

ABSTRACT

The purpose of this study to determine differences in debt, profitability and stock returns before and after the succession in family companies listed on the Stock Exchange. The level of corporate debt will be calculated using financial ratios, namely: Debt to Total Assets Ratio (DAR) and Debt to Equity Ratio (DER), profitabilitas calculated using Return On Asset (ROA) and Return On Equity (ROE).

The population in this study are all family companies listed on the Stock Exchange from 2000 to 2014 period. Determination of the sample using purposive sampling method. The final amount of the sample is 24 companies that match the criteria. The analytical method used is a different test Paired Sample T-Test.

The results showed that the average level of debt before a succession of higher and there was no significant difference to the level of debt before and after the succession. Likewise with the average profitability showed that there was no significant difference to the level of debt before and after the succession. While higher stock returns after the company's succession than ever before and proved no significant difference between before and after the family firm succession.

Keywords: *Succession, Debt, Profitability, Stock Return, Family Firm.*

