

Factors Affecting Capital Structure and Value Consumer Goods Company Listed in Indonesia Stock Exchange

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Abstract: This study aimed to analyze and understand the effect of firm size, tangibility of assets, liquidity, profitability, growth companies, the average value of the industry, risk, tax, financial limits and the influence of factors related to macroeconomic against the company's capital structure and to analyze and understand the influence the company's capital structure on firm value. This study uses secondary data, ie data collected from *Indonesian Capital Market Directory 2013 (ICMD 2013)* which includes data from 2007 to 2011 for the fundamental data of the company. The population of companies used in this study include *consumer goods* companies that have *gone public* and there BEI seen in this study met the criteria, namely: (a) shares of listed issuers and listed on the Stock Exchange during the period 2007 to 2011 and (b) Issuing financial statements during the period 2007 to 2011. Data were analyzed using *Classical Linear Regression Model (CLRM)*, or often also called the *Ordinary Least Square (OLS)*. Results of the analysis showed that : Variables company size, tangibility of assets, liquidity and value of the industry average positive and significant impact on the capital structure of the company. Variable profitability and the risk of a significant negative effect on the company's capital structure, variable growth of the company and the tax does not affect the company's capital structure. Variables company's capital structure and significant positive effect on the use values p ompany. Indicators payment of dividends, losses and rank the value of investments in financial constraints variable positive and significant impact on the capital structure of the company. Indicator gross domestic product and the discount on variable factors related to macroeconomic positive and significant impact on the capital structure of the company, while the inflation indicator is negative and significant effect on the company's capital structure.

Keywords: *Capital Structure, Corporate Values, Consumer Goods, Indonesia Stock Exchange*

I. INTRODUCTION

In the realm of corporate finance, capital structure refers to the way a company finances its investments through a combination of equity, debt or *hybrid securities* (Ross et al, 2007) [1]. The capital structure of a company can therefore be viewed as a composition or structure liability companies within long.

Hatfield et al (1994) [2] further argued that the company's financial problems is whether indeed there is an optimal capital structure for the company. In this regard, it is actually the company in the long run can choose any shape desired capital structure, wherein the selection is based on the attitude of the company's management and investors as well as the conditions applicable to long term funding in the market.

Although various theories of capital structure since the introduction of *irrelevance theory* by Modigliani & Miller in 1958 has a lot to provide thoughts and views the fundamental research capital structure, the problem of main theories is that all of them can still be seen have not been able to integrate various aspects differs from capital structure into a single universal theory. Until today, especially, most of these theories only tested on a number of factors in a situation of debt and frictions or limited market circumstances. Therefore, we can define the first issue in the debate over capital structure as follows : *Academics have developed theories of capital structure which seeks to explain certain financial decisions of the company. However, most of these studies only analyze frictions are limited and only consider the important aspects especially of capital structure separately.*

The second problem that can author identification in the academic literature to date is associated with the analysis of the sample and the specific facts used in research regarding the company's capital structure decisions. In essence, it is a large number of empirical studies have analyzed with deep Which factors have an influence on corporate financing mix. Furthermore, basically the majority of empirical research, it makes the study results of Haris and Raviv (1991) [3] as a determinant of their debt and prove that the overall growth and profitability is inversely related to debt financing. Instead, factors such as the size of the company's debt, *tangibility*, *industry median debt ratios* and *expected inflation* has a positive impact on *leverage* as in the review by Frank and Goyal (2009) [4].

However, the problem of studies empirical previously, there are two. *That is the first, all of these studies analyzed a series of variables limited perceived impact on the capital structure decisions of the company. Secondly, the main problem of the whole discussion regarding capital structure previously mentioned is the fact that is uncontested that there is no specific relationship between the sample itself to the existence of theories of capital structure developed earlier.* In short, not yet available academic works that can provide in-depth study on various factors debts in order to understand the issues concerning the theory of capital structure which one can better explain the pattern of financing per industry in the real world and this is where the *novelty* or newness of this study later.

Descriptive data relevant to factors that debt becomes the determinant of the company's capital structure following the various industry sectors shows the presence of gap practical factors such debt, especially in terms of asset structure (2007-2008), profitability (2007-2008, 2008- 2009), the size of the company (2007-2008) on the capital structure as measured through DER.

Table 1. Factors Affecting Debt Its Capital Structure Consumer Goods Company on the Stock Exchange (2007-2009)

Factors Debt	2007	2008	2009
Sales Growth	0.43	0.03	0.18
Asset structure (measured by assets)	0.50	0.46	0.53
Profitability	5.63	5.86	5.55
Company Size	13.73	13.81	13.92
Capital Structure	2007	2008	2009
Debt-Equity Ratio (DER)	4.06	1.88	1.99

Source: Indonesia Stock Exchange (<http://www.jsx.co.id>, 2013)

Related to the above, the authors are interested in analyzing the capital structure issues in the context of *consumer goods* companies. Rationality authors chose this research object because *the consumer goods* company is one of the industries in Indonesia are currently still able to grow from year to year. *Consumer goods* companies that *go public* in Indonesia is growing rapidly, the company sold 30% of their total shares outstanding (held by the public) and a 70% stake still held by the founders (Hanafi, 2005) [5].

Furthermore, the main issue of the discussion about the capital structure until now is because no one has tried to combine the ideas and findings differ in the 55 years since the phenomenal results of Modigliani and Miller in 1958 into one study. In order to fill the gap, the authors are keen to identify theories of capital structure that plays a role in explaining the factors that influence the decision of debt capital structure and leverage a company that includes the type of *consumer goods* in Makassar Industrial Area.

If connected with the analysis of Modigliani and Miller who has given birth to two groups of flow of extensive research in the field of corporate finance, namely: (1) related to the effect of *leverage* on the company's risk and cost of capital in the short term, and (2) related to the company's capital structure optimal (which is a mix of debt and equity) in the long term, it can be said that this research is expected to contribute to the second stream of research that are more strategic.

II. RESEARCH METHODS

This research study shaped survei that is explanatory. This study uses data *pooling*. Data were collected by survey data used in this research is secondary data, ie data collected from *Indonesian Capital Market Directory 2013 (ICMD 2013)* which includes data from 2007 to 2011 for the fundamental data of the company. In certain cases, where the desired data is not found in 2013. The population ICMD company used in this study include *consumer goods* companies that have *gone public* and contained in the Stock Exchange are: (1) PT Indofood Sukses Makmur, Tbk ; (2) PT Fastfood Indonesia Tbk; (3) PT Unilever Indonesia Tbk., (4) PT Ultra Jaya Milk Industry Tbk; (5) PT Sekar Laut, Tbk; (6) PT Gudang Garam Tbk ; (7) PT HM Sampoerna Tbk; and (8) of PT Kimia Farma Tbk, which is viewed meet the criteria of this research are: (a) shares of *listed* issuers and listed on the Stock Exchange during the period 2007 to 2011 and included in sector and manufacturing in the observation period 2007 to 2011; and (b) Issuing financial statements during the period 2007 to 2011 and published in the ICMD. To test this hypothesis series, we use the *Classical Linear Regression Model (CLRM)*, or often also called the *Ordinary Least Square (OLS)*.

III. RESULTS

Direct Impact Company size (X_1) of the Capital Structure (Y_1)

The effect of variable coefficients company size (X_1) the capital structure (Y_1) at 0, 018 with t value of 112.897 with a standard error (SE) worth 0.000 at a significance level of 0.000. Coefficient It shows that the variable company size (X_1) positive effect on capital structure (Y_1). It means Increased the size of the company that p (X_1), will be followed by an increase in capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. Statistical value t effect of firm size (X_1) the capital structure (Y_1) amounted to 112.897 with a significance of 0.000 or below 0.05. This means that the size of the company (X_1) positive and significant impact on the capital structure (Y_1).

Influence Direct Tangibility Company Assets (X_2) of the Capital Structure (Y_1)

Coefficient effect of variable tangibility of assets of the company (X_2) the capital structure (Y_1) at 0.025 with t value of 5.297 with a standard error (SE) worth 0.005 at a significance level of 0.000. Coefficient It shows that the variable tangibility

of assets of the company (X_2) positive effect on capital structure (Y_1). It means Strengthening p tangibility that the company's assets (X_2), will be followed by an increase in capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. Statistical value t influence the company's assets tangibility (X_2) the capital structure (Y_1) amounted to 5.297 with a significance of 0.000 or below 0.05. This means the tangibility of assets of the company (X_2) positive and significant impact on the capital structure (Y_1).

Influence Liquidity Direct Company (X_3) of the Capital Structure (Y_1)

Coefficient effect of variable the company's liquidity (X_3) the capital structure (Y_1) at 0.710 with t value of 25.371 with a standard error (SE) worth 0.028 at a significance level of 0.000. Coefficient It shows that the variable the company's liquidity (X_3) positive effect on capital structure (Y_1). It means Increased liquidity of the company that p (X_3), will be followed by an increase in capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. Statistical value t influence the company's liquidity (X_3) the capital structure (Y_1) amounted to 25.371 with a significance of 0.000 or below 0.05. This means that the company's liquidity (X_3) positive and significant impact on the capital structure (Y_1).

Influence Direct profitability of the Company (X_4) of the Capital Structure (Y_1)

The effect of variable coefficients the profitability of the company (X_4) on the capital structure (Y_1) at 0.016 with t value of 20.166 with a standard error (SE) worth 0.001 at a significance level of 0.000. Coefficient It shows that the variable the profitability of the company (X_4) positive effect on capital structure (Y_1). It means Increased profitability of the company that p (X_4), will be followed by an increase in capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. Statistical value t influence the profitability of the company (X_4) on the capital structure (Y_1) amounted to 20.166 with a significance of 0.000 or below 0.05. This means that the profitability of the company (X_4) positive and significant impact on the capital structure (Y_1).

Influence Direct Company Growth (X_5) of the Capital Structure (Y_1)

Coefficient effect of variable the growth of the company (X_5) the capital structure (Y_1) at 0.001 with t value of 0.180 with a standard error (SE) worth 0.005 at significance level 0.857. Coefficient It shows that the variable the growth of the company (X_5) positive effect on capital structure (Y_1). It means that p Increased number growing proportion of the company (X_5) will be followed by an increase in capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. Statistical value t influence the growth of the company (X_5) the capital structure (Y_1) amounted to 0.180 with a significance of 0.857 or above 0.05. This means that the growth of the company (X_5) no significant effect on the capital structure (Y_1).

Influence Direct Industrial Average value (X_6) of the Capital Structure (Y_1)

Coefficient effect of variable industrial average value (X_6) the capital structure (Y_1) at 0.026 with t value of 5.755 with a standard error (SE) worth 0.004 at a significance level of 0.000. Coefficient It shows that the variable industrial average value (X_6) positive effect on capital structure (Y_1). It means that p Strengthening industrial average value (X_6), will be followed by an increase in capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. Statistical value t influence the industry average value (X_6) the capital structure (Y_1) at 4 with a significance of 0.004 or below 0.05. This means that the average value of the industry (X_6) positive and significant impact on the capital structure (Y_1).

Influence Direct Risk (X_7) of the Capital Structure (Y_1)

The effect of variable coefficients risk (X_7) the capital structure (Y_1) by - 0, 001 with t value of -2.385 with a standard error (SE) worth 0.000 at a significance level of 0.017. Coefficient It shows that the variable risk (X_7) negatively affect capital structure (Y_1). It means Increased risk that p (X_7), will be followed by a deterioration in the capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. Statistical value t influence the risk (X_7) the capital structure (Y_1) of -2.385 with a significance 0.017 or below 0.05. This means that risk (X_7) positive and significant impact on the capital structure (Y_1).

Influence Direct Taxes (X_8) of the Capital Structure (Y_1)

Coefficient effect of variable tax (X_8) the capital structure (Y_1) at 0.003 with t value of 0.833 with a standard error (SE) worth 0.003 at significance level 0.405. Coefficient It shows that the variable tax (X_8) positive effect on capital structure (Y_1). It means Strengthening tax that p (X_8), will be followed by an increase in capital structure (Y_1) assuming other factors that affect the size of capital structure (Y_1) is considered constant. T statistical value tax effect (X_8) the capital structure (Y_1) amounted to 0.833 with the significance of 0.405 or above 0.05. This means tax (X_8) no significant effect on the capital structure (Y_1).

EFFECT LIMITATION DIRECT FINANCIAL (X_9) ON CAPITAL STRUCTURE (Y_1)

Influence Direct Dividend Payment Indicator (X_{91}) of the Capital Structure (Y_1)

Coefficient indicator influence the payment of dividends (X_{91}) on the capital structure (Y_1) at 0.416 with t value of 15.438 with a standard error (SE) worth 0.027 at a significance level of 0.000. Coefficient The indicator shows that the payment of dividends (X_{91}) positive effect on capital structure (Y_1). This indicates that companies that pay dividends tend to have a greater amount of compared leverage not companies that pay dividends. Value t statistical indicator dividend payment (X_{91}) the

capital structure (Y_1) amounted to 15.438 with a significance of 0.000 or below 0.05. This means the dividend payment indicator (X_{91}) positive and significant impact on the capital structure (Y_1).

Influence Direct Losses indicator (X_{92}) of the Capital Structure (Y_1)

The coefficient of influence loss indicator (X_{92}) the capital structure (Y_1) at 0.378 with t value of 14.172 with a standard error (SE) worth 0.027 at a significance level of 0.000. Coefficient The indicator shows that the losses (X_{92}) positive effect on capital structure (Y_1). This indicates that companies experiencing losses tend to have more leverage than companies that are less losses. Value losses indicator t statistic (X_{92}) the capital structure (Y_1) amounted to 14.172 with a significance of 0.000 or below 0.05. This means a loss indicator (X_{92}) positive and significant impact on the capital structure (Y_1).

Influence Direct Indicator Rating Value Investing (X_{93}) of the Capital Structure (Y_1)

Coefficient ranking indicators influence the value of investments (X_{93}) on the capital structure (Y_1) at 0.124 with t value of 5.710 with a standard error (SE) worth 0.022 at a significance level of 0.000. Coefficient The indicator shows that the rank indicator of investment value (X_{93}) positive effect on capital structure (Y_1). This indicates that the Company's investment value associated with a rating greater leverage than companies that do not have a rating value of an investment. Statistical value t rank indicator of investment value (X_{93}) the capital structure (Y_1) amounted to 5.710 with a significance of 0.000 or below 0.05. This means rank indicator of investment value (X_{93}) positive and significant impact on the capital structure (Y_1).

EFFECT VARIABLE DIRECT EFFECT MACROECONOMY (X_{10}) ON CAPITAL STRUCTURE (Y_1)

Influence Direct Inflation Indicators (X_{101}) of the Capital Structure (Y_1)

Coefficient influence inflation indicator (X_{101}) the capital structure (Y_1) by -0.009 with t value of -3.819 with a standard error (SE) worth 0.002 at a significance level of 0.000. Coefficient It shows that the indicators of inflation (X_{101}) negatively affect capital structure (Y_1). It means that inflation is negatively connected with the amount of leverage of the company. Value inflation indicator t statistic (X_{101}) the capital structure (Y_1) reduction of the -3.819 With a significance of 0.000 or below 0.05. This means that the indicators of inflation (X_{101}) a significant negative effect on the capital structure (Y_1).

Influence Direct indicator of Gross Domestic Product (X_{102}) of the Capital Structure (Y_1)

The coefficient of influence indicators of gross domestic product (X_{102}) on the capital structure (Y_1) at 0.105 with t value of 1.992 with a standard error (SE) worth 0.053 at a significance level of 0.046. Coefficient The indicators show that the gross domestic product (X_{102}) positive effect on capital structure (Y_1). It means that GDP growth is positively linked with the amount of leverage of the company. Statistical value t indicator of gross domestic product (X_{102}) the capital structure (Y_1) amounted to 1.992 with significance 0.046 or below 0.05. This means that the indicator of gross domestic product (X_{102}) positive and significant impact on the capital structure (Y_1).

Influence Direct Discount Indicators (X_{103}) of the Capital Structure (Y_1)

The coefficient of influence of the discount indicator (X_{103}) on the capital structure (Y_1) at 0.020 with t value of 5.735 with a standard error (SE) worth 0.003 at a significance level of 0.000. Coefficient The indicator shows that the discount rate indicator (X_{103}) positive effect on capital structure (Y_1) It means that the discount rate is positively linked to the level of leverage of the company. The value of the discount indicator t statistic (X_{103}) the capital structure (Y_1) amounted to 5.735 with a significance of 0.000 or below 0.05. This means that the discount indicator (X_{103}) positive and significant impact on the capital structure (Y_1).

Influence Direct Capital Structure (Y_1) of the Corporate Value (Y_2)

Coefficient effect of variable capital structure (Y_1) to firm value (Y_2) amounted to 0.830 with a t value of 5.131 with a standard error (SE) worth 0.162 at a significance level of 0.000. The coefficient indicates that the variable capital structure (Y_1) positive effect on the company's value (Y_2). This means that an increase in the proportion of capital structure (Y_1), will be followed by an increase in the enterprise value (Y_2) assuming other factors that affect the size of the company's value (Y_2) is considered constant. Statistical value t influence capital structure (Y_1) to firm value (Y_2) amounted to 5.131 with significance of 0.000 or below 0.05. This means that the capital structure (Y_1) and significant positive effect on firm value (Y_2).

IV. DISCUSSION

Influence of Company Size against Capital Structure

Testing the Effect of variable size companies on capital structure variables showed a positive and significant impact. The results support the view of *Trade-Off Theory*, that firm size is positively linked to the amount of *leverage* used by the enterprise. Meaning it can be argued that the larger a company, the lower they will face the risk of bankruptcy. The company is in accordance with the previous description that the phenomenon experienced in financial terms is known as "*too big to fail*" (TBTF) and therefore should maximize the benefits that can be gained from the tax savings involved in *gearing* besar. Results of this study supports studies conducted by Beck et al (2008) [6] later showed that company size has a significant role in the company's capital structure decisions. This was stated by Beck et al (2008) [6] after using the database of the results of a survey of the characteristics

of the company in 48 countries, in which the author proves that small companies use less external financing, other than the fact that small companies engaged in debt financing smaller.

Tangibility influence of Company Assets against Capital Structure

Testing the Effect of the company's assets tangibility variable to variable capital structure showed a positive and significant impact. The results support the view of *Trade-Off* Theory, *tangible* assets that serve as collateral for debt financing that will reduce the *cost of financial distress* and enhances the capacity of the company's debt. Therefore, these three indicators of the company's assets, namely tangibility variable property, plant and equipment, inventories, and *accounts receivable* were used in this research direction is positif. The results of this study support the claim Jensen and Meckling (1976) [7] that the *agency Cost* of debt occurs when the company turned to more risky investments as *leverage* defined, other than after a shift of wealth from the *debtholder* to *equityholder*.

Effect of Liquidity The Company against Capital Structure

Testing the Effect of the company's liquidity variable to variable capital structure showed a positive and significant impact. Results of this study support from the Theory of *Trade-Off* that the positive relationship between the first indicator of variable Company Liquidity (Cash Flow / Total Assets) with *leverage*. In other words, the more the amount of cash the company will lower the cost of a potential bankruptcy occurs, which in turn will allow the company to use more *leverage*. The results support the research of (Shleifer and Vishny, 1992; Sibikov, 2009) [8,9] which states that the existence of a positive relationship between current assets and *leverage*.

Influence of Corporate Profitability against Capital Structure

Testing the Effect of the company's profitability variable to variable capital structure showed a positive and significant impact. The results support the view of *Trade-Off* Theory states that higher profitability will lead to an increase in leverage. A positive relationship is due to the fact that the company is able to generate profits (higher profitability) will be burdened by the *cost of financial distress* is lower, which also eventually make lower debt financing costs.

Effect of Company Growth against Capital Structure

Testing pengaruh variable to variable growth of the company's capital structure showed no significant effect. The results of this study do not support the theory of *Trade-Off*, growth of assets and net income is positively linked with an increased leverage of the company. This is because the growth of the company, according to this theory will cause more and more companies large and hence lowers their chances of default, which in turn also lead to costs incurred when choosing financing through debt is also reduced. Results from this study are consistent with results obtained Kim & Berger (2008) [10], that there is no significant relationship between the variables of growth companies to variable capital structure.

Influence Industrial Average Value against Capital Structure

Testing the Effect of variable average value of the industry to the capital structure variables showed a positive and significant impact. The results support the essence of the *Trade-Off* Theory which gives postulate that the company follows a specific capital structure targets (in this case the value of the average of industry leverage). Thus, according to this theory, there is a positive relationship between the first indicator of variable Value Industrial Average (Average Value of *Leverage* Industry) with the *leverage* of the company it self. Research supports research of Frank and Goyal (2009) [4], has shown that managers use the average value of the industry as a *benchmark* in order to *leverage* their company can adapt according to the industries in which the company they are.

Influence of Risk against Capital Structure

Testing the influence of risk variables to variable capital structure showed a negative and significant impact. The results support the theory *Pecking-Order* stating that the company is deemed to be accumulating large cash holdings at the time of dealing with the level of earnings volatility. The Company therefore generally have the availability of internal funds were greater when exposed to the volatility of income suffered in order to avoid a situation that is not optimal investiasi (*underinvestment*) in the future. Therefore, according to this theory, there is also a negative relationship between risk and *leverage*. Empirical research of Fan et al (2008) [11] and Frank and Goyal (2009) [4] stated with reference to the theory of a *trade-off* static, that the decision between debt or equity should be based on the characteristics of companies that can be observed as a business risk as well as also the structure of assets, other than due to the fact that bank financing is generally depending on whether the loan can be secured by assets that are *tangible* (Storey, 1994; Berger and Udell, 1998) [12,13].

Effect of Tax against Capital Structure

Testing the Effect of variable tax on capital structure variables showed no significant effect although the resulting direction is positive. This research results contrary to the *Pecking-Order* Theory. Which according to this theory, high corporate tax rates will reduce internal funds and thereby encouraging companies to take advantage of tax savings obtained as a result of using debt financing. This led to the theory of similar direction with the theory predictions previous *Trade-Off*, ie there is a positive relationship between the level of tax *leverage*. This result is contrary to the results of research Elliot et al (2008) [14], Delcours (2007) [15] and Bradley et al (1984) [16]. Where the results indicate a positive relationship.

LIMITATION OF FINANCIAL RELATIONS STRUCTURE OF CAPITAL

Relationship Indicators Dividend Payment to Variable Capital Structure

Testing relation to the dividend payout indicator of capital structure variables showed a positive and significant correlation. The results support the *pecking-order* theory, it is said to be a dividend increase the amount of debt financing that will be done by the company. This is because the relationship with the amount of dividend income produced by the company, in which the dividend thus becomes one of the causes of deficit financing. In other words, payment of dividends reduces the amount of internal capital and hence leading to increased internal financing. Therefore, according to the theory of pecking order, positive relationship between dividend and *leverage* was the one expected to occur.

Relationship Losses indicator to Variable Capital Structure

Testing indicator relationship losses against capital structure variables showed a positive and significant correlation. The results of this study do not support the theory of a *trade-off*, it is known that in case the company suffered losses, then it will produce a negative relationship to *leverage*. This raises the cost of *financial distress* are higher and make the company does not need to protect its profits from taxes. The combination of the cost of higher *financial distress* and lack of benefits that can be gained from the tax savings (*tax shield*) ultimately leads to the use of leverage is lower.

Relationship Indicator Rating Value Infestation to Variable Capital Structure

Testing rank indicator relationship infestations value to variable capital structure showed a positive and significant correlation. The results support the theory of a *trade-off*, then rank the value of the investment is linked to a lower bankruptcy costs and therefore make debt financing more attractive than equities. Therefore, this will lead to a positive relationship between *leverage* the investment value rankings. Based on this review, we can state that companies rated investment value associated have greater *leverage* than companies that do not have a rating value of an investment.

VARIABLE EFFECT OF MACRO ECONOMIC RELATIONS STRUCTURE OF CAPITAL

Inflation Indicators relations to Variable Capital Structure

Testing relation to the inflation indicator of capital structure variables showed a significant negative correlation. The results of this study do not support the *Trade-Off* Theory predicts that the positive effect of inflation on *leverage* decisions taken by the company. This is because according to this theory, tax considerations make financing through debt becomes a more attractive option at the time of inflation.

Relationship Indicators Gross Domestic Product to Variable Capital Structure

Testing relation to the gross domestic product indicator of capital structure variables showed a positive and significant correlation. The results support the *Trade-Off* Theory predicts a positive impact on the GDP of *leverage* decisions taken by the company. This is because according to this theory, GDP being associated with the acquisition of a greater company profits and hence the theory predicts that a greater return would make debt financing more attractive through benefits resulting from greater tax savings as well.

Indicators relations Discount to Variable Capital Structure

Testing relationships discounted indicator variable capital structure showed a positive and significant correlation. The results support the view *Agency theory* which predicts the existence of a positive relationship between the discount with *leverage*. *Free Cash Flow theory* and *Over-Investment Theory* gave similar predictions direction is a positive relationship between the discount rate to *leverage*. If the *interest* level has increased, the equity and debt the company will fall in value. In essence, the impact of an increased level of interest would be greater than the debt to equity ratio.

Effect of Capital Structure on Corporate Value

Testing effect variable capital structure to the variable value of the company showed a positive and significant impact. This study supports *Leverage Signalling Theory* that there is a positive relationship between *leverage* the value of a company and their indicators are. In other words, companies whose capital structure or use greater leverage will have a higher value and higher value is seen as providing a positive signal to the external investor. The results support the findings from the Brigham and Houston (2009) mean that the financial structure (*financial leverage*) is a way of company assets financed. It is entirely the right side of the balance sheet, while the capital structure (*capital structure*) is a permanent expenditure financing company, which is mainly in the form of long-term debt, preferred stock / priority and ordinary share capital, but not all incoming short-term credit. So the capital structure of a company is only part of the financial structure

V. CONCLUSION

1. Variable company size, tangibility of assets, liquidity, profitability and value of the industry average positive and significant impact on the capital structure of the company, otherwise variable risk significant negative effect on the company's capital structure.
2. Variables the growth of the company and the tax does not affect the company's capital structure.

3. Indicator payment of dividends, indicator losses and indicator Variable rank value of investments in financial constraints and significant positive effect on the company's capital structure.
4. Indicator gross domestic product and indicator discount on variable factors related to macroeconomic positive and significant impact on the capital structure of the company, otherwise indicator inflation negative effect.
5. Variables company's capital structure and significant positive effect on firm value.

VI. SUGGESTION

1. Company policies related to capital structure issues must be considered carefully because it affects the value of the company. So to get the increased value of the company on an ongoing basis is suggested that the company is not overly restrict the use of leverage but also not too high in their use due to impact on improving the company's risk of capital charges to be incurred.
2. To get information about the tendency of companies to raise or lower the capital structure of debt (leverage) can be seen from the increase or decrease of the variable size of the Company, Tangibility Corporate Asset, Liquidity Company, profitability of the Company, Company Growth, Value Average Industry, Risk, Tax Limitation of Financial and Influence Macroeconomic against Capital Structure as has been concluded.

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