

Abstract

The value of the firm is an important aspect to be considered. Basically, the value of the firm shows the firm's wealth and shareholder wealth. The increase in the value of the firm is the primary goal that must be achieved. Therefore, financial managers are required to know the variables that affect the value of the firm so that the increase in the value of the firm can be done effectively, and efficiently. In this study based on previous studies, the factors thought to affect the value of the firm are: capital structure, ownership structure, profitability, liquidity, and operating leverage.

This study is to know and test the effect of capital structure, ownership structure, profitability, liquidity, and operating leverage on value of firm. Using multiple regression to analyze the data sample of 16 companies listed on the Indonesia Stock Exchange in the period 2008-2012. Where sampling method used is purposive sampling.

Based on the results of the study shows the capital structure, profitability, liquidity and operating leverage has a positive and significant effect on firm value. That means, the value of the firm which is an indicator of the wealth of shareholders can be improved by paying attention to such variables.

Keywords : Value, Firm, Variables