

## **ABSTRACT**

Capital expenditure is the expenditure budget that used in order to obtain or increase of fixed assets and other assets that gives benefit more than one period of accounting and exceed the minimum capitalization limit of fixed assets or other assets who issued by the government. This research aims to analyze the influence of own-source revenue, and general allocation fund for capital expenditure.

The population in this study is the local government budget realization report the district/city in West Java from the years of 2008-2013. Research sample amounts to 5 districts/cities who selected with saturated sampling method, with observation period of 6 years. The method that been used to analyses the correlation between variable are multiple linier regression analysis.

The results showed that simultaneous own-source revenue, and general allocation fund variables significantly influence the acceptance of capital expenditure. Partially, own-source revenue variables positive significantly influence the acceptance of capital expenditure. While the general allocation fund is positive but not significantly influence the acceptance of capital expenditure.

**Keywords :** Own-source Revenue, General Allocation Fund, Capital Expenditure