

ABSTRACT

This study aims to examine the differences between Debt Policy as measured by Debt to Equity Ratio, the Financial Performance as measured by return on assets and Agency Costs as measured by the Selling and General Administrative in the company by the company with managerial ownership and company without managerial ownership. The population of this study are all manufacturing companies listed on the Indonesia Stock Exchange the period 2008 - 2011, where as the data sample was 348 manufacturing companies listed on the Stock Exchange. The data used in this study is the total debt, total equity, after-tax net income, total assets, total sales and operating expenses.

Testing the hypothesis in this study using different test non-parametric Mann-Whitney. The results of this study indicate that there are differences in debt policy variables and agency cost in firms with managerial ownership of the firm without managerial ownership. As for the financial performance variables there is no difference. Results from this study are expected to be useful as a reference for future research.

Keywords: Debt Policy, Financial Performance, and Agency Cost.