

*Undergraduate Thesis
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**ANALYSIS THE EFFECT OF MILITARY CONNECTIONS ON
INTEREST RATE IN INDONESIAN FIRMS**

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Abstrak

This study provides direct empirical evidence on the effect of military connections on interest rate for listed firms in Indonesia. The dependent variable tested is the interest rate. The independent variable used in this study is military connection. The control variables are firm size, return on assets, leverage, market to book value, and growth.

The data used in this study are secondary data using the panel regression method, which is then tested with statistical programs and eviews. The research sample amounted to 2.106 data or equivalent to 432 companies listed on the Indonesia Stock Exchange in the period 2013-2017.

The results show that firm size and growth have the significant impact on interest rate in both positive and negative ways. While military connections, return on assets, leverage, and market to book value were not able to affect interest rate activity significantly.

Keywords: *military connections, interest rate, bank loan, developing country*