THE INFLUENCE OF FIRM VALUE, CAPITAL STRUCTUREAND PROFITABILITYON DIVIDEND POLICY

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Abstract
The objective of the research is to examine the influence of firm value, leverage and profitability on dividend policy. The population in this research is that all company including manufacturing sector in 2011-2013. The sampling technique employed was purposive sampling and acquired 99 companies during 3 years observation period. Data were provided by Indonesian Capital Market Directory. The analysis technique employed was Panel regression. The result of this research finds that firm's value and return on asset gives significant influence on dividend policy. The other variables which the debt to equity ratio does not give significant influence on dividend policy. From the observation, the result can be concluded that all of the independent variables such as firms value, debt to equity ratio and return on asset simultaneously and significantly the dependent variable, dividend policy. Meanwhile, the variables influence dividend policy partially include firms value.

Keywords: debt to equity ratio, dividend policy, firm's value, price book value, returns on asset

INTRODUCTION

The company is an organization in the business world that became one of the main drivers of the economy of a country. There have been many studies that prove that many developing countries and even developed countries in the world that make the company as the main proponent of the country's economy. Even developing countries such as ASEAN countries especially Indonesia has a very strong dependence on existing companies, both private companies and state enterprises as a driver of the economy. In general, companies are required to provide the best things that can provide a positive value and benefits for the country, especially companies can achieve the goals that have been planned.

In running the company and achieve the purpose of many things that must be considered for the company to maintain the company's survival and value of the company in the future which is the source of funds or business capital obtained from the investment of both parties in and outside the company. Companies can obtain the source of funds by selling assets or by selling securities

in the capital market. The capital market has a very important role in meeting the capital requirement for the company to exist in the global economy.

In Indonesia, since the 1997 monetary crisis caused some companies in the economy in Indonesia. This causes the investors from within and outside the country more cautious in investing in Indonesia. Investors will tend to choose firms that are able to afford capital that has been planted with a high enough return and ability to maintain and enhance the growth rate continuously. In investing the funds, investors have the goal of looking for income or returns from investments that have been planted (return) in the form of dividend income or income from the difference between the selling price of the purchase price (capital gain). In relation to dividend income, investors generally want a relatively stable dividend distribution, the stability of dividends can increase investor confidence in the company, thereby reducing the uncertainty of investors in investing in the company.

To reduce this uncertainty, the company's management makes a policy regarding dividend payments; this policy is known as dividend policy. The dividend policy is the decision whether the profits to be earned by the company will be distributed to investors as dividends or to be retained in the form of retained earnings for future investment financing (Sartono 2001: 281).

The dividend policy of a company has a very important impact on many parties involved, especially parties who have an interest in the company. Because the dividend policy of a company will involve two parties of interest and conflicting (agency *problem*), namely the interests of shareholders with dividends, interests of the company with retained earnings. Dividends paid to shareholders depend on the policy of company, thus requiring more serious consideration of the company's management. If the company's profits are held in large amounts, then the profit to be paid as a smaller dividend, on the contrary, if the company prefers to distribute profits as dividends, it will reduce the portion of retained earnings and reduce internal sources of funds which will increase investor welfare. For investors, they want a high dividend payout as compensation from the capital they invest in the company. While the management of the company wants the remaining profitnot to be distributed as retained earnings in the future and will be used to re-invest in order to finance the company's operations. The dividend policy or dividend decision is essential to determine the share of the profits to be shared with shareholders and to be withheld as part of retained earnings (Sutrisno, 2001: 2)

In paying out dividends, the management of the company may apply one of four types of dividend policy: (1) Constant payout ratio dividend policy, (2) Regular dividend policy (3) Low regular and extra dividend policy (Gitman dan Zutter, 2015). In determining which dividend policy to choose from, the management needs to consider the factors that may affect the dividend policy. The main factors in determining the policy to be taken in determining the dividend payments are: (1) liquidity is the ability of the company to pay short-term obligations on time, (2) the need for funds to pay off debts, (3) investment opportunities, (4)) profitability, the company's ability to generate profits (5) the control of the firm if the company pays the dividend is too large, then the company may increase its future capital by selling stocks to finance a favorable investment opportunity.

The reason for doing this research is the fluctuation of dividend payments, this fluctuation occurs because on the one hand the management wants to increase the company's growth rate while on

the other hand, the company tries to be able to pay high dividend to attract investors to invest the funds into the company, but the two goals are always conflicting so can cause problems in dividend policy. According to Sartono (2010), the company wants the dividend policy to be determined by the company in order to meet the expectations or expectations of investors on dividends, but on the other hand, the company should not hamper the growth of the company. The greater the dividend to be distributed will reduce the company's ability to invest so as to lower the company's growth rate and will further lower the stock price. Therefore, in determining the dividend policy, the Company should consider the dividend that will be paid now with the growth of the company in the future so that the company can maximize the stock price. Another reason is that the company always wants to improve its welfare and meet investor expectations by continuing to increase dividend payments from year to year but in practice often experience barriers such as decreased profitability, decline in stock prices, the desire to increase the company's growth, the availability of profitable investment opportunities, the obligation to pay interest thus causing the management to limit dividend payouts.

The purpose of this research is to examine the factors that influence dividend policy. These factors include firm value, profitability. The first part of this study is the background, the second part is the literature review and hypothesis development, the third part of the methodology, the sample and the fourth part variable contains the empirical results and the fifth part contains the conclusions, limitations of research and for further research.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Agency Theory
Agency theory explains the pattern of relationships between principals and agents. The principal acts as the party who gives the agent the mandate, while the agent as the party who is working on the mandate of the principal. The main purpose of agency theory is to explain how contracting parties can design contracts that aim to minimize *costs* as a result of asymmetric information and uncertainty. This theory also emphasizes the existence of the market and institutional mechanisms that can complement contracts to address problems that arise in contractual relationships.

According to Jensen and Meckling (1976), selection of managers by the shareholder to manage the company will bring the differences of interest between managers and shareholders. The differences are very likely because decision-makers do not have to bear the risks as a result of mistakes in business decision making, as well as if they can not increase the value of the company. The risk is fully borne by the owners. Management tends to make decisions that are not optimal because it does not risk and not under pressure from other parties in securing investing shareholders. This condition will cause agency problems.

Dividend Policy
Brigham and Houston (2006: 68), dividend policy is a decision whether the profit will be distributed to shareholders or will be held for reinvestment within the company. The main aspect of dividend policy is to determine the appropriate allocation of earnings between dividend payments with the addition of retained earnings. Another thing that will happen if an increased

dividend is retained earnings are reinvested and future corporate growth will decrease, so it will hurt investors.

Dividend Policy Theory
There are several theories of dividend policy. According to Brigham & Houston (2006: 70), there are five theories of dividend policy:

a. Dividend irrelevance

This theory states that the company's dividend policy has no effect on the company's value nor the cost of capital. Modigliani-Miller argues that the value of an enterprise is determined solely by its basic ability to generate profits. In other words, the value of a company will depend only on the income generated by the assets-assets, rather than on how profits are to share right into dividends or retained earnings.

b. Bird in the Hand Theory

This theory states that the value of the firm will be maximized by determining the high dividend payout ratio. According to Gordon-Lintner dividend less risky when compared with *capital gains* that Gordon-Litner advised the company to determine introducing debt to equity ratios or profit after tax be distributed in the form of high dividends and offer high DY to minimize the cost of capital.

c. Tax Differential Theory

This theory argues that since dividends tend to be taxed higher than *capital gains,* investors will demand a higher profit rate for stocks with high *Dividend Yield* (DY). This theory suggests the company better in determining the House of the low or even not dividing in dividend altogether to minimize the cost of capital and maximize the value of the company.

d. Informational Content Hypothesis

This theory argues based on the fact that management tends to have better information about the prospect of the company than the investor. As a result investors rate that *capital gains* are riskier than dividends in cash. Modigliani-Miller argues that the increase in dividends by investors is seen as a sign that the future prospects of the company will be better. While the decline in dividends is seen as a sign that the prospect of the company is declining. Modigliani-Miller concludes that investors' reactions to dividend changes are meaningless as an indication that investors prefer dividends compared to retained earnings. Therefore, it can be concluded that the stock price will change following changes in dividend due to the *information containe*d in the dividend announcement.

e. Clientele Effects

There are many groups of investors with various interests. While on the other hand, there are investors who prefer to earn current income in the form of dividends, and on the other side, there are investors who prefer to reinvest their earnings because this group of investors is in the tariff.

HYPOTHESIS

Firm Value on Dividend Policy

Firm value is the result of management performance of several dimensions .The value of a company can also be interpreted as the price that is paid by the prospective buyer if the company is sold. Corporate value is defined as the perception of investors on the level of success of the company in managing its resources. Firm value can be measured by *Price Book Value*. The number of investors who invest in the company will lead to rising stock prices companies that will affect the increase in corporate value. this will cause the company to pay high dividends also because investors want to pay high or invest in the company. Based on the above description can be formulated the first hypothesis as follows:

H1: Firm Value positively affects dividend policy.

Capital Structure on Dividend Policy
The company's capital structure is proxied by *Debt to Equity Ratio* (DER), where *Debt to Equity Ratio* is the ratio used to measure the level of *leverage* (debt use) to total *shareholder equity* owned by the company. The greater the DER ratio shows the greater the liability and the lower the ratio will indicate the higher the company's ability to fulfill its obligations. Increased debt will affect the level of net income available to shareholders which means that higher corporate liabilities will further reduce the company's ability to pay dividends. Means the higher the high level of a company's leverage the lower the dividend is given.
Bullan*et al*. (2003), Haider *et al*. (2012) and Arif and Akbar (2013) show that capital structure has a significant negative effect on dividend policy. Based on the above description can be formulated the second hypothesis as follows:

H2: Capital Structure affects on dividend policy

Profitability on dividend policy
Widodo (2002) stated that profitability is the most important factor considered by management in deciding the policy of dividends. Profitability is proxied with *Return on assets* (ROA) where ROA is measured from profitability / net profit after tax (earnings *after tax*) to total investment reflecting the company's ability to use the investment used for the company's operations in order to generate profitability of the company. The greater the ROA shows the company's performance the better because the rate of return on investment (*return*) is greater. As described earlier, that *return* received by investors can be in the form of dividend income and *capital gains*. Thus increasing ROA will also increase dividend income. Research conducted by Kumar (2007), Damayanti and Achyani (2006) and Syahbana (2007) showed that ROA variable has a significant positive effect on DPR. Based on the above description can be formulated third hypothesis as follows:

H3:Return On Asset positively affects on dividend policy.

RESEARCH METHODOLOGY

The population of this study is all manufacturing companies listed on the stock exchange Indonesia 2011-2013. Sampling technique in this research using purposive sampling method. The criteria used to select the sample of this study are as follows:

a. Manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the period 2011-2013.

b. The company always publishes its financial statements and publishes *the annual report* every observation period and has complete data on DPR, PBV, DER, and ROA.

c. The type of currency used in the financial statements is the rupiah.

d. Companies that pay dividends during the observation period

In this study, the data source used is secondary data that is the source of research data obtained by researchers indirectly through intermediate media while the type of data to be used is quantitative data. The data used in this research are balance sheet, income statement/loss statement of cash flow, the closing price of end-of-year stock price, and data of the number of shares circulating for each company which become sample in this research.

Quantitative data in this research are obtained from data published by the Indonesian Stock Exchange Research and Development Division (IDX) in the form of *Indonesian Capital Market Directory* (ICMD) and *Annual Report of* each company during 2011-2013 obtained from the official website of Indonesia Stock Exchange *www.idx.co.id.*

Data Analysis Method used in this research is panel data regression analysis with E- views 9. There are three kinds of analytical model approach in panel data. Three kinds of approaches, namely:

1. Common-Constant Method (Pooled Ordinary Least Square or PLS)

The regression equation can be written as follows:

$$Y = \alpha + \beta \, X_{it} + \mathcal{E}_{it}$$

For i = 1, 2, ... N

t = 1, 2,............

T, where N is the number of units/individuals cross-section and T is the number of time periods. From common effect this model will produce N + T equation that is equal to T equation, that is equal to T equation of cross-section and as much as N time series equation.

2. Method of fixed effects (Fixed Effect Model or FEM).

It is a model that can show the difference of contents between objects, although with regression coefficients of fixed effects. The fixed effect here means that one object, having a constant magnitude for various time periods. Likewise, with the regression coefficient, it remains large over time. The equation of this model is as follows:

$$Y = \alpha_{io} + \beta_1 X_{it} + \beta_2 X_{it} + \beta_3 X_{it} + \mathcal{E}_{it}$$

The α_{io} constants are now given subscripts, 0i, i denoting the object. Thus each object has different constants, pseudo-variables d_{1i} for the first object and 0 for the other object. Variable d_{2i} for second object and 0 for other objects.

3. Random Effect (REM) Method.

The random effects are used to overcome the weaknesses of using fixed effect methods that use pseudo-variables, so the model experiences uncertainty. Without using all of the variables, the random effect method uses residuals, which are thought to have inter-time and inter-object relationships. The equation used is similar to the fixed effect equation, except for the different constants:

$$Y = \alpha_{io} + \beta_1 X_{it} + \beta_2 X_{it} + \beta_3 X_{it} + \mathcal{E}_{it}$$

Unlike the fixed effect model (α_{io} is considered fixed), in this model α_o is assumed to be random, so it can be written into the equation:

$$\alpha_o = \alpha_o + u_i, i = 1, \ldots, n$$

in determining which panel regression model is appropriate to be used then chow-test and Hausman test are performed. Test chow-test was used to determine the approach *common effect* orpendeketan*fixed effect* approach. While Hausman test is used to determine the approach to *the fixed effect* or approach *random effect.*

Descriptive Analysis
Descriptive statistics were used to illustrate the value of the minimum, maximum, average (mean) and standard deviation (standard deviation) of the variables studied.
Descriptive results are shown in Table 1 below:

Table 1. Result of Descriptive Analysis

	DPR	PBV	DER	ROA
Mean	40.44403	3.507143	0.970606	12.51649
Median	32.16000	1.990000	0.710000	10.57000
Maximum	217.8500	47.27000	3.940000	71.51000
Minimum	0.070000	0.050000	0.000000	-4.380000
Std. Dev.	33.32327	6.178301	0.829397	11.47019
Skewness	2.212076	5.165241	1.648561	2.033176
Kurtosis	10.48315	32.74747	5.634605	8.928634

Descriptive statistics of the data used in research in table 1. From the results of descriptive statistics can be seen that the lowest value of the variable DPR at 0.07000, the highest value of 217.85 , and an average of 40.44 with a standard deviation of 33.32 which indicates the amount of data deviation distance that is measured from the average value of these data or indicate the amount of the distribution of the data in the variable. DPR lowest value derived from MERK (PT Merck Indonesia Tbk) in 2011 while the value of the highest coming from INDY (PT Indika Energy Tbk) in 2011. For variable PBV highest value is 47.27, the lowest is 0.05, and the average of 3.51 with a standard deviation of 6.178 which indicates the amount of data deviation distance measured from the average value of the data or indicate the amount of the distribution of the data in the variable. In DER highest value is 3.94, and the lowest value of 0.00 . with a standard deviation of 0,829 that indicates the amount of data deviation distance measured from the average value of the data or indicate the amount of the distribution of the data in the variable.

ROA highest value is 71.51, and the lowest value of -4.38 . with a standard deviation of 11.47 which indicates the amount of data deviation distance measured from the average value of the data or indicate the amount of the distribution of the data in the variable.

Regression Model Selection Panel
To choose a regression model is determined by using test chow-test and Hausman test.
Chow-Test (Likelihood Ratio Test)

Table 2 .Result of Chow-Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.569798	(32,63)	0.0007
Cross-section Chi-square	82.685632	32	0.0000

Based on the test results chow-test by using Eviews, obtained the probability of 0.0007 and 0.0000. The probability value is less than the significance level ($\alpha = 0.05$) so that it can be concluded that the model H0 for this model was rejected and Ha accepted so that a better estimate used in this model is the fixed effect.

Hausman-Test

Table 3. Result of Hausman-Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	11.876145	3	0.0078

Based on the test results of *the Hausman Test* using E-views, a score probability of 0, 0078. Rated probability is smaller than the significance level ($\alpha = 0.05$) than to model H0 for this model is accepted andHa rejected so that the estimation better used in the model is the fixed effect method.

Regression Model

Table 4.The Results Of The Panel Regression Estimation with Fixed Effect Model

Variable	Coefficient
C	34.39225
PBV	1.741722
ROA	-0.386173
DER	4.921507

Regression model Fixed Effect

Y= 34,39225 + 1,741722 PBV+ 4,921507 DER – 0,386173 ROA

Goodness of Fit Test

Goodness of fit test shows the proportion explaind by the independent variable on the dependent variable in the model, the rest is explained by other variables not included in this model, the model formulation of erroneous and error experimentation

Table 5. Test Results Table coefficient Determination

R-squared	0.749792
Adjusted R-squared	0.503897
S.E. of regression	23.47109
Sum squared resid	63903.50
Log likelihood	-977.1980
F-statistic	3.049244
Prob(F-statistic)	0.000000

This means that 74.97% of the company's dividend policy can be explained by variations in manufacturing three independent variables together that is the value of the company (X_1), the capital structure (X_2) and profitability (X_3). While the rest of 25.03% is explained by other variables outside the model or not included in this study. Thus the ability of independent variables is able to provide almost all the information needed to predict the dependent variable.

Hypotesis Testing
This test aims to see which one has the independent variable partial effect on the dependent variable and is a hypothesis testing. By looking at the t value or level of significance for each variable. In this test, the parameters used are the t value that must be greater than t table or a probability value of significance less more than 0.05

Table 6. Result of Hypothesis-Test

Variables	Prob.	Conclusion
C	0,0072	
PBV	0,0905 *	*Hypothesis Accepted*
DER	0,2421	*Hypothesis Rejected*
ROA	0,6807	*Hypothesis Rejected*

Information :
*** significance at the 1% level, ** significance at the 5% level, and * Significance at the 10% level. DPR_{it} = The dependent variable yang illustrates the company's dividend policy. PBV = value of the company. DER = Debt to equity ratio and ROA = Return on Assets

The first hypothesis of this study is the value of the company significantly influences the company's dividend policy. of data processed and presented in the table can be seen the results of

the t-test, the value Probability = 0.0905 <α = 0.1 as a result of H_0 is rejected or H_a accepted. So alternative hypotheses in this study proved to be acceptable.

The second hypothesis of this study is a significant effect on the capital structure of corporate dividend policy. of data processed and presented in the table can be seen the results of the t-test, the value Probability = 0.2451> α = 0.05 as a result of H_0 accepted or H_a rejected.so alternative hypotheses in this study proved to be rejected.

The third hypothesis of this study is a significant effect on the profitability of the company's dividend policy. of data processed and presented in the table can be seen the results of the t-test, the value Probability = 0.6807> α = 0.05 as a result of H_0 accepted or H_a rejected. so alternative hypotheses in this study proved to be rejected.

F-Test

Table 7. Results of Coefficient Determination

R-squared	0.749792
Adjusted R-squared	0.503897
S.E. of regression	23.47109
Sum squared resid	63903.50
Log likelihood	-977.1980
F-statistic	3.049244
Prob(F-statistic)	0.000000

From the estimation table above, the value of statistical significance F by 0.002772 <0.05, can be concluded that Ho is rejected, the model used to exist. It is revealed that there are one or more independent variables that affect the DPR_{it} as a dependent variable, so the independent variables affect the dependent variable together with the significant rate of 95%.

Correlation

Table 8. Result of Corelation Test

Variabels	DPR	PBV	ROA	DER
DPR	1.000000			

PBV	0.216474	1.000000		
	0.0009	-----		
ROA	0.236391	0.659294	1.000000	
	0.0003	0.0000	-----	
DER	-0.027730	0.081569	-0.250380	1.000000
	0.6750	0.2168	0.0001	-----

Based on the above table it can be deduced that the variables PBV and ROA positively correlated with the DPR while the DER was negatively correlated with the DPR. However,

the correlation between dependent and independent variables is very weak because it has a correlation coefficient of 0.216 (PBV), 0.23 (ROA) and -0.027 (DER) of less than 0.2 or 1 ie **0 < 0.216, 0.23 and - 0.027 ≤ 0.2, the correlation very weak**

DISCUSSION

Effect of Firm Value (Price to Book Value) of the Dividend Policy (Dividend Payout Ratio)
Based on the results of data processing is done using Eviews program 9, show that the value of the company is viewed through a comparison of stock market prices with the price of shares measured by PBV has a positive and significant impact on the level of 0.1% or 10% of the manufacturing company's dividend policy listed on the Stock Exchange. This result is evidenced by the results of the regression testing with PBV valued coefficient 1.741722 significance level 0.0905 <0.1, H_1 is accepted**.**
The results of this study demonstrate the positive influence between the value of the company with dividends policy. This means that the increase in stock prices as a reflection of the company's value in the company will increase the dividend policy or dividend payout rate and vice versa. The results are consistent with research Brigham and Houston (2011) which states that the increase in stock prices as a reflection of the increasing value of shares may increase dividend payout ratio (dividend policy).

Effect of Capital Structure (Debt to Equity Ratio) of the Dividend Policy (Dividend Payout Ratio)
Based on the results of hypothesis testing conducted in this study no significant effect on the capital structure with the dividend policy as measured by the dividend payout ratio (DPR). This result is evidenced by the results of the regression testing of probability with a significance level of 0.2421> 0.05, H_2 was rejected. Effect of restricted capital structure ap dividend policy for 2011-2013 is positive with a regression coefficient of 4.921507. This means that if the company's capital structure increased the dividend to be paid will increase as well, and vice versa.
Although the results of this study showed a positive effect of capital structure on dividend policy, in this case, the effect is not significant. Meaning here that no matter how capital owned and managed companies capable of large small will not affect the payment of dividends or will affect the dividend (policy) or saved for investment return. Conceptually *debt to equity ratio* shows a part of every penny of their own capital as collateral for the entire debt. The greater the *debt to equity ratio*, the greater the loan capital, which will cause the larger the debt burden (interest costs) to be borne by the company.
Results of the analysis are consistent with the theory that *the debt to equity ratio* does not affect the level of payment of dividends. The growing debt burden of the company, the amount of profit distributed as *cash dividend* will be reduced. Thus the *debt to equity ratio* of high impact on the size of the company's ability to distribute *cash dividend* or otherwise. The results are consistent with research that has been done by Ooi (2012), Hermuningsih (2007), Tsuji (2012), and Hadiwidjaja (2007) showing that DER no significant effect on the DPR.

Effects of Profitability (Return on Assets) of the Dividend Policy (Dividend Payout Ratio)

Based on the results of hypothesis testing conducted in this study was not a significant difference between profitability as measured by (*Return on Assets*) of the Dividend Policy as measured by (*Dividend Payout Ratio*). This result is evidenced by the results of the regression testing of probability with a significance level of 0.6807> 0.05, H_3 rejected. Influence the profitability of the policy dividend over the period 2011-2013 is negative regression coefficient of - 0.38617. It can be interpreted that if the profitability of the company increased the dividend to be paid will be little or decreased.

Although the results of this study showed a negative influence on the profitability of the dividend policy, in this case, the effect of profitability on dividend policy is not significant. Meaning there is any profit or the company's ability to generate earnings from asset management will not influence the size of the dividend to be paid by the company or management policy whether corporate profits will be distributed as dividends to investors or stored for future investment. In other words, there is no influence on profitability and dividend policy of the company. This research is in line with several previous studies that Winatha (2001), Risaptoko (2007) and Nuringsih (2005) which showed that ROA does not affect the DPR

CONCLUSION

Tests using chow test shows that the FEM models more appropriate than the PLS model. Furthermore, by doing Hausman test shows a model of REM is more appropriate than the FEM models. Therefore, this study used as a model FEM model of REM is more appropriately used Instead of the PLS and FEM.

Results test the coefficient of determination (R^2) indicates a value of 0, 7497, meaning that 74.97 % variable *dividend payout ratio* can be explained by the independent variables in the statistical model that the company's value, capital structure, and profitability. While the rest of 25.03 % is explained by other factors outside the model.

Based on the validity of the test showed that the variables significantly influence the value of the company's dividend policy while variable capital structure and profitability does not affect the dividend policy.

LIMITATIONS AND SUGGESTIONS

For investors, the research results show that variable enterprise value significantly affects dividend policy, so that these variables can be used as an indication of market participants preference capital and need to be considered when the investor wants to invest his funds in such companies. For the company, more attention to the factors that can affect a company's dividend policy and be more careful in taking the policy that does not diminish the value of the company. For further research, the research is expected next researcher to conduct research that is more related to factors other that affect the value of the company. By replacing the object of research which may be sect oral or the other, as well as add the observation period, and it would be nice to add variables such as taxation, company size, the rate of growth, liquidity and other. And can also use proxy and methods of data processing that is different in order to produce data processing more accurate and can see term effects long for the company.

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