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The Effect of Asset Structure, Asset Growth, and Sales Growth on The Capital Structure

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ABSTRACT

The optimal capital structure is the balance of debt and equity by maximizing the company's value through prudent investment efforts and improving the financial and operational performance of each business organization or company. This study aims to analyze the effect of asset structure, asset growth, and sales growth on the capital structure of consumer goods companies listed on the Indonesia Stock Exchange in 2018-2022. The population in this study includes 46 consumer goods companies listed on the Indonesian Stock Exchange in 2018-2022. The sample used after purposive sampling was 23 companies. Analysis methods used in this study using multiple linear regression with IBM SPSS Statistics version 26 software. The data analysis results show that asset structure and sales growth positively and significantly affect capital structure. In contrast, asset growth has a negative and insignificant effect on capital structure. The company must leverage these factors to improve its capital structure.

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INTRODUCTION

Capital issues are a very important part of the business world because they affect stakeholders, including creditors, shareholders, and the company's management. One of the important elements in making funding decisions for operational activities and the sustainability of the company is capital. Changes in capital structure can occur if operational financing using foreign capital can positively or negatively affect financial management. Therefore, it is important

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to have a policy for determining the source of expenditure to meet the required capital needs (Laksana & Widyawati, 2016).

The company's serious attention is needed to follow up on various factors that influence the capital structure, especially of companies' consumer goods. In making capital structure decisions, financial managers must consider the following factors: sales level, asset structure, company growth rate, profitability, profit variables, tax protection, company scale, company internal conditions, and macroeconomics (Sartono, 2016). This research only uses three factors influencing capital structure: asset structure, asset growth, and sales growth.

The factor that causes capital structure is asset structure, which determines how much funds are allocated for each component of assets, both current assets and fixed assets. Companies with relatively large fixed assets tend to use foreign capital in their capital structure because fixed assets can be used as collateral for debt (Putra, 2021). The asset structure usually determines the structure of a company's long-term and short-term liabilities.

Companies with most of their capital invested in fixed assets will prioritize using debt rather than equity to meet funding needs (Aurelia & Setijaningsih,2020). Companies with high asset growth rates will use debt in their capital structure more than companies with low asset growth rates. Manufacturing companies generally use the largest capital to purchase fixed assets, prioritizing the fulfillment of capital through internal funds, while external funds are considered complementary.

The second factor is asset growth, which shows the annual change in total assets owned by the company. In general, a company with high growth prefers to use external funding. This is because the company will tend to increase the number of assets owned to support its business development. Therefore, external funding in the form of debt is needed to support business development as additional capital (Dewi & Fachrurrozie, 2021)

The third factor is sales growth, which is also important as a form of capital structure. Companies that have increasing profits have a greater amount of retained earnings. An increase in company profits increases the amount of capital from retained earnings, so companies with high sales or growth rates are more likely to use more debt than companies with unstable growth rates. The higher the company's sales growth rate, the greater the source of external financing in the form of external capital (Mulya & Indriaty, 2022).

The capital structure in this research will be focused on using the debt-equity ratio (DER), the ratio between third-party funding sources and debt that describes the company's structure. The DER ratio shows a company's risk level, where the higher the DER ratio, the higher the company's risk. This indicates that the amount of company equity cannot cover the quantity of company debt. The ideal DER is below 1 or below 100%; however, if you find a company with a DER above one or 100%, its debt/liabilities are greater than its net capital (Sahamgain, 2020).

Investors are more interested in a certain DER level with a ratio of less than one because the company's DER value that shows more than one means that the debt coefficient in a company is higher than the amount of its capital (Brigham & Houston, 2014).

Table 1. DER Value of Consumer Goods Companies in 2018-2022

No	Company Name	Issuer Code	Debt to Equity Ratio (DER)				
			2018	2019	2020	2021	2022
1.	PT. Multi Bintang Indonesia Tbk.	MLBI	1,47	1,53	1,02	1,65	2,14
2.	PT. Pyridam Farma Tbk.	PYFA	0,57	0,52	0,45	3,82	2,43
3.	PT. Tri Banyan Tirta Tbk.	ALTO	0,16	1,89	1,96	1,99	1,93

No	Company Name	Issuer Code	Debt to Equity Ratio (DER)				
			2018	2019	2020	2021	2022
4.	PT. Pratama Abadi Nusa Industri Tbk	PANI	2,79	1,99	1,45	2,90	1,60
5.	PT. Langgeng Makmur Industri Tbk.	LMPI	1,38	1,54	1,83	2,08	2,38
6.	PT. Indofarma Tbk.	INAF	1,90	1,74	2,98	2,95	5,37
7.	PT. Prasidha Aneka Niaga Tbk.	PSDN	0,59	3,33	4,86	11,69	17,04

Source: Data processed by researchers (2023)

Based on Table 1, the condition of the capital structure of several companies can be seen in consumer goods, and a DER level above one indicates that the use of debt is high in the capital structure. This shows that consumer goods companies listed on the IDX have a large proportion of debt, increasing yearly. This condition does not follow the theory of optimal capital structure, where the amount of external capital from the company's debt should not exceed its capital. Based on previous research by Meilani & Wahyudin (2021), this capital structure condition can increase risks such as financial difficulties, the company's inability to repay debts, and interest on the debt used. It can later impact business continuity, such as bankruptcy or company bankruptcy.

As in the case of PT Cottonindo Ariesta Tbk. (KPAS) was declared bankrupt by the Central Jakarta Commercial Court due to a lack of business capital and difficulty in meeting bills of IDR 173 billion (CNBC Indonesia, 2023). The problems in the company's capital structure are also considered less than good as a candidate for the issuer of choice for investors. When facing competition between companies, a company has to do various things to develop itself. Of course, the company needs considerable funds to expand and carry out its activities. Therefore, the capital structure plays a crucial role for the company, as the quality of the capital structure will directly affect the financial position of the company.

The phenomenon above makes the author interested in researching and finding out more about the relationship and connection between the above phenomena, such as capital structure, asset structure, asset growth, and sales growth, by the title "The Effect of Asset Structure, Asset Growth, and Sales Growth on Capital Structure". The research aims to determine the effect of asset structure on capital structure, the influence of asset growth on capital structure, sales growth on capital structure, and, simultaneously, the effect of asset structure, asset growth, and sales growth on capital structure.

LITERATURE REVIEW

The trade-off theory was first introduced in 1963 by Modigliani and Miller, and this theory explains how much a company owes and how much a company's equity is. This theory proposes that the optimal debt ratio is determined based on the balance between the benefits and costs of using debt (Mulya, & Indriaty, 2022). Trade-off theory states that a company determines the level of its capital structure at a certain level of what is needed over time. This theory explains that using debt provides benefits and has cost sacrifice. This theory explains that a company whose capital structure does not use debt is in bad condition. Companies that do not use debt in their capital will pay higher taxes than those that use debt, affecting the company's value (Umdiana & Claudia, 2020).

Capital structure describes the balance between foreign capital and own capital. Capital structure is one of the most important aspects for the company because the good and bad affect the company's financial condition. The lower the level of capital structure, the better the company is in good condition, so the higher the capital structure level, the worse the company is (Paramitha, 2020). The essence of trade-off theory in capital structure is to balance the benefits and sacrifices arising from using debt to the extent that it is larger; additional debt is still allowed. If the sacrifice due to the use of debt is greater, then additional debt is not allowed.

The Effect of Asset Structure on Capital Structure

The asset structure is the composition of the company's assets, which shows how much of the company's assets can be used as collateral for obtaining loans. Asset structure can affect capital because companies with fixed assets tend to get loans. After all, the company's assets can be used as collateral to increase the company's operational activities. Companies with a large fixed asset composition can obtain other funding sources outside the company's capital (Novwedayaningayu & Hirawati, 2020).

The trade-off theory explains that additional debt is still allowed if the company has a greater useful life and has fixed assets as collateral. Large companies have easier access to funding sources than small and medium-sized companies, so a company with many fixed assets can incur large debts. Previous research conducted by them supports this research (Dewiningrat & Mustanda, 2018; Touil & Mamoghli, 2019; Aurelia & Setijaningsih, 2020; Meilani & Wahyudin, 2021; Septiyani, 2022) found that asset structure has a positive and significant effect on capital structure.

H1: Asset Structure has a positive and significant effect on Capital Structure

The Effect of Asset Growth on Capital Structure

Companies with a rapid asset growth rate usually need large enough funds, so they must borrow from external parties. Internal (Solihatun, 2023). The trade-off theory explains that the more asset growth increases, the higher the capital structure. Increased asset growth requires increased assets for operations and large funds, so the company must use external funds if internal funds are insufficient. This research is supported by previous research conducted by (Safitri, 2022; Dela, 2022), which found that asset growth has a positive and significant effect on capital structure.

H2: Asset Growth has a positive and significant effect on Capital Structure

The Effect of Sales Growth on Capital Structure

Increased sales growth can improve a company's ability to earn revenue and profits. With this increase in sales, the company can cover the costs incurred for its operations and improve its capital structure because it can pay its debts and increase its capital (Mulya & Indriaty, 2022), stating that companies with greater growth opportunities will have more retained profits.

This is based on the trade-off theory, which explains that the higher the sales level, the higher the profit. The company uses more debt to reduce tax costs and support its operational and investment activities. This research is supported by previous research conducted by Paramitha & Putra (2020; Miswanto & Santoso, 2021; Septiyani, 2022), which found that sales growth positively and significantly affects the capital structure (DER).

H3: Sales Growth has a positive and significant effect on Capital Structure

Asset structure positively affects capital structure (Paramitha & Putra, 2020). Simultaneously, the variables of asset structure and sales growth significantly affect the capital structure (Ompusunggu, 2020; Paramitha & Putra, 2020). Asset composition and sales growth have a positive and important effect on the capital structure (Dewi et al., 2024). Other findings show that asset structure and sales growth have a significant and positive impact on capital structure (Miswanto et al., 2022), showing that the theories explaining capital structure and the factors influencing it are interrelated and not separate.

H4: Asset Structure, Asset Growth, and Sales Growth simultaneously have a positive and significant effect on Capital Structure

The Conceptual framework in this study is as illustrated below:

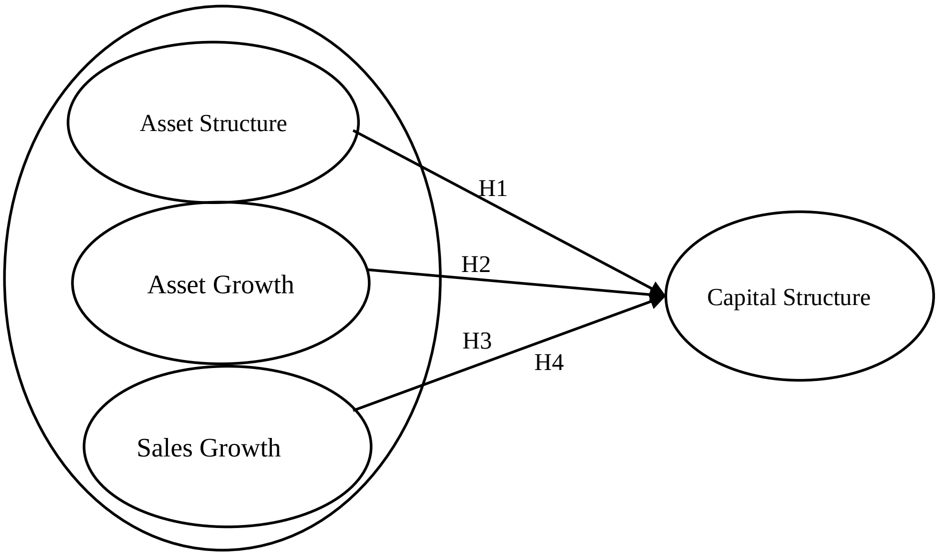

Figure 1. Conceptual Framework
Source: developed in this research, 2024

RESEARCH METHOD

This study uses a quantitative approach emphasizing the analysis of numerical data (numbers), which is then analyzed using statistical methods the objectives to test the established hypothesis. In this study, data collection is by documentation method and literature analysis study. Documentation is carried out by collecting data sources in the form of secondary data documented by the company through the financial reports of consumer goods companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022 from the official website www.idx.co.id and literature analysis with various literature such as journals, articles, and other literature related to the discussion in this study. The population in this study included 46 consumer goods sector companies listed on the Indonesia Stock Exchange.

Table 2. Purposive Sampling Results

No.	Sample Criteria	Total Company
1.	Consumer Goods Company listed on the Indonesian Stock Exchange in 2018-2022	46
2.	Consumer Goods Company, which was delisted in 2018-2022	(3)
3.	Consumer Goods Company who did not publish complete financial reports for 2018-2022	(20)
	Number of Companies	23
	Year of observation	5
	Number of samples	115

Source: Data processed by researchers (2024)

The data collection technique uses documentation from the sample company's financial reports. The analysis method used in this study is multiple linear regression with IBM SPSS Statistics version 26 software. This study uses multiple linear regression because it has more than two independent variables. This method aims to determine the relationship and how much influence the independent variables have on the dependent variable.

The following is the definition and measurement of variables as well as references used based on previous research, which is used as a reference

Table 3. Operational Definition of Variables

No	Variable	Operational Definition	Indicators	Measurement scale
1.	Capital Structure	A comparison of total debt with total equity is needed to determine the amount of funds creditors provide to the company's owner. (Kasmir, 2014)	DER (Debt Equity Ratio) = $\frac{\text{Total Debt}}{\text{Total Capital}}$	Ratio
2.	Asset Structure	The partial amount of assets that can be used as collateral is measured by comparing fixed assets and total assets (Brigham & Houston, 2014)	Asset Structure = $\frac{\text{Fixed Asset Amount}}{\text{Total Asset}}$	Ratio
3.	Asset Growth	Annual change of total assets owned by the company. (Brigham & Houston, 2014)	Asset Growth = $\frac{\text{Total asset in year}_{t} - \text{Total asset in year}_{t-1}}{\text{Total asset in year}_{t-1}}$	Ratio
4.	Sales Growth	The extent to which a company can increase its sales by comparing total sales as a whole (Kasmir,2014)	Sales Growth = $\frac{\text{Sales in year}_{t} - \text{Sales in year}_{t-1}}{\text{Sales in year}_{t-1}}$	Ratio

Source: Own Primary Data, 2024

RESULT AND DISCUSSION

Table 4. Descriptive Statistics Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Capital Structure	115	,11	17,04	1,1232	2,00363
Asset Structure	115	,06	0,83	,338	,180099
Asset Growth	115	-,29	2,53	,104	,31722
Sales Growth	115	-,45	1,27	,0826	,21849
Valid N (listwise)	115				

Source: Data processed on SPSS 26, 2024

First, regarding capital structure, the analysis involved 60 data, giving a minimum value of 0,11, a maximum value of 17,04, a mean value of 0,1232, and a standard deviation of 2,00363. Second, the asset structure variable has 60 data, giving a minimum value of 0.06, a maximum value of 0,832, a mean value of 0,338, and a standard deviation of 0,180099. Third, regarding asset growth, the analysis involved 60 data, giving a minimum value of -0,29, a maximum value of 2,53, a mean of 0,1038, and a standard deviation of 0,31722. Fourth, regarding sales growth, the analysis involved 60 data, giving a minimum value of -0,45, a maximum value of 1,27, a mean value of 0,0826, and a standard deviation of 0,21849.

Table 5. One-Sample Kolmogorov-Smirnov Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		115
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,42202730
Most Extreme Differences	Absolute	,120
	Positive	,120
	Negative	-,065
Test Statistic		,120
Asymp. Sig. (2-tailed)		,057[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: Data processed on SPSS 26, 2024

Based on the table above, it can be seen that the significance value is 0,057, which is greater than 0,05 (0,057 > 0,05), so it can be concluded that the data in this study is normally distributed.

Table 6. Multicollinearity Test Results

Coefficients[a]	
Collinearity Statistics	
Tolerance	VIF
,981	1,020
,907	1,102
,920	1,087
a. Dependent Variable: capital structure	

Source: Data processed on SPSS 26, 2024

Based on the results of the multicollinearity test on this data, it can be said that there is no multicollinearity because the value tolerance > 0,10, namely the asset structure (X_1) of 0,981, asset growth (X_2) of 0,907, sales growth (X_3) of 0,920. Moreover, shows the same on the value Variance Inflation Factors (VIF) < 10, namely asset structure (X_1) of 1,020, asset growth (X_2) of 1,102, and sales growth (X_3) amounting to 1,087. So, it can be concluded that the data in this study did not experience symptoms of multicollinearity.

Table 7. Glejser Heteroscedasticity Test Results

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,649	,094		6,887	,000
	Asset Structure	-,509	,242	-,235	-2,105	,059
	Asset Growth	-,111	,439	-,029	-,254	,800
	Sales Growth	,078	,373	,024	,210	,834

Coefficients[a]					
Model	*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
	B	Std. Error	Beta		
a. Dependent Variable: Abs_RES					

Source: Data processed on SPSS 26, 2024

Based on the table above, the significance value of asset structure (X_1), namely 0,59, is greater than 0,05, the significance value of asset growth (X_2), namely 0,800, is greater than 0,05, and the significance value of sales growth (X_3), namely 0,834, is greater than 0,05. Thus, the regression model does not contain symptoms or problems of heteroscedasticity.

Table 8. Autocorrelation Test Results

Model Summary[b]				
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
,467[a]	,218	,197	,05802	1,810
a. Predictors: (Constant), asset structure, asset growth, sales growth				
b. Dependent Variable: capital structure				

Source: Data processed on SPSS 26, 2024

Based on the results of the autocorrelation test, the Durbin-Watson (dw) value is 1,810. If compared with the Durbin-Watson (dw) table value with a total of 115 observation data (n) and several independent variables of 3 (k=3), the upper limit value (du) is 1,7496. The value of du = 1,7496 and 4 – du = 2,2504. Based on the results of the Durbin-Watson (DW) test, the results were obtained 1,7496 < 1,810 < 2,2504. It can be concluded that the modal regression does not experience autocorrelation problems.

Table 9. Result of Multiple Linear Regression Analysis

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,228	,007		32,178	,000
Asset Structure	,144	,039	,321	3,717	,000
Asset Growth	-,049	,046	-,092	-1,063	,290
Sales Growth	,127	,039	,280	3,293	,001
a. Dependent Variable: Capital Structure					

Source: Data processed on SPSS 26, 2024

Based on the results of the multiple linear regression test, the following regression equation can be obtained: Y = 0,228 + 0,1441- 0,049X2+ 0,127X3+ e

A constant value of 0,228 indicates that the variables asset structure, asset growth, and sales growth have a value of 0, then the capital structure has a value of 0,228. The regression coefficient of the asset structure variable shows a value of 0,144, which is a positive directional relationship. This value states that with each increase of one unit of the asset structure variable, the capital structure will increase by 0,144, assuming the other independent variables remain constant.

The regression coefficient of the asset growth variable shows a value of -0,049, which shows a negative directional relationship. This value states that with each increase of one unit of the asset structure variable, the capital structure will decrease by 0,049, assuming other independent variables remain constant. The sales growth variable regression coefficient shows a value of 0,127, a positive directional relationship. This value states that each unit increase in the sales growth variable means the capital structure will increase to 0,127, assuming the other independent variables remain constant.

Table 10. Hypothesis Test Results

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	,228	,007		32,178	,000
Asset Structure	,144	,039	,321	3,717	,000
Asset Growth	-,049	,046	-,092	-1,063	,290
Sales Growth	,127	,039	,280	3,293	,001

a. Dependent Variable: Capital Structure

Source: Data processed on SPSS 26, 2024

Based on the hypothesis test table above, testing the asset structure variable on capital structure gets a statistical t-value of 3.71, greater than the table t, which is 1.98157, and the significant value 0.000 is smaller than 0,005. Based on this value, it can be stated that the asset structure has a positive and significant effect on the capital structure variable. The first hypothesis in this study is accepted. Furthermore, the hypothesis test table above shows that testing the asset growth variable against capital structure gets a statistical t-value of -1.063, smaller than table t, which is 1.98157. A significant value of 0.290 is greater than 0,005. Based on this value, it can be stated that the asset structure has a positive and significant effect on the capital structure variable. The first hypothesis in this study is accepted. Furthermore, the hypothesis test table above shows that testing the sales growth variable against capital structure gets a statistical t-value of 3.293, greater than the table t, which is 1.98157. A significant value of 0.001 is greater than 0,005. The statement shows that hypothesis 3 is accepted or partially the sales growth variable positively and significantly affects the capital structure variable.

Table 11. Coefficient of Determination (R^2) Result

Model Summary[b]				
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
,467[a]	,218	,197	,05802	1,810

a. Predictors: (Constant), Asset Structure, Asset Growth, Sales Growth
b. Dependent Variable: Capital Structure

Source: Data processed on SPSS 26, 2024

Based on the results of testing the coefficient of determination, the determination value obtained through the value-adjusted R Square in this study was 0,197 or 19,7%, meaning that asset structure, asset growth, and sales growth influenced capital structure by 19,7%, other variables outside the variables studied influenced the remaining 80,3%, for example, profitability, volatility profits, tax protection, company scale, company internal conditions, business risks, and others.

The Effect of Asset Structure on Capital Structure

From the results of the data analysis, it can be seen that asset structure has a positive and significant effect on capital structure, which means that the higher the asset structure owned by the company, in this case, the more fixed assets owned, the company's capital structure will increase and vice versa so that it will make it easier for the company to obtain funds in the form of debt from external parties because fixed assets can be used as collateral for the company to pay debts and obtain loans to overcome the company's financial difficulties.

This supports the trade-off theory, which explains that additional debt is still allowed if it has a greater useful life and the company has fixed assets as collateral. With the increasing value of the asset structure (fixed assets), the company can utilize external funding sources, namely long-term debt, as the first alternative in financing its operational and investment activities compared to its capital. However, the company must remain careful in using this policy by paying attention to the amount of interest that must be paid at maturity to avoid causing losses that the company does not expect. This study's results align with research conducted by (Dewiningrat & Mustanda, 2018; Touil & Mamoghli, 2019; Aurelia & Setijaningsih, 2020; Meilani & Wahyudin, 2021; Septiyani, 2022) the asset structure has a positive and significant effect on capital structure.

The Effect of Asset Growth on Capital Structure

The results of the data analysis show that asset growth has a negative and no significant effect on capital structure. The growth of assets obtained by the company at any time does not affect management in making funding decisions to meet the company's funding needs because asset growth not followed by an increase in profit will not impact the company's capital structure. This condition shows that companies with changes in asset growth tend to use these assets to carry out company operations.

The policy regarding capital structure involves a trade-off theory, which states that the use of debt provides sacrifice benefits that can give rise to bankruptcy costs. When a company has high asset growth, it will reduce its use of debt because the probability of financial distress in debt can reduce the value of its assets (Umdiana, 2020). This study's results align with research conducted by (Dewi & Fachrurrozie, 2021; Solihatun, et al, 2023; Santioso & Daryatno, 2023) that asset growth has a negative and no significant effect on capital structure.

The Effect of Sales Growth on Capital Structure

The results of the data analysis show that sales growth has a positive and significant effect on capital structure. Companies with high sales growth rates tend to make funding decisions using external capital or debt. The more stable a company's sales are, the more stable the profits it earns, which means that the greater the likelihood that the company will be able to meet its financial obligations compared to companies with low sales growth rates.

This supports the trade-off theory, which explains that if the benefits obtained by a company from using debt are greater than its sacrifices, then the company should carry out external financing. A greater sales growth is an advantage for the company because it can attract investors to invest their capital and make it easier for management to obtain debt because of investor confidence in the company's performance. This study's results align with research conducted by (Ningsih, 2017; Paramitha & Putra, 2020; Miswanto & Santoso, 2021; Septiyani, 2022) that sales growth positively and significantly affects capital structure.

The Effect of Asset Structure, Asset Growth, and Sales Growth on Capital Structure

From the results of the data analysis, it can be seen that asset structure, asset growth, and sales growth have a positive and significant effect on capital structure. Capital structure is very important for every company because good or bad capital structure will directly impact the company's value differently. Based on the trade-off theory, companies that use debt have a company value that will increase along with the increase in the company's debt. However, the company's value will decrease after passing the optimal point of debt use (Umdiana, 2020). Studies show that asset structure and sales growth positively affect the capital structure of property companies in Indonesia (Ompusunggu, 2020; Paramitha & Putra, 2020). The simultaneous influence of asset structure, asset growth, and sales growth on capital structure underscores the importance of these factors in companies' financial decision-making. Therefore, companies need to pay attention to factors that can affect capital structure because factors that affect capital structure are important for determining the composition of the company's capital structure.

CONCLUSION

Based on research and discussion of the effect of asset structure, asset growth, and sales growth on capital structure. Asset structure has a positive and significant effect on the company's capital structure, meaning that the high capital structure of the company’s consumer goods is influential in increasing the value of the capital structure. Asset growth has a negative and no significant effect on the company's capital structure, meaning that the company's asset growth will increase consumer goods capital structure. Sales growth has a positive and significant effect on the company's capital structure, meaning that the company's sales growth will increase consumer goods' influence and the capital structure's value. Asset structure, asset growth, and sales growth significantly affect the capital structure, meaning that the company's decisions in managing its asset structure, increasing asset growth, and sales growth influence how the company makes decisions for optimal capital structure.

Companies need to pay attention to factors that can affect capital structure because factors that affect capital structure are important for determining the composition of the company's capital structure. The results of this study are expected to help stakeholders decide on good funding. This study provides implications for investors as a consideration and knowledge by considering these variables and the composition of debt and equity owned by the company before making decisions in making more appropriate investments.

From the results of this study, it can be seen that the determination coefficient is 19,7%, so there are still 80,3% other factors that can affect the capital structure that are not used in this study. This study does not use other factors that can affect the capital structure. The research object used in this study is limited to consumer goods companies. Further research is expected to use proxies or other factors suspected of influencing capital, including sales level, asset structure, company growth rate, profitability, profit variables and tax protection, company scale, internal company conditions, and macroeconomics. It is expected that further researchers will re-examine the factors that can influence capital structure in companies in other sectors so that it can be known whether the influence of asset structure and sales growth still have a consistent influence on the capital structure if using objects other than property and real estate companies such as the industrial sector, infrastructure, finance, technology, and other sectors.

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