ABSTRACT


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The capital structure is very important for the company because it involves the use of policies most favorable financial resources. In determining the source of the funds which will be selected, companies must consider carefully and well in order to obtain a combination of optimal capital structure. Thus this study aims to determine the importance of the influence of factors affecting capital structure.

This research uses descriptive quantitative approach, the object of this study is SMEs registered in the Sentra Embroidery Bangil using purposive sampling method as much as 8 SMI embroidery. Model analysis used is multiple linear regression method.

The results based on of multiple regression analysis partial variable affecting the capital structure is liquidity, asset structure, asset growth, company size and sales growth, while profitability variable has no effect on the capital structure. This shows that companies tend to look at the decline in the level of net profit to sales is one of the requirements increased the amount of debt that is reflected in their capital structure, meaning that the higher the profit of the company, the less debt used.