

## TABLE OF CONTENT

Title Page.....	i
Acknowledgement.....	ii
Ratification.....	iii
Statement of Work Originality.....	iv
Preface.....	v
Abstract.....	vii
Intisari.....	viii
Table of content.....	ix
List of Tables.....	xii
List of Figures.....	xiii
List of Appendixes.....	xiv
<b>CHAPTER I INTRODUCTION.....</b>	<b>1</b>
1.1. Background.....	1
1.2. Problem Statement.....	5
1.3. Research Purpose.....	7
1.4. Research Contribution.....	7
1.5. Systematic of research.....	8
<b>CHAPTER II LITERATURE REVIEW.....</b>	<b>9</b>
2.1. Agency Theory.....	9
2.2. Institutional ownership.....	11
2.3. Debt.....	13

2.4. Performance.....	14
2.5. Previous Research.....	16
2.6. Hypothesis Development.....	18
<b>CHAPTER III METHODOLOGY.....</b>	<b>21</b>
3.1. Type of study.....	21
3.2. Data and sample of study.....	21
3.3. Operating Variables.....	22
3.3.1. Dependent Variable.....	22
3.3.2. Independent variable.....	23
3.3.3. Control Variable.....	24
3. 4. Regression Model.....	25
3.4.1. Testing Hypothesis 1 and 2.....	25
3.4.2. Testing Hypothesis 3.....	29
<b>CHAPTER IV DATA ANALYSIS AND RESULT.....</b>	<b>33</b>
4.1. Descriptive Statistics.....	33
4.2. Determining the right Panel Data.....	35
4.3. Classical assumption test.....	37
4.4. Model correction and result.....	39
4.5. Hypothesis testing and Discussion.....	42
4.5.1. Hypothesis 1.....	42
4.5.2. Hypothesis 2.....	43
4.5.3. Hypothesis 3.....	44

<b>CHAPTER V CONCLUSION, LIMITATION, SUGGESTION, AND</b>	
<b>IMPLICATION.....</b>	<b>45</b>
5.1. Conclusion.....	45
5.2. Limitation.....	46
5.3. Suggestion.....	46
5.4. Implication.....	47
<b>REFERENCES.....</b>	<b>48</b>
<b>APPENDICES.....</b>	<b>52</b>

### **List of Tables**

3.1. Result of the identification, a system of simultaneous equation .....	31
4.1. Descriptive Statistics .....	33
4.2. Chow Test .....	35
4.3. Hausman Tes.....	36
4.4. Breusch-Pagan Lagrange Multiplier test .....	36
4.5. VIF Test.....	38
4.6. Heteroscedasticity.....	38
4.7. Panel Data Regression Result .....	39
4.8. 2SLS Regression .....	41



## **List of Figures**

3.1. Model.....	25
-----------------	----

### **List of Appendixes**

Appendix 1. Sample Data.....	53
Appendix 2. Chow Test .....	72
Appendix 3. Hausman Tes.....	74
Appendix 4. Breusch-Pagan Lagrange Multiplier test .....	75
Appendix 5. VIF Test.....	76
Appendix 6. Heteroscedasticity.....	77
Appendix 7. Panel Data Regression Result .....	78
Appendix 8. 2SLS Regression .....	80