

ABSTRACT

This study examines the interrelationship between corporate social responsibility and cost of capital. It also tests the moderating role of capital structure on the relationship between corporate social responsibility and cost of capital.

The sample 50 non-financial companies listed on Indonesia Stock Exchange for the year 2017-2019. Data analysis technique used Two-Stage Least Square (2SLS) and Moderated Regression Analysis (MRA).

The results of this study show that corporate social responsibility effect cost of capital. On the other hand, cost of capital has no effect on corporate social responsibility. This study also find capital structure does not moderate the relation between corporate social responsibility and cost of capital.

Keywords: CSR, Cost of Capital, Capital Structure, and 2SLS