

ABSTRACT

This thesis aims to examine the effect of profitability and liquidity of company's capital structure on LQ-45. The population in this study is company's LQ-45. Samples determined by using purposive sampling method, so that samples produced by 17 companies. Testing the hypothesis using multiple regression analysis method with the help of SPSS ver 19.0. From the test results show that the first hypothesis (H1) which states that affect the profitability of capital structure, meanwhile the second hypothesis (H2) which states that affect the liquidity of capital structure.

Keywords: Capital Structure, Profitability and Liquidity.