

THE EFFECT OF CAPITAL STRUCTURE ON FIRM VALUE OF LQ45 INDEX LISTED IN INDONESIA STOCK EXCHANGE

Mahirun Mahirun

Universitas Pekalongan, Faculty of Economics and Business, Indonesia, Jl. Sriwijaya No. 3, Pekalongan, Indonesia, mahirun@yahoo.com

Orcid: <https://orcid.org/0000-0002-9193-5172>

(Corresponding Author)

Anggrainy Putri Ayuningrum

Universitas Pekalongan, Faculty of Economics and Business, Indonesia, Jl. Sriwijaya No. 3, Pekalongan, Indonesia, anggrainy.putri12@gmail.com

Andi Kushermanto

Universitas Pekalongan, Faculty of Economics and Business, Indonesia, Jl. Sriwijaya No. 3, Pekalongan, Indonesia, andikushermanto@gmail.com

Titi Rahayu Prasetyani

Universitas Pekalongan, Faculty of Economics and Business, Indonesia, Jl. Sriwijaya No. 3, Pekalongan, Indonesia, titi.unikal@gmail.com

Arih Jannati

Universitas Pekalongan, Faculty of Economics and Business, Indonesia, Jl. Sriwijaya No. 3, Pekalongan, Indonesia, arih.jannati@gmail.com

Komala Ardiyani

Universitas Pekalongan, Faculty of Economics and Business, Indonesia, Jl. Sriwijaya No. 3, Pekalongan, Indonesia, komala2803@gmail.com

JEL Classification: G1, G2, G3, F3

Abstract

This study aims to test and analyze the effect of investment opportunity set, capital structure, dividend policy, and profitability on firm value. Another objective to be achieved is the effect of capital structure and dividend policy on firm value mediated by profitability. Our research uses path analysis to determine and analyze the influence of exogenous variables on endogenous variables. The objects in this study are companies incorporated in LQ45 for the period 2012 - 2021. The results of the study found that the price earning ratio, capital structure with indicators of debt to asset ratio and debt to equity ratio, dividend payout ratio, and return on assets all have a positive and significant direction of influence on price to book value. Debt to equity ratio has a significant positive direction of influence on return on assets, while debt to asset ratio has the opposite direction, namely negative and significant to return on assets. What is different from the results of this test is that the dividend payout ratio, although the direction of influence is positive on return on assets, is not significant. Return on assets is not able to mediate the effect of debt asset ratio, debt to equity ratio, and dividend payout ratio in its effect on price to book value.

Keywords: investment opportunity set, capital structure, dividend policy, profitability, firm value, universitas pekalongan.



p-ISSN 1582-2559/ e-ISSN 2668-4861/ ISSN-L 2668-4861

CALITATEA QUALITY ACCESS TO SUCCESS

<http://www.calitatea.ro/en/>

28.08.2023

LETTER OF ACCEPTANCE FOR PUBLICATION

Dear, Mahirun Mahirun, Anggrainy Putri Ayuningrum, Andi Kushermanto, Titi Rahayu Prasetiani, Arih Jannati, Komala Ardiyani,

Congratulations! Your submission entitled; **“THE EFFECT OF CAPITAL STRUCTURE ON FIRM VALUE OF LQ45 INDEX LISTED IN INDONESIA STOCK EXCHANGE”** will be published in the 25(2001) June 2024 issue of CALITATEA QUALITY ACCESS TO SUCCESS (<http://www.calitatea.ro/en/>).

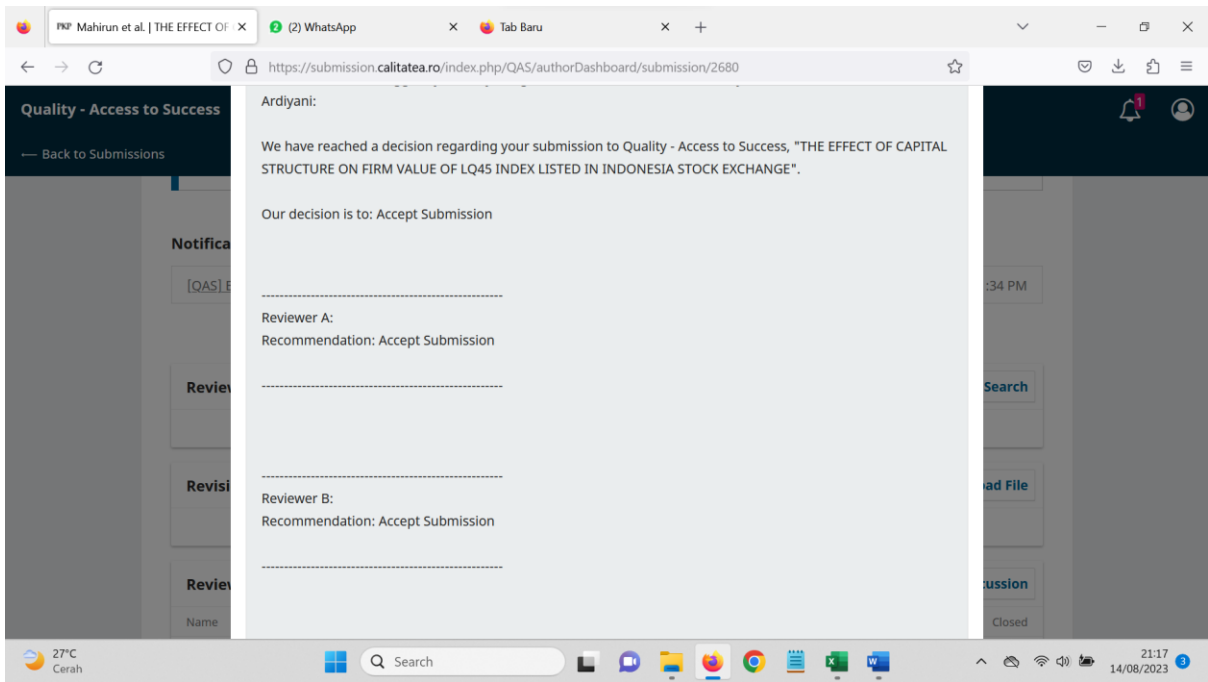
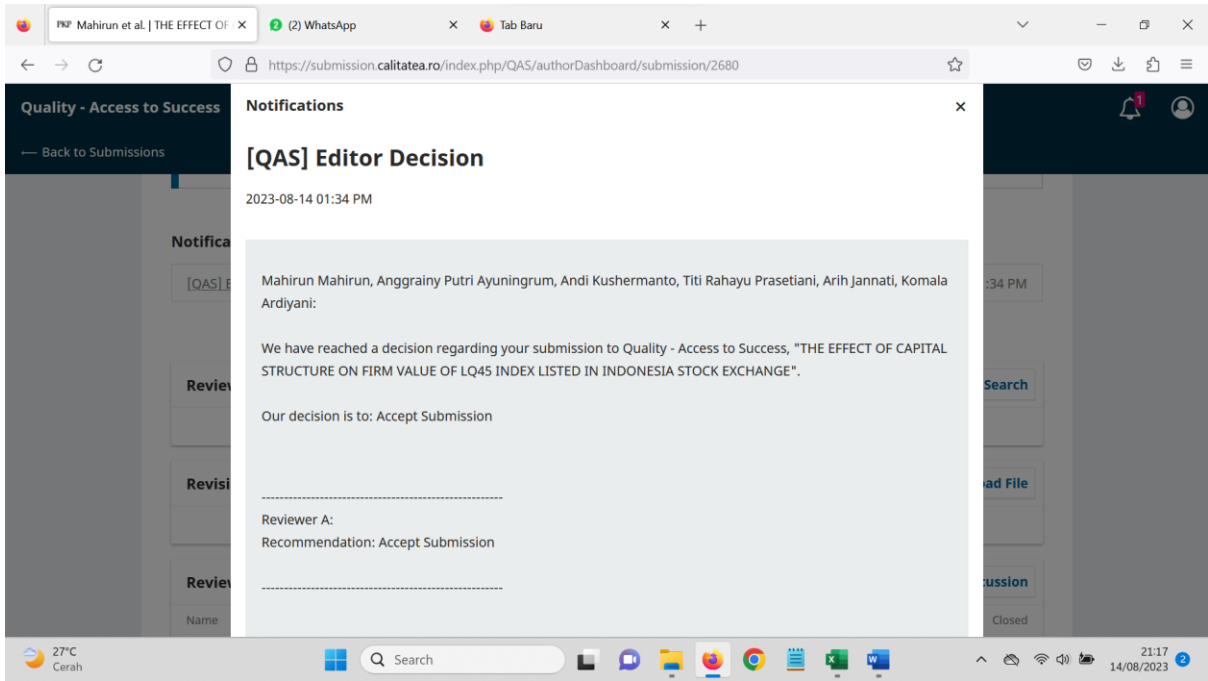
Thank you for your submission to our journal.

Kind regards.

Prof. Dr. Semra MİRİCİ

Editor-in-Chief
CALITATEA QUALITY ACCESS TO SUCCESS
<http://www.calitatea.ro/en/>

A handwritten signature in black ink, appearing to read 'Semra Mirici', is written over the printed name and title.



Quality - Access to Success
— Back to Submissions

Participants
Ismail Hakki Mirici, (ismailhakkimirci)
Mahirun Mahirun (mahirun)

Messages

Note	From
Dear author, Congratulations! Your manuscript has been accepted for publication. Please, transfer the processing fee to the bank account below and provide me with the transfer document in order to proceed to the publication stage. Account Holder: ADVANCED SCIENTIFIC RESEARCH Account Number: 50200047017808 Bank : HDFC Bank IFSC: HDFC0000178 Branch: SALEM MAIN BRANCH Swift code- HDFCINBBCHE Country: India	ismailhakkimirci 2023-08-14 01:34 PM

27°C
Cerah

21:23
14/08/2023

Quality - Access to Success
— Back to Submissions

Messages

Congratulations! Your manuscript has been accepted for publication. Please, transfer the processing fee to the bank account below and provide me with the transfer document in order to proceed to the publication stage. Account Holder: ADVANCED SCIENTIFIC RESEARCH Account Number: 50200047017808 Bank : HDFC Bank IFSC: HDFC0000178 Branch: SALEM MAIN BRANCH Swift code- HDFCINBBCHE Country : India Address Holder : 8/21 Thamocharan Street, salem Address Bank : Salem 5 Road Branch In addition, please, upload the final version of your manuscript including all the required personal and institutional information, of all authors, such as names, email addresses, ORCID ID's, institutions, addresses, etc. Hope to hear from you soon. Best wishes.	PM
--	----

27°C
Cerah

21:24
14/08/2023