

## ABSTRACT

This research investigates the impact of financing decisions on business performance in Southeast Asia, focusing on Indonesia, Thailand, and Malaysia. The motivation for the study stems from the significant role of low capital firms (LCFs) in economic development and the unique financial challenges they face, including difficulties in securing funding and maintaining corporate governance. Despite their importance, there is a lack of research on the financial structures of LCFs compared to larger firms.

Using multiple linear regression analysis, the study examines data from 40 companies in the consumer sector listed on stock exchanges in Indonesia, Malaysia, and Thailand from 2015 to 2023. The analysis focuses on the effects of short-term debt (STD), long-term debt (LTD), firm size, and firm age on return on assets (ROA).

The results indicate that both STD and LTD have a significant negative impact on ROA, while firm size does not significantly affect ROA. Firm age also shows a significant negative relationship with ROA. These findings highlight the complexity of financing decisions in emerging markets and emphasize the need for strategic financial planning to enhance business performance.

Keywords : *Financing decisions, business performance, short-term debt, long-term debt, firm size, firm age, return on assets (ROA).*

