ABSTRACT

This study aims to examine the effect of current ratio (CR), debt to equity ratio (DER), earnings per share (EPS), total asset turnover (TATO), market to book ratio, firm size, insider ownership, and profitability to the cost of equity capital in manufacturing companies listed on the Indonesia Stock Exchange for the period 2014-2017.

The population in this study were manufacturing companies listed on the Stock Exchange in the 2014-2017 period totaling 144 companies. The sampling method uses a purposive sampling technique to obtain research samples that meet the criteria for a number of 49 sample companies. Analysis of research data using multiple linear regression with SPSS version 20 statistical software.

The results of the study show that the DER and Earning per Share have a signifikan positive effect on the cost of equity capital, TATO, Market to Book ratio, firm size, Insider Ownership has a signifikan negative effect on the cost of equity capital, while the current ratio, and profitability do not significantly influence the cost of equity capital.

Keywords: cost equity capital, current ratio, DER, EPS, TATO, market to book ratio, firm size, insider ownership, profitability, multiple linear regression.

SEMARANG

FEB UNDIP