THE IMPACT OF FINANCIAL DISTRESS COST AND OWNERSHIP ON STRUCTURE CAPITAL OF COMPANIES REGISTERED IN INDONESIA STOCK EXCHANGE

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ABSTRACT

This study was to identify the cost effect of financial distress and ownership structure on the capital structure of companies listed in the Indonesia Stock Exchange (IDX). In this study, the variables used were institutional ownership, managerial ownership, company growth, financial health, and financial flexibility as independent variables while the control variables used were dividends per share, company profitability, asset tangibility, Non-tax debt shield, and loss.

The samples used this study were 434 companies listed in the Indonesia Stock Exchange in the 5 years since 2014 to 2018 based on the purposive sampling method. The collected data were tested using computer program Eviews version 10

The results of this research indicate that managerial stock ownership, financial well-being, and company growth have a significant impact on the company's capital structure.

Keywords: capital structure, institutional ownership, managerial ownership, financial health, company growth