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# Capital Structure Determinant and Profitability and Their Impact on Firm Value: Study in Indonesian Manufacturing Sector

Evelyn Wijaya Budiyanto - Nur Fadrih Asyik

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Indonesian manufacturing sector becomes an important key for encouraging the national economy. This study aimed to analyze the correlation of capital structure and profitability with firm value by using tangible assets and intangible assets. The population was 145 companies in the manufacturing sector. The sampling technique was purposive sampling that collected a sample of 94 companies during 2010-2019. Data analysis technique was path analysis assisted by SPSS. The result of structural model I stated that firm size, volatility, and uniqueness significantly influenced capital structure, while tangibility insignificantly influenced capital structure. The result of structural model II stated that intellectual capital and capital structure significantly influenced profitability. Further, the result of structural model III stated that capital structure and profitability significantly influenced firm value. The indirect effect test found that profitability could mediate influence between capital structure and firm value.

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


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