

ABSTRACT

THE EFFECT OF GOOD CORPORATE GOVERNANCE AND COMPANY PROFITABILITY ON BOND RATINGS (A STUDY ON REGISTERED NON-FINANCIAL COMPANIES ON THE INDONESIAN STOCK EXCHANGE IN THE PERIOD OF 2021-2022)

By:

WULANDARI

Bonds are still the choice of investors to invest, especially in bonds corporation. In Indonesia, even though a company is categorized as companies in the investment grade category, these companies cannot avoid the risk of default and downgrade of corporate bond ratings. The purpose of this research was to find the Good Corporate Governance Mechanism and company profitability on bond ratings. The population used in this research were non-financial companies listed on the Indonesian Stock Exchange for the 2021-2022 period and sample determination method used was purposive sampling. The number of sample obtained was 18 companies issuing bonds. The data analysis technique used was descriptive analysis, classical assumption test, multiple linear regression test, coefficient determination of R^2 and t-test. This research partially found that the Good Corporate Governance Mechanism proxied by the Board of Directors (X1), Board of Commissioners (X2), Audit Committee (X3), Institutional Ownership (X4) and Managerial Ownership (X5) had no significant effect on the Bond Rating Bond Rating, while Profitability was proxied by Return on Assets (X6) had a significant effect on the Bond Rating.

Keywords: Bonds, Good Corporate Governance, Board of Directors, Council Commissioners, Audit Committee, Institutional Ownership, Managerial Ownership.

