

TABLE OF CONTENTS

	Page
COVER PAGE	
TITLE PAGE	
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT	ii
APPROVAL PAGE BY FINAL PAPER ADVISOR.....	iv
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE	v
ABSTRACT	vi
ABSTRAK	vii
PREFACE	viii
TABLE OF CONTENTS.....	x
LIST OF FIGURES	xiv
LIST OF TABLES	xv
LIST OF APPENDICES	xvi
CHAPTER I INTRODUCTION	
1.1 Background of Study	1
1.2 Problem Limitation.....	5
1.3 Problem Formulation.....	5
1.4 Objective of the Research.....	6
1.5 Benefit of the Research.....	6
1.5.1 Theoretical Benefit.....	6
1.5.2 Practical Benefit.....	7
CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT	
2.1 Theoretical Background.....	8
2.1.1 Agency Theory.....	8
2.1.2 Introduction to Taxation.....	9
2.1.2.1 Definition of Tax.....	9
2.1.2.2 Function of Tax	9

2.1.2.3	Tax Assessment System	9
2.1.2.4	Types of Tax	11
2.1.3	Income Tax.....	12
2.1.3.1	Definition of Income Tax.....	12
2.1.3.2	Type of Income Tax	13
2.1.3.3	Income Tax Payable.....	15
2.1.4	Return on Assets	16
2.1.4.1	Definition of Return on Assets.....	16
2.1.4.2	Formulation for Return on Assets	17
2.1.4.3	Importance of Return on Assets	17
2.1.4.4	Limitation of Return on Assets	19
2.1.5	Net Profit Margin	19
2.1.5.1	Definition of Net Profit Margin	19
2.1.5.2	Formulation for Net Profit Margin.....	20
2.1.5.3	Importance of Net Profit Margin.....	20
2.1.5.4	Limitation of Net Profit Margin.....	21
2.1.6	Debt to Equity Ratio	22
2.1.6.1	Definition of Debt to Equity Ratio.....	22
2.1.6.2	Formulation for Debt to Equity Ratio	23
2.1.6.3	Importance of Debt to Equity Ratio	23
2.1.6.4	Limitation of Debt to Equity Ratio	25
2.2	Previous Research.....	26
2.3	Hypothesis Development.....	28
2.3.1	Return on Assets and Income Tax Payable.....	28
2.3.2	Net Profit Margin and Income Tax Payable	28
2.3.3	Debt to Equity Ratio and Income Tax Payable.....	29
2.3.4	Return on Assets, Net Profit Margin, Debt to Equity Ratio and Income Tax Payable	29
2.4	Research Model	30
2.5	Framework of Thinking.....	31

CHAPTER III RESEARCH METHODOLOGY

3.1	Research Design	32
3.2	Population and Sample	32
3.2.1	Population	32
3.2.2	Sample.....	33
3.3	Data Collection Method.....	34
3.4	Operational Definition and Variable Measurement.....	35
3.4.1	Return on Assets (X_1)	35
3.4.2	Net Profit Margin (X_2)	35
3.4.3	Debt to Equity Ratio (X_3).....	35
3.4.4	Income Tax Payable (Y)	35
3.5	Data Analysis Method	36
3.5.1	Descriptive Statistics.....	36
3.5.2	Classical Assumption Test.....	37
3.5.2.1	Normality Test	37
3.5.2.2	Multicollinearity Test.....	37
3.5.2.3	Heteroscedasticity Test	38
3.5.2.4	Autocorrelation Test.....	39
3.5.3	Multiple Linear Regression Analysis.....	39
3.5.4	Hypothesis Tests	40
3.5.2.1	T-Test	40
3.5.2.2	F-Test	40
3.5.2.3	Coefficient of Determination	40

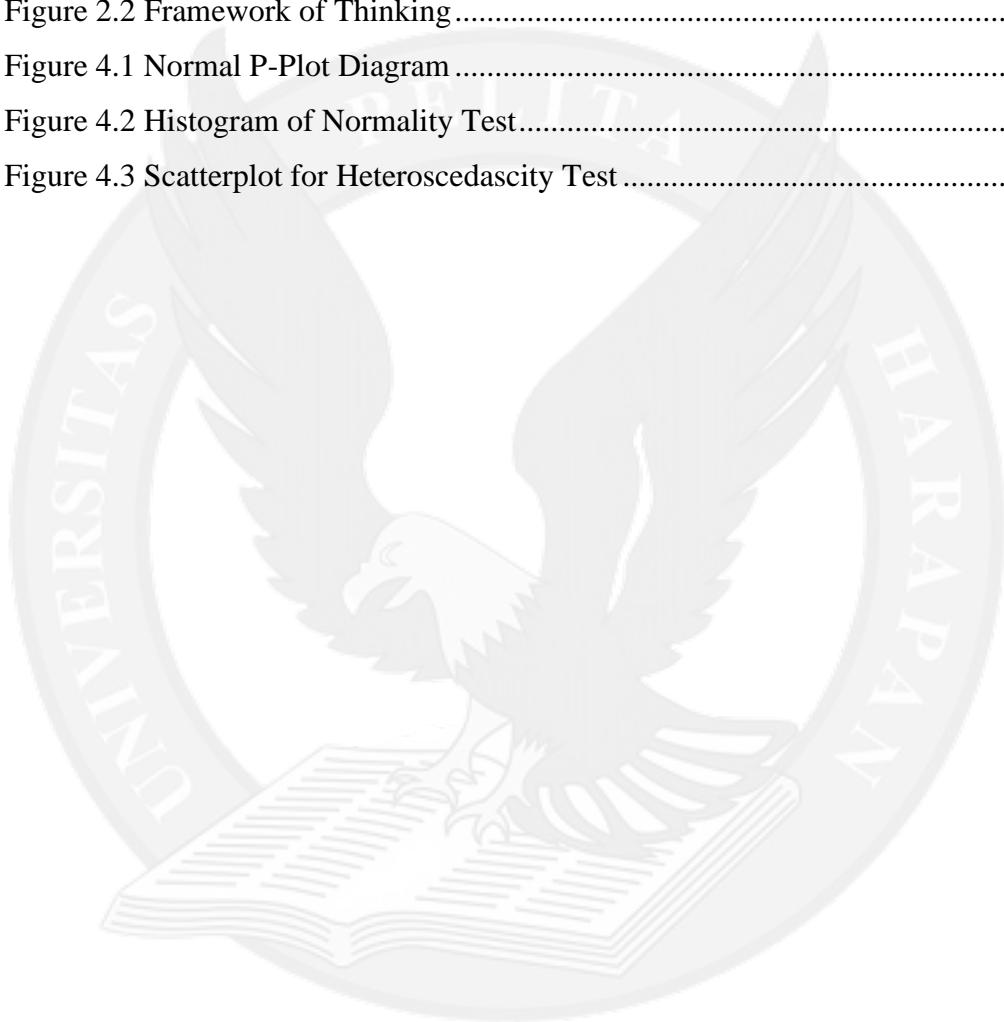
CHAPTER IV RESEARCH RESULT AND DISCUSSION

4.1	General View of Industrials Sector Companies	42
4.2	Research Result	46
4.2.1	Descriptive Statistics.....	46
4.2.2	Result of Data Quality Testing.....	47
4.2.2.1	Normality Test	47
4.2.2.2	Multicollinearity Test.....	49
4.2.2.3	Heteroscedasticity Test	51
4.2.2.4	Autocorrelation Test.....	52

4.2.3	Result of Hypothesis Testing	53
4.2.3.1	Multiple Linear Regression Analysis.....	53
4.2.3.2	Partial T-Test.....	55
4.2.3.3	Simultaneous F-Test	57
4.2.3.4	Coefficient of Determination	58
4.3	Discussion.....	58
4.3.1	The Effect of Return on Assets towards Income Tax Payable.....	58
4.3.2	The Effect of Net Profit Margin towards Income Tax Payable	59
4.3.3	The Effect of Debt to Equity Ratio towards Income Tax Payable... ..	59
4.3.4	The Effect of Return on Assets, Net Profit Margin and Income Tax Payable toward Income Tax Payable	60
CHAPTER V CONCLUSION		
5.1	Conclusion	61
5.2	Recommendation	63
REFERENCES.....		65

LIST OF FIGURES

	page
Figure 1.1 Economic Growth of Indonesia	2
Figure 2.1 Research Model	30
Figure 2.2 Framework of Thinking	31
Figure 4.1 Normal P-Plot Diagram	48
Figure 4.2 Histogram of Normality Test.....	49
Figure 4.3 Scatterplot for Heteroscedascity Test	51



LIST OF TABLES

	page
Table 2.1 Income Tax Article 21 Rates	13
Table 2.2 Previous Research.....	26
Table 3.1 Sample Criteria	33
Table 3.2 List of Sample Companies	34
Table 3.3 Definition of Operational and Measurement of Variable	36
Table 4.1 Descriptive Statistics.....	46
Table 4.2 One-Sample Kolmogorov-Smirnov Test	48
Table 4.3 Multicollinearity Test Table	49
Table 4.4 Glejser Test for Heteroscedascity Test	52
Table 4.5 Durbin-Watson Test for Autocorrelation Test	53
Table 4.6 Multiple Linear Regression Analysis.....	53
Table 4.7 Partial T-Test.....	55
Table 4.8 Simultaneous F-Test	57
Table 4.9 Coefficient of Determination (R^2).....	58

LIST OF APPENDICES

	page
APPENDIX A LIST OF POPULATION AND SAMPLE	A-1
APPENDIX B DATA SAMPLE OF RESEARCH	B-1
APPENDIX C SPSS OUTPUT.....	C-1
APPENDIX D STATISTICAL TABLE.....	D-1