

ABSTRACT

The purpose of this research is to empirically the effect of Economic Growth, Dana Alokasi Umum(DAU) and Dana Alokasi Khusus (DAK) to the Capital Expenditure in district/cities West Java.

The sampling technique primarily use in this research is using purposive sampling, obtained a total population of 27 district/cities, while the sample there are 23 districts/municipalities that meet the criteria. The object of research is the local government financial report and the PDRB report district/city in the province of West Java in 2012-2015. The data used are secondary data obtained from the Badan Pemeriksa Keuangan (BPK) of West Java representation.

Data analysis method used is simple regression. The result showed that economic growth not significant effect on capital expenditure, while the Dana Alokasi Umum (DAU) and Dana Alokasi Khusus (DAK) significant effect on capital spending.

From the result of test performed on this study partially known that economic growth does not significantly effect capital expenditure for $t_{count} < t_{table}$ ($0.720 < 1.987$). Dana Alokasi Umum (DAU) significantly effect capital expenditure for $t_{count} < t_{table}$ ($11.521 > 1.987$). Dana Alokasi Khusus (DAK) significantly effect capital expenditure for $t_{count} < t_{table}$ ($3.953 > 1.987$).

Keywords: Economic Growth, Dana Alokasi Umum (DAU), Dana Alokasi Khusus (DAK), Capital Expenditure.

