ABSTRACT

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Capital structure is permanent expenditure that represents a trade-off between long-term and equity both derived from internal sources and external sources. The ownership structure is a type of institution or company that holds the largest stake in a company. Profitability is the ability of a company to generate profits or gains during the period, compared with capital and assets expressed as a percentage, which is the net result of various policies and decisions implemented by the company management. Return on assets (ROA) is a profitability ratio that measures a company's ability to generate earnings from assets that were used. The purpose of this study was to determine the effect simultaneously and partial of capital structure (DR, DER, and LDER) and ownership of profitability (ROA).

This study used multiple regression analysis and classical assumption. The population in this study was a company listed on the Indonesia Stock Exchange that included in LQ 45. Sampling was conducted using purposive sampling with specified criteria.

Based on the analysis conducted in this study it can be concluded that: Simultaneously, capital structure and ownership have a significant effect on profitability (ROA). Partially only variable of Debt Ratio, Debt to Equity Ratio, and Institutional ownership were significant effect on profitability (ROA). While no significant effect on profitability (ROA) was variable of Long Term Debt Equity Ratio, and variable of Managerial Ownership.