

***THE EFFECT OF INVESTMENT DECISION, FINANCING DECISION,
PROFITABILITY AND DIVIDEND POLICY ON THE VALUE OF THE FIRM
IN MANUFACTURING COMPANIES AS LISTED IN INDONESIA STOCK
EXCHANGE PERIOD 2012-2014***

**CHINTYA BUDI DECYANA
NIM: 141130269**

ABSTRACT

One of the company's main goal is to maximize the value of the firm. The value of the firm is an investors' perception to the company, which is often related to the stock price. The stock price is formed based on the demand and supply of the investors on the company's stock. Therefore, the stock price is used as a proxy of the value of the firm. This research was aimed to analyze the impact of investment decision, financing decision, profitability, and dividend policy on the value of the firm in manufacturing companies as listed in Indonesia Stock Exchange for the year of 2012-2014.

This research population was all companies of Indonesia Stock Exchange for the year of 2012-2014. The sample of this research used a purposive sampling method. Based on the method, it obtained 22 companies as the research samples. The data used was a secondary data derived from Indonesian Capital Directory Market (ICMD) and www.idx.co.id. The processing method and data analysis used a descriptive analysis, multiple regression analysis, classic test assumptions and hypothesis testing which consists of T test, R-square and F test. The result of F test showed that the investment decision, financing decision, profitability and dividend policy collectively equally affected the value of the firm. The result of T test analysis showed that investment decision and profitability partially had a positive and significant impact on the value of the firm, the financing decision did not have a significant effect on the value of the firm and the dividend policy had a negative and significant effect on the value of the firm.

Keywords: Investment Decision, Financing Decision, Profitability, Dividend Policy and Value of The Firm.