Analysis Of Factors Affecting the Value Of Manufacturing Industry Companies in the Indonesian Stock Exchange (IDX)

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Abstract—The purpose of this research is conducted to analyze factors the extent of influence (Liquidity - CR), (Leverage - DER), and (Dividend Policy - DPR) that can occur with (Firm Value - PBV). Manufacturing Industry Company was chosen because of fluctuations in stock prices that surged from the Composite Stock Price Index. The theory used is the signaling theory, trade-off theory, and dividend policy theory. The data used are secondary data with a sample collection method using purposive sampling. Where the research population is used is manufacturing industry companies listed on the Indonesia Stock Exchange (BEI) 2016-2018 observation period a number of 157 companies, with the final sample of this research obtained 34 selected companies that became the sample criteria. Data analysis techniques were performed using descriptive statistics and panel data regression analysis, with the help of the application E-views version 9.0 and Microsoft Excel 2013. The results of the research partially revealed that the variable (Leverage - DER) had an influence on (Firm Value - PBV) while the variable (Liquidity - CR) and (Dividend Policy - DPR) have no influence on Firm Value. And the independent variables affect the dependent variable by 16.64%.

Index Terms—Liquidity, Leverage, Dividend Policy, and Firm Value

I. INTRODUCTION

The existence of several companies has several criteria for the achievement of its objectives. Each thing has criteria for the establishment of a company. The First is to achieve maximum benefit. The second is that they are very happy and prosperous for the stakeholders who have shares in the company. Finally, the achievement of the value of the company is seen from the company's share price (Asmaul Husna, 2019).

The company that promises investors to invest their funds is a sustainable company that is a company that can run continuously with operational processes that meet the needs of people en masse, which is nothing but a manufacturing company. However, in reality, lately, manufacturing companies are fluctuating industries whose share prices fluctuate beyond the Composite Stock Price Index. Therefore, the manufacturing company can be said to be promising with its sustainability but it is necessary to be vigilant about the fluctuations in the value of its shares for position holders to invest in manufacturing companies.

TABLE 1: COMPARISON OF JOINT STOCK PRICE INDEX WITH MANUFACTURING INDUSTRY INDEX IN 2016

Indices	Greatest Gain (%)			Greatest Lost (%)		
	/Day	/Week	/Month	/Day	/Week	/Month
IHSG	9.30	5.35	11.84	-17.86	-3.90	-1.66
	Aug 22	Dec 30	Sep 30	Jan 21	Dec 23	Dec 30
Man	13.73	6.65	15.50	-18.26	-5.75	-3.16
	Sep 28	Jan 29	Feb 29	Jan 21	Dec 23	Dec 30

Source : idx.co.id

TABLE 2: COMPARISON OF JOINT STOCK PRICE INDEX WITH MANUFACTURING INDUSTRY INDEX IN 2017

Indices	Greatest Gain (%)			Greatest Lost (%)		
	/Day	/Week	/Month	/Day	/Week	/Month
IHSG	1.23	1.63	8.38	-1.80	-1.27	-1.90
	Oct 25	Nov 22	Dec 29	Nov 30	Nov 15	Nov 30
Man	1.69	1.58	12.80	-3.01	-1.34	-2.48
	Nov 16	Oct 25	Dec 29	Nov 30	Oct 11	Sept 29

Source : idx.co.id

TABLE 3: COMPARISON OF JOINT STOCK PRICE INDEX WITH MANUFACTURING INDUSTRY INDEX IN 2018

Indices	Greatest Gain (%)			Greatest Lost (%)		
	/Day	/Week	/Month	/Day	/Week	/Month
IHSG	1.93	2.50	4.43	-2.02	-2.91	-2.54
	Nov 29	Oct 25	Nov 30	Oct 11	Oct 04	Oct 31
Man	2.43	3.09	8.18	-3.13	-4.94	2.31
	Dec 19	Nov 29	Dec 28	Nov 09	Oct 04	Oct 31

Source : idx.co.id

From these tables, it shows almost every increase and the highest decrease of manufacturing companies always exceeds (Composite Stock Price Index - CSPI) which means the value of manufacturing shares is prominent compared to the average shares listed on the Indonesia Stock Exchange.

Liquidity itself illustrates how a company is to pay in financial terms in the short term which must be paid off immediately. Companies with liquidity that are considered qualified have a good performance in the eyes of the stakeholders. This event could attract the purchasing power of the shareholders to invest in the manufacturing industry. Liquidity used by proxy (Current Ratio - CR), is the ratio between current assets divided by current debt.

Leverage is also very important for the value of the company that sees rather than the amount funded by debt. Because if the greater the level of debt shows the higher investor confidence in the agency, because if the higher the value of the debt level, the investor is more confident in the rate of return expected by potential investors

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(Purwohandoko, 2017). The advantage of debt is the cost of interest that can save or reduce the value of a tax because it is by the following trade-off theory (Fathony, 2019).

The Dividend policy itself is the distribution of the proportion of profits given to stakeholders from shares. Company policy is used to make dividend payment decisions regarding whether cash dividends paid to dividends or can be retained for reinvestment by the company in the form of retained earnings. Because the greater the value of the dividends returned to the shareholders, the company is considered to be better, which in the end is an assessment of the listed companies through the price of a share. What is listed in the bird in the hand theory says that "if the dividend distributed is high, the value of the company will also be high" and also the investors would prefer to be dividends compared with capital gains. Company policy is used to make dividend payment decisions regarding whether cash dividends will be paid to investors or will be retained for reinvestment by companies in the form of retained earnings (Tumiwa, 2017).

But the phenomenon that occurs is not by following the theory. The following is data on Firm Value and Liquidity, Leverage, Profitability, and Dividend Policy of Manufacturing Industry Companies.

TABLE 4: DATA PBV, CR, DER

Code	Years	PBV (Y)	Up/ Down	CR X1	Up/ Down	DER X2	Up/ Down
CINT	2016	0,94		3,14		0,22	
	2017	0,79	(0,16)	3,19	0,01	0,25	0,10
	2018	0,75	(0,05)	2,71	(0,69)	0,26	0,07
FASW	2016	1,76		1,08		1,72	
	2017	3,45	0,96	0,74	(0,31)	1,85	0,08
	2018	3,87	0,12	1,17	0,58	1,56	(0,16)
GGRM	2016	2,83		2,91		0,59	
	2017	3,04	0,07	2,95	(0,46)	0,58	(0,01)
	2018	3,04	0,00	3,00	0,97	0,53	(0,09)
INDF	2016	1,37		1,53		0,87	
	2017	1,40	0,01	1,52	(0,01)	0,88	0,01
	2018	1,14	(0,18)	1,07	(0,59)	0,93	0,07
INAI	2016	0,21		1,00		4,19	
	2017	0,67	0,60	0,99	(0,01)	3,38	(0,19)
	2018	0,86	(0,34)	1,02	0,03	3,61	0,07

TABLE 5: DATA PBV, DPR, ROE

Code	Years	PBV (Y)	Up/ Down	DPR X3	Up/ Down
CINT	2016	0,94		0,39	
	2017	0,79	(0,16)	0,17	0,10
	2018	0,75	(0,05)	0,59	0,07
FASW	2016	1,76		0,08	
	2017	3,45	0,96	0,76	0,08
	2018	3,87	0,12	0,29	(0,16)
GGRM	2016	2,83		0,75	
	2017	3,04	0,07	0,65	(0,01)
	2018	3,04	0,00	0,64	(0,09)
INDF	2016	1,37		0,37	
	2017	1,40	0,01	0,54	0,01
	2018	1,14	(0,18)	0,70	0,07

INAI	2016	0,21		0,40	
	2017	0,67	0,60	0,45	(0,19)
	2018	0,86	(0,34)	0,47	0,07

Source: idx.co.id

Based on the table above, in terms of liquidity it is mentioned that manufacturing companies in 2016-2018 fluctuated because there were several companies that increased from 2016-2017 but from 2017-2018 decreased and from the value of the company decreased from 2016-2017 but rose in the year 2017-2018.

Based on the table above, two years in a row in terms of leverage, CINT companies rose, and in 2018 there was an increase in Debt Policy but a decline in Firm Value. Then in two consecutive years GGRM and in 2017 INAI and experienced a decline in Debt Policy but an increase in the value of the Company.

Based on the table above shows that in 2017 there was a decrease in CINT, in 2018 at INAI, CINT experienced an increase in the Dividend Policy but there was a decline in Firm Value.

From the existence of the phenomenon/problem above, the researcher intends to conduct this research regarding the factors that influence the value of the company, so that from this research the researcher wants to find out and analyze more about the related Firm Value which is influenced by (Liquidity Bag - CR), (Leverage - DER), and (Dividend Policy - DPR). Researchers also chose Manufacturing Industry Companies listed on (Indonesia Stock Exchange - IDX) in the 2016-2018 period that were used as research objects.

From the background of the problems described above, the formulation of suitable problems is: Does Liquidity, Leverage, Dividend Policy, and Profitability have a partial effect on Firm Value.

The objectives to be achieved in this research are: To determine the partial effect of Liquidity, Leverage, and Dividend Policy variables on Firm Value.

The usefulness to be achieved in this research is the theoretical usefulness, providing empirical evidence of the determinants of factors to the value of the company, practical use for the company, liquidity, leverage, and dividend policy whether it can reduce the value of the company. Finally, for shareholders, this research can provide knowledge to potential investors who want to buy shares in a company that must pay attention to the factors of liquidity, leverage, and dividend policy as one of the considerations.

II. LITERATURE REVIEW

"Signal Theory is that investors have the same information as management over future investment opportunities and such conditions are referred to as symmetrical information" (Sitanggang, 2014, p. 88). It can be interpreted that signal theory is the delivery of information or relevant signals made by the company manager and can be used by recipients or investors to update and add information from companies invested by investors then the recipient or investors will adjust their behavior according to their understanding of the signal.

The trade-off theory gives the statement "the agency exchanges the tax useful lives of debt funding with the interest costs charged from borrowing externally". Based on the description above, the company's needs are allocated

more to agency lending to balance the existence of tax reductions and hard to pay debts.

From the theory of Dividend Policy which contains different meanings and perceptions conveyed by MM such as Dividends which are now irrelevant, it is assumed that the size of the share price is no longer determined by dividend proxies namely the Parliament is determined through the current year's net income from the income statement. The Bird In The Hand, MM stated: "capital costs, instant itself will rise if the dividend payout ratio is low because investors prefer to receive dividends than capital gains".

Firm value can be illustrated to what extent the development of performance can be measured by agencies, where the performance of agencies that come from the finances reported on the IDX that contain financial information from a company (Susilo, 2017). High firm value also indicates the prosperity of high shareholders, because the higher the value of the company investors will get additional benefits in addition to dividends given by the company in the form of capital gains from shares they own (Putra A. d., 2016).

Liquidity "ratio that illustrates the ability of companies to meet short-term obligations" (Kasmir, 2014, p. 110). Liquidity Ratios are called "measures used to measure how liquid an agency is" (Kasmir, 2014, p. 130). Companies that have a small level of liquidity in a company, it is said that the company is illiquid, which means it can reduce the value of the company and have an impact on investor interest to invest in the company will be reduced because of the high debt obligations (Arsjah, 2018).

An agency that is considered good is an agency that has a fairly high level of liquidity so that prospective shareholders assess the development of an agency whose share price is important to boost the value of the company. Ida Ayu (2019) expressed the opinion "Liquidity has a positive effect on the value of the company". Similar was also stated by those concerned, Rachmalia (2016). Therefore an agency must maintain the value of its liquidity which can increase the value of the firm.

A measure of leverage is measuring how high the value of the costs of an agency is used and used with its debt (Fahmi, 2014, p. 127). Ratios that describe a company's debt policy are formulated by comparing an agency's financing from external and internal sources of debt that are as small and as large as possible to get the impact of liabilities or other terms called fixed costs (Kasmir, 2014, p. 156).

The greater the leverage obtained by an agency, the more likely the value of the company will be. Another thing, with the costs incurred for debt, these results are the same research revealed by Putu Diah (2019) shows that leverage is considered to have a positive effect on the value of the firm. Different results are listed the same as Asna Nandita (2018) states that leverage does not affect the value of the firm.

Dividend Policy is "the decision was taken by the management of an agency whether to distribute dividends in full after the GMS or distribute them into retained earnings" (Mulyawan, 2015, p. 253). Measurement tool for dividend pays out ratio (DPR) (Sitanggang, 2014, p. 5). Dividend required by investment stakeholders is one of the signals for potential investors if the dividend paid off will have a good effect and vice versa if the agency cannot bring prosperity to position holders and investment stakeholders can be seen as bad because it assumes how these agencies develop if the

dividend alone is not can be distributed to these agencies. Asmara Putra (2019) expressed the opinion "dividend policy has a positive effect on firm value". Different views expressed by Nyoman Abudanti (2019) have an opinion "dividend policy has a negative influence on Firm Value".

Fig. 1. Thinking Framework

Hypothesis

The hypothesis presented by researchers to obtain presumption while this is: (H1) Liquidity there is an influence on the value of the Firm, (H2) Leverage there is an influence on the value of the Firm, and (H3) Dividend Policy contained influence against the value of the Firm.

III. RESEARCH METHODOLOGY

Research Variables and Operational Definition Variables

Dependent Variable

Firm value (PBV) is an indicator describing the perception of market participants or investors of a company to value the firm. The value of the firm uses the use of Price Book Value (PBV) proxy. The following PBV can be used to find out by:

$$PBV = (\text{Average Share Price/Share}) / (\text{Book Value of Equity / Share}) \dots \dots \dots (1)$$

Independent Variable

The following are the independent variables used in this research, namely:

Liquidity (X1)

1. The measure of liquidity is "the level of success of an agency to pay off or pay the level of liability in a small period per semester or year for 1-12 months". (Dewi Utari et al, 2014, p. 60). This measurement proxy is (current ratio - CR). The formula is calculated from Current Assets with Current Debt. Here formula CR namely:

$$CR = (\text{Current Assets}) / (\text{Current Liabilities}) \dots \dots (2)$$

Leverage (X2)

According to (Kasmir, 2014, p. 113) The measurement of leverage is "the ratio that shows how much the company's assets are funded from borrowing costs". The proxy chosen is a debt to equity ratio (DER). The following can be used as a DER formula, namely:

$$DER = (\text{Total Debt (Debt)}) / (\text{Equity (Equity)}) \dots \dots \dots (3)$$

Dividend Policy (X3)

Variable dividend policy is to "calculation of how much the current year's net profit earned by the agency of cash dividends distributed by t Unai in the

statement of changes in the capital". The Dividend Payout Ratio formula is derived from how much cash dividends are compared to the current year's net income of an agency called the DPR. DPR calculations can be used with the formula, namely:

$$DPR = (\text{Dividend per Share})/(\text{Earning per Share}) \dots\dots\dots(4)$$

Determination of Population and Samples

Population :

The Population is "the area of generalization consisting of objects/subjects that have certain qualities and characteristics to be studied and then drawn conclusions ". Researchers took the population that will be the object of research are all manufacturing industry companies listed on the Indonesia Stock Exchange (IDX) from 2016 to 2018 namely 157 agencies.

Sample:

The sample is "a part of the number and characteristics possessed by the population". The sampling technique in this research using a purposive sampling approach is to determine the research sample that has met the consideration of the selection of sample descriptions based on the will of the researcher and then explained in the description of the sentence through the criteria according to the researcher's wishes with the nonprobability sampling approach.

Criteria and adapted to the following research objectives:

- Manufacturing industry companies listed and attached to (Indonesia Stock Exchange - IDX) during the 2016-2018 observation period.
- Manufacturing industry companies that publish complete financial statements during the 2016-2018 observation period.
- Manufacturing industry companies that pay dividends regularly during the 2016-2018 observation period.
- Manufacturing industry companies present their financial statements in non-rupiah form.
- Manufacturing industry companies (Initial Public Offering - IPO) in 2016-2018.

Data Types and Sources

The type of data used and used in this research is secondary data. "Secondary data is data obtained from certain agencies or institutions where the data can be directly used". This secondary data used is all financial statements of manufacturing industry companies listed on the (Indonesia Stock Exchange - IDX) for the period of 2016 - 2018.

Sources of data in this research derived from the financial statements of an agency that has been audited by an independent auditor on all manufacturing establishments in 2016-2018 in getting through the website (Indonesia Stock Exchange - IDX) is www.idx.co.id.

Method of collecting data

The data in this research were collected using by means of documentation from a variety of sources. Retrieval of financial statement data is carried out on the IDX. Also, data and information collection is done by taking from the internet, articles, journals, and researching from library

books that support this research process.

Data Analysis and Hypothesis Test Techniques

The analysis technique used in this research is by using the help of the Microsoft Office Excel 2010 program and E-views 9.0 to deeper the effect of Liquidity, Leverage, Dividend Policy, and Profitability on the Firm Value, this research uses panel data regression analysis. The Panel Data itself is "a combination of time series analysis methods and cross-sections " (Ajija, 2014, p. 51).

The Partial Test mentioned shows how much influence one independent variable individually to be able to explain a variety of the dependent variable by assuming the other independent variables are constant. And also see in terms of decision making based on a significance level of (5% or 0.05).

Determination coefficient based on the point to see the extent of the ability of this test model in explaining the variation of a dependent variable. A value close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable from the independent (Ghozali, 2014, p. 97).

IV. RESEARCH FINDINGS AND DISCUSSIONS

Results Data Description

TABLE 6: RESULTS OF DATA DESCRIPTION

No.	Information	Number Of Sample
1.	Number of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2016-2018 period	157
2.	Samples that do not meet the criteria	
	a. Manufacturing companies that do not publish complete financial statements for the period 2016 -2018.	(8)
	b. Manufacturing companies that do not distribute dividends in a row for the 2016-2018 period	(85)
	c. Manufacturing companies that present their financial statements in a not-rupiah form	(5)
	d. Manufacturing companies are Initial Public Offering (IPO) in 2016-2018	(25)
3.	Number of companies that meet the criteria	34
4.	Number of years of observation	3
5.	Total sample	102

Source: idx.co.id

Based on the criteria established by researchers using a purposive sampling method, and selected 34

manufacturing industry companies that can be used as research samples with an observation period of 3 years, namely from 2016 to 2018. So that the total sample data total is 102 samples.

Descriptive statistics

Based on the results of the analysis tool e-views version 9.0, the results of the data processing are as follows:

TABLE 7: DESCRIPTIVE STATISTICS

	PBV	CR	DER	DPR
Mean	5.029625	2.574283	0.897527	0.420166
Median	2.361222	2.220061	0.595982	0.337415
Maximum	67.41811	8.637842	4.189714	2.248694
Minimum	0.210631	0.605632	0.153484	0.011506
Std. Dev.	10.63303	1.642385	0.814749	0.378596
Observations	102	102	102	102

Source: Eviews 9.0 (Data Processed)

a. Variable (Firm Value - PBV)

The average or mean market value ratio compared to the value of the book called (Price Book Value - PBV) is 5.03 out of 102 observational data. The highest value of 67.42 is (Unilever Indonesia Tbk - UNVR) observation period 2017. Furthermore, the lowest value of 0.21 falls to the company (Ricky Putra Globalindo Tbk - RICY) 2016 observation period. Then the standard deviation on the PBV is 10.90. In this case, the PBV standard deviation shows a very large value of 47.30%.

b. Variable (Liquidity - CR)

The average ratio of current assets to current debt (CR) is 2.57 out of 102 observational data. The highest value is 8.64 which is in Delta Djakarta Tbk (DLTA) in 2017. The lowest value of CR is 0.61 (Unilever Indonesia Tbk - UNVR) for the 2016 observation period. Then the standard deviation in CR is 1.64. In this case, the CR standard deviation is relatively large at 156.74%.

c. Variable (Leverage - DER)

(Average/mean) the ratio of overall debt to overall capital (DER) is 0.90 out of 102 observational data. The highest value of 4.19 fell to (Indal Aluminum Industri Tbk - INAI) 2016 observation period. The lowest value of 0.15 was (Indocement Tunggal Perkasa Tbk - INTP) 2016 observation period. Then the standard deviation was 0.81. In this case, the DER standard deviation is relatively large at 110.07%.

d. Variable (Dividend Policy - DPR)

The average dividend ratio distributed to net income (DPR) is 0.42 of 102 observational data. Then, the highest dividend ratio value of 2.25 is (Indocement Tunggal Perkasa Tbk - INTP) 2018 observation period. The lowest value of 0.01 is in companies (Ultrajaya Milk Industry and Trading Co. Tbk - UL TJ) 2016 observation period. Then the standard deviation in the DPR is 0.38. In this case, the DPR standard deviation is very large at 110.98%.

Hypothesis Test and Data Analysis

a. F Restricted Test (Pooled Least Square vs Fixed Effect Model)

(F Restricted Test / Chow Test) is conducted to see the best and most appropriate model that will be used in this research, which is between (Pooled Least Square - PLS) and (Fixed Effect Model - FEM). The temporary estimation

used will be used in the test (F Restricted / Chow Test) as follows:

H0 = (Pooled Least Square - PLS)

Ha = (Fixed Effect Model - FEM)

TABLE 8: TEST F RESTRICTED

Effects Test	Statistic	d.f.	Prob.
Cross-section F	65.344480	(33,65)	0.0000
Cross-section Chi-square	360.212098	33	0.0000

Source: Eviews 9.0 (Data Processed)

From the explanation of the processed analysis tools above, we found the results of the probability (Cross Section Chi-Square) in the calculation to get 0.0000 < 0.05. So Ha is accepted, and therefore the best use is (Fixed Effect Model - FEM).

b. Haussman Test

The Haussman test is used if it is to see which type of outcome is best from (Fixed Effect Model - FEM) with (Random Effect Model - REM). The following is a temporary presumption in this test:

H0 = (Random Effect Model - REM)

Ha = (Fixed Effect Model - FEM)

TABLE 9: HAUSSMAN TEST

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.741525	3	0.0806

Source: Eviews 9.0 (Data Processed)

Based on the processed results above, the result of the probability (Cross Section Random) for this research is > 0.05. So H0 is accepted, so choosing this type of processed product is (Random Effect Model - REM).

c. Langrange Multiplier Test

The LM test is used in its perspective to see the best and exact models of (Common Effect Model - CEM) and (Random Effect Model - REM). The following is a hypothesis in the LM Test.

H0 = (Common Effect Model - CEM)

Ha = (Random Effect Model - REM)

TABLE 10: LANGRANGE MULTIPLIER TEST

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	81.50955 (0.0000)	0.950034 (0.3297)	82.45958 (0.0000)

Source: Eviews 9.0 (Data Processed)

Based on Table 10, it can be concluded that the Breusch-Pagan cross-section probability value in the research is 0.0000 < 0.05, then H0 is rejected and Ha is accepted so that the most suitable model to use is (Random Effect Model - REM).

TABLE 11: (FIX EFFECT MODEL – FEM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.157130	2.942375	-0.053402	0.9575
CR	0.156944	0.672776	0.233278	0.8160
DER	5.277342	1.171214	4.505874	0.0000
DPR	0.109909	0.992212	0.110772	0.9120

Source: Eviews 9.0 (Data Processed)

$$PBV = - 0.157130 + 0.156944 (CR) + 5.277342 (DER) + 0.109909 (DPR)$$

Mentioned and explained the results of this regression equation, can be described below:

- From the panel date regression test, the constant results can be chosen is -0.157130, it can be concluded that if the value of variables (Liquidity - CR), (Leverage - DER), and (Dividend Policy - DPR) are considered constant or (equal/=) 0 (zero), so the result of (Firm Value - PBV) decreases by 0.157130.
- Date pane test value Liquidity is measured by proxy (Current Ratio - CR) of 0.156944, stating that the value of CR has increased by 1 rupiah (expressed opinion if the value (coefficient/c) of other variables is fixed or does not change), so (Firm Value - PBV) there will be an increase of 0.156944. This shows the coefficient is positive, meaning that CR and PBV have a positive relationship.
- The Leverage date panel test value measured by (Debt To Equity Ratio - DER) is 5.277342, states that if the DER value increases by 1 rupiah (stated opinion if the value (coefficient/c) of other variables is fixed or does not change), so (Firm Value - PBV) there will be an increase of 5.277342. This shows the coefficient is positive, meaning that DER and PBV have a positive relationship.
- Regression coefficient value Dividend Policy used proxy (Dividend Payout Ratio - DPR) is 0.109909, states that if the value of the DPR has increased by 1 rupiah (expressed opinion if the value (coefficient/c) of other variables is fixed or does not change), so (Firm Value - PBV) there will be an increase of 0.109909. This shows that the coefficient is positive, meaning that the DPR and PBV have a positive relationship.

Partial Test

If the significance value <0.05 then H_0 is rejected and H_a is accepted, which means that the independent variable is significant on the dependent variable. Whereas if the significance value > 0.05 then H_0 is accepted and H_a is rejected, which means that the independent variable is not significant to the dependent variable.

To see the effect, you can also compare t - table with the count. If $table > t$ count then H_0 is accepted and H_a is rejected. the table is seen in the statistical table at the 0.05 significance with degrees $df = \text{number of observations (N)} - \text{number of variables (K)}$.

a. Effect of Liquidity on Firm Value

Liquidity stated in Current Ratio (ROE), shows a significance value of $0.8160 > 0.05$ with a t -statistic of 0.233278 and has at t -statistic value $< t$ -table that is 0.233278 < 1.98447 ($df = 102 - 4 = 98$ and a significance level of 5%)

so that H_0 is accepted and H_a rejected (no liquidity and no significant positive effect on firm value).

b. Effect of Leverage on Firm Value

Leverage stated in Debt To Equity Ratio (DER) shows a significance value of $0.0000 < 0.05$ with a t -statistic of 4.505874 and has at t -statistic value $> t$ -table that is $4.505874 > 1.98447$ ($df = 102 - 4 = 98$ and a significance level of 5 %) so that H_a received and H_0 is rejected (leverage-positive and significant impact on the value of the firm).

c. Effect of Dividend Policy on Firm Value

Dividend policy stated in Dividend Payout Ratio (DPR) shows a significance value of $0.9120 > 0.05$ with a t -statistic of 0.110772 and has at t -count value $< t$ -table that is $0.110772 < 1.98447$ ($df = 102 - 4 = 98$ and a significance level of 5 %) so H_a is rejected and H_0 is accepted (dividend policy does not have a positive and significant effect on firm value).

Coefficient of Determination

TABLE 12 : DETERMINATION COEFFICIENT
Weighted Statistics

R-squared	0.191204
Adjusted R-squared	0.166445

Source: Eviews 9.0 (Data Processed)

The coefficient of determination used is Adjusted R-Square of 0.166445. This shows that the independent variables, namely Liquidity, Leverage, and Dividend Policy can explain or explain 16.64% of the total variance of the dependent variable, namely Firm Value. And the remaining 83.36% ($100\% - 16.64\%$) is explained by other variables not used in this research model.

Discussion

In this research, liquidity does no effect on (Firm Value - PBV), this means that the level of uphill liquidity will make agencies allocate more funds to pay off short-term obligations causing cash transfers (dividends/cash) given to low-value investors and cause such things will be negatively assessed by investors. This condition will occur if potential investors are increasingly unwilling to invest or invest in a company so that it can cause a demand for shares to decline and the market value of the stock will be lower so that the value of the company decreases and is smaller. Similar to the previous researcher is Siska Adelina, Yesi Mutia Basri (2014) suggested that liquidity has a negative effect on (Firm Value - PBV). As well as other researchers such as Rachmalia (2016), Maria (2017) that conclusions are drawn if there is no relationship to liquidity (Firm Value - PBV).

The next research is that leverage does not have a positive relationship with firm value due to the high surplus obtained from an agency with a reduction in tax costs. And also shows that the selection of appropriate sources of funds in manufacturing industry companies that affect management decisions in managing funding both in terms of debt held to meet the needs of funds to increase corporate profits and fund corporate activities that also affect the value of the company. The results of this research are supported and appropriate according to the trade-off theory and signaling theory because the reference in this research is that

there is an increase, so the level of debt increases (Firm Value - PBV). The increase in the surge in the debt of the food agency has the effect of increasing the interest cost which will be a tax deduction so that the company will get a higher profit, so that it will become a buying interest for potential investors to put their money in an agency. In addition to increasing company profits, debt will also increase investor confidence because, with the high value of debt, the company is considered mature and is considered good financial performance by investors by taking high risks for optimal returns. Look at the previous references supported by previous researchers or those that have been proven from Jairah (2016), Putu Diah Melinda Yanti & Nyoman Abudanti (2019), Dwi Rachmawati (2015) stated that the Leverage results influence (Firm Value - PBV).

Dividend policy does not affect the Firm Value which means contrary to Signaling Theory, said that the results of this outcome as a (positive signal) for investment stakeholders to see if agencies are developing that grow good or not, and with improved performance theory (the Bird in the Hand, which says that investors like the distribution (dividends/cash) compared to (Capital Gain/profit of selling shares). By Following the Dividend Irrelevant theory introduced by (Professor Franco Modigliani and Merton Miller - MM). And it is still the same as MM having an opinion if (firm value - PBV) is seen from the side whether an agency can get money or surplus from the agency's operational activities during the period. It can be concluded if the value of the company depends on the surplus obtained by its assets, but not depending on the surplus paid regularly to the investment stakeholders so that there is no effect (dividend policy - DPR) with no influence on (firm value - PBV). From previous / long-time supported researchers also from Putu Diah Melinda Yanti & Nyoman Abudanti (2019), Oky Oktaviani (2016), Noermayanti (2017) expressed their opinions if (Dividend Policy - DPR) produced when there was an influence on (Firm Value - PBV).

V. CONCLUSIONS

Conclusion

It can be seen when discussing the previous chapter that the test and hypothesis have been summarized as follows below:

- a. The results of testing the Liquidity variable measured by (Current Ratio - CR) show an opinion that shows if the value (Liquidity - CR) does not influence on (Firm Value - PBV). Therefore the Liquidity variable is not the main benchmark for investors to view the relationship of Liquidity to the value of the firm.
- b. As a result, it is proven from Leverage with a proxy (Debt to Equity Ratio - DER) that the argumentation opinion shows (Leverage variable - DER) show the influence of (Firm Value - PBV). Therefore Leverage variable is a factor that is highly considered for investors to see a good relationship Leverage to the value of the firm.
- c. The result is evident from the Dividend Policy with the proxy (Dividend Payout Ratio - DPR) showing the argumentation opinion is (Dividend Policy - DPR) shows the existence if it does not have a relationship to (Firm Value - PBV). Therefore the Dividend Policy

variable here is not an indicator so important by investment stakeholders knowing the relationship of Dividend Policy to the value of the firm.

Research Limitations

Here are a few that hinder researchers in researching so that it raises some deficiencies so that it prevents good results. Will be explained below:

- a. Some companies do not publish their financial reports regularly from the observation year, 2016-2018.
- b. This research uses the chosen regression model is the Random Effect Model so that it produces an R-square value of 16.64%, then the variable Liquidity, Leverage, and (Dividend Policy - DPR) explain the variable (Firm Value - PBV) only at 16.64% and 83.36% was explained when the indicators were not included in this research.
- c. There is a lack of samples to be able to fulfill the desired criteria, causing also all agencies are less able to be included in this sample. Thus, it is less able to see and describe research on the value of firm in other manufacturing industries.

Suggestion

As a result, the research has been done but there are still shortcomings and therefore for the head to be better, can be explained through the description of the sentence below:

- a. Theoretically

Enabled by researchers who will also examine the company that does not report or publish its financial statements in full, the researchers can get information sources through primary data by requesting financial statement data during the research period directly to the company. Then for researchers who want to examine the value of the company, it is expected not only to use three variables, but also to be able to know deeper what are the determinant indicators of the value of the company so that it is not driven by the variables that researchers use, namely liquidity, leverage, and dividend policy.

- b. Practically

For investment stakeholders, it is enabled in mastering all fields that can later be useful in the future related to the company's value that can be read or understood from the side (liquidity bag - CR), (leverage - DER), and (dividend policy - DPR) which has a direct impact on investment stakeholders who have the opportunity to put the amount of money and manage debt repayments used in large or small amounts to the company.

For agencies, it is enabled from everything that has been made and written if it gives an illustration for agencies about the value of the company. Companies pay attention to choices and important policies taken by companies that can have a direct impact on investors, namely the welfare of shareholders such as investment, by allocating the value of debt as optimally as possible, such as using debt to increase production activities by increasing productive assets.

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