

**ABSTRAK**

Penelitian ini bertujuan untuk menguji pengaruh *politically connected firm* terhadap *cost of debt* serta efek moderasi *government-owned banks* pada pengaruh *politically connected firm* terhadap *cost of debt*. Penelitian ini menggunakan teknik pengujian berupa analisis regresi linear berganda dengan observasi sebesar 106 observasi pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia selama tahun 2014-2018. Hasil penelitian ini menunjukkan bahwa *politically connected firm* berpengaruh positif signifikan terhadap *cost of debt* dan *government-owned banks* memperlemah pengaruh positif *politically connected firm* terhadap *cost of debt*.

**Kata Kunci:** *politically connected firm, cost of debt, government-owned banks.*

## ABSTRACT

*This study aims to examine the effect of politically connected firms on the cost of debt and the moderating effect of government-owned banks on the effect of politically connected firms on cost of debt. This study used multiple linear regression analysis with 106 observations on manufacturing listed firms on the Indonesia Stock Exchange during 2014-2018. The result indicates that the politically connected firm has a significant positive effect on the cost of debt and the government-owned banks weaken the positive effect of the politically connected firm on cost of debt.*

**Keywords:** *politically connected firm, cost of debt, bank ownership, government-owned banks.*