

ABSTRACT

This study aims to examine and analyze the effect of Local Revenues, General Allocation Fund, Special Allocation Fund, and Budget Surplus to Capital Expenditure Decision to the Local Government City / Regency in West Java Province. The research approach used in sample of this research is Budget Realization Report of Local Government in West Java Province. The method used in this research is descriptive and verifikatif method. Data collection techniques are conducted through secondary data, the data obtained from the internet <http://www.djpk.kemenkeu.go.id> which is an official site that has been audited previously by the Badan Pemeriksa Keuangan (BPK).

Statistical analysis used in this study is normality test, heteroscedasticity test, multicollinearity test, correlation analysis, using t-test, multiple linear regression analysis, F-test and coefficient of determination analysis, and assisted with data processing using SPSS 23.0 for Windows.

Based on the results of research that has been done the Local Revenues, General Allocation Fund, Special Allocation Fund has a positive effect on capital expenditure decisions, while the Budget Surplus has a negative effect on capital expenditure decisions. Furthermore, the influence of Local Revenue, General Allocation Funds, Special Allocation Funds, and Budget Surplus to the Capital Expenditure Decisions with the percentage coefficient of determination of 83.4%, and the remaining 16.6% influenced by other factors not examined.

Keywords : *Local Revenue, General Allocation Fund, Special Allocation Fund, Budget, Expenditure Surplus and Capital Expenditure*