

ABSTRACT

This research is performed in order to test the influence of the variable, Managerial Ownership, Institutional Ownership, DPR, and Business Risk toward Debt to Equity Ratio (DER).

Methodology research as the sample used purposive sampling with criteria as (1) company who provide financial report during period 2002 through 2004; (2) Company given dividend during period 2002 through 2004; and (3) Company have insider ownership during period 2002-2004. The Data is based on publicity Indonesian Capital Market Directory (ICMD) since 2002 to 2004. Sample was acquired 27 of 330 company. Data analysis with multi linear regression of ordinary least square and hypotheses test used t-statistic and f-statistic at level of significance 5%. While to examine the difference determining Managerial Ownership, Institutional Ownership, DPR, and Business Risk toward DER in insider ownership and no insider ownership companies those are listed in BEJ using Dummy regression analysis.

Empirical evidence show as managerial ownership to have positive influence toward DER of company listed in JSX over period 2002-2004 at level of significance less than 5% (as 1,6%) and DPR to have negative influence toward DER of company listed in JSX over period 2002-2004 at level of significance less than 5% (as 1,3%), but Institutional Ownership and Business Risk not influence toward DER at level of significance more than 5% as 72,1%, and 28,5%. While, four independent variable Managerial Ownership, Institutional Ownership, DPR, and Business Risk to have influence toward DER at level of significance less than 5% as 0,01%. Predictable of the four variables toward DER is 24,2% as indicated by R square that is 24,2% while the rest 75,8% is affected by other factors is not included into the study model. While Dummy Test result indicates difference in determining Managerial Ownership, Institutional Ownership, DPR, and Business Risk toward DER between Small company and Big company.

Key Words : Managerial Ownership, Institutional Ownership, DPR, Business Risk and DER