Abstract

These observations were made in order to increase DOL, DFL, company size, and liquidity of entities in manufacturing entities listed on the IDX. The benefits of this research can be considered and evaluated for financial managers in planning and managing capital as effectively and as efficiently as possible. The dependent variable in the observation is DOL, DFL, company size, and liquidity. Company performance is proxied by EBIT.

This study utilizes 123 companies engaged specifically in manufacturing in the period 2013-2017. The method required is purposive sampling. The purposive sampling method in question is how to choose a sample that matches several criteria. Testing uses panel regression by selecting the best model for available panel data, from the selection results the Fixed Effect Model (FE) model is selected as the best model.

At the end of the test results on EBIT there is a conclusion from the hypothesis that has been set. The conclusion is that the DOL variable has no effect on EBIT, on the other hand the DFL variable, company size, and liquidity have a significant effect on EBIT.

Keywords: DOL, DFL, company performance