

THE EFFECT OF ASYMMETRICAL INFORMATION, FIRM SIZE, AND OWNERSHIP STRUCTURE ON COST OF CAPITAL

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ABSTRACT

Asymmetrical information has an important role especially for investors who invest their capital. When the quality of information from stocks to be purchased is not good, the problem of asymmetrical information will surface which later can be a source of financial system instability from investors. What happens today is the information required by some market participants is often not fully owned. Other market participants have better information so that many investors are at high risk. This study uses a quantitative approach with positivism paradigm. The research proves that the independent variable of asymmetrical information, firm size, and ownership structure are simultaneously (as shown in the Indonesian Stock Exchange) have a significant effect on the cost of capital in the property.

Keywords: Asymmetrical Information, Firm Size, Ownership Structure, Cost of Capital.