THE INFLUENCE OF CAPITAL STRUCTURE TOWARD COMPANY VALUE WITH DIFFERENT GROWTH OPPORTUNITIES

A THESIS

Presented as Partial Fulfilment of the Requirements
To Obtain the Bachelor Degree in Management Department

By

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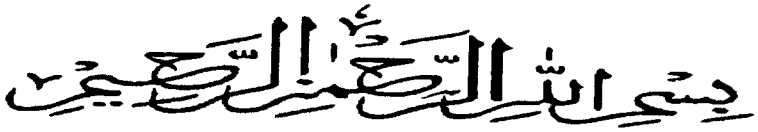

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Yogyakarta, December 28, 2006

M. Yusuf. Nugroho

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ABSTRACT

M.Yusuf. Nugroho (2006) "THE INFLUENCE OF CAPITAL STRUCTURE TOWARD COMPANY VALUE WITH DIFFERENT GROWTH OPPORTUNITIES" Yogyakarta: Faculty of Economics, Department of Management, International Program, Universitas Islam Indonesia.

Keywords: Capital structure, Company value, Growth Opportunities, Leverage

In this research, the writer tries to empirically test the influence of the debt structure toward the company value with different growth opportunities within the manufacturing companies in Indonesia. It is observed that the optimal capital structures are closely related to the growth potential of the firms and some other variables, such as: the size and the industry characteristics. In this context, the writer tries to empirically test: whether the correlation between Tobin's Q and Capital Structure is positive or negative for high-growth firms and low-growth firms.

The secondary data in this study is obtained by collecting the suitable data from ICMD (Indonesian Capital Market Directory). The quantitative data analysis method used to test the four hypothesizes in this research is Multiple regression.

The research finding and the analysis result shows insignificant effect of capital structure influence toward company value both in high and low growth opportunity conditions.

ABSTRAK

M.Yusuf. Nugroho (2006) "THE INFLUENCE OF CAPITAL STRUCTURE TOWARD COMPANY VALUE WITH DIFFERENT GROWTH OPPORTUNITIES" Yogyakarta: Faculty of Economics, Department of Management, International Program, Universitas Islam Indonesia

Kata kunci: Capital structure, Company value, Growth Opportunities, Leverage.

Di dalam penelitian ini, penulis menguji secara empiris pengaruh dari struktur hutang terhadap nilai dari perusahaan - perusahaan manufaktur Indonesia dengan perbedaan kesempatan pertumbuhan.. Dapat diamati bahwa optimalnya struktur modal *sangatlah erat berhubungan dengan potensi pertumbuhan dari suatu perusahaan bersama* dengan variabel variabel lainnya, seperti ukuran dan karakteristik dari suatu industri. Di dalam konteks ini, penulis mencoba menguji secara empiris : apakah hubungan antara Tobin's Q dan struktur modal adalah positif atau negatif bagi perusahaan yang memiliki pertumbuhan tinggi dan yang memiliki pertumbuhan rendah.

Data sekunder yang digunakan dalam studi ini didapatkan dengan mengumpulkan data yang cocok dari ICMD (Indonesian Capital Market Directory). Metode analisa data quantitatif digunakan untuk menguji empat hipotesis di dalam penelitian adalah regressi berganda.

Hasil dari penemuan dan analisa penelitian ini menunjukan adanya pengaruh yang tidak signifikan dari struktur modal terhadap nilai perusahaan baik dalam perusahaan yang memiliki kesempatan pertumbuhan yang tinggi dan rendah.

CHAPTER 1

INTRODUCTION

1.1 Background of The Study

The most crucial matter to run or conduct the business activity is capital structure. Capital structure consists of two kinds of assets. They are proportion of equity and debt (liabilities). This capable proportion will form a good combination of capital that will enable firms to have a successful first-step of the growth of their company. In other word, capital structure also reflects the manner of financing a company. The taxation system is applied to companies, especially multinational Companies (MNCs), makes use of a certain amount of debt beneficial to shareholders and their price. The use of the right amount of debt lowers the companies weighted cost of capital. Lowering the cost of financial resources improves potential benefits and increases share value. Consequently, an optimal capital structure exists, sometimes by undertaking self-tender offers (Lie, 1997). It is observed that the optimal capital structures are closely related to the growth potential of the firms (and some other variables, such as: the size and the industry characteristics).

The determinants of capital structure such as growth, profitability, risk, firm size, tax shields, ownership, payment, and market conditions. Those are the independent variables that may affect the ratios of long-term debt to total assets and of current liabilities to total assets. One of the studies support those findings presented by Krishnan and Moyer (1992). They conclude that the most influential

factors to compose the capital structure are profitability, size and the growth of the company.

The determinants also come from external side of the company, for example the environment factor. Firms with high levels of debt, which are in dynamic competitive environments, will be less successful at innovation and its cost of transaction becomes prohibitively high.

Previous research which is conducted by Ross and Pyle (1977) argues that debt can be valuable as a device for signaling firm value. This theory claims that a firm's optimal debt ratio is determined by a trade-off between the losses and gains of borrowing, holding the firm's assets and investment plant constant. The firm substitute's debt for equity until the value of the firm is maximized. The gain of debt is primarily the tax shelter effect, which arises when the paid interest on debt is deductible on the profit and loss account. The costs of debt are mainly direct and indirect bankruptcy costs. The original static trade-off theory is actually a sub theory of the general theory of capital structure because there are only two assumptions that are broken here, the no tax incentive assumption and the no bankruptcy cost assumption. In the more general trade-off theory several other argument are used for why firms might try to adjust their capital structure to some target. Leverage also depends on restriction in the debt contracts; take over possibilities and the reputation of management. a negative correlation is proposed by Harris and Raviv (1990). A construction of a positive theory of debt financing, builds on argument on the advantages and disadvantages of debt. First, debt is a factor of the ownership

structure that disciplines managers. Limiting control to few agents that control the common stock, while the rest of the capital that is raised through bond sale can reduce agency cost of management. Second, debt is useful in signaling device to inform investors a message of the firm's degree of excellence of performance. Third, debt can also reduce excessive consumption of perquisites because creditors demand annual payment on the outstanding loans. Debt also has disadvantages. First, there is the problem of agency cost of debt that includes risk substitution and under investment. Second, debt also increases bankruptcy possibility by increasing financial risk of the firm.

The attention paid by the modern financial theory to firm value has run parallel to a redefinition of firm objectives, so that company value maximization has become the new objective of the set of the firm financial decisions. This is why company value creation has been one of the most interesting subjects. Financial theory has stimulated this debate by proving new insights on the relevance or irrelevance of financial decisions. Whereas the initial debate focused on the three main strategic financial decisions they are investment, capital structure, and dividends. More recent research, especially contribution from agency theory, has provided new insights on the problem arising from the ownership and control separation (fama and Jensen, 1983). The separation between assets, ownership and control has some pros and cons. The positive side of the separation is that it allows the advantage of specialization and allocates decisions to the most suitable people. Notwithstanding, it implies the divergence between the interest of manager and

shareholder that are giving rise to asymmetric information and managers in monitoring and control problems. Managers instead of pursuing shareholder wealth maximization are supposed to look for their own utility function and their behavior can be harmful for the company: perquisites extra consumption, excessive firm business diversification, overinvestment, etc. (Jensen, 1986).

Based on the explanation above, the researcher is interested in developing a research of Indonesian firms and analyzing the relationship of capital structure to the company value. Because of that, the researcher takes the title of **"The Influence of Capital Structure on Company Value with Different Growth Opportunities".**

1.2 Problem Identification

The basic problem that the researcher would like to focus is the relationship between capital structure and the company value given the presence of different growth opportunities in Indonesia.

1.3 Problem Formulation

Based on background of the topic that has been explained above, the researcher formulates the problem: what is the influence of capital structure toward company value given the presence of different growth opportunities?

1.4 Problem Limitation

The research will be limited in area that has close relationship to the problem and the area that can give clear description about the analysis of the possible answer for the problems. The limitations of the study are stated as follows:

1. This research will be limited to the sixty public companies that listed in BEJ in years 2001 until 2003.
2. This study is concentrated on measure the influence of capital structure on company's value with different growth opportunities.

1.5 Research Objectives

The purpose of this research is to examine the influence of capital structure toward company's value given the presence of different growth opportunities.

1.6 Research Contribution

1. For Academicians

   As sources of data in conducting other research related to capital structure

2. For Management:

   The management is expected to be more careful in use of debt to increase the company performance.

3. For Investor:

The research is expected to be able to give additional information about the influence of capital structure on company value as consideration to make decision making.

1.7 Definition of Terms

1. Capital Structure

Is the way a corporation finances itself through some combination of equity sales, equity option, bonds and loans. Optimal capital structure refers to the particular combination that minimizes the cost of capital while maximizing the stock price. (Brealy, 1991 : G4)

2. Company Value

Is the value of an asset or business to a specific owner or prospective owner. This type of value considers the owner's or prospective owner's knowledge, abilities, expectations of risks and earning potential and other factors. Derived from its *future* benefits, those benefits cannot be measured with certainty. (Ed Wandtke, 2001)

3. Growth Opportunities

Opportunity to invest money to earn more than opportunity cost of capital (Brealy, 1991 : G5)

4. Leverage

Is the use of debt to increase the expected the *return on equity*. Financial leverage is measured by the ratio of debt (Brealy, 1991 : G5)

CHAPTER 2

REVIEW OF RELATED LITERATURE

2.1 Capital Structure Theory

One of the modern corporate finance theories is the capital structure. Every company has capital. The way of how they define capital depends on the activities they are performing. How effective a company purchases and uses raw materials and employs labor has impact on the company's gain. Improvements in the production process that lower the costs of goods increase profits and value. These and other actions on the operating activities of the firm add increments of value to the firm.

Capital structure is the mix of long-term debt and equity that is used to finance or capitalize a business enterprise. This may include long-term debt, common stock, preferred stock, warrants, pension, and lease liabilities. A capital structure that is more leveraged has a greater proportion of debt versus equity.

A company takes financial capital and converts the capital into assets. The determinants of capital structure find that asset structure, growth, profitability, risk, firm size, tax shields, ownership, payment, and market conditions are independent variables that may affect the ratios of long-term debt to total assets and of current liabilities to total assets. One of studies support those findings presented by Krishnan and Meyer (1992), conclude that the most influential factors to compose the capital structure are profitability, size and the growth of the company.

The determinants also come from external side of the company, for example the environment factor. Firms with high levels of debt, which are in dynamic competitive environments, will be less successful at innovation and the cost of transaction becomes prohibitively high for firms with relatively large amounts of share. It operates those assets to earn economic returns by fulfilling customer needs. The liability and equity side of a balance sheet records the origins of a company's capital. Those are the matters that compose the capital structure. The capital structure decision focuses on the allocation between debt and equity in financing the company. An efficient combination of capital structure reduces the cost of capital. Lowering the cost of capital increases the company's profit, hence it will increase the firm value.

Based on the assumption that capital structure is simply the combination between debt and equity, types of firms can be classified into two:

1. Unlevered Firm

An "unlevered firm" uses only equity capital. It has no debt on its capital structure, because its capital structure is formulated 100% by equity. Only shareholders as a group have right to dividend payment from net income and they face the risk associated with the expected net income. Total risk consists of business risk and the risk associated with the tax environment.

2. Levered Firm

A levered firm uses the combination of equity and various of debts. For instance, a company utilized about 73 per cent equity and 27 per cent debt before recapitalization. After the change in capital structure, company's capital structure

employed about 12 per cent equity and 88 per cent debt. It represents a high level of financial leverage.

Aside from deciding on a target capital structure, a firm must manage its capital structure. The comparison between debt and equity is not simply then we only determine capital structure from those sources. We have to take a look the factors affecting the determinations of capital structure. Imperfections in capital markets, taxes, and other practical factors influence the managing of capital structure. Imperfections may suggest a capital structure less than the theoretical optimal.

Theoretically, the elements of capital structure have their own definitions. To summarize, there are some definitions as follows:

a) Debt or liabilities represent the value of the creditors' loan to the firm. The value of debt represents the discounting and summing of all current and future payments the company has promised to creditors. These liabilities take various forms and have different claim positions with regard to the cash flows and assets of the company. At this stage recognize that creditors have claims against the company and these claims always are ahead of the stockholders.

b) Equity represents the value of the shareholder interests. Stockholders always have last claim on the results of economic activities. Stockholders are residual claimants. Equity value represents the discounted summation of all current and future residual cash flows of the company.

c) Total capital is the amount of financing from all sources. Total capital on an economic balance sheet is the sum of equity capital and debt capital of all forms. This total equals the sum of all assets on the balance sheet.

d) Capital structure represents the proportion of capital from different sources. Simply, it is the proportion of financing from debt and from equity capital. Common ratios such as debt-to-total capital or debt-to-equity quantify this relationship.

e) Business risk reflects all sources of risk that affect revenues, costs, and asset operation. Financial risk results from commitments to use expected cash flows to service creditors and taxing authorities. Total risk is the aggregate effects of all factors that influence business and financial risk ultimately determine the total risk borne by the stockholders.

Leverage has been argued to alleviate agency costs in several ways. First, one way to reduce agency conflicts is to cause managers to increase their ownership in the firm (Jensen and Meckling, 1976). By increasing the use of debt financing, effectively, displacing equity capital, firms shrink the equity base, thereby increasing the percentage of equity owned by management. Second, the use of debt increases the probability of bankruptcy and job loss. This additional risk may further motivate managers to decrease their consumption of perks and increase their efficiency (Grossman and Hart, 1982).

2.1.1. The pecking order theory

According to the pecking order theory, the firms will prefer internal financing the firms prefers internal to external financing, and debt to equity if the firm issues securities. In the pure pecking order theory, the firms have no well defined debt to value ratio. There is distinction between internal and external equity. Several author have been given credit for introducing signaling as an argument in the discussion of debt's explanatory factor. Ross (1977), Leland and Pyle (1977) and Myers and Majluf (1984) are often quoted as the seminal articles in this branch of the literature.

Myers and Majluf (1984) describes the preference like this: the firms prefer internal financing, they target dividends given investment opportunities, then chose debt and finally raise external equity. The pecking order theory was traditionally explained by transaction and issuing costs. Retained earning involve few transaction costs and issuing debt incurs lower transaction costs than equity issues. Debt financing also involves a tax reduction if the firm has a taxable profit. Myers and Majluf (1984) invoked asymmetric information to give a theoretical explanation for the pecking order phenomena. The signaling model described in leads to pecking order concept of capital structure, where retained earning are preferred to debt and debt si preferred to new equity. The signaling model showed that only low profit type firms would issue equity in separating equilibrium. Rational investors foresee this and demand a discount in initial public offerings (IPO).this discount is a cost of raising equity that will borne by internal stockholders. Debt signals to the capital market that the issuing firm is a high performance firm.

2.1.2 Trade off theory

Jensen (1986) argues that debt is an efficient means by which to reduce agency costs associated with equity. Ross and Pyle (1977) argue that debt can be valuable as a device for signaling firm value. This theory claims that a firm's optimal debt ratio is determined by a trade-off between the losses and gains of borrowing, holding the firm's assets and investment plant constant. The firm substitute's debt for equity until the value of the firm is maximized. The gain of debt is primarily the tax shelter effect, which arises when the paid interest on debt is deductible on the profit and loss account. The costs of debt are mainly direct and indirect bankruptcy costs. The original static trade-off theory is actually a sub theory of the general theory of capital structure because there are only two assumptions that are broken here, the no tax incentive assumption and the no bankruptcy cost assumption. In the more general trade-off theory several other argument are used for why firms might try to adjust their capital structure to some target. Leverage also depends on restriction in the debt contracts; take over possibilities and the reputation of management. a negative correlation is proposed by Harris and Raviv (1990). A construction of a positive theory of debt financing, builds on argument on the advantages and disadvantages of debt. First, debt is a factor of the ownership structure that disciplines managers. Limiting control to few agents that control the common stock, while the rest of the capital that is raised through bond sale can reduce agency cost of management. Second, debt is useful in signaling device to inform investors a message of the firm's

degree of excellence of performance. Third, debt can also reduce excessive consumption of perquisites because creditors demand annual payment on the outstanding loans. Debt also has disadvantages. First, there is the problem of agency cost of debt that includes risk substitution and under investment. Second, debt also increases bankruptcy possibility by increasing financial risk of the firm.

2.1.3 Modigliani and Miller theory

Modigliani and Miller assumes that the company value of any firm is independent of its capital structure; because benefit of cheaper debt will be exactly offset by an increase in the riskiness, hence in the cost, of its equity, given the assumptions of capital markets are "perfect", which means arbitrage-free, competitive and efficient, no tax distortions and no bankruptcy. After tax is introduced into their model, tax shield and bankruptcies costs add more complications to the optimal capital structure decision-making process. It is observed that the optimal capital structures are closely related to the growth potential of the firms (McConnel & Servaes1995; Jung, Kim, & Stulz 1996) and some other variables, such as: the size and the industry characteristics (Titman & Wessels1988).

2.2 Company value and growth opportunities

Investment is also related to a firm value and even to capital structure. There are the *Tobin's q* theory of investment, one of the most successful theories that explains corporate investment policy, and is also based on the theories of value creation. The other one is *market-to-book-ratio* which is almost similar with *Tobin's q*, but the difference is *Tobin's q* use market value from asset view, *while market-to-book-ratio* use ratio from share and equity perspective.

The company with highest *Tobin's q* tends to have very strong brand image and performance. Those with lowest values have generally been in highly competitive and shrinking industries.

Most corporations have some sort of capital budgeting process in place to evaluate their opportunities for investment. While the metrics used vary widely, they typically revolve around calculations of the net present value of the future benefits associated with the investment. They may also include measures of internal rate of return or payback period. Investments that clear the hurdles established by management then can be pursued based on their future benefits and strategic importance. These investments are pursued because they are expected to deliver economic profits and create value.

While capital budgeting is a routine activity at most corporations, most do not have similar process in place to evaluate the performance of their existing operations. for example a company with a market capitalization of $200 million is considering how to spend its $20 million capital budget. The company wouldn't benefit far more

from evaluating the value contribution of each aspect of its operations and the opportunities for value improvement then focusing its financial inspection on the deployment of additional capital.

2.2.1 Determining the company value

A. Market approach

One of the easiest methods of estimating the value of a company is by applying the market approach. This approach says that a company's value can be determined via a price-to-earnings (earnings are after-tax earnings) multiple, such as 4 times earnings. The weakness of this approach is that not all companies have the same risks associated with their operation across the country. Thus, this multiple concept may not be right for a company in a large city compared to a smaller-market company.

B. Income approach

The income approach to value looks at the profitability of the company. Many company owners seek to minimize profits so as not to pay taxes. Thus, determining a company's true value based on its profitability can be a challenge. For an owner to determine its value, expenses that are not applicable to the operation of the company in the current year are removed (this is known as normalizing the performance of the company) and the adjusted profitability of the company is then used to determine its value.

Often, normalized profitability becomes the basis for an appraiser to use to determine the future profitability of the company. Projecting the profitability of a specific company for five or six years into the future involves an assessment of the risks of the company to be successful in achieving the profitability projections developed.

C. Asset approach

The asset-based approach to valuation examines the assets and liabilities of a company that are adjusted to its appraisal value. The book value of a company's assets may not be reflective of its current market value. This approach to value a company is applied when companies that perform one-time service — such as landscape, irrigation or lighting system installation — are evaluated.

Myers and Majluf (1984) argued that as the size of the investment increases, other things equal, the ex-ante loss resulting from underinvestment increases as the firm now has to rely more on external sources for funds. The size of the investment required will be an increasing function of the firm's growth opportunities, and can be controlled by increasing the amount of slack available. Therefore, a firm that expects rapid growth should lower its dividend payout to accumulate financial slack so as to reduce the like hood of underinvestment.

Beside that, the growth opportunity is the other factor of determining the capital structure. Theoretical studies generally suggest growth opportunities are negatively related with leverage. On the one hand, as Jung, Kim and Stulz (1996) show, if management pursues growth objectives, management and shareholder interests tend to coincide for firms with strong investment opportunities. But for firms lacking investment opportunities, debt serves to limit the agency costs of managerial discretion as suggested by Jensen (1986) and Stulz (1990). The findings of Berger, Ofek, and Yermack (1997) also confirm the disciplinary role of debt. On the other hand, debt also has its own agency cost. Myers (1977) argues that high-growth firms may hold more real options for future investment than low-growth firms. If high-growth firms need extra equity financing to exercise such options in the future, a firm with outstanding debt may forgo this opportunity because such an investment effectively transfers wealth from stockholders to debt holders. So firms with high growth opportunity may not issue debt in the first place and leverage is expected to be negatively related with growth opportunities.

2.3. Influence of capital structure on company's value

Debt policy and equity ownership structure 'matter' that can be differed into firms with many net present value and firms with few positive net present value projects. It proposes that managers will take debt/equity ratio as a signal, by the fact that high leverage implies higher bankruptcy risk (and costs) for low quality firms. Since managers always have information advantage over the outsiders, the debt

structure may be considered as a signal to the market. Ross's model suggests that the values of firms will rise with leverage, since increasing leverage increases the market's perception of value. Suppose there is no agency problem, i.e. management acts in the interest of all shareholders. The manager will maximize company value by choosing the optimal capital structure: highest possible debt ratio (There are a lot of theories comprise of the determinants of capital structure, summarized from many countries and sources, and based on relative evidences). From the optimality and pecking order theory, trade-off theory, free-cash flow theory and the managerial models, panel method approach, agency relationship, to the environmental dynamism and innovation effect to capital structure. High-quality firms need to sign their quality to the market, while the low-quality firms' managers will try to imitate. According to this argument, the debt level should be positively related to the value of the firm.

2.4 Previous empirical research

There are polemics that conclude the influence of capital structure toward company value, in one side conclude based on their result that capital structure has influence toward company value. There is some conclusion that the capital structure has a direct influence to a company value. Early empirical studies attempted to find the determinants of capital structure within the tradeoff framework, for example, Ferri and Jones (1979), Marsh (1982), BJK (1984) and Castanias (1983). Significantly none of these studies include variables to represent profitability -- the key factor explains the influence of capital structure toward company value, according to the

pecking order theory. Baskin (1989) tests the pecking order theory by studying the debt ratios of firms and their relationship to past profitability, and it causes direct impact toward company value. The results strongly support the argument that firms with higher past profits typically tends to have lower leverage. However, Baskin does not include proxies for most of the "traditional" determinants, such as risk, asset composition, and non-debt tax shields. In a test of the stakeholder theory, Barton, Hill and Sundaram (1989) include a measure of the product-relatedness criterion suggested by Rumelt (1974) as a proxy for the presence of stakeholders, in addition to proxies for profitability, growth, risk and other commonly used determinants. Their results indicated the presence of "stakeholders" tended to decrease leverage. Titman and Wessels (1988) undertook a comprehensive study, testing both stakeholder and pecking order theories in a more general frame-work.

Stulz (1990) argues that debt can have both a positive and negative effect on the value of the firm (even in the absence of corporate taxes and bankruptcy costs). He develops a model in which debt financing can both alleviate the overinvestment problem and the underinvestment problem. Stulz (1990) assumes that managers have no equity ownership in the firm and receive utility by managing a larger firm. The "power of manage" may motivate the self-interest managers to undertake negative present value projects. To solve this problem, shareholders force firms to issue debt. But if firms are forced to pay out funds, they may have to forgo positive present value projects. Therefore, the optimal debt structure is determined by balancing the optimal agency cost of debt and the agency cost of managerial discretion.

Building on the argument that high-growth firm's corporate value is negatively correlated with leverage, whereas for 'low–growth' firms corporate value is positively correlated with leverage (McConnell & Servaes, 1995). The reason is that the optimal leverage may shift with the changes of growth opportunities that lead to the changes of agency costs of debt and cost of managerial discretion (Jung, Kim, Stulz. 1996). Assuming that the managers are self-interest, the growth opportunities of the firm may be positively related to the level of the goal congruent of the firm and its manager, therefore negatively related to the cost of managerial discretion (Jung, Kim, Stulz. 1996). On the other hand, the agency cost of debt is positively related to the growth opportunities.

McConnell and Servaes (1995) conclude the correlation between *Tobin's Q* and leverage is negative for high-growth firms and positive for low-growth firms. They employ samples of 1173 firms in 1976, 1093 firms in 1986 and 830 firms in 1988, which are listed on the New York Stock Exchange or American Stock Exchange, and use P/E ratio to differentiate the sample to high-growth subsample and low-growth subsample. They find evidence to support their conjecture.

Ross and Pyle (1977) argue that debt can valuable as a device for signaling firm value. This theory claims that a firm's optimal debt ratio is determined by a trade-off between the losses and gains of borrowing, holding the firm's assets and investment plant constant. The firm substitute's debt for equity for debt until the value of the firm is maximized.

But there are some assumptions that argue that the capital structure has no influence to a company value. They are Modigliani and Miller. Modigliani and Miller conclude that the company value of any firm is independent of its capital structure; because benefit of cheaper debt will be exactly offset by an increase in the riskiness, hence in the cost, of its equity, given the assumptions of capital markets are "perfect", which means arbitrage-free, competitive and efficient, no tax distortions and no bankruptcy. After tax is introduced into their model, tax shield and bankruptcies costs add more complications to the optimal capital structure decision-making process. It is observed that the optimal capital structures are closely related to the growth potential of the firms (McConnel & Servaes1995; Jung, Kim, & Stulz 1996) and some other variables, such as: the size and the industry characteristics (Titman & Wessels1988).

2.3 HYPOTHESIS FORMULA

According to Stulz (1990), McConnell & Servaes (1995), Jung, Kim, Stulz (1996), the influences of the debt on the firms value depends on the presence of growth opportunities. For firms facing low growth opportunities, the debt ratios are positively related to the firm value. For firms facing high growth opportunities, the debt ratios are negatively related to the firm value.

In this context, we will try to empirically test the relationship between capital structure and the company value given the presence of different growth opportunities.

Hypothesis 1: The correlation between Company value and Capital structure will be positively for low-growth firms.

Hypothesis 2: The correlation between Company value and Capital structure will be positively for high-growth firms.

Our first Hypothesis is based on the argument by Ross (1977), and the second Hypothesis is based on the argument by Stulz (1990), McConnell & Servaes (1995), Jung, Kim, Stulz (1996). The writer predicts that the signaling function of the debt will overweight the influence of the growth opportunities on the debt structure if hypothesis one is proved. Otherwise, the influence of the growth opportunities on the shift of the agency cost of debt and agency cost of managerial discretion will dominate the model.

CHAPTER 3

RESEARCH METHOD

The type of the research that will be focused in this thesis is the Hypothesis-Testing Research, as a part of Methodology- Based Research. According to Sekaran (2000) in his book of, Hypothesis-Testing Research is defined as:

"The study that engages in Hypotheses testing usually explains the nature of certain relationships, or establishes the differences among groups of the interdependence of two or more factors in a situation".

The hypothesis itself, according to Sekaran (2000), is defined as

"a logically conjectured relationship between two or more variables expressed in the form of a testable statement. Relationships are conjectured on the basis of the network of associations established in the theoretical framework formulated for the research study. By testing the hypothesis and confirming the conjectured relationships, it is expected that solutions can be found to correct the problem encountered".

The format of the hypothesis in this thesis is Null (Ho) and Alternate Hypotheses (H_A). The null hypotheses state the exact relationships between two variables. In general, a null hypothesis is expressed as no significant differences between two variables. While alternate hypothesis is the opposite of null hypothesis, which indicates that there is a significant differences between the variables.

In this study, null and alternate hypothesis format are chosen as this study aims at giving empirical evidence on the influence of capital structure on company's value with different growth opportunities

3.1. Research Subject

This research is conducted in Indonesia, by taking sample on the Jakarta Stock Exchange. The study focuses on the data of public company on years 2001 until 2003.

The taking sample will be done by using pooled data. The advantage of using pooled data is that it can cover the bigger sample and will increase the power of test from this research. Pooled data is done by counting up the company that fulfills the research criteria in research period that is from year 2001 until 2003.

As sample, the company should fulfill the following criteria:

1. Companies were listed in BEJ in year 2001 until 2003
2. Company that published the financial statement and publish data about capital structure.

The other criterion for data selection is that the company should be go public companies in Indonesia include foreign company which operates their business in Indonesia. The sample includes sixty *"go public"* companies in the Indonesia at the beginning of January 2001 until the end of December 2003. This criterion has reduced the final sample to sixty manufactures firms.

3.2. Research Setting

This study takes places at BEJ corner and library of Economics Faculty, Islamic University of Indonesia, as simulation of BEJ and other related places.

3.3. Research Variables

The writer gathers the data taken from the JSX corner in Islamic University of Indonesia. In this research, the writer uses complete financial statement as the source of data. The data needed are:

1. Total asset

This data is needed as a component of capital structure

2. Short term Debt

This data is needed as a component of capital structure

3. Long term debt

This data is needed as a component of capital structure.

4. Price to earning ratio

This data is needed to measure the growth of company

5. Gross profit margin ratio

This data is needed because profit is related to company performance

6. Capital Expenditures

This data is needed to represent firms' investment to future development

7. PBV

This data is needed to measure the company value

3.4. Hypothesis testing

We will use two variables, that are dependent and independent variables. We will categorize the data as follow:

$Y=\beta_0 + \beta_1$Gross Profit Margin$+ \beta_2$ Capital Expenditures to Total Asset Ratio $+ \beta_3$Total Asset $+ \beta_4$Current Debt to Total Asset Ratio $+ \beta_5$Longterm Debt to Total Asset Ratio

Explanation:

Y= Tobin's Q *market to book ratio*, as dependent variable

β_0= constantan

Independent variable:

β_1= Gross profit margin ratio

β_2= Capital expenditures per Total Asset ratio

β_3= Total Assets

β_4= Current Debt to Total Asset ratio

β_5= Long-term Debt to Total Asset ratio

3.5. Research Procedure

In order to give empirical evidence in answering the research problem, research procedures are arranged as follow:

1. Find the significance and the direction of capital structure that give influence to the company value using the coefficient correlation and coefficient determinant, derived through the regression analysis.
2. Test the hypothesis using *f test* to detect the overall significance.

3. Test the hypothesis using *t test* for detect the significance of each independent variable.
4. Find the annual correlation coefficient of capital structure and company value and find the annual correlation coefficient of capital structure and company value to be used as the test variable in the independent sample *f test*.
5. Derive research findings from the data analysis.
6. Make conclusion regarding to the findings

3.6. Technique of Data Analysis

3.6.1 Data Collection Techniques

The source of data needed for this research is the secondary data that refers to information gathered by someone other than the researcher conducting the current study. Such data can be internal or external to the organization and can be accessed through the computer or by going through recorded or published information (Sekaran,U.2000). This data is gathered and collected indirectly from the literatures related to the research topic such as from books, journals, articles, Indonesia Capital Market Directory (ICMD), Jakarta Stock Exchange (JSX), internet, and magazines. The techniques adopted to collect the data are:

a. Literature review

To do the literature review the writer gathers data from literatures, books and previous research related to the problem which becomes the research topics.

b. Documentation

To do the Documentation the writer gathers data from articles (magazines, newspaper, and internet), journals and ICMD related to the problem which becomes the research topics

3.6.2Data Analysis Techniques

1. Regression tools

To see the relation of Capital structure and company value, the writer develops regressions. This method is useful to know the power of independent variable to influence the dependent variable.

Multiple regression tests are conducted by using computer program that is SPSS 11.5 for windows. It makes easier to calculate the formula and categorize the type of multiple regression.

2. Categorize between High growth firm and Low growth firm.

In this case the writer will use the price to earning ratio (PER) to categorize the company into high growth and low growth firm. The *prices to earning ratio* will sort and will result which company that include in high growth and low growth company.

Firms are ranked according to their P/E ratio. The one-third of the firms with the highest P/E ratio is placed into a high-growth sample, and the one-third with the lowest P/E ratio is placed into a low-growth sample. Thus there is a high-growth sample of 30 firms and a low-growth sample of 30 firms.

3. Calculation of Capital Structure, Market to Book Ratio and Price Earning Ratio.

Calculation of Capital structure, Price Book Value Ratio and Price Earning Ratio can be measured by these formulas below. Especially for this research, those data are already available in Indonesian Capital Market Directory which is issued by Jakarta Stock Exchange for the years 2001 until 2003.

a) The Calculation of Capital Structure

Capital structure is consists of several components, and each component has their own formula. it can be seen below:

Total capital = total debt + stock holder's equity +minority interest in net assets of subsidiaries

(The amount of total debt, stockholders' equity and minority interest in net assets of subsidiaries can be seen at appendix 3)

Capital composition = 1 = Debt composition + Equity composition

Debt composition = Total Debt

Total invested capital

Equity composition = 1 – (Debt composition)

Current Debt to Total Asset ratio = Current Debt

Total Asset

Long term Debt to Total Asset ratio = Long term Debt

Total Asset

b) The calculation of Company Value (Tobin's Q)

Market-to-book ratio = PBV = Market Value of Equity

Book Value of Equity

c) The Calculation of Price Earning Ratio

PER = Market Value per Share

Earning per Share

For the purpose of the test, the first and second hypotheses are stated as follows:

H_{01} : Capital structure does not significantly and positively influences the Company value in low growth opportunities

H_{A1} :Capital structure significantly and positively influences the Company value in low growth opportunities

H_{o2} : Capital structure does not significantly and positively influences the Company value in high growth opportunities

H_{A2} : Capital structure significantly and positively influences the Company value in high growth opportunities

CHAPTER 4

RESEARCH FINDING, DISCUSSION, AND IMPLICATION

Performance evaluation using the financial statement analysis has become a very important activity to perform the data correctly. An accurate analysis to the company's real condition can help the interested parties to make better decisions, such as decision in term of financing, investment, and dividend policy.

Therefore in this chapter, the calculation and the analysis of sample companies will be explained and discussed. This calculation and analysis involves sixty companies as the samples that are categorized in the Manufacturing industry listed at Jakarta Stock Exchange within January 2001 to December 2003.

The use of tables as the media of explanation is aimed at giving efficient and clear step by step information of capital structure and company value calculation. The calculation of capital structure and company value will be continued by the statistical analysis in order to achieve the research objectives.

4.1 Findings and Discussions of the Research

The samples in the research were the Indonesian manufacturing firms which listed consistently in JSX from 2001-2003. Based on the research process, the research findings found sixty companies as the sample of the research.

Table.1

Descriptive statistic

	Tobin's Q	PER	GPM	CEPTA	TA	CDTA	LTDA
Mean	5.6862778	11.887611	29.189389	-0.0379224	3885344	0.3839828	0.206093
Median	0.895	4.655	17.02	-0.0255993	504909.5	0.3024845	0.0970733
minimum	-15.03	-132.9	-31.74	-0.2315674	23346	0	0
maximum	513.26	405.26	1032	0.1803987	62239217	2.1017861	1.1338452
std dev	43.526657	46.933346	86.798236	0.0671515	9288907.1	0.3133316	0.233038
skewness	10.411173	5.0939497	10.00078	-0.2707207	4.1000781	2.1633578	1.3398926

Table 1 reports the descriptive statistics of our sample. The mean price-to-earnings ratio, P/E, is 21.55, while the median P/E is 4.65. The largest P/E ratio is 405.26, which comes from PT Ever Shine Textile Industry. The mean current liabilities to assets ratio and long-term debt to assets ratio is 0.3839828 and 0.206093 respectively. we use P/E ratio to differentiate our sample. Firms are ranked according to their P/E ratio. The thirty of the firms with the highest P/E ratio is placed into a high-growth sample, and the thirty with the lowest P/E ratio is placed into a low-growth sample. Thus there is a high-growth sample of 30 firms and a low-growth sample of 30 firms.

4.2 Statistical Analysis

The writer expect there is the influence of capital structure toward company value both in high and low growth company, because of optimal capital structures are

closely related to the performance and growth potential of the firms (and some other variables, such as: the size and the industry characteristics).

4.2.1 The Result of hypothesis testing

4.2.1.1 The influence of Capital Structure toward Company Value on low growth Opportunities.

Table.2

The result of F-Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.293(a)	.086	.031	53.27434

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22366.391	5	4473.278	1.576	.176(a)
	Residual	238405.022	84	2838.155		
	Total	260771.414	89			

This research study employed regression analysis set to discover the degree of significant for each variables correlation. F-Test mechanism was employed examine the significances the influences given by capital structure as a whole to company value on low growth opportunities. The F-test examines all variables associated to the capital structure simultaneously to company value on low growth opportunity. The details and elaborations can be observed as follow:

a. Hypothesis Formulation

$H_{O1} = \beta_1 = \beta_2 = \ldots = \beta p = 0$, Capital structure does not significantly and positively influence the Company Value in low growth opportunities

H_{A1} = at least one $\beta_1 \neq 0$, Capital structure significantly and positively influence the Company Value in low growth opportunities

b. Based on the SPSS 11.5 for windows, the correlation (R) between Capital structure and Company Values on low growth Opportunity is 0.293, means that the correlation is weak because the point is below the standard 0.5.

c. This analysis has the significance of 0.176; it means that the test is not significant as it is above 0.05.

d. Based on the SPSS 11.5 for windows, the coefficient determinant (R square) is 0.086, it means 8.6% of company value is explained by capital structure, while the other 91.4% explained by other factors.

e. Conclusion

Since *P value* > α therefore Ho fails to be rejected and H_A is rejected. The conclusion is that Capital structure does not significantly and positively influence the Company Value or there is evidence that at least one independent variable affects company value.

The explanation that can be conclude by the existence of negative influence of capital structure toward company value with low growth opportunities, because

the benefit of debt will increase the expected rate of return on shareholder's investment, but debt is increase the risk level.

Table.3

The explanations of statistical test of each individual variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-19.291	39.820		-.484	.629
	GPM	-.019	.047	-.043	-.412	.681
	CEPTA	-18.617	88.032	-.023	-.211	.833
	CDTA	-13.370	14.714	-.096	-.909	.366
	LTDTA	49.578	21.006	.255	2.360	.021
	LNTA	1.536	2.913	.056	.527	.599

$\gamma = -19.291 - 0.019X_1 - 18.617X_2 + 1.536X_3 - 13.370X_4 - 49.578X_5$

Constantan as -19.291, means that if there is no other factor influencing Tobin's Q thus the value are -19.291. For each increase in Gross profit margin, the estimated average amount of Tobin's Q is decreased by 0. 0.019. For each increase in capital expenditures to total asset ratio, the estimated average amount of Tobin's Q is decreased by 18.617. For each increase in total asset, the estimated average amount of Tobin's Q is increased by 1.536. For each increase in Current debt to total asset ratio, the estimated average amount of Tobin's Q is decreased by 13.370. For each increase in Long term debt to total asset ratio to total asset ratio, the estimated average amount of Tobin's Q is increased by 49.578.

a. Gross Profit Margin

T-Test Analysis of gross profit margin as individual variable toward company value can be seen below:

This analysis has the significance of 0.681; it means that the test is insignificant as it is above 0.05. Since *P value* > α therefore Ho fails to be rejected and HA is rejected. The conclusion is that gross profit margin does not significantly and negatively influence the company value. (*See table 3*)

b. Capital expenditures to total asset ratio

T-Test Analysis of capital expenditures to total asset ratio as individual variable toward company value can be seen below:

This analysis has the significance of 0.833; it means that the test is insignificant. Since *P value* > α therefore Ho fails to be rejected and HA is rejected. The conclusion is that capital expenditures to total asset ratio does not significantly and positively influence the company value. (*See table 3*)

c. Total Asset

T-Test Analysis of Total Asset as individual variable toward company value can be seen below:

This analysis has the significance of 0.599; it means that the test is insignificant as it is above 0.05. Since *P value* > α therefore Ho fails to be rejected and HA is

rejected. The conclusion is that Total Asset does not significantly and positively influence the company value. (*See table 3*)

d. Total current debt to total asset ratio

T-Test Analysis of Total current debt to total asset ratio as individual variable toward company value can be seen below:

This analysis has the significance of 0.366; it means that the test is insignificant as it is above 0.05. Since *P value* > α therefore Ho fails to be rejected and HA is rejected. The conclusion is that Total current debt to total asset ratio does not significantly and positively influence the company value. (*See table 3*)

e. Total long term debt to total asset ratio

T-Test Analysis of Total long term debt to total asset ratio as individual variable toward company value can be seen below:

This analysis has the significance of 0.021; it means that the test is significant as it is above 0.05. Since *P value* < α therefore Ho is rejected and HA is accepted. The conclusion is that Total long term debt to total asset ratio significantly and positively influence the company value. (*See table 3*)

4.2.1.2 The influence of Capital Structure toward Company Value on high growth Opportunities.

Table.4

The result of F-Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.306(a)	.094	.040	29.06098

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7327.388	5	1465.478	1.735	.135(a)
	Residual	70941.407	84	844.541		
	Total	78268.794	89			

F-Test statistical tool was employed examine the significances the influences given by capital structure as a whole to company value on high growth opportunities. The F-test examines all variables associated to the capital structure simultaneously to company value on high growth opportunity. The details and elaborations can be observed as follow:

a) Hypothesis Formulation

$H_{O1} = \beta_1 = \beta_2 = \ldots = \beta_p = 0$, capital structure does not significantly and positively influence the Company Value on high growth opportunities

H_{A1} = at least one $\beta_1 \neq 0$, capital structure significantly and positively influence the Company Value on high growth opportunities

b) Based on the SPSS 11.5 for windows, the correlation (R) between Capital structure and Company Value on high growth Opportunities is 0.306, means that the correlation is weak because the point is below the standard 0.5.

c) This analysis has the significance of 0.135; it means that the test is insignificant as it is above 0.05.

d) Based on the SPSS 11.5 for windows, the coefficient determinant (R square) is 0.094, it means 9.4% of company value is explained by capital structure, while the other 90.6% explained by other factors.

e) Conclusion

Since *P value* > α therefore Ho fails to be rejected and H_A is rejected. The conclusion is that Capital structure does not significantly and positively influence the Company Value or there is evidence that at least one independent variable affects the company value.

The explanation that can be conclude by the existence of negative influence of capital structure toward company value with high growth opportunities, because the benefit of cheaper debt will be exactly offset by an increase in the riskiness, hence in the cost, of its equity.

Table.5

The explanations of statistical test of each individual variable

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-15.850	27.773		-.571	.570
	GPM	-.204	.197	-.111	-1.034	.304
	CEPTA	35.380	48.011	.078	.737	.463
	CDTA	42.983	17.975	.257	2.391	.019
	LTDTA	18.823	21.341	.111	.882	.380
	LNTA	.854	2.192	.048	.389	.698

a Dependent Variable: Tobin'Q

$$\gamma = -15.850 - 0.204X_1 + 35.380X_2 + 0.854X_3 + 42.983X_4 + 18.823X_5$$

Constantan as -15.850, means that if there is no other factor influencing Tobin's Q thus the value are -15.850. For each increase in Gross profit margin, the estimated average amount of Tobin's Q is decreased by 0.204. For each increase in capital expenditures to total asset ratio, the estimated average amount of Tobin's Q is increased by 35.380. For each increase in total asset, the estimated average amount of Tobin's Q is increased by 0.854. For each increase in Current debt to total asset ratio, the estimated average amount of Tobin's Q is increased by 42.983. For each increase in Long term debt to total asset ratio to total asset ratio, the estimated average amount of Tobin's Q is increased by 18.823.

a. Gross Profit Margin

T-Test Analysis of gross profit margin as individual variable toward company value can be seen below:

This analysis has the significance of 0.304; it means that the test is insignificant as it is above 0.05. Since *P value* > α therefore Ho fails to be rejected and HA is rejected. The conclusion is that gross profit margin does not significantly and positively influence the company value. (*See table 5*)

b. Capital expenditures to total asset ratio

T-Test Analysis of capital expenditures to total asset ratio as individual variable toward company value can be seen below:

This analysis has the significance of 0.463; it means that the test is insignificant as it is above 0.05.

Since *P value* > α therefore Ho fails to be rejected and HA is rejected. The conclusion is that capital expenditures to total asset ratio does not significantly and positively influence the company value. (*See table 5*)

c. Total Asset

T-Test Analysis of Total Asset as individual variable toward company value can be seen below:

This analysis has the significance of 0.698; it means that the test is insignificant as it is above 0.05. Since *P value* > α therefore Ho fails to be rejected and HA is

rejected. The conclusion is that Total Asset does not significantly and positively influence the company value. (*See table 5*)

d. Total current debt to total asset ratio

T-Test Analysis of Total current debt to total asset ratio as individual variable toward company value can be seen below:

This analysis has the significance of 0.019; it means that the test is significant as it is below 0.05. Since *P value* < α therefore Ho is rejected and HA is accepted. The conclusion is that Total current debt to total asset ratio does not significantly and positively influence the company value. (*See table 5*).

e. Total long term debt to total asset ratio

T-Test Analysis of Total long term debt to total asset ratio as individual variable toward company value can be seen below

This analysis has the significance of 0.380; it means that the test is insignificant as it is above 0.05. Since *P value* > α therefore Ho is fail to be rejected and HA is rejected. The conclusion is that Total long term debt to total asset ratio significantly and positively influence the company value. (*See table 5*)

4.3 Implication

From the statistical analysis and hypothetical testing above, it is clear that capital structure does not significantly and positively influence the company value. And from the two hypothetical testing, it can be concluded that only one of each individual variable that influences the company value. It means that there are other factors or reasons which give influence to company value. In other words, it can be said that the company value is not influenced by the capital structure.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

This chapter will give some conclusions and recommendations based on the analysis which has been undertaken in chapter four. The use of sixty sample companies of manufacturing sector which are listed at the Jakarta Stock Exchange "between" January, 2001 to December, 2003, is expected to be able to represent the population of all companies listed at the Jakarta Stock Exchange in the same period.

5.1. Conclusions

The hypothetical testing has concluded that capital structure does not influence company value both in high and low growth. This empirical test provides a support for Modigliani and Miller (1958) model and conclusion. The writer thinks that the particular governance structure in Indonesia may provide us partial explanation for the insignificant positive coefficient of capital structure to firm value. The strong position of the management board and the close link between the firm and the bank make the mechanism of the debt to be ineffective. Beside that the benefit of cheaper total debt will be exactly offset by an increase in the riskiness, hence in the cost, of its equity. Given the small number of observations, it is difficult to generalize the conclusion.

5.2. Recommendations

Based on the empirical study that has been discussed in previous chapters, there are several recommendations that are adopted from the result of the research.

1. The result of the study shows that capital structure is not giving any contribution to either positive or negative construction to company value. Therefore, the writer of this research strongly recommends another empirical research to other variables and possibility that may be suspected as the influencer to the value of the company. The writer of this research is confident that effort in revealing the right influencer of company value will give a very significant positive impact to the management in formulating the right strategy in increasing the company's value that eventually result better performance for the company, especially in financial aspect.
2. In this research, the writer uses *Tobin's Q* approach to assess the company value. The writer believes that the result of the assessment by *Tobin's Q* method is reliable. Yet the writer also realizes that this method is not fully satisfying with the result that generated by only a single method. Thus, the writer of this research recommends utilizing other relevant method that can be used in assessing the company's value in future research. Multiple approaches such as ROE, EVA, and etc will probably give better and more reliable alternative results for this particular research.
3. The range of time interval that is used in this research is using one year interval in assessing the company's value. The author really thinks that the range of data

and interval are sufficient to have a valid assessment. However, the writer also agrees with the classic argument that says more sample will result more trustable fact. Hence, the writer recommends more interval in data sampling to generate more dynamic and possibility of more trustable result in the research

APPENDIX 1

Data gathered from financial statement

	Tobin'Q			PER			GPM		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
ADES	1.08	0.63	0.86	-8.35	7.45	22.14	35.01	35.23	36.72
ADMG	-1.14	-0.21	-2.32	0.71	0.12	1.05	1032	2.42	6.43
AKPI	-0.12	-0.28	0.84	-0.37	0.14	1.15	33.29	28.12	23.04
AQUA	2.79	2.24	2.32	9.59	7.47	10.14	12.47	12.14	9.96
ARGO	-0.45	-15.03	282.6	-1.26	0.34	25.18	13.53	5.53	-0.79
ARNA	0.7	0.81	2.09	4.17	6.04	12.97	31.1	34.78	35.04
ASIA	1.23	1.35	2.26	-0.52	102.15	1.17	0.66	1.56	2.59
ASII	1.92	1.26	1.72	5.85	2.26	4.56	18.78	21.59	24.37
BATA	1.28	1.31	1.16	2.87	4.03	5.1	46.34	45.79	43.79
BIMA	-0.75	-0.8	-0.61	-4.06	-1.28	-2.56	11.1	12.78	-21.73
BTON	1.09	1.24	1.56	17.49	11.37	318.18	11.99	0.04	7.02
CEKA	0.22	0.31	0.29	-9.91	7.17	21.08	10.54	10.12	6.66
CPIN	0.71	0.57	0.57	4.63	3.85	-21.62	16.89	15.55	11.32
DAVO	0.19	0.22	0.86	14.55	5.05	5.53	4.21	6.71	13.67
DLTA	0.47	0.44	0.43	2.73	2.93	3.65	48.87	49.27	47.14
DNKS	2.04	1.29	2.77	6.96	3.83	8.71	44.95	48.61	51.62
DOID	0.65	0.71	0.94	7.45	-17.63	-23.82	18.61	11.89	7.2
DVLA	1.49	1.13	1.59	-132.9	4.05	9.35	45.54	48.78	67.09
DYNA	0.58	0.81	1.18	4.43	5.49	7.88	27.33	29.92	27.06
EKAD	0.43	0.46	0.85	3.37	3.58	9.78	17.65	19.89	22.27
ERTX	0.86	-9.39	-0.46	6.28	4.58	-0.44	20.24	11.86	4.1
ESTI	1.65	1.55	0.7	21.43	405.26	8.49	19.63	4.89	-3.8
FASW	1.45	1.03	1.51	6.66	5.86	30.45	16	16.52	13.5
GDYR	0.78	0.66	0.55	17.13	10.84	10.33	8	11.44	10.83
GGRM	2.03	1.64	2.39	7.97	7.65	14.23	24.77	23.07	19.54
HJTL	-0.13	1.59	1.31	0.35	0.19	2.06	18.91	15.25	15.22
GGRM	3.46	3.2	3.49	15.07	9.96	14.31	28.95	30.48	30.82
GJTL	-0.37	0.34	0.49	-1.64	1.54	-1.14	14.53	7.57	5.93
IKBI	0.68	0.32	0.3	13.93	-23.03	-9.47	6.17	6.07	4.56
INAF	1.12	1.91	2.02	4.68	-12.43	4.07	49.36	17.9	24.47
INDF	1.61	1.54	1.85	7.67	7.02	12.52	26.42	24.7	24.99
INDR	0.12	0.15	0.18	0.76	8.82	8.4	19.36	13.55	11.5
INKP	0.08	0.05	0.23	-0.46	-0.33	-1.3	17.8	14.09	11.35
INTP	0.93	0.65	1.73	-40.82	2.39	11.67	31.35	32.92	33.57
JECC	1.12	1.8	0.81	67.04	23.65	154.21	15.92	11.91	10.11
JPRS	0.26	0.29	0.75	1.36	1.23	5.19	17.19	13.46	13.6
KAEF	1.63	1.52	1.55	9.03	29.02	27.17	36.09	28.93	29.88

KARW	3.14	2.82	4.94	-3.55	-99.95	-9.97	11.05	6.51	8.71
KBLI	-0.04	0.3	2.87	-0.13	0.08	-8.58	4.17	6.52	-1.89
KLBF	4.14	2.28	4.9	27.97	4.18	12.58	48.25	53.04	56.21
LION	0.36	0.41	0.43	2.66	3.28	3.52	36.8	41.56	43.03
LMPI	0.49	0.29	1.75	-4.95	-0.23	-0.55	18.13	17.15	14.78
LMSH	0.84	0.3	0.42	8.51	2.27	3.09	13.03	7.17	8.75
LMPI	1.84	1.5	2.25	4.17	5.98	7.09	560.61	59.92	60.94
MRAT	0.54	0.64	0.8	3.68	7.53	14.29	57.35	57.22	57
MYTX	-4.42	-0.46	0.25	-0.44	-0.56	-0.84	12.28	8.9	5.35
RDTX	1.21	1.06	0.93	45.63	-29.49	36.22	8.88	0.08	12.18
RYAN	6.21	0.04	0.33	66.02	1.87	-0.68	34.58	13.96	-31.74
SCPI	21.25	9.04	5.48	-9.33	-27.49	12.79	27.91	36.6	38.03
SMCB	513.26	0.44	1.17	2.54	2.21	17.82	1.85	0.09	10.02
SMPL	1.5	1.46	1.26	19.37	-60.24	96.32	19.2	6.43	7.87
SRSN	1.39	1.27	3.58	8.96	-6	-5.11	16.07	6.26	-2.33
SSTM	1.09	0.27	0.35	25.66	3.32	13.59	17.41	9.89	9.57
STTP	0.3	1.26	0.78	3.18	11.25	7.56	17.21	18.37	18.11
SUGI	2.61	3.39	4.77	102.97	118.55	146.43	10.11	10.68	12.77
TIRT	0.79	0.62	0.78	8.92	6.78	18.59	11.05	9.04	9.92
TKIM	0.05	0.05	0.22	-0.07	-0.49	-3	22.23	21.15	22.28
TOTO	7.06	2.54	1.78	17.65	3.96	7.27	34.95	32.4	28.72
UNIC	0.67	0.66	1.37	5.85	6.45	18.34	21.3	19.7	15.45
UNVR	7.22	6.88	13.2	14.07	14.2	21.33	45.85	48.02	51.91

		Total Assets			CDTA			LTDTA		
		2001	2002	2003	2001	2002	2003	2001	2002	2003
1	ADES	207358	206917	192043	0.3535721	0.3244441	0.4216816	0.2630957	0.2556871	0.1083976
2	ADMG	7457946	6637449	62239217	0.8401477	0.5994705	0.0146957	0.5970567	0.5754709	0.0913653
3	AKPI	1803651	1571672	1355389	1.1394815	0.9918475	0.1656491	0.1577057	0.1067945	0.3828399
4	AQUA	513597	545394	523302	0.6358818	0.5038889	0.0793691	0.0316357	0.0804391	0.3915961
5	ARGO	2.711.375	2.265.174	2.125.970	0.9883096	0.6258451	0.6502265	0.2173971	0.3795956	0.3492011
6	ARNA	221095	246532	248100	0.18905	0.2611831	0.2524063	0.4011172	0.275952	0.2226602
7	ASIA	56528	142975	100396	0.2738643	0.7228676	0.8557711	1.1338452	0.0152754	0.0155683
8	ASII	26.573.546	26,185.605	27,404.308	0.389671	0.304878	0.2821755	0.4390919	0.3544268	0.224982
9	BATA	222.913	210,082	232,263	0.3315868	0.2552289	0.2838765	0.0325688	0.0348055	0.0340089
10	BIMA	181,790	98.265	83.086	1.0444579	1.5627538	2.1017861	0.2134386	0.7181397	0.8877428
11	BTON	32.925	25,123	23,346	0.3943812	0.1293237	0.0559839	0.0023386	0.0034232	0.0061681
12	CEKA	304291	300442	295249	0.2720554	0.2016363	0.183584	0.0139537	0.032136	0.0320137
13	CPIN	2,046.331	2.087,116	2,507.191	0.3035941	0.3677179	0.3095225	0.2923745	0.1826985	0.3597951
14	DAVO	764.624	791,797	894,073	0.0022482	0.0004774	0.0004865	0.3894071	0.3697766	0.3388896
15	DLTA	346.902	379,537	398.250	0.2045419	0.1702443	0.1242134	0.0537385	0.0504088	0.0532078
16	DNKS	568.511	660.949	826.778	0.2262225	0.2563798	0.23202	0.4096297	0.3145402	0.2830421
17	DOID	39.630	40.856	40.096	0.2020187	0.3268308	0.3063398	0	0.0355395	0.0399292
18	DVLA	380.440	322.922	373,559	0.5444249	0.2513734	0.1978804	0.025665	0.0454042	0.0700264
19	DYNA	480699	526788	766930	0.3546544	0.2445006	0.3073801	0.0835512	0.1027814	0.1389227
20	EKAD	59710	58491	60825	0.2072685	0.1603666	0.1709166	0.0077206	0.0068899	0.0105384
21	ERTX	458983	418678	290042	0.3019545	0.3523663	0.4296585	0.5284161	0.4589016	0.4761276
22	ESTI	741159	664935	574093	0.166585	0.3114109	0.1614773	0.3051208	0.1038282	0.2119291
23	FASW	2.821,062	2,720.954	2,627.238	0.2874031	0.0889703	0.0869655	0.4160912	0.538384	0.5069602
24	GDYR	390.074	385.548	388,062	0.1974292	0.2195887	0.2269199	0.1392992	0.079435	0.0590292
25	GGRM	13.448.124	15.452.703	17,338.899	0.3761511	0.3576758	0.3493701	0.0142325	0.013974	0.0178976
26	HJTL	15.130.837	12.444,164	12,173.255	0.9302861	0.3819866	0.1617963	0.3353758	0.5994876	0.7352202
27	GGRM	9.470.540	9,817.074	10,197,768	0.2822473	0.2162287	0.1676887	0.2541333	0.2342111	0.2439541
28	GJTL	923.679	812.188	741.492	0.1548709	0.2271014	0.2554175	1.0103802	0.609205	0.6185744
29	IKBI	393.043	404.556	369,799	0.1683709	0.2081887	0.1578425	0	0.0031763	0.005603
30	INAF	811.625	810.028	635.960	0.3570097	0.4607544	0.5395937	0.0054606	0.0479181	0.0391298
31	INDF	12.979.102	15.251.516	15.308,854	0.4665458	0.2846472	0.2393512	0.2005808	0.4177839	0.4499447
32	INDR	5.664,841	4.837.746	4,530.166	0.2916964	0.2686396	0.3427475	0.3015011	0.3142949	0.2271506
33	INKP	57.967.024	49.310,681	46,070,154	0.5960989	0.6513173	0.6989153	0.0123982	0.0006079	0.000242
34	INTP	11.930,019	11,464.805	10,145.066	0.0603799	0.0557566	0.0773729	0.7080122	0.6120621	0.4757638
35	JECC	300.834	304,258	244,188	0.5437351	0.6697737	0.7133561	0.2541535	0.1163092	0.1533695
36	JPRS	93,979	127,431	114,749	0.4315219	0.420918	0.2475664	0.0177593	0.0484497	0.0636171
37	KAEF	1,188.157	1,038.545	1,366,766	0.3403035	0.3032493	0.4192729	0.0419414	0.0445922	0.0287262
38	KARW	500,208	491,824	412.820	0.8241092	0.8512354	0.83011	0.0200996	0.0076755	0.0660385
39	KBLI	943,494	454,800	416,984	1.8071731	0.0976715	0.1395785	0.0170017	0.652113	0.6545863
40	KLBF	1.877,316	2,015,538	2,448,390	0.2665907	0.5624632	0.4743203	0.5491175	0.1143407	0.107652
41	LION	100.099	108,263	119.865	0.2089831	0.1325291	0.1142869	0	0.0005357	0.0242606
42	LMPI	525.919	504,312	501,284	0.8637832	0.891811	0.9705037	0.0014432	0.0034205	0.0041952
43	LMSH	39,262	34.853	34,163	0.7124955	0.6427854	0.3777186	0.0386888	0.0345164	0.2500073
44	LMPI	162.720	172,336	200,328	0.2167281	0.1320966	0.2002815	0.0051807	0.0018859	0.0034743
45	MRAT	295,031	291,549	274.634	0.1544855	0.1733191	0.1384861	0.0013355	0.0029086	0.009966
46	MYTX	2,680.431	2.687,344	2,592,556	0.7804629	0.8018441	0.278092	0.2269799	0.2461754	0.460601
47	RDTX	303,730	301.737	309.646	0.1048727	0.1139867	0.1047874	0.0351496	0.0475812	0.0587348
48	RYAN	76.065	54,539	41,992	0.1748768	0.2238398	0.151767	0.0044436	0.005299	0.0072157
49	SCPI	62,280	61.256	57.753	0.9320006	0.9479724	0.9033643	0	0	0
50	SMCB	5,972,061	7.713,791	7,647,642	0.0402613	0.0377723	0.0444821	0.9587762	0.6370315	0.608084
51	SMPL	205.862	164,164	187.320	0.3890908	0.2880717	0.3577835	0.0570479	0.0338564	0.0425582
52	SRSN	181.301	165,740	138.864	0.1571199	0.2349041	0.2245434	0.3203237	0.2930071	0.3545267
53	SSTM	817.268	811.519	913.734	0.2927057	0.3207134	0.3607801	0.3882313	0.3331148	0.2678044
54	STTP	404.060	470.452	505.507	0.3409989	0.3604342	0.3282744	0.0673786	0.0671014	0.0772769
55	SUGI	41.554	58.010	62.025	0	0.2442338	0.3130512	0	0.0031546	0.0031923
56	TIRT	336.353	403.386	529.009	0.5683374	0.4692751	0.4078588	0.0709522	0.1805715	0.2724226
57	TKIM	22.496.699	18.899.394	17.892,932	0.7500916	0.7883995	0.8022827	0.021586	2.328E-06	2.124E-06
58	TOTO	525.603	551,573	554.920	0.4498053	0.4020628	0.4626775	0.4767267	0.403098	0.3044169
59	UNIC	2.199.766	1.846.201	2,256,579	0.1839382	0.1562836	0.2067382	0.4314873	0.4018945	0.4054505
60	UNVR	2.681.430	3.091,853	3,416,262	0.3030144	0.3037631	0.3646161	0.0499017	0.0366162	0.0193864

		Capital Expendeitures			Current Debt			Long Term		
		2001	2002	2003	2001	2002	2003	2001	2002	2003
1	ADES	-14,042,328,626	-27,396,206,944	-22,035,470,652	73,316	67,133	80,981	54,555	52,906	20,817
2	ADMG	-397,258,718,000	-570,345,000	-279,848,083,000	6,265,776	3,978,955	914,651	4,452,817	3,819,659	5,686,504
3	AKPI	-46,331,382,000	-13,230,547,000	162,286,233,000	2,055,227	1,558,859	224,519	284,446	167,846	518,897
4	AQUA	-65,949,588,494	-27,421,390,528	-42,057,499,154	326,587	274,818	41,534	16,248	43,871	204,923
5	ARGO	-477,000,000	-348,000,000	-227,000,000	2,679,678	1,417,648	1,382,362	589,445	859,850	742,391
6	ARNA	-51,198,402,202	-15,512,597,736	-4,958,821,332	41,798	64,390	62,622	88,685	68,031	55,242
7	ASIA	837,406,530	1,716,670,487	-2,561,200,000	15,481	103,352	85,916	64,094	2,184	1,563
8	ASII	378,666,000,000	-140,782,000,000	1,108,727,000,000	10,354,940	7,983,415	7,732,824	11,668,228	9,280,880	6,165,477
9	BATA	-38,137,991,000	-23,381,407,000	-23,308,099,000	73,915	53,619	65,934	7,260	7,312	7,899
10	BIMA	-2,545,569,562	-1,336,013,888	4,261,563,799	189,872	153,564	174,629	38,801	70,568	73,759
11	BTON	-194,009,760	116,238,600	-291,700,746	12,985	3,249	1,307	77	86	144
12	CEKA	-20,430,907,885	-19,224,015,928	764,142,216	82,784	60,580	54,203	4,246	9,655	9,452
13	CPIN	-104,957,000,000	-150,004,000,000	-239,664,000,000	621,254	767,470	776,032	598,295	381,313	902,075
14	DAVO	-115,631,967,350	-163,613,843,979	-97,000,973,368	1,719	378	435	297,750	292,788	302,992
15	DLTA	14,903,639,000	40,546,000,000	-6,889,996,000	70,956	64,614	49,468	18,642	19,132	21,190
16	DNKS	-31,632,625,482	-68,783,494,840	-184,971,146,356	128,610	169,454	191,829	232,879	207,895	234,013
17	DOID	-6,418,950,650	129,533,600	-193,045,402	8,006	13,353	12,283	0	1,452	1,601
18	DVLA	-20,191,893,000	43,368,660,000	12,904,224,000	207,121	81,174	73,920	9,764	14,662	26,159
19	DYNA	-64,179,336,422	-74,706,832,966	-139,577,629,010	170,482	128,800	235,739	40,163	54,144	106,544
20	EKAD	-1,207,618,349	-2,415,545,536	-3,932,414,430	12,376	9,380	10,396	461	403	641
21	ERTX	-23,273,859,000	5,862,352,000	52,323,202,000	138,592	147,528	124,619	242,534	192,132	138,097
22	ESTI	-14,582,023,040	30,548,766,727	-11,932,939,997	123,466	207,068	92,703	226,143	69,039	121,667
23	FASW	-9,504,412,080	-21,427,865,497	-55,465,551,904	810,782	242,084	228,479	1,173,819	1,464,918	1,331,905
24	GDYR	-47,260,062,000	-36,551,524,000	-11,438,470,000	77,012	84,662	88,059	54,337	30,626	22,907
25	GGRM	-820,790,000,000	-1,364,099,000,000	-2,151,435,000,000	5,058,526	5,527,058	6,057,693	191,400	215,936	310,325
26	HJTL	-820,790,000,000	-602,168,182,000	-6,826,835,000	14,076,008	4,753,504	1,969,588	5,074,517	7,460,122	8,950,023
27	GGRM	-258,997,000,000	-240,669,000,000	-517,978,000,000	2,673,034	2,122,733	1,710,050	2,406,780	2,299,268	2,487,787
28	GJTL	-3,228,834,427	-369,633,178	-6,108,119,656	143,051	184,449	189,390	933,267	494,789	458,668
29	IKBI	-15,085,289,420	-20,258,764,556	-12,100,021,292	66,177	84,224	58,370	0	1,285	2,072
30	INAF	-21,275,815,606	-22,453,563,055	-8,847,693,063	289,758	373,224	343,160	4,432	38,815	24,885
31	INDF	-573,991,658,517	-817,730,998,679	-559,165,870,312	6,055,346	4,341,302	3,664,193	2,603,359	6,371,838	6,888,138
32	INDR	-41,584,080,000	385,418,140,000	-83,702,890,000	1,652,414	1,299,610	1,552,703	1,707,956	1,520,479	1,029,030
33	INKP	64,580,980,000	-981,152,510,000	-1,618,024,390,000	34,554,077	32,116,900	32,199,137	718,687	29,975	11,151
34	INTP	-126,641,755,948	-193,025,335,779	-114,078,555,621	720,333	639,238	784,953	8,446,599	7,017,173	4,826,655
35	JECC	7,315,575,000	-38,680,825,000	-11,974,053,000	163,574	203,784	174,193	76,458	35,388	37,451
36	JPRS	7,242,700,571	7,319,069,105	7,415,557,391	40,554	53,638	28,408	1,669	6,174	7,300
37	KAEF	-1,598,546,527	-66,538,822,091	-49,039,928,606	404,334	314,938	573,048	49,833	46,311	39,262
38	KARW	24,425,000,000	3,485,000,000	3,316,000,000	412,226	418,658	342,686	10,054	3,775	27,262
39	KBLI	-832,163,125	-1,055,142,357	6,574,782,521	1,705,057	44,421	58,202	16,041	296,581	272,952
40	KLBF	-58,975,860,777	-99,349,257,968	-397,248,982,317	500,475	1,133,666	1,161,321	1,030,867	230,458	263,574
41	LION	-1,255,494,211	-5,144,930,496	-1,949,492,917	20,919	14,348	13,699	0	58	2,908
42	LMPI	-5,139,355,303	-5,898,491,435	-8,726,405,360	454,280	449,751	486,498	759	1,725	2,103
43	LMSH	-2,530,566,404	-1,574,695,846	706,149,609	27,974	22,403	12,904	1,519	1,203	8,541
44	LMPI	-5,419,740,000	-14,483,914,000	-8,726,405,360	35,266	22,765	40,122	843	325	696
45	MRAT	-4,303,537,397	-10,514,654,105	-18,084,416,461	45,578	50,531	38,033	394	848	2,737
46	MYTX	-62,624,577,632	1,777,023,115	-15,353,634,900	2,091,977	2,154,831	720,969	608,404	661,558	1,194,134
47	RDTX	-16,321,412,614	-49,306,972,514	-6,906,256,360	31,853	34,394	32,447	10,676	14,357	18,187
48	RYAN	-10,319,692,626	-2,298,190,025	-8,712,559,412	13,302	12,208	6,373	338	289	303
49	SCPI	-7,281,861,053	-6,676,834,522	-3,511,582,175	58,045	58,069	52,172	0	0	0
50	SMCB	-27,471,000,000	-21,560,000,000	-106,888,000,000	240,443	291,368	340,183	5,725,870	4,913,928	4,650,409
51	SMPL	-18,324,856,038	19,016,082,343	-25,073,257,486	80,099	47,291	67,020	11,744	5,558	7,972
52	SRSN	-1,970,629,000	-3,657,494,000	-812,671,000	28,486	38,933	31,181	58,075	48,563	49,231
53	SSTM	-18,042,828,981	-38,791,093,173	-26,195,498,238	239,219	260,265	329,657	317,289	270,329	244,702
54	STTP	-67,628,973,371	-23,966,962,988	-23,623,297,270	137,784	169,567	165,945	27,225	31,568	39,064
55	SUGI	-985,114,366	-1,113,558,252	-1,344,987,232	0	14,168	19,417	0	183	198
56	TIRT	-53,898,801,394	-68,349,620,484	-97,863,255,344	191,162	189,299	215,761	23,865	72,840	144,114
57	TKIM	288,829,740,000	-533,723,680,000	-501,849,990,000	16,874,586	14,900,273	14,355,190	485,614	44	38
58	TOTO	-82,982,174,198	-32,458,554,231	21,495,142,243	236,419	221,767	256,749	250,569	222,338	168,927
59	UNIC	-41,075,060,000	-61,581,050,000	313,549,270,000	404,621	288,531	466,521	949,171	741,978	914,931
60	UNVR	-205,620,000,000	-1,206,330,000	-3,112,110,000	812,512	939,191	1,245,624	133,808	113,212	66,229

	CEPTA		
	2001	2002	2003
ADES	-0.0677	-0.1324	-0.1147
ADMG	-0.0533	-9E-05	-0.0045
AKPI	-0.0257	-0.0084	0.11973
AQUA	-0.1284	-0.0503	-0.0804
ARGO	-0.0002	-0.0002	-0.0001
ARNA	-0.2316	-0.0629	-0.02
ASIA	0.01481	0.01201	-0.0255
ASII	0.01425	-0.0054	0.04046
BATA	-0.1711	-0.1113	-0.1004
BIMA	-0.014	-0.0136	0.05129
BTON	-0.0059	0.00463	-0.0125
CEKA	-0.0671	-0.064	0.00259
CPIN	-0.0513	-0.0719	-0.0956
DAVO	-0.1512	-0.2066	-0.1085
DLTA	0.04296	0.10683	-0.0173
DNKS	-0.0556	-0.1041	-0.2237
DOID	-0.162	0.00317	-0.0048
DVLA	-0.0531	0.1343	0.03454
DYNA	-0.1335	-0.1418	-0.182
EKAD	-0.0202	-0.0413	-0.0647
ERTX	-0.0507	0.014	0.1804
ESTI	-0.0197	0.04594	-0.0208
FASW	-0.0034	-0.0079	-0.0211
GDYR	-0.1212	-0.0948	-0.0295
GGRM	-0.061	-0.0883	-0.1241
HJTL	-0.0542	-0.0484	-0.0006
GGRM	-0.0273	-0.0245	-0.0508
GJTL	-0.0035	-0.0005	-0.0082
IKBI	-0.0384	-0.0501	-0.0327
INAF	-0.0262	-0.0277	-0.0139
INDF	-0.0442	-0.0536	-0.0365
INDR	-0.0073	0.07967	-0.0185
INKP	0.00111	-0.0199	-0.0351
INTP	-0.0106	-0.0168	-0.0112
JECC	0.02432	-0.1271	-0.049
JPRS	0.07707	0.05744	0.06462
KAEF	-0.0013	-0.0641	-0.0359
KARW	0.04883	0.00709	0.00803
KBLI	-0.0009	-0.0023	0.01577
KLBF	-0.0314	-0.0493	-0.1622
LION	-0.0125	-0.0475	-0.0163
LMPI	-0.0098	-0.0117	-0.0174
LMSH	-0.0645	-0.0452	0.02067
LMPI	-0.0333	-0.084	-0.0436
MRAT	-0.0146	-0.0361	-0.0658
MYTX	-0.0234	0.00066	-0.0059

RDTX	-0.0537	-0.1634	-0.0223
RYAN	-0.1357	-0.0421	-0.2075
SCPI	-0.1169	-0.109	-0.0608
SMCB	-0.0046	-0.0028	-0.014
SMPL	-0.089	0.11584	-0.1339
SRSN	-0.0109	-0.0221	-0.0059
SSTM	-0.0221	-0.0478	-0.0287
STTP	-0.1674	-0.0509	-0.0467
SUGI	-0.0237	-0.0192	-0.0217
TIRT	-0.1602	-0.1694	-0.185
TKIM	0.01284	-0.0282	-0.028
TOTO	-0.1579	-0.0588	0.03874
UNIC	-0.0187	-0.0334	0.13895
UNVR	-0.0767	-0.0004	-0.0009

Appendix 2

Statistical Result for the influence of capital structure toward company value on low growth company

Regression

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	LNTA, CDTA, GPM, CEPTA, LTDTA[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Tobin'Q

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.293[a]	.086	.031	53.27434

a. Predictors: (Constant), LNTA, CDTA, GPM, CEPTA, LTDTA

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22366.391	5	4473.278	1.576	.176[a]
	Residual	238405.02	84	2838.155		
	Total	260771.41	89			

a. Predictors: (Constant), LNTA, CDTA, GPM, CEPTA, LTDTA

b. Dependent Variable: Tobin'Q

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-19.291	39.820		-.484	.629
	GPM	-.019	.047	-.043	-.412	.681
	CEPTA	-18.617	88.032	-.023	-.211	.833
	CDTA	-13.370	14.714	-.096	-.909	.366
	LTDTA	49.578	21.006	.255	2.360	.021
	LNTA	1.536	2.913	.056	.527	.599

a. Dependent Variable: Tobin'Q

Appendix 3

Statistical Result for the influence of capital structure toward company value on high growth Company

Regression

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	LNTA, CDTA, CEPTA, GPM, LTDTA[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Tobin'Q

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.306[a]	.094	.040	29.06098

a. Predictors: (Constant), LNTA, CDTA, CEPTA, GPM, LTDTA

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7327.388	5	1465.478	1.735	.135[a]
	Residual	70941.407	84	844.541		
	Total	78268.794	89			

a. Predictors: (Constant), LNTA, CDTA, CEPTA, GPM, LTDTA

b. Dependent Variable: Tobin'Q

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-15.850	27.773		-.571	.570
	GPM	-.204	.197	-.111	-1.034	.304
	CEPTA	35.380	48.011	.078	.737	.463
	CDTA	42.983	17.975	.257	2.391	.019
	LTDTA	18.823	21.341	.111	.882	.380
	LNTA	.854	2.192	.048	.389	.698

a. Dependent Variable: Tobin'Q