

ABSTRACT

Telecommunications companies has a wide range of funding sources to fund their daily activities. Large companies has lots of total assets, so companies is able to optimize the performance, with their assets. This research aimed to test the influence of Activity Ratio, Leverage Ratio, Firm Size and Age of The Firm to Profitability Telecommunications Companies that listed on the Indonesia Stock Exchange.

Operationalization that used in this reasearch is the independent variable such as acticity ratio (total assets turn over), leverage ratio (total debt to assets), firm size (total assets), and age of the firm (IPO date). The dependent variable is profitability (return on assets). The approach that used in this research is descriptive method using secondary data. The population that used was the financial statements and annual reports of telecommunications company listed on the Indonesia Stock Exchange (BEI) in 2013-2015. The method of sample using purposive sampling technique with a total of three telecommunications companies that meet the criteria. Analysis of the data used in this research is the classical assumption, hypothesis testing using t-test and F-test, regression analysis, correlation, and analysis of the coefficient determination.

Based on the research that has been done can be seen the profitability is partially influenced by the activity ratio amount to 52.8%, leverage ratio amount to 91.8%, firm size amount to 50.7%, and age of the firm amounted to -6.5%. After the hypothesis test - F simultaneously the activity ratio, firm size, afe of the firm significant effect on profitability at 97.1%. While the hypothesis t-test was performed on the Leverage Ratio and t_{hitung} (-8.860%) which means that the leverage ratio have a significant effect on profitability.

Kata Kunci : Activity Ratio, Leverage Ratio, Firm Size, Age of The Firm and Profitability