

ABSTRACT

Company funding can come from their equity or debt. Companies listed on the SRI-KEHATI Index tend to use more funding sources from debt. Average of total debt of companies listed on the SRI-KEHATI Index has increased in 2009 to 2017. The increase of debt was caused by an increase in trade debt and tax debt, an increase in bank loans, an increase in gross domestic product, an increase in lending rates in the financial sector, and an increase in debt in expanding the company's business.

In this study, to measure the size of the company's debt ratio by using indicators of the variable Debt to Equity Ratio (DER) and Debt to Assets Ratio (DAR). In addition, this study also aims to determine and analyze the influence of Debt to Equity Ratio (DER) and Debt to Assets Ratio (DAR) on Price Book Value (PBV) in companies listed on the SRI-KEHATI Index for the period 2009-2017.

Data collection method in this study uses secondary data sources in the form of annual financial report documents for companies listed in the SRI-KEHATI Index for the period 2009-2017. The number of samples used is 13 companies.

The results of this study indicate that the variables Debt to Equity Ratio (DER) and Price Book Value (PBV) have variable data properties while the Debt to Asset Ratio (DAR) variable has group data properties. The results showed that the variables Debt to Equity Ratio (DER) and Debt to Asset Ratio (DAR) simultaneously did not have a significant effect on Price Book Value (PBV). Partially, the Debt to Equity Ratio (DER) and Debt to Asset Ratio (DAR) variables do not have a significant effect on the Price Book Value (PBV).

Keywords: *SRI-KEHATI Index, Debt to Equity Ratio (DER), Debt to Assets Ratio (DAR), Price Book Value (PBV)*