



SUMMARY

PALTI MARULITUA SITORUS. Analysis of Capital Structure of the Indonesia telecommunication company. Supervised by DS PRIYARSONO, ADLER HAYMANS MANURUNG and TUBAGUS N A MAULANA.

Capital structure is the use of long-term debt and private equity to fulfill the company funds. According the definition, we needed good policies to avoid bankruptcy because of debt have cost. Company managers requires considerable knowledge about the debt level resulting in increased value of enterprise. Company in telecommunication industry have better define the structure than industrial capital for using technology as revenue generated. On the other hand, telecommunications technology has short life cycle.

Although the research on capital structure already very much done, but not disturb researcher to find a balance theory used. Research capital structure begins with condition that whatever level, debts of the company will not change value his company. This theory trusted assuming that no tax and firm owned in private. Along with the development of the theory about capital structure like this could not of their attention in the long time. Companies should pay taxes and think of funding is not from internal. The latest of company strategy is find funding of external. This is important for manager company about how refund plus interest.

Capital structure in different industries does not show the same level. There are allegations that the capital structure of companies in the same industry are supposed to be the same. This is due of the availability of funds and market information more open along with the development of telecommunications. Many experts giving analysis that the telecommunications became a major force in information disclosure. Thus, the higher the reasons why capital structure research in the telecommunications industry interesting done.

The development of the telecommunications market in Asia showed good growth. The growth rate above the average economic growth in each country. Supporting this growth factor is the rapid changes in technology and the increasing investment in the infrastructure sector. On the other hand, the growth of profits of telecommunications operators has decreased. In the telecommunications industry, the company's telecom operator to become the prime mover. Telecommunications services are the most sought after by the Asian market is the mobile phone services. Services to consumer choice is currently the data management services and the internet. Eleven companies from the telecommunications operator in Indonesia, only five companies listed on the Indonesia stock exchange. The company became the fifth object in this dissertation.

The first objective of this research is to analyze the diversity of capital structure based on the structure of ownership of telecommunications companies by the technology used. Whether there is influence of the changes in the technology used on the company's financial ratios of stock prices compared with the profits per shares, stock price and capital structure. The second is to find out the relationship between capital structure and corporate value so that the optimal capital structure of the unnoticed. The third is whether or not there is a wish to know the target debt and adjustment to the target company. The fourth is to know the influence of company characteristics (size of firm, profitability, asset structure, age, growth and business risk) against the capital structure.

There are several indicators of capital structure used in the study. This research uses the debt equity ratio (DER). Stock and debt components each have a fee to get it. Debt costs are the costs to get debt and debt interest itself. The cost of the shares of the cost of issuing shares, dividends or fees for investment returns. The selection is also based on the desire to measure the value of the company based on stock prices or the value of the company.



This study shows that the capital structure of the all of company amount of 1.033 which means that the total debt that is used for the company's operations is greater than the total shares owned. The capital structure of such is high. With a standard deviation of 0.599 shows the diversity of the high capital structure as well. There may be differences in capital structures across Indonesia's telecommunications company measured by the average value. The average highest capital structure owned by PT Exelcomindo and lowest is PT Telkom. This means that the debt levels carried out by PT Telkom to fulfill its operational is lower than four other telecom companies.

In determining whether there is influence technology on the ratio between stock prices with profit, stock prices and capital structure used method of experimental design. This method has never done as instrument analysis in financial management. The result, technology have a positive influence on the price of stocks but not affecting the ratio between the price of stock with profits and capital structure.

The capital structure of the company that owns the above 1.00 have concentrated ownership structure. Concentrated ownership structure is when the owner of the stock under 5% (minority shareholder) exceeds 30% of the of all shares. Thus there is a relationship of ownership structure and capital structure. PT Indosat and PT Exelcomindo had a capital structure above 1.00 because the two companies always do greater business development from other companies. The two companies are the telecommunications companies which are present after the era of monopoly of the telecommunications industry is end. PT Telkom has the lowest because of the capital structure as a company that had long been in operation still have networks and technology that can still be used. Investment needs in the form of a debt not so needed because profits are still created enough to promote the development of the technology used. In the meantime, the company Smart Telecom and Bakrie Telecom has debt equity ratio below 1.00 for the telecommunication business into a company of entrants come from the holding company is not operated in the telecommunications industry. The two companies must be very careful in investing.

This research shows that overall, a telecommunications company in Indonesia have the optimal capital structure. The level of optimal capital structure in 0.996. There are two companies that have the optimal capital structure of PT Exelcomindo and PT Indosat had optimal capital structure on the level 1,132 and 1,003. Its share ownership structure of the company is concentrated thus have an optimal capital structure.

The study also shows that telecommunications companies in Indonesia have a target capital structure and speed of adjustment to the target is 74.89% within three months. By using the fixed effect model (FEM) with a 95% confidence level, the characteristics of capital structure affecting the company's is profitability. The influence of the level of profitability of the capital structure of the -2,987, its means that any changes will lower the profitability of 1 unit of capital structure of 2.987 point.

Keywords: capital structure, debt, experimental design, panel data, telecommunication

