

ABSTRACT

Debt to equity ratio (DER) is the ratio used to measure debt to equity. This ratio is calculated by comparing all debt, including current debt, with all company equity. This study chose food and beverage companies listed on the Indonesia Stock Exchange (IDX) due to several reasons, namely, the data available on the official website of the Indonesian Stock Exchange (IDX) are accurate and can be accounted for because they are publicly published.

Growth opportunity is an opportunity for a company to invest in things that benefit the company. According to Brigham and Houston (2011) the structure of assets is the determination of how much allocation for each component of assets in outline in the composition of current assets and fixed assets. Degree of Operating Leverage (DOL) is a function of the company's cost structure and is generally determined by the relationship between fixed costs and total costs.

Based on the method used, this research uses quantitative methods. Based on its purpose, this research is classified into descriptive and verification research. Based on the type of investigation, this study belongs to a causal study.

This study aims to obtain empirical evidence of the effect of growth, asset structure and degree of operating leverage (DOL) on debt to equity (DER). The sample selection technique used purposive sampling and obtained by eight companies over a period of five years, so that 40 samples were observed. The data analysis model in this study is panel data regression using Eviews 10.

The results of this study also showed that simultaneously growth opportunity, asset structure and DOL did not simultaneously influence DER in the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2013-2016. Partially, growth opportunity has a significant effect on DER. Asset structure has a significant effect on DER and DOL has no significant effect on DER in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange in 2013-2017.

Keywords: Asset Structure, Debt to Equity Ratio, Degree of Operating Leverage, Growth Opportunity