

ABSTRACT

This study aims to determine empirical evidence of the effect of variables consisting of liquidity, business risk, asset structure on capital structure. The analytical model used in this study is all companies listed on the Indonesia Stock Exchange for 5 years (2016-2020). The study population consisted of 193 manufacturing companies listed on the Indonesia Stock Exchange. The sample selection technique used is purposive sampling, with a sample of 36 companies. Data were analyzed using the Eviews 9 program with Panel Data regression analysis.

The results of the study found that liquidity and business risk partially have a significant effect on capital structure, while asset structure partially has no effect on capital structure. Liquidity, and business risk moderated by profitability partially have a significant effect on capital structure, and asset structure moderated by profitability partially has no significant effect on capital structure.

Keywords: Capital Structure, Liquidity, Business Risk, Asset Structure and Profitability