International Journal of Economic, Technology and Social Sciences
International Journal of Economic, Technology and Social Sciences
url: https://jurnal.ceredindonesia.or.id/index.php/injects
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The Effect of Asset Structure on Debt to Equity Ratio on Registered Automotive Trading on Indonesia Stock Exchange Period of 2013-2017

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ABSTRACT
This research is intended to find out and analyze the influence of Asset Structure, on Debt to Equity Ratio on Automotive companies registered with IDX. This research approach uses associative shortness. The object of this research is automotive companies listed on the Indonesia Stock Exchange (IDX) period 2013-2017. The population used is 12 companies, the method of determining the number of samples in this research is purposive sample and selected as a sample of 9 companies. The data collection technique used is a documentation study. Data analysis techniques in this research are multiple linear regression methods and determination coefficients, which in this study used the SPSS 16.00 program. The results showed that Asset Structure had no significant effect on the Debt to Equity Ratio on Automotive companies listed on IDX for the period 2013-2017.

Keywords : *Asset Structure and Debt to Equity Ratio.*

INTRODUCTION

Each company needs funds to be able to run a business. In general, funding sources can be obtained from internal capital or external capital. Internal capital comes from retained earnings and own capital, while extrnal capital is derived from debt. In obtaining or using funds should be based on consideration of efficiency and effectiveness. Funding policies within a company should aim to maximize prosperity. In this case, the policy should consider and analyze the combination of economic sources of funds for the company to finance routine needs and investments for the company.

One of the important activities in the company is managing debt, where it determines the source of funding used. The policy of funding by lending capital to creditors (debt) is profitable for the company because the creditor will not interfere with the ownership rights of the company and the share of profits earned by the company.

LITERATURE REVIEW

Debt to Equity Ratio

Debt equity ratios are a source of capital derived from creditors. Within a certain period of time the company is obliged to pay back or be obliged to meet the charges originating from such outside parties. Here's the debt to equity ratio. Munawir (2010) states that Debt to Equity Ratio is all the company's financial obligations to other parties that have not been fulfilled, where this debt is the source of the company's funds or capital derived from creditors.

According to Kasmir (2012) Debt to Equity Ratio is the ratio used to assess debt by equity. This ratio is sought by comparing the entire debt, including current debt with all equity. The formula for finding debt to equity ratio can be used a comparison between total debt and total equity.

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$$\boxed{\textit{Debt to Equity Ratio} = \frac{\textit{Debt}}{\textit{Equity}}}$$

Asset Structure

Brigham (2005) states that the Asset Structure is a balance or comparison between fixed assets and total assets. Asset Structure is an important variable in the company's funding decisions, as it still provides building for the creditors. Most of each company's capital is embedded in the company's fixed assets, generally companies that have guarantees against debt that are easier to get debt from companies that do not have guarantees.

Asset Structure can be defined as the composition of the company's assets which will show how much the company's assets can be used as collateral to obtain debt.

$$\boxed{\textit{Asset Structure} = \frac{\textit{Fixed Assets}}{\textit{Total Assets}}}$$

METHODS

The research approach used in this study is an associative approach. An associative approach is an approach that is done to know the relationship or influence between two more artau variables. In this study, researchers wanted to know the influence of Asset Sructure on Debt to Equity. The sample used in this study is the population of Automotive companies that published complete financial statements after being audited on the Indonesia Stock Exchange during the period 2013-2017 totaling 9 companies. The data collection technique used in this study is to use documentation techniques.

RESULTS AND DISCUSSION

Results

Statistical Test

Table 1 Linear Regression Results

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.601	5.144		-.894	.376
	Asset Structure	2.548	3.790	.076	.672	.505

a. Dependent Variable : Debt to Equity Ratio

From table 1, the linear regression equation model can be seen:

$$\mathbf{Y = -\ 4.601 + 2.548 + e}$$

From the data we can conclude that if all free variables have a value of zero (0) then the value of the bound variable is - 4,601 The value of the Asset Structure coefficient for the independent variable of 2,548 with the direction of the relationship is negative, this indicates that any increase in the Asset Structure one-unit will be followed by an increase in the Variable Debt to Equity Ratio of 2,548 assuming that another free variable of regression capital is

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considered constant or fixed.

The Effect of Asset Structure on Debt to Equity Ratio

The t test is used to find out whether or not the Asset Structure has a significant relationship to the Debt to Equity Ratio. From data management, t test results and significance value of 0.505 greater than 0.05 means Ho is accepted and Ha rejected which indicates that there is no influence between Asset Structure on Debt to Equity Ratio.

Determination Coefficient

The determinant coefficient is used to determine the effect of indevenden variables and dependent variables by squadrating the coefficient found. In its users, this coefficient of determination is expressed in percentage (%). To find out the extent of the contribution or percentage influence of Asset Structure to Debt to Equity Ratio. Then it can be known the determination test as follows:

Table 3 Determination Coefficient

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.696[a]	.484	.159	18.36413

a. Predictors: (Constant), Asset Structure
b. Dependent Variable: Debt to Equity Ratio

Adjusted R Square (R^2) Value Or determination coefficient is 0.159 If the value R^2 is close to 1 then the free variable is stronger the effect on dependent variables. This indicates the amount of influence of Asset Structure is 0.159 or 15.9 % , while the remaining 84.1% is explained by other causes not studied in this study. Then standart error of the estimate is 18.36413 or 18.36 where the smaller this number will make the regression model more appropriate to the debt to equity ratio.

Discussion

The discussion of this research is the influence of the research findings on the suitability of previous theories, opinions and studies that have been put forward before as well as patterns of behavior that must be done to address this. The following will be discussed in the analysis of the findings of this research:

The Effect of Asset Structure on Debt to Equity Ratio

Based on the results of research obtained regarding the influence of Asset Sstructure on Debt to Equity Ratio on Automotive companies listed on the Indonesia Stock Exchange. The hypothetical test partially shows that the value of thitung for the Asset Structure variable is 0.672 and the ttabel with a = 5% is known at 2,017. thus thitung is smaller than ttabel (0.672 ≤ 2017) and can be seen in the two-way hypothesis image, thus thitung falls on the accepted H0 reception area and Ha is rejected. Based on these results shows that partially Asset Structure has no effect on Debt Equity Ratio on Automotive companies listed on the Indonesia Stock Exchange period 2013-2017.

According to Bambang (2008), companies whose assets are mostly from fixed assets will prioritize fulfilling their fund needs with debt. Companies with large amounts of fixed

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assets can use more debt because fixed assets can be a good guarantee of corporate loans.

CONCLUSION

Based on the research results conducted there was no positive and significant influence between Asset Structure on Debt to Equity Ratio on Automotive companies listed on the Indonesia Stock Exchange for the period 2013-2017. Because the lower the number of fixed assets in the total assets of automotive companies, the harder it will be for the company to get debt.

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