ABSTRACT

SANDI AKHMAD SOLIHIN, *"The Influence Capital Structure and Profitability To Firm Value On PT. Telekomunikasi Indonesia Tbk period 2004-1011". Under the guidance of* Rizki Zulfikar, SE., M.Si

The phenomenon that occurs at PT. Telekomunikasi Indonesia Tbk is the four quarter of 2011,, capital structure and profitability did not decreased and increased while firm value decreased. The purpose of this research is to determine the effect of capital structure and profitability to firm value.

The method of this research is qualitative and quantitative methods. While the data used are secondary data in the form of time series which consists of data years 2004-2011 at PT. Telekomunikasi Indonesia Tbk. The test statistic used is the calculation of pearson correlation, path analysis, test determination coefficient, hypothesis test using t test to test partial and F test to test simultaneously, with a significant level of 5% and use to help of an application program of SPSS 16 for windows.

The results showed that the capital structure gave a significant negative effect on profitability. Partially, the capital structure is not significant positive effect to firm value and profitability is not significant positive effect to firm value. Simultaneously capital structure and profitability is not significant positive effect to firm value.

Key words : Capital structure, profitability, and firm value