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# The Effect of Assets Structure and Company Size on Capital Structure in Food and Beverage Companies Listed on The Indonesia Stock Exchange for The 2014-2018 Period

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**ABSTRACT**

This study aims to determine how the influence of asset structure and company size on food and beverage companies listed on the Indonesia Stock Exchange for the period 2014-2018. The population in this study are food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2018 period, totaling 14 companies. Samples were taken as many as 7 companies with a sampling technique using purposive sampling, namely where the sample was selected by adjusting to certain criteria or goals. Regression analysis method used is multiple linear regression and to test the hypothesis used t test and f test at a significant level or alpha = 5%. The research data were analyzed or processed using the SPSS version 23 program. Based on the research results, it was 0.279 or 27.9%. This shows that if the asset structure and firm size can explain the capital structure of 27.9%, the remaining 72.1% (100% - 27.9%) is explained by other variables outside this research model. In the multiple linear regression test results obtained the following regression equation: Y = 0.829 + 1.854X1 0.043X2 + e. The results of the hypothesis test state that: H1 is accepted, it can be seen from the tcount value is 3.897 > ttable 2.03452 and with a significance value of 0.000 <0.05, the asset structure affects the capital structure. H2 is rejected, it can be seen from the value of tcount is -0.686 > ttable -2.03452 and with a significance value of 0.498 > 0.05, firm size has no effect on capital structure. H3 is accepted, it can be seen from the Fcount value is 7.593 > Ftable 3.29 with a significance value of 0.002 <0.05, so the asset structure and firm size have a simultaneous effect on the capital structure.

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## 1. Introduction

The food and beverage industry is one of the business sectors that continues to experience growth. The food and beverage sector is a priority sector by the government in encouraging industry as a driver of the national economy. Along with the increasing population growth in Indonesia, the volume of demand for food and beverages also continues to increase, causing many new companies to emerge in the food and beverage sector. This can be seen from the growth of several food and beverage companies listed on the Indonesia Stock Exchange. Thus causing increasingly fierce competition in food and beverage companies in Indonesia. This high and very tight level of competition makes companies need funds to carry out their business activities, both for their operations and for company investment, so the funds issued are called capital structure.

According to Sjahrial (2014: 250) capital structure is a balance between the use of loan capital which consists of permanent short-term debt, long-term debt and own capital consisting of preferred shares and ordinary shares. Capital structure is a very important issue for the company, because the capital structure is a reflection of the company's financial condition. The high and low capital structure of a company will affect investors in



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investing their capital in the company. Not only investors, companies must be able to prosper their shareholders. Therefore, it is the duty of managers to know how to prosper these investors and shareholders. In general, the problem faced by many companies is how the company generates funds and uses these funds as effectively as possible. One of the decisions faced by financial managers in relation to the continuity of the company's operational activities is funding decisions and capital structure decisions. The capital structure is very important for the company because it involves the policy of using the most profitable source of funds. A manager in this case must be able to collect funds sourced from within the company and from outside the company efficiently, in the sense that the funding decision is a funding decision that is able to minimize the cost of capital borne by the company.

Fulfilling the company's funding needs from its own source of capital comes from share capital, retained earnings and reserve funds. While external funding can be in the form of short-term loans or long-term loans and also by selling securities to the public through the capital market. When the manager uses debt, it is clear that the cost of capital incurred is equal to the interest charged by creditors, whereas if the manager uses internal funds or own funds, an opportunity cost will arise from the funds or own capital used. At that time the company will make considerations regarding the optimal composition of capital and these considerations will result in a capital structure decision or funding decision. So that in practice there are several types of capital structure ratios used in companies. According to Kasmir (2013, p.155) *states that there are several types of ratios, including: 1). Debt To Assets Ratio, 2). Debt To Equity Ratio, 3). Long Term Debt To Equity Ratio, 4). Tangiable Assets Debt Coverage, 5). Current Liabilities To Net Worth, 6). Times Interest Earned, 7). Fixed Charge Coverage.*

In this study, researchers only used one ratio, the measurement of capital structure used was the Debt To Equity Ratio (DER). According to Kasmir (2013, p.157), "Debt to Equity Ratio is the ratio used to assess debt to equity". The higher this ratio means the higher the amount of external funds that must be guaranteed by the amount of own capital. The higher DER value indicates that the composition of total debt is greater than the total equity, so that it will have a greater impact on the company's burden on outside parties (creditors). In other words, the company's operational funding costs are financed by debt.

## 2. Theoretical Basis

According to Syahrial (2014: 250) defines capital structure as a balance between the use of borrowed capital (permanent short-term debt and long-term debt) with own capital (preferred shares and ordinary shares). The basis of Capital Structure is related to the company's sources of funds, both internal and external sources of the company. According to Rodoni and Ali (2010, p. 137) states that: "Capital structure is the proportion in determining the fulfillment of company expenditure needs, where the funds obtained use a combination or source guide that comes from long-term funds consisting of two main sources, namely those that come from inside and outside the company.

Capital structure is a very important issue in making decisions regarding company spending, because it must maximize profits for the benefit of its own capital and the profits obtained must be greater than the cost of capital as a result of using a certain capital structure. In practice, there are several types of capital structure ratios used by companies.

### 2.1 Definition of Asset Structure

The asset structure in this study is projected by Fixed Assets (FA) or fixed assets that are used as collateral to meet the company's needs. According to Bambang Riyanto (2011:22) "The asset structure or wealth structure is a balance or comparison both in absolute terms and in relative terms between current assets and fixed assets, what is meant by absolute meaning is a comparison in nominal form, while what is meant by relative is comparison in percentage form". According to Bambang Riyanto (2011: 19) "The asset structure consists of current assets and fixed assets. Current assets are assets that are depleted in one cycle in the production process, and the turnover process is in a short period of time (generally less than one year). While fixed assets are durable assets that are gradually used up and participate in the production process.



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**2.2 Definition of Firm Size**

Company size is a measure that shows the size of the company. Firm size can be measured using total assets, sales, and total debt equity and firm size has a strong and positive correlation. According to Riyanto (2013, p. 313), states that "The size of the company is seen from the amount of equity value, sales value, or asset value". The larger the size of a company, the greater the tendency to use foreign capital. This is because large companies require large funds to support their operations, and one alternative to fulfill them is with foreign capital if their own capital is insufficient.

According to Sartono (2010, p. 249) "Companies that are well-established will find it easier to obtain capital in the capital market compared to small companies". Because the ease of access means that large companies have greater flexibility.

**2.3 Relationship between Asset Structure and Capital Structure**

Companies whose capital is mostly embedded in fixed assets will prioritize the fulfillment of their capital from permanent capital, namely own capital, while debt is complementary. This can be related to the existence of a horizontal conservative financial structure rule which states that the amount of own capital should at least be able to cover the total fixed assets plus other permanent assets. And a company whose most of its assets consist of current assets will benefit its funding needs with debt. So it can be said that the Asset Structure has an influence on the Capital Structure.

According to Brigham and Houston (2010, p. 39), that "companies whose assets are suitable to be used as credit guarantees tend to use a lot of debt". The higher the asset structure, the higher the capital structure, which means the greater the fixed assets that can be used as debt collateral by the company. Conversely, the lower the asset structure of a company, the lower the ability of the company to be able to guarantee its long-term debt.

**2.4 The Relationship between Firm Size and Capital Structure**

The larger the size of a company, the greater the tendency to use external funds. This is because large companies have large funding needs and one alternative to fulfill the funds is to use external funds. According to Riyanto (2010, p. 313), states that "The size of the company is seen from the amount of equity value, sales value, or asset value". Company size is one of the factors considered in determining how big the funding decision policy (capital structure) is to meet the size or size of the company's assets. Larger companies have greater access to sources of funding from various sources so that obtaining loans from creditors will be easier because large companies have greater profitability to win the competition or survive in the industry.

**2.5 Relationship between Asset Structure and Firm Size with Capital Structure**

Performance measurement is one of the most important factors for companies, because these measurements can affect decision-making behavior within the company. The proportion between the mix of the use of own capital and debt in meeting the company's funding needs is called the company's capital structure. Companies that can immediately repay their debts will get the trust of creditors to issue large amounts of debt. In general, companies that have guarantees against debt will find it easier to get debt than companies that do not have collateral. Companies that have assets that can be used as debt collateral tend to use relatively large debt.

The structure of assets in the company has an influence on the sources of financing. Most industrial companies, most of whose capital is embedded in fixed assets, will prioritize the fulfillment of their capital from permanent capital, namely their own capital, while debt is only as a complement. Companies with large amounts of fixed assets can use more debt because fixed assets can be used as good collateral for company loans. With the increase in company profits, the company's asset structure will also increase. And this will affect the company's capital structure. Optimal capital structure will increase the development of the company which will also encourage shareholders to continue to invest their capital. So it can be said that the asset structure has an influence on the capital structure. If the measurement of asset structure is based on the ratio between total fixed assets and total assets, theoretically there is a negative relationship between asset structure and capital structure.

Company size is one of the factors considered in determining how big the funding decision policy (capital structure) is to meet the size or size of the company's assets. Larger companies have greater access to sources of funding from various sources so that obtaining loans from creditors will be easier because large companies have greater profitability to win the competition or survive in the industry. So it can be explained that the size of the company affects the capital structure. Firm size is measured by the average of total assets.



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## 3. Research Methods

### 3.1 Scope of Research

**a. Type of Research**

According to the data analysis used, this type of research is associative research. According to Sugiyono, associative research is research that aims to determine the relationship between two or more variables (Sugiyono, 2013 p. 11). Associative research was conducted to determine whether there is an influence of the asset structure and firm size on the capital structure either partially or simultaneously.

**b. Time and Place of Research**

The place of this research was carried out on the Indonesia Stock Exchange through the websites www.idx.co.id and www.sahamok.com, namely the Food and Beverage companies registered in the 2014-2018 period.

This research was started in January 2020 until July 2020. This was done due to the limitations of the researcher in terms of research time

### 3.2 Data Collection Techniques

Data collection in this study was carried out by means of a documentation study, namely by studying, classifying, and analyzing secondary data in the form of notes, financial reports, and other information related to the scope of this research. According to Sugiyono (2014:131) "Secondary data is research data obtained by researchers indirectly through intermediary media (obtained and recorded by other parties). This data was obtained by using a literature study conducted on many books and obtained based on records related to research, where data collection was obtained from financial reports on Food and Beverage companies listed on the Indonesia Stock Exchange in 2014-2018.

### 3.3 Data Analysis Techniques

The data analysis method used in this research is quantitative data analysis method. According to Sugiyono (2013:13) quantitative data analysis methods are "quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection using research instruments , data analysis is quantitative/statistical with the aim of testing the established hypothesis".

## 4. Discussion

### 4.1 Descriptive Analysis of Research Variables

**a. Capital Structure (Y)**

According to Syahrial (2014: 250) capital structure is a balance between the use of loan capital (permanent short-term debt and long-term debt) with own capital (preferred shares and ordinary shares). The development of the capital structure during 2014 to 2018 can be presented as follows:



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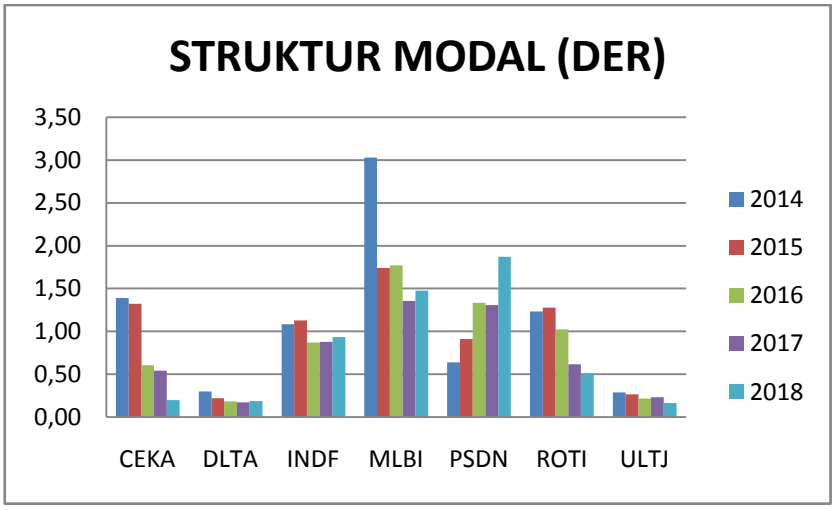


**Fig 1** development of capital structure in food and beverage companies for the period 2014-2018.

The development of the capital structure during the period 2014 to 2018 numerically can be seen in the following table:

**Table 1**
Development of Capital Structure Period 2014 to 2018

| NO | Issuer Code | Year | | | | |
|---|---|---|---|---|---|---|
| | | **2014** | **2015** | **2016** | **2017** | **2018** |
| 1 | CEKA | 1.39 | 1.32 | 0.61 | 0.54 | 0.20 |
| 2 | DLTA | 0.30 | 0.22 | 0.18 | 0.17 | 0.19 |
| 3 | INDF | 1.08 | 1.13 | 0.87 | 0.88 | 0.93 |
| 4 | MLBI | 3.03 | 1.74 | 1.77 | 1.36 | 1.47 |
| 5 | PSDN | 0.64 | 0.91 | 1.33 | 1.31 | 1.87 |
| 6 | ROTI | 1.23 | 1.28 | 1.02 | 0.62 | 0.51 |
| 7 | ULTJ | 0.29 | 0.27 | 0.21 | 0.23 | 0.16 |

7 ULTJ 0.29 0.27 0.21 0.23 0.16
Source: Processed from attachment 1 (2020)

Based on table and Fig 1, it is known that in 2014 the company with the largest DER was PT Multi Bintang Indonesia with a value of 3.03 while the lowest DER was PT Ultrajaya Milk Industry and Trading Company with a value of 0.29. In 2015 the company with the largest DER was PT Multi Bintang Indonesia with a value of 1.74 while the lowest DER was PT Delta Djakarta with a value of 0.22. In 2016 the company with the largest DER was PT Multi Bintang Indonesia with a value of 1.77 while the lowest DER was PT Delta Djakarta with a value of 0.18. In 2017 the company with the largest DER was PT Multi Bintang Indonesia with a value of 1.36 while the lowest DER was PT Delta Djakarta with a value of 0.17. In 2018 the company with the largest DER was PT Prashida Aneka Niaga with a value of 1.87 while the lowest DER was PT Ultrajaya Milk Industry and Trading Company with a value of 0.16.

**b. Asset Structure (X1)**

According to Bambang Riyanto (2011:22) asset structure or wealth structure is a balance or comparison both in absolute terms and in relative terms between current assets and fixed assets. The development of the asset structure during 2014 to 2018 can be presented as follows:



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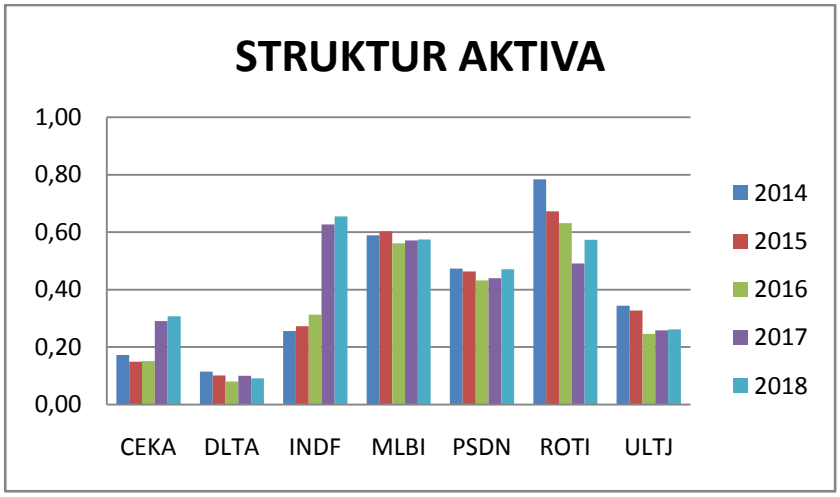


**Fig 2** development of asset structure in food and beverage companies for the period 2014-2018.

The development of the asset structure for the period 2014 to 2018 numerically can be seen in the following table:

**Table 2**
Development of Asset Structure Period 2014 to 2018

| NO | Issuer Code | Year | | | | |
|---|---|---|---|---|---|---|
| | | **2014** | **2015** | **2016** | **2017** | **2018** |
| 1 | CEKA | 0.17 | 0.15 | 0.15 | 0.29 | 0.31 |
| 2 | DLTA | 0.11 | 0.10 | 0.08 | 0.10 | 0.09 |
| 3 | INDF | 0.26 | 0.27 | 0.31 | 0.63 | 0.66 |
| 4 | MLBI | 0.59 | 0.60 | 0.56 | 0.57 | 0.57 |
| 5 | PSDN | 0.47 | 0.46 | 0.43 | 0.44 | 0.47 |
| 6 | ROTI | 0.78 | 0.67 | 0.63 | 0.49 | 0.57 |
| 7 | ULTJ | 0.34 | 0.33 | 0.25 | 0.26 | 0.26 |

Source: Processed from attachment 1 (2020)

Based on table and Fig 2, it is known that in 2014 the company with the largest asset structure was PT Nippon Indosari Corporindo with a value of 0.78 while the lowest asset structure was PT Delta Djakarta with a value of 0.11. In 2015 the company with the largest asset structure was PT Nippon Indosari Corporindo with a value of 0.67 while the lowest asset structure was PT Delta Djakarta with a value of 0.10. In 2016 the company with the largest asset structure was PT Nippon Indosari Corporindo with a value of 0.63 while the lowest asset structure was PT Delta Djakarta with a value of 0.08. In 2017 the company with the largest asset structure was PT Indofood Sukses prosperous with a value of 0.63 while the lowest asset structure was PT Delta Djakarta with a value of 0.10. In 2018 the company with the largest asset structure was PT Nippon Indosari Corporindo with a value of 0.66 while the lowest asset structure was PT Delta Djakarta with a value of 0.09.

**c. Company Size (X2)**

According to Riyanto (2013, p. 313), states that "The size of the company is seen from the amount of equity value, sales value, or asset value". The development of firm size during 2014 to 2018 can be presented as follows:



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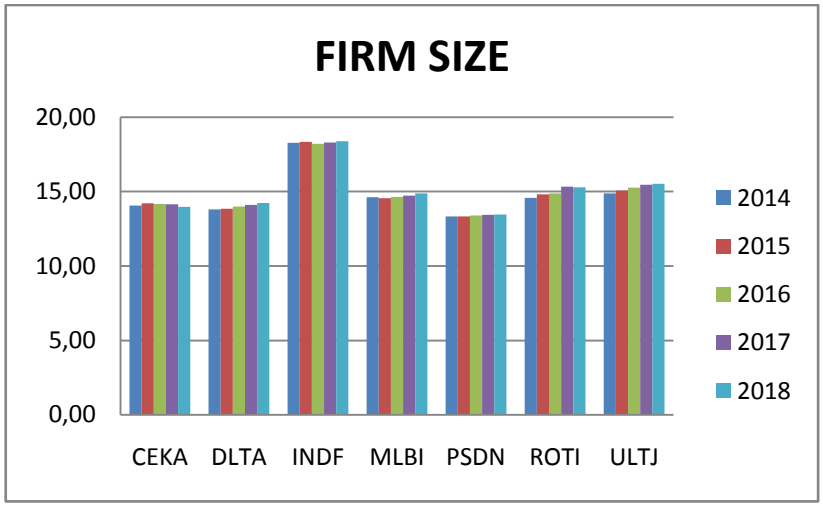


**Fig 3** development of firm size in food and beverage companies for the period 2014-2018.

The development of firm size during the period 2014 to 2018 numerically can be seen in the following table:

**Table 3**
Firm Size Development Period 2014 to 2018

| NO | Issuer Code | Year | | | | |
|---|---|---|---|---|---|---|
| | | **2014** | **2015** | **2016** | **2017** | **2018** |
| 1 | CEKA | 14.07 | 14.21 | 14.17 | 14.15 | 13.97 |
| 2 | DLTA | 13.81 | 13.85 | 14.00 | 14.11 | 14.24 |
| 3 | INDF | 18.27 | 18.34 | 18.22 | 18.30 | 18.39 |
| 4 | MLBI | 14.62 | 14.56 | 14.64 | 14.74 | 14.88 |
| 5 | PSDN | 13.34 | 13.34 | 13.39 | 13.45 | 13.46 |
| 6 | ROTI | 14.58 | 14.81 | 14.89 | 15.33 | 15.30 |
| 7 | ULTJ | 14.89 | 15.08 | 15.26 | 15.46 | 15.53 |

Source: Processed from attachment 1 (2020)

Based on table and Fig 3, it is known that in 2014 the company with the largest firm size was PT Indofood Sukses Makmur with a value of 18.27 while the lowest firm size was PT Prashida Aneka Niaga with a value of 13.34. In 2015 the company with the largest firm size was PT Indofood Sukses Makmur with a value of 18.34 while the lowest firm size was PT Prashida Aneka Niaga with a value of 13.34. In 2016 the company with the largest firm size was PT Indofood Sukses Makmur with a value of 18.22 while the lowest firm size was PT Prashida Aneka Niaga with a value of 13.39. In 2017 the company with the largest firm size was PT Indofood Sukses Makmur with a value of 18.30 while the lowest firm size was PT Prashida Aneka Niaga with a value of 13.45. In 2018 the company with the largest firm size was PT Indofood Sukses Makmur with a value of 18.39 while the lowest firm size was PT Prashida Aneka Niaga with a value of 13.46.

### 4.2 Classical Assumption Test

The testing of classical assumptions with the SPSS version 23 program carried out in this study includes:



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**a. Normality Test**

Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016:154). Testing the normality of the data can be done using two methods, graphs and statistics. The normality test of the graph method uses a normal probability plot, while the statistical method normality test uses the one sample Kolmogorov Smirnov Test.

Normality test using the graphical method can be seen in the following Fig 4:

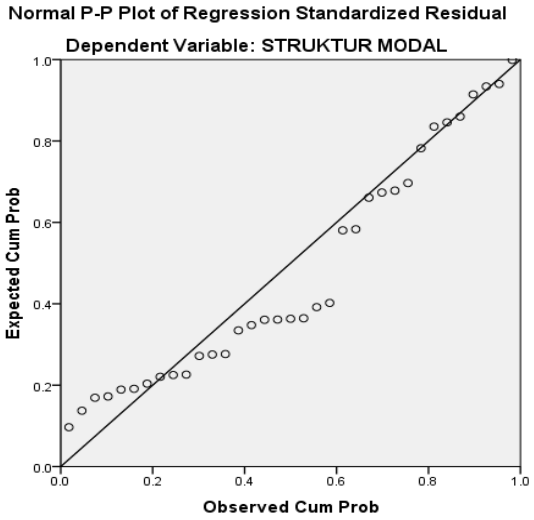


**Fig 4** Normal P Plot

Data that is normally distributed will form a straight diagonal line and plotting the residual data will be compared with a diagonal line, if the distribution of residual data is normal, the line that describes the actual data will follow the diagonal line (Ghozali, 2016:154).

The test results using SPSS version 23 are as follows:

**Table 4**

One Sample Kolmogorov Smirnov Test

| | | | Unstandardized Residual |
|---|---|---|---|
| N | | | 35 |
| Normal Parameters[a,b] | Mean | | .0000000 |
| | Std. Deviation | | .53259615 |
| Most Extreme Differences | Absolute | | .201 |
| | Positive | | .201 |
| | Negative | | -.105 |
| Test Statistic | | | .201 |
| Asymp. Sig. (2-tailed) | | | .001[c] |
| Monte Carlo Sig. (2-tailed) | Sig. | | .200[d] |
| | 99% Confidence Interval | Lower Bound | .026 |
| | | Upper Bound | .374 |

*Source: Data processed from attachment 3 (2020)*a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Based on 35 sampled tables with starting seed 2000000.



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From the output in table 4, it can be seen that the significance value (Monte Carlo Sig.) of all variables is 0.200. If the significance is more than 0.05, then the residual value is normal, so it can be concluded that all variables are normally distributed.

**b. Multicollinearity Test**

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. The multicollinearity test in this study is seen from the tolerance value or variance inflation factor (VIF). The calculation of the tolerance value or VIF with the SPSS version 23 program can be seen in Table 5 below:

**Table 5**
Multicollinearity Test Results

**Coefficients[a]**

| Model | | Collinearity Statistics | |
|---|---|---|---|
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | STRUKTUR AKTIVA | .973 | 1.028 |
| | FIRM SIZE | .973 | 1.028 |

*Source: Data processed from attachment 3 (2020)*
*a. Dependent Variable: CAPITAL STRUCTURE*

Based on table 5 it can be seen that the tolerance value of the asset structure variable (X1) is 0.973, the firm size variable (X2) is 0.973 where all of them are greater than 0.10 while the VIF value of the asset structure variable (X1) is 1.028, the firm variable size (X2) is 1.028, all of which are smaller than 10. Based on the results of the above calculations, it can be seen that the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 10 so that there is no correlation symptom in independent variable. So it can be concluded that there is no symptom of multicollinearity between independent variables in the regression model.

**c. Heteroscedasticity Test**

The heteroscedasticity test aims to test whether from the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is one with homoscedasticity or no heteroscedasticity. One way to detect the presence or absence of heteroscedasticity is by using a scatterplot. Based on the results of data processing, the heteroscedasticity test in this study is shown in Fig 5 below:

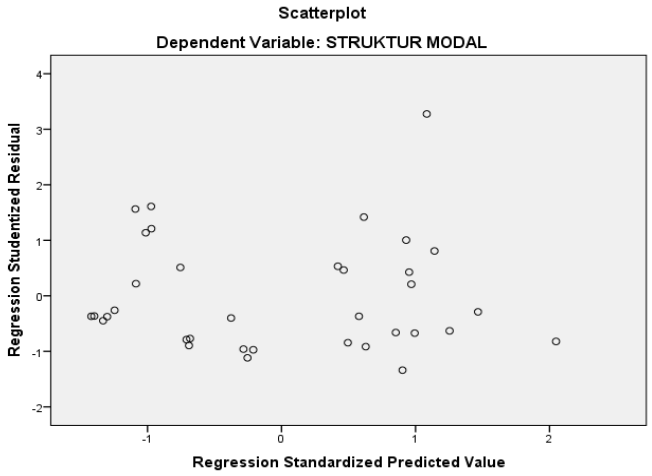


**Fig 5** Scatterplot



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Based on Fig 5, it can be seen that if the data pattern is perfectly distributed, some are above the zero point and some are spread below the zero point. Because of this, it can be concluded that there are no symptoms of heteroscedasticity in the regression model.

The test results using SPSS 23 are as follows:

**Table 6**

Heteroscedasticity Test Results

**Coefficients[a]**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | T | Sig. |
|---|---|---|---|---|---|---|
| 1 | (Constant) | .311 | .531 | | .586 | .562 |
| | STRUKTUR AKTIVA | .208 | .270 | .137 | .771 | .446 |
| | FIRM SIZE | .003 | .036 | .013 | .073 | .943 |

Source: Data processed from attachment 3 (2020)

Dependent Variable: ABS_RES

Table 6 shows the significant value of the asset structure variable (x1) of 0.446 and the significant value of the firm size variable (x2) of 0.934. Where both are greater than 0.005 so it can be concluded that there are no symptoms of heteroscedasticity.

**d. Autocorrelation Test**

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). Autocorrelation test using Durbin-Watson test, with criteria du < d < 4-du. The test results using SPSS 23 are shown as follows:

**Table 7**

Autocorrelation Test

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics R Square Change | F Change | df1 | df2 | Sig. F Change | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | .140[a] | .019 | -.042 | .31184 | .019 | .318 | 2 | 32 | .730 | 1.881 |

Source: Data processed from attachment 3 (2020)

a. Predictors: (Constant), Firm Size, Asset Structure

From table 7, it can be seen that the Durbin Watson value is 1.881, while the Durbin Watson table value with n: 35 and k: 2 is 1.5838 Because Durbin Watson's value is between 1.5838 and 4-1.5838 (2.4162) , it can be concluded that there is no autocorrelation symptom.

**4.3 Multiple Linear Regression Test**

Multiple linear regression testing explains the magnitude of the role of the asset structure variable (X1) and firm size variable (X2) on the capital structure variable (Y). Data analysis in this study used multiple linear regression analysis using SPSS version 23. The analysis of each variable is described in the following description:



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**Table 8**
Multiple Linear Regression Results

**Coefficients[a]**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta |
|---|---|---|---|---|
| 1 | (Constant) | .829 | .935 | |
| | STRUKTUR AKTIVA | 1.854 | .476 | .575 |
| | FIRM SIZE | -.043 | .063 | -.101 |

*Source: Data processed from attachment 3 (2020)*
*a. Dependent Variable: CAPITAL STRUCTURE*

Based on these results, the multiple linear regression equation has the formulation**: Y = a + b1X1 + b2X2 +** , so that the equation is obtained**: Y = 0.829 + 1.854X1 0.043X2.**

The description of the multiple linear regression equation above is as follows:

a. The constant value (a) of **0.829** indicates the magnitude of the capital structure variable (Y) if the asset structure variable (X1) and firm size variable (X2) are equal to zero.
b. The regression coefficient value of the asset structure variable (X1) (b1) of **1.854** indicates the magnitude of the role of the asset structure variable (X1) on the capital structure variable (Y) with the assumption that the firm size variable (X2) is constant. This means that if the asset structure variable factor (X1) increases by 1 unit value, it is predicted that the capital structure variable (Y) will increase by **1,854** units of value with the assumption that the firm size variable (X2) is constant.
c. The value of the regression coefficient for the firm size variable (X2) (b2) of **0.043** indicates the magnitude of the role of the firm size variable (X2) on the capital structure variable (Y) with the assumption that the variable asset structure variable (X1) is constant. This means that if the firm size variable factor (X2) increases by 1 unit value, it is predicted that the capital structure variable (Y) will decrease by **0.043** unit value with the assumption that the asset structure variable (X1) is constant.

### 4.4 Coefficient of Determination (R2)

The coefficient of determination is used to see how much the independent variable contributes to the dependent variable. In other words, the value of the coefficient of determination is used to measure the contribution of the studied variables X and Y as the dependent variables. The greater the value of the coefficient of determination, the better the ability of variable X to explain variable Y. If the determination (R2) is greater (closer to 1), it can be said that the influence of variable X is large on variable Y.

The value used to see the coefficient of determination in this study is in the adjusted R square column. This is because the adjusted R square value is not susceptible to the addition of independent variables. The value of the coefficient of determination can be seen in Table 4.9 below:

**Table 9**
Coefficient of Determination

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .567[a] | .322 | .279 | .54899 |

Source: Data processed from attachment 3 (2020)
a. Predictors: (Constant), FIRM SIZE, ASSETS STRUCTURE

Based on table 9, it can be seen that the adjusted R square value is 0.279 or 27.9%. This shows that the asset structure variable (X1) and firm size variable (X2) can explain the capital structure variable (Y) of 27.9%, the remaining 72.1% (100% - 27.9%) is explained by other variables. outside this research model such as sales stability, dividend policy and company age.

### 4.5 Hypothesis Test

**a. t test (Partial)**

The t statistic test is also known as the individual significance test. This test shows how far the influence of the independent variable partially on the dependent variable.



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In this study, partial hypothesis testing was carried out on each independent variable as shown in Table 10 below:

**Table10**
Partial Test (t)

**Coefficients[a]**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | T | Sig. |
|---|---|---|---|---|---|---|
| 1 | (Constant) | .829 | .935 | | .887 | .382 |
| | STRUKTUR AKTIVA | 1.854 | .476 | .575 | 3.897 | .000 |
| | FIRM SIZE | -.043 | .063 | -.101 | -.686 | .498 |

*Source: Data processed from attachment 3 (2020)*

*a. Dependent Variable: CAPITAL STRUCTURE*

1) Hypothesis Testing the Effect of Asset Structure on Capital Structure
   The form of hypothesis testing based on statistics can be described as follows:
   Decision Making Criteria:
   a) H0 is accepted if tcount < ttable or -tcount > - ttable or Sig. > 0.05
   b) H0 is rejected if tcount ttable or -tcount - ttable or Sig. < 0.05

From table 10, the tcount value is 3.897, with = 5%, ttable (5%; n-k = 33) the ttable value is 2.034. From this description, it can be seen that tcount (3.897) > ttable (2.034), as well as the significance value of 0.000 <0.05, it can be concluded that the first hypothesis is accepted, meaning that the asset structure variable (X1) has an effect on the capital structure variable (Y). The results of this study are in line with the research results of Angrita Denziana, Eilien Delicia Yunggo (2017).

2) Hypothesis Testing the Effect of Firm Size on Capital Structure
   The form of hypothesis testing based on statistics can be described as follows:
   Decision Making Criteria:
   a) H0 is accepted if tcount < ttable or -tcount > - ttable or Sig. > 0.05
   b) H0 is rejected if tcount ttable or -tcount - ttable or Sig. < 0.05

From table 10, the tcount value is -0.686 with = 5%, ttable (5%; n-k = 33) the ttable value is -2.034. From the description it can be seen that -tcount (-0.686) > -ttable (-2.034), and the significance value is 0.498 > 0.05, it can be concluded that the second hypothesis is rejected, meaning that the firm size variable (X2) has no effect on the capital structure variable ( Y). The results of this study are in line with the results of Arief Rahman Hakim's research (2013).

**b. Test F (Simultaneous)**

This test basically shows whether all the independent variables included in this model have a joint effect on the dependent variable. The results of the F test can be seen in the following table 4.11:

**Table 11**
Simultaneous Test (F)

**ANOVA[a]**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 4.577 | 2 | 2.288 | 7.593 | .002[b] |
| | Residual | 9.644 | 32 | .301 | | |
| | Total | 14.221 | 34 | | | |

Source: Data processed from attachment 3 (2020)
a. Dependent Variable: CAPITAL STRUCTURE
b. Predictors: (Constant), FIRM SIZE, ASSETS STRUCTURE



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The form of hypothesis testing based on statistics can be described as follows:
Decision Making Criteria:
1) If the calculated F value > F table or Sig. <0.05 then Ha is accepted and H0 is rejected.
2) If the value of F count < F table or Sig. > 0.05 then Ha is rejected and H0 is accepted

From table 11, the calculated F value is 7.593. With = 5%, dk numerator: 2, dk denominator: n-k-1 (5%;2.32), obtained F table value of 3.29. From the description it can be seen that F arithmetic (7.593) > F table (3.29), and a significance value of 0.002 <0.05, it can be concluded that the third hypothesis is accepted, meaning that the asset structure variable (X1) and the firm size variable (X2) have a simultaneous (simultaneous) effect on the capital structure variable (Y).

## 5. Conclusion

This study is to answer the research objectives, namely to analyze the effect of asset structure and firm size on the capital structure of food and beverage companies listed on the Indonesia Stock Exchange. The following conclusions can be drawn:

a. Multiple linear regression equation Y = 0.829 + 1.854X1 0.043X2.
b. The value of the coefficient of determination R2 is seen from the value of the adjusted R square of 0.279 or 27.9%. This shows that if the capital structure and company size can explain the capital structure of 27.9%, the remaining 72.1% (100% - 27.9%) is explained by other variables outside this research model.
c. The tcount value of the asset structure variable is 3.897, with = 5%, ttable (5%; n-k = 33) the ttable value is 2.03452. From the description it can be seen that tcount (3.897) > ttable (2.03452), as well as the significance value of 0.000 <0.05, it can be concluded that the asset structure variable (X1) has an effect on the capital structure variable (Y).
d. The t-count value of the company size variable is -0.686 with = 5%, ttable (5%; n-k = 33) the t-table value is -2.03452. From the description it can be seen that -tcount (-0.686) > -ttable (-2.03452), and the significance value is 0.498 > 0.05, it can be concluded that the firm size variable (X2) has no effect on the capital structure variable (Y).
e. The value of Fcount is known to be 7.593. With = 5%, dk of numerator : 2, dk of denominator : n-k-1 (5%; 2 ; 32) obtained Ftable value of 3.29. From this description, it can be seen that Fcount (7.593) > Ftable (3.29), and a significance value of 0.002 <0.05, it can be concluded that the asset structure variable (X1) and the firm size variable (X2) have an effect simultaneously (simultaneously). ) to the capital structure variable (Y).

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