ABSTRACT

PIPIH HAPIANA (2012), *" The Influence of Profitability and Dividen Policy on the Capital Structure of Listed Bank Financial Sector in Indonesia Stock Exchange in the Period 2006-2010".*
***Under guidance of Mrs.* Linna Ismawati, SE., M.Si**

The purpose of this research is to see the influence of profitability and dividend policy on the capital structure listed bank financial sector Indonesia Stock Exchange in the period 2006-2010. In choosing capital structure, a company required many factors such as capital from equity, liability and etcetera. Profitability and dividend policy are determinant in making capital structure decision of the company.

The method used is descriptive and verification method. There are 15 banking companies listed in bank financial sector Indonesia Stock Exchange used as samples for this reseacrh. This research used time series and cross section data which also called pooled data from 2006 until 2010. The independent variables are profitability and dividend policy, and the dependent variable is capital structure. The determine the relation between profitability and dividen policy to capital structure, used the following statistical test, fold linear regression analysis, pearson correlation coefficient, coefficient determination, assumption classic testing and hypothesis testing using SPSS 16.0 *for windows applications.*

The result of research showed that variables profitability and dividend policy simultaneously provide significant effect on the structure capital. Partially profitability and dividend policy don't have significant effect on the capital structure.

Keywords : Profitability, Dividend Policy and Capital Structure