ABSTRACT

The Influence Of Firm Size And Capital Structure Toward Profitability Of PT. Kimia Farma (Persero), Tbk. Plant Bandung

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Firm size and capital structure are several factorsare several factors which influential indecision-making of company's profitability. In 1997-2009, a condition that occurs in the PT.Kimia Farma (Persero), Tbk. Plant Bandung indicates that in firm size, capital structure, and profitability to fluctuate, but very little. But in 2010, firm size and capital structure descreased, whereas the profitability increases. The purpose of this research is to know influence of firm size (X1) and capital structure (X2) to the profitability(Y) either partially or simultaneously.

The method used in this research is descriptive analysis method withquantitative approach. The population used in this research that financial reportbalance sheet and profit and loss during the period of 40 years is in 1971 until 2011. The samples selection is done by using purposive sampling method with the amount of data as much as 15 years. The statistical method used is multiple linearregresion to test the classical assumption in advance using the program SPSS. 16.0.

The results showed partial firm size significantly to the profitability. Similarly, a significant effect of capital structure on profitability. In addition, simultaneously both the firm size and capital structure not significant effect on profitability.

Keywords:Firm Size, Capital Structure, Profitability