

## TABLE OF CONTENT

<b>COVER PAGE</b>	
<b>TITLE PAGE</b>	
<b>APPROVAL PAGE BY FINAL PAPER ADVISOR.....</b>	<b>i</b>
<b>APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....</b>	<b>ii</b>
<b>ABSTRACT.....</b>	<b>iii</b>
<b>ABSTRAK.....</b>	<b>iv</b>
<b>PREFACE.....</b>	<b>v</b>
<b>TABLE OF CONTENT.....</b>	<b>vii</b>
<b>LIST OF FIGURES.....</b>	<b>xii</b>
<b>LIST OF TABLES.....</b>	<b>xiii</b>
<b>LIST OF APPENDICES.....</b>	<b>xiv</b>
<b>CHAPTER I INTRODUCTION.....</b>	<b>1</b>
<b>1.1 Background of the Study.....</b>	<b>1</b>
<b>1.2 Problem Limitation.....</b>	<b>9</b>
<b>1.3 Problem Formulation.....</b>	<b>10</b>
<b>1.4 Objective of the Research.....</b>	<b>10</b>
<b>1.5 Benefit of the Research.....</b>	<b>11</b>
<b>1.5.1 Theoretical Benefit.....</b>	<b>11</b>
<b>1.5.2 Practical Benefit.....</b>	<b>11</b>
<b>CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT.....</b>	<b>12</b>

<b>2.1</b>	<b>Theoretical Background .....</b>	<b>12</b>
2.1.1	Agency Theory.....	12
2.1.2	Financial Ratio Analysis.....	13
2.1.3	Leverage .....	14
2.1.3.1	Definition of Leverage.....	14
2.1.3.2	Leverage Ratio.....	15
2.1.4	Liquidity.....	17
2.1.4.1	Definition of Liquidity.....	17
2.1.4.2	Liquidity Ratio.....	19
2.1.5	Profitability .....	21
2.1.5.1	Definition of Profitability.....	21
2.1.5.2	Profitability Ratio.....	21
2.1.6	Institutional Ownership.....	23
2.1.7	Tax Avoidance .....	24
2.1.7.1	The Concept of Taxation .....	24
2.1.7.2	The Concept of Tax Avoidance .....	25
<b>2.2</b>	<b>Previous Research .....</b>	<b>26</b>
<b>2.3</b>	<b>Hypothesis of Development .....</b>	<b>34</b>
2.3.1	The Effect of Leverage to Tax Avoidance.....	34
2.3.2	The Effect of Liquidity to Tax Avoidance .....	35
2.3.3	The Effect of Profitability to Tax Avoidance.....	35
2.3.4	The Effect of Institutional Ownership to Tax Avoidance .....	36
2.3.5	The Effect of Leverage, Liquidity, Profitability and Institutional Ownership to Tax Avoidance.....	36
<b>2.4</b>	<b>Research Model .....</b>	<b>37</b>

2.5	Framework of Thinking.....	38
<b>CHAPTER III RESEARCH METHODOLOGY .....</b>		<b>39</b>
3.1	Research Design.....	39
3.2	Population and Sample .....	39
3.2.1	Population .....	39
3.2.2	Sample .....	40
3.3	Data Collection Method .....	41
3.4	Operational Variable and Variable Measurement.....	43
3.4.1	Independent Variable (X).....	43
3.4.1.1	Leverage (X <sub>1</sub> ) .....	43
3.4.1.2	Liquidity (X <sub>2</sub> ) .....	44
3.4.1.3	Profitability (X <sub>3</sub> ) .....	44
3.4.1.4	Institutional Ownership (X <sub>4</sub> ) .....	45
3.4.2	Dependent Variable (Y) .....	45
3.4.2.1	Tax Avoidance .....	46
3.5	Data Analysis Method .....	46
3.5.1	Descriptive Statistics Method.....	46
3.5.2	Classic Assumption Test.....	46
3.5.2.1	Normality Test .....	46
3.5.2.2	Heteroscedasticity Test .....	47
3.5.2.3	Multicollinearity Test.....	48
3.5.2.4	Autocorrelation Test .....	48
3.5.2.5	Multiple Linear Regression .....	49
3.5.3	Hypothesis Analysis .....	50
3.5.3.1	Partial Test (T-Test).....	50

3.5.3.2	Model Feasibility Test (F-Test) .....	51
3.5.3.3	Coefficient of Determinant ( $R^2$ Test) .....	51
<b>CHAPTER IV</b>	<b>RESEARCH RESULT AND DISCUSSION .....</b>	<b>52</b>
<b>4.1</b>	<b>General View of Consumer Goods Industry Companies.....</b>	<b>52</b>
<b>4.2</b>	<b>Research Result .....</b>	<b>62</b>
4.2.1	Descriptive Statistics .....	62
4.2.2	Result of Data Quality Testing.....	65
4.2.2.1	Normality Test .....	65
4.2.2.2	Heteroscedasticity Test .....	68
4.2.2.3	Multicollinearity Test.....	70
4.2.2.4	Autocorrelation Test .....	72
4.2.2.5	Multiple Linear Regression .....	74
4.2.3	Hypothesis Testing .....	75
4.2.3.1	T-Test.....	75
4.2.3.2	F-Test.....	78
4.2.3.3	Coefficient of Determinant ( $R^2$ ) .....	79
<b>4.3</b>	<b>Discussion .....</b>	<b>80</b>
4.3.1	The Effect of Leverage Toward Tax Avoidance .....	80
4.3.2	The Effect of Liquidity Toward Tax Avoidance .....	81
4.3.3	The Effect of Profitability Toward Tax Avoidance .....	82
4.3.4	The Effect of Institutional Ownership Toward Tax Avoidance .....	83
4.3.5	The Effect of Leverage, Liquidity, Profitability and Institutional Ownership Toward Tax Avoidance.....	84
<b>CHAPTER V</b>	<b>CONCLUSION .....</b>	<b>86</b>
<b>5.1</b>	<b>Conclusion .....</b>	<b>86</b>

<b>5.2 Recommendation .....</b>	<b>87</b>
<b>REFERENCES .....</b>	<b>89</b>



## LIST OF FIGURES

	<b>Page</b>
<b>Figure 1.1</b>	<b>Sectoral Contribution of Indonesia Year 2018 ..... 3</b>
<b>Figure 1.2</b>	<b>Sectoral Contribution of Indonesia Year 2019 ..... 4</b>
<b>Figure 1.3</b>	<b>Sectoral Contribution of Indonesia Year 2020 ..... 4</b>
<b>Figure 2.1</b>	<b>Research Model ..... 37</b>
<b>Figure 2.2</b>	<b>Framework of Thinking ..... 38</b>
<b>Figure 4.1</b>	<b>Histogram Graph ..... 67</b>
<b>Figure 4.2</b>	<b>Normal P-Plot ..... 68</b>
<b>Figure 4.3</b>	<b>Heteroscedasticity Test (Scatterplot Graph)) ..... 69</b>
<b>Figure 4.4</b>	<b>Durbin Watson ..... 73</b>
<b>Figure 4.5</b>	<b>T-Table ..... 76</b>

## LIST OF TABLES

	<b>Page</b>
<b>Table 1.1</b>	<b>Table of Phenomenon ..... 6</b>
<b>Table 2.1</b>	<b>Summary of Previous Research ..... 31</b>
<b>Table 3.1</b>	<b>Determination of Sample ..... 41</b>
<b>Table 4.1</b>	<b>Descriptive Statistics ..... 63</b>
<b>Table 4.2</b>	<b>Normality Test (One-Sample Kolmogorov-Smirnov Test) ... 65</b>
<b>Table 4.3</b>	<b>Normality Test ..... 66</b>
<b>Table 4.4</b>	<b>Heteroscedasticity Test (Glejser Test) ..... 69</b>
<b>Table 4.5</b>	<b>Multicollinearity Test ..... 70</b>
<b>Table 4.6</b>	<b>Autocorrelation Test Using Durbin Watson ..... 72</b>
<b>Table 4.7</b>	<b>Autocorrelation Test Using Cochrane-Orcutt Test Method .. 74</b>
<b>Table 4.8</b>	<b>Multiple Linear Regression Analysis ..... 74</b>
<b>Table 4.9</b>	<b>T-Test Analysis ..... 76</b>
<b>Table 4.10</b>	<b>F-Test Analysis ..... 79</b>
<b>Table 4.11</b>	<b>Coefficient of Determinant ..... 79</b>

## LIST OF APPENDICES

	<b>Page</b>
<b>APPENDIX A: PREVIOUS RESEARCHES SUMMARY TABLE .....</b>	<b>A-1</b>
<b>APPENDIX B: PURPOSIVE SAMPLING .....</b>	<b>B-1</b>
<b>APPENDIX C: LEVERAGE (DEBT TO EQUITY RATIO) .....</b>	<b>C-1</b>
<b>APPENDIX D: LIQUIDITY (CURRENT RATIO) .....</b>	<b>D-1</b>
<b>APPENDIX E: PROFITABILITY (RETURN ON ASSET) .....</b>	<b>E-1</b>
<b>APPENDIX F: INSTITUTIONAL OWNERSHIP .....</b>	<b>F-1</b>
<b>APPENDIX G: TAX AVOIDANCE (EFFECTIVE TAX RATE) .....</b>	<b>G-1</b>
<b>APPENDIX H: RESEARCH ANALYSIS RESULT .....</b>	<b>H-1</b>

