ABSTRACT

This study aims to determine the effect of liquidity, sales growth, and business risk on the capital structure of manufacturing companies with profitability as a control variable. The capital structure is projected with DER as a gauge of the capital structure by comparing the total debt with its own capital.

The samples in this study were manufacturing companies listed in Indonesia Stock Exchange (IDX) in the period 2015-2019. The number of samples used were 88 companies listed were taken by purposive sampling. The method analysis of this research uses multiple linear regressions with the *Ordinary Least Square approach.*

The results of this research showed that liquidity and profitability negatively and significantly to DER; meanwhile sales growth and business risks had positive and not significant to DER.

Keywords: Capital Structure, Liquidity, Sales Growth, Business Risk, Profitability, DER.

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