

ABSTRACT

THE EFFECT OF LOCAL GOVERNMENT FINANCIAL PERFORMANCE ON CAPITAL EXPENDITURE

(Empirical Study on Regencies in Lampung Province Period 2021-2023)

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This study aims to empirically prove the effect of local government financial performance on capital expenditure on regencies/city in Lampung Province period 2021-2023. The research method used is quantitative method, with the sampling technique using the census sampling method; so that to a total research data amounted is 45. The analysis method used is multiple linear regression with the SPSS version 25 program. The results showed that Financial Performance proxied by the Fiscal Decentralization Ratio, Efficiency Ratio and Independence Ratio had an effect on Capital Expenditure. Meanwhile, Growth Ratio of Local Revenue and Effectiveness Ratio have no effect on Capital Expenditure.

Keywords: Financial Performance, Growth Ratio of Local Revenue, Fiscal Decentralization Ratio, Effectiveness Ratio, Efficiency Ratio, Independence Ratio, Capital Expenditure

