

## **ABSTRACT**

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### **THE INFLUENCE OF CORPORATE GOVERNANCE MECHANISMS AND CAPITAL STRUCTURE TOWARDS FINANCIAL PERFORMANCE**

(xvi + 91 pages: 1 figure; 10 tables; 3 appendices)

This research aims to analyze the influence of corporate governance mechanisms and capital structure towards firm financial performance on the listed manufacturing companies in Indonesia. The variables that are used in this research are Return on Equity (ROE) as the dependent variable, board of commissioner size, board of commissioner composition, audit committee size, ownership concentration, and institutional ownership as the corporate governance mechanisms aspect of the independent variables, short-term debt to total asset, long-term debt to total asset, and total debt to equity as the capital structure aspect of the independent variables.

The sample that is used in this research are the 114 manufacturing companies that are listed in the Indonesia Stock Exchange. The technique that is used in this research is multiple regression analysis.

The result of this research shows that there is a significant influence of audit committee size, ownership concentration, institutional ownership, long-term debt to total asset, and total debt to equity towards the ROE of the firm.

References: 42 (1976-2012)

Keywords: ROE, Board of Commissioner Size, Board of Commissioner Composition, Audit Committee Size, Ownership Concentration, Institutional Ownership, Short-term Debt to Total Asset, Long-term Debt to Total Asset, Total Debt to Equity