets held by the company, and liabilities that can be purchased with property, plant, and equipment as collateral. The construction of capital structure is as follows (Kasmir, 2017):

$$\text{Struktur Aktiva} = \frac{\text{Total Asset}}{\text{Total Fixed Asset}} \times 100\%$$

Then use a panel data regression analysis model with the EViews version 9 program to analyze the resulting data and influence the impact of profitability, company size, business, liquidity, structure, and capital structure on the structure of capital. Judged. However, before performing a regression analysis of the panel data, it is first analyzed using descriptive statistics, panel data testing methods, classical hypothesis testing, and testing hypotheses.

## FINDINGS AND DISCUSSION

**Table 3. Descriptive Statistic**

	ROE	SIZE	CR	SA	DER
Mean	30.01000	17.64104	215.4442	0.389583	0.815417
Maximum	139.9000	19.68000	493.3700	0.710000	3.000000

Minimum	4.900000	16.34000	60.56000	0.160000	-0.080000
Std. Dev.	38.33659	0.916014	124.8557	0.156341	0.723770
Observations	48	48	48	48	48

Source: Eviews 9 (2021) data processing

Based on Table 3, it is known that there are 5 (five) research variables, namely profitability (ROE), firm size (SIZE), liquidity (CR), asset structure (SA) and capital structure (DER) with a total sample of 48 samples. Profitability (ROE) consists of: the lowest value (minimum) = 4.900000, the highest (maximum) = 139.9000, the mean value = 30.01000 and standard deviation = 38.33659. By looking at the standard deviation whose value is greater than the average value, the data used in the profitability variable (ROE) has a large distribution. The firm size variable (SIZE) consists of: the lowest value (minimum) = 16.34000, the highest (maximum) = 19.68000, the mean value = 17.64104 and the standard deviation = 0.916014. By looking at the standard deviation whose value is smaller than the average value, the data used in the firm size variable (SIZE) has a small distribution.

Liquidity (CR) consists of: the lowest value (minimum) = 60.56000, the highest (maximum) = 493.3700, the mean value = 215.4442 and standard deviation = 124.8557. By looking at the standard deviation whose value is greater than the average value, the data used in the liquidity variable (CR) has a large distribution. The asset structure variable (SA) consists of: the lowest value (minimum) = 0.160000, the highest (maximum) = 0.710000, the mean value = 0.389583 and the standard deviation = 0.156341, then by looking at the standard deviation whose value is smaller than the average value, then the data used in the variable structure of assets (SA) has a small distribution.

For the capital structure variable (DER) (Y) in this study based on the results of descriptive statistics, it has the lowest (minimum) = -0.080000, the highest (maximum) = 3000000, the mean value = 0.815417 and standard deviation = 0.723770, then by looking at the standard deviation the value is smaller than the average value. The data used in the capital structure variable (DER) has a small distribution.

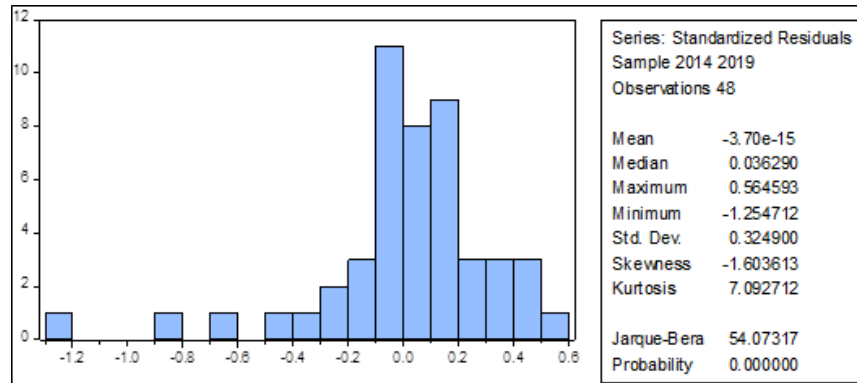
Based on a pair test of three regression models of panel data, we can conclude that the regression model of random effects panel data is the most used in this study:

**Table 4. Panel Test Check Data Regression Model Conclusions**

No	Metode	Pengujian	Hasil
1	<i>Chow Test</i>	<i>Common Effect Vs Fixed Effect</i>	<i>Fixed Effect</i>
2	Hausman Test	<i>Fixed Effect Vs Random Effect</i>	<i>Random Effect</i>
3	Lagrange Multiplier	<i>Common Effect Vs Random Effect</i>	<i>Random Effect</i>

Source: Processed data (2021)

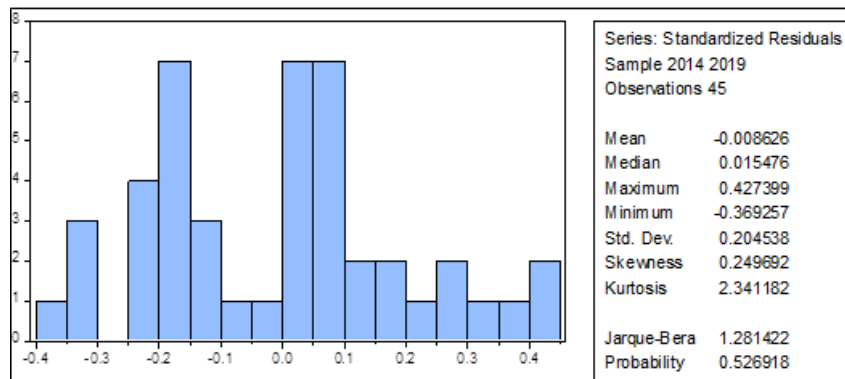
The results of a regular test using the JB test are as follows:



Source: statistical processing results

Picture 3. Jarque-Bera Normality Test Results (JB Test)

The JB Test normality test result produce a probability value or p-value of 0.000000 < 0.05, Therefore, H<sub>0</sub> is discarded or the remainder is not normally distributed. Unhealthy data and outliers need to be cleaned. Below are the results of the JB test for normality after removing outliers..



Source: statistical processing results

Picture 4. Jarque-Bera Normality Test Results (JB Test) Oulier Data

The effects of the JB Test normality check after cleansing outlier statistics produce a chance cost or p-value of 0.526918 > 0.05, Then H<sub>0</sub> is established or the residuals are usually distributed. At the 95% self belief level, we can conclude that the error phrases or residuals are usually distributed.

Table 5. Multicollinearity Test Results

	ROE	SIZE	CR	SA
ROE	1	-0.404885	-0.440915	0.276827
SIZE	-0.404885	1	-0.072388	-0.357458
CR	-0.440915	-0.072388	1	-0.264969
SA	0.276827	-0.357458	-0.264969	1

Source: statistical processing results



Table 5 suggests the outcomes of the multicollinearity test. According to the display display, the correlation coefficient of every impartial variable is much less than 0.8, so there is no multicollinearity problem.



Source: statistical processing results  
**Picture 5. Heteroscedasticity Test Results**

The effects of the heterogeneity take a look at exhibit that the residuals do no longer shape a unique pattern, that is, the residuals have a tendency to be regular and it can be concluded that the heterogeneity take a look at is satisfy.

**Table 6. Autocorrelation Test Results (Durbin Watson)**

Ada korelasi positif	Tidak dapat diputuskan	Tidak ada korelasi	Tidak dapat diputuskan	Ada korelasi negatif
0	$d_L$	$d_U$	$2 - 4 - d_U$	$4 - d_L$
1,3	1,7	2,3	2,7	4

The range of unbiased (independent) variables is four ( $K-4$ ), so the  $d_L$  (outer limit) fee is 1.3 and the  $d_U$  (inner limit) cost is 1.7. potential four –  $d_L$  ( $4-1.3=2.7$ ) and four –  $d_U$  ( $4-1.7=2,3$ ). Because the DW cost is between  $d_L$  and  $d_U$  or  $1.3 < 1.456645 < 1.7$ , it can conclude that the records of the regression mannequin is indecisive. it can conclude that the statistics of the regression mannequin is indecisive. Based on the DW take a look at matrix, it can conclude that the regression equation has no autocorrelation trouble.

**Table 7. Results Of Regression Model Estimation Of Panel Data**

Dependent Variable: Struktur Modal (DER)  
 Method: Panel EGLS (Cross-section random effects)  
 Date: 02/02/21 Time: 16:02  
 Sample: 2014 2019  
 Periods included: 6  
 Cross-sections included: 8  
 Total panel (unbalanced) observations: 45  
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8.334392	0.887138	-9.394698	0.0000
ROE	0.020886	0.001257	16.61861	0.0000
SIZE	0.473293	0.047493	9.965599	0.0000
CR	0.000912	0.000325	2.805830	0.0077
SA	0.132128	0.272037	0.485700	0.6298

Effects Specification		S.D.	Rho
Cross-section random		0.157586	0.4395
Idiosyncratic random		0.177959	0.5605

Weighted Statistics			
R-squared	0.883178	Mean dependent var	0.370921
Adjusted R-squared	0.871496	S.D. dependent var	0.508910
S.E. of regression	0.176392	Sum squared resid	1.244570
F-statistic	75.60019	Durbin-Watson stat	1.456645
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.919496	Mean dependent var	0.829778
Sum squared resid	1.844129	Durbin-Watson stat	0.983064

Source: statistical processing results

The panel data linear regression equation model in this study obtained the following equation:

$$DER_{it} = -8.334392 + 0.020886 (ROE)_{it} + 0.473293 (SIZE)_{it} + 0.000912 (CR)_{it} + 0.132128 (SA)_{it}$$

Based on the regression equation, it can be explained that if the profitability (ROE) increases by 1 rupiah, assuming other variables remain unchanged, the capital structure (DER) will increase by 0.020886 times. If the company size (SIZE) increases by 1 rupiah, assuming other variables remain the same, the capital structure (DER) will increase by 0.473293 times. If the liquidity (CR) increases by 1 level with other variables fixed, the capital structure (DER) will increase by 0.000912 times. If the asset structure (SA) increases by 1 level with other variables fixed, the capital structure (DER) ) Will increase by 0.132128 times. A sort of.

**Table 8. Coefficient of Determination (R<sup>2</sup>)**

<i>R-Squared</i>	0.883178
<i>Adjusted R-Squared</i>	0.871496

Source: statistical processing results

Based on the results of calculations as in table 8 above, it can be seen that the influence of the independent variable on the dependent variable Capital Structure (DER) of manufacturing issuers indexed LQ45 can be seen from the Adjusted R-Squared value of 0.871496 or 87.1496%. This indicates 87,1496% of the Capital Structure (DER) which can be explained by variations of all independent variables, namely Profitability (ROE), Company Size (SIZE), Liquidity (CR) and Asset Structure (SA). While the remaining 100% - 87,1496% = 12,8504% is explained by other independent variables that are not examined.

**Table 9. F Test Results (Simultaneous)**

F-Statistic	75.60019
Prob(F-Statistic)	0.000000

Source: Results of Processed Data Eviews 9

Based on Table 9, it can be seen that the F-Statistic = 75.60019 < 2.580 (F Table) and has a probability value of F-Statistic of 0.000000 < 0.05. So that the model used is feasible to explain the effect of the independent variable on the dependent variable.

**Table 10. T . Test Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8.334392	0.887138	-9.394698	0.0000
ROE	0.020886	0.001257	16.61861	0.0000
SIZE	0.473293	0.047493	9.965599	0.0000
CR	0.000912	0.000325	2.805830	0.0077
SA	0.132128	0.272037	0.485700	0.6298

Source: Results of Processed Data Eviews 9

Based on the t test at = 5% in table 10, which is as follows:

- Based on the statistical results, we can conclude that H1 is excluded due to the fact the profitability (ROE) has a massive high quality have an impact on on the capital shape (DER). Therefore, we can conclude that profitability has a advantageous and extensive affect on the capital structure of producers and issuers of the LQ45 index. The outcomes of this learn about are primarily based on the concept that profitability is a measure of a company's potential to use its sources (such as assets, capital, and organisation sales) to create profits.

- b. According to the statistical results, we can conclude that the measurement of the organisation (SIZE) has a giant effective impact on the capital shape (DER), so we receive H2. Therefore, we can conclude that the enterprise measurement (SIZE) has a fine and great have an impact on on the company capital shape of the provider of the LQ45 index. The results of this study are based on the theory that large companies grow fast, have the courage to issue new shares, and tend to spend more debt capital.
- c. Based on statistics, liquidity issuance (CR) has a great fantastic have an effect on on capital shape (DER), so H3 is excluded. Therefore, Liquidity Lockout (CR) can have a high-quality and good sized have an impact on on the capital shape of the issuer's organisation that creates the LQ45 index. The effects of this find out about are steady with the concept that the higher the liquidity, the large the capital structure, and the decrease the liquidity, the smaller the capital structure. The greater the capacity of a agency to pay temporary debt, the increased the capability of the corporation to extend the variety of creditors, making it less complicated for the organisation to count on long-term debt (Florenxia, 2011) and (Seftiane, 2011). Based on the outcomes of preceding studies, the speculation proposed in Chapter two stays to be demonstrated.
- d. Based on the statistical results, it can conclude that is excluded due to the fact the asset shape (SA) has a high-quality impact on the capital shape (DER), however it is no longer significant. Therefore, we can conclude that the capital shape (SA) has a superb impact on the manufacturing capital shape LQ45, however no longer significantly. The effects of this find out about are comparable to the Florenxia learn about (2011), and the large the fairness structure, the large the capital structure, which potential that the agency has extra fixed belongings that can be used as collateral for the debt. On the contrary, the weaker the capital shape of the firm, the much less it is in a position to warranty the money owed of the firm. Based on the outcomes of the preceding lookup descriptions, the speculation proposed in Chapter two is proved.

## CONCLUSION AND RECOMMENDATION

### Conclusion

Based on the consequences of information analysis, the following conclusions are drawn:

1. Return on fairness (ROE) has a huge wonderful have an effect on on capital shape (DER). The consequences of this find out about are regular with the idea that profitability ratios are a measure of a company's capability to generate earnings the use of its personal resources, such as assets, capital, and capital, income of the organization (Sudana, 2011).
2. A company's dimension (SIZE) has a giant tremendous impact on its capital shape (DER). The findings of this find out about consistent with the theory that companies tend to boldly issue new shares and spend large amounts of borrowed money because the larger the company, the greater the growth rate (Seftianne, 2011).
3. Liquidity (CR) has a huge advantageous influence on the capital shape (DER). The consequences of this learn about consistent with the theory that the more a company is able

to repay its debt in the short term, the more liquid the company is, thus increasing creditors' confidence and making it easier for the company to repay short-term. term debt, increase. Easy acquisition of long-term debt (Florenca, 2011) and (Seftiane, 2011).

4. The capital shape (SA) has a fantastic effect on the capital shape (DER), however this is no longer important. The outcomes of this find out about similar to the Florenca study (2011) and the larger the asset structure, the greater the capital structure, which means that the company has more fixed assets that can be used as mortgage assets.
5. Profitability (ROE), company size (SIZE), liquidity (CR) and capital structure (SA) simultaneously affect the capital structure 87,1496%, while the remaining 12,8504% which is defined by way of different impartial variables, it has now not been studied.

### **Recommendation**

The recommendations that can be drawn from this conclusion are as follows:

1. Firms making the decision to determine their capital structure using debt or equity should consider the following factors. affect capital structure, such as profitability. Company size, liquidity and capital structure of the company.
2. Based on the results of this survey, as a writer, I can suggest a few things for the company from a financial management perspective:
  - a. Profitability: The results of this survey show that the higher the profitability, the greater the capital structure tends to be and business leaders look for the cheapest cost of capital and source of capital and the profitability of the company is high. Businesses prefer debt if the interest on the debt is low or can be considered cheaper. This can be a consideration for companies and financial managers if they continue to spend their debt over the long term as they become more profitable.
  - b. Company size: The results of this survey are consistent with the theory that larger companies tend to issue new shares and spend their loans because they grow faster. More important. The size of the firm can also affect the capital structure. The bigger the company, the more likely it is to get into more debt. This can be achieved by increasing the retained earnings component of a company by reducing the dividend yield to shareholders and by expanding the size of the company.
  - c. Liquidity: The greater the company's ability to pay its debts in the short term, the greater its solvency, which will increase creditors' confidence and make it easier for the company to collect payments to obtain long-term debt. In this case, if the company or investment manager wants to increase the debt level over the long term, it may be easier to collect the debt by giving up the company debt in the short term. Long-term liabilities.
  - d. Asset structure: Most industrial companies, where most of their capital is put into fixed assets, prefer to use perpetual capital, i.e. equity, while debt is the supplement. This is a tip for businesses and financial managers when making capital or capital decisions.
3. There are many factors that influence which make research results more accurate, so researchers add more research time to increase the level of accuracy and certainty and

increase the number of independent variables desired, because there are many factors that affect the capital structure.

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