

ABSTRACT

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**THE EFFECT OF PROFITABILITY, BUSINESS RISK, COMPANY SIZE
AND TAXES ON CAPITAL STRUCTURE IN PHARMACEUTICAL SUB-
SECTOR COMPANIES LISTED ON THE INDONESIA STOCK
EXCHANGE FOR THE 2019-2023 PERIOD**

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Keywords: Profitability, Business Risk, Company Size, Tax, Capital Structure

(xii + 73 + attachment)

The capital structure is the financial proportion between short-term debt, long-term debt, and own capital used to meet the company's operational needs. This study aims to find out and analyze the influence of Profitability, Business Risk, Company Size, Taxes, on Capital Structure partially and simultaneously in Pharmaceutical Sub-Sector Companies listed on the Indonesia Stock Exchange in 2019-2023.

The method used by the research in sampling is using the purposive sampling technique. The sample amounted to 8 companies from 13 Pharmaceutical Sub-Sector companies listed on the Indonesia Stock Exchange in 2019-2023, so that the research data amounted to 40. The analysis techniques used are descriptive statistical test, classical assumption test, multiple linear analysis and hypothesis test. The testing tool used is SPSS software version 25.

The results of the study show that Business Risk and Company Size affect the Capital Structure. Meanwhile, Profitability and Taxes have no effect on the Capital Structure. Simultaneously, the variables Profitability, Business Risk, Company Size, and Tax affect the Capital Structure.

Bibliography (2010 – 2023)