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INVESTMENT DECISION INFLUENCE ANALYSIS, FUNDING DECISION, DIVIDEND POLICY PROFITABILITY LEVEL OF VALUE COMPANY (Empirical Study on LQ-45 Companies listed on the Exchange Indonesian Securities Period 2018-2022)

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Abstrack: This study aims to show and analyze the partial effect of investment decisions, funding decisions, dividend policy and profitability on firm value. The purpose of this research is also to provide investment ideas to investors. The population of this study is 45 companies listed on the Indonesia Stock Exchange in the 2017-2021 period to calculate the LQ-45 index. The sample was selected using a targeted sampling technique and 23 companies did not meet predetermined criteria and were therefore excluded from the sample. Data analysis was performed using multiple linear regression analysis. Based on the results of data analysis, it can be concluded that investment decisions have a significant positive effect on value, funding decisions have a significant positive effect on firm value, dividend policy has a significant positive effect on firm value, and profitability has a significant positive effect on firm value.

Keywords: *company value, investment decision, funding decision, dividend policy, profitability*

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1. Introduction

In today's increasingly collaborative of industrialization , managers playing a key role in the success of a company. Leader businesses face challenges to achieve business objectives, welfare business owners or shareholders by maximizing business value. To maintain business operations and compete with other companies, there are many things that must be done such as developing strategies, new ideas , customer trust as well as huge capital . Therefore , this has resulted in a high level of public enthusiasm for investment, and concurrently with increasing public enthusiasm , investors, creditors, and financial report users require important accounting information to be reviewed . In addition, without a capital market, Elmiteln will certainly not be able to do business. The role of the capital market according to Citra & Gholni (2019), includes: The capital market is an alternative source of financing for companies and investment alternatives for investors. Law plays a major role in creating a regular, fair and efficient capital market.

The company's investment is intended to generate long-term returns, so decisions must be made taking into account these factors. Careful corporate investment decisions can increase corporate wealth and affect optimal corporate performance.

There is diversity from the results of previous studies lnterest researchers to carry out an analysis of the factors that affect the value of the company. Based on various things that have

been described, the researcher is interested in compiling a thesis with the title "ANALYSIS OF INFLUENCE OF INVESTMENT DECISIONS, DECISIONS FUNDING, DIVIDEND POLICY AND RATE PROFITABILITY ON COMPANY VALUE" (Study Empirical on LQ-45 companies listed on the Indonesia Stock Exchange).

2. Research Method

The population for this study are all companies registered in Indonesia BEI in 2018 until 2022. Population included in LQ-45 Companies On the Indonesian Exchange there are 45 companies. Samples were selected using a purposive sampling technique and 18 The company did not meet the predetermined criteria and was therefore excluded from the sample. The data comes from the LQ-45 company's annual report that has been registered with BEI for 2018-2022 on the BEI website, namely www.idx.col.id which provides all the data about research variables . Data analysis techniques using descriptive statistical analysis and moderate regression analysis (MRA). Linear equations must fulfill the classical assumptions which include the absence of symptoms of normality, multicollinearity, heteroscedasticity and autocorrelation. The F test is carried out by comparing the steps Fcount with Ftable. The Fcount value can be seen from the results of data processing in the ANOVA section. Partially test the hypothesis using the t test. The partial determination coefficient is used to determine the influence of one of the independent variables (X) on the dependent variable (Y) partially Gunawan (2018).

3. Results and Discussion

3.1 Results

The research data is obtained through the annual reports of companies that have published annual reports on the Indonesia Stock Exchange. The research object used is the LQ-45 stock index listed on the Indonesia Stock Exchange for the period 2018 – 2022. From this period a total of 60 companies were obtained for the initial research object. Before getting the sample of this study do an analysis of research population until a sample is obtained according to the required criteria.

Information	**Amount**
LQ-45 companies listed on the IDX for the 2018-2022 period	60
LQ-45 companies listed on the IDX every 1 year period 2018-2022	45
LQ-45 companies that do not present annual report completely	(18)
Number of years of observation	5
Number of companies that became the research sample (27*5)	135
Net sample amount	75
Outlier change data	(22)
Number of research samples	53

3.2 Discussion

Normally Test Results

Variabel	Kolmogorov-Smirnov Z	Asymp. Sig. (2-tailed)	Information
Unstandardized Residual	0,113	0,090	Normally distributed

Source: Processed secondary data, 2023

Based on table 4.3, the Kolmogorov Smirnov value is 0.113 with an Asymp value. Sig. (2-tailed) data normality test of 0.090 > 0.05, it can be concluded that the research data is normally distributed.

Autocorrelation Results

Durbin Watson	*Role of Thumb*	Information
1,534	du < d <4	There is no autocorrelation

Source: Processed secondary data, 2023

The results of the analysis obtained in this study were that the Durbin Watson value was 1.534 with the role of thumb du<d<4, so the data was not correlated or there was no autocorrelation.

Heteroscedasticity Results

Variabel	B	Std. Error	Sig	Information
Decision Investment	0,116	0,058	0,050	There is no heterocedasticity bag
Decision Funding	0,112	0,149	0,455	There is no heterocedasticity bag
Policy Devidend	1,049	1,080	0,336	There is no heterocedasticity bag
Profitability	12,011	5,078	0,22	There is no heterocedasticity bag

Source: Processed secondary data, 2023

Based on the test results in table 4.5 above, it can be seen that all data onthe variables have a significance value greater than an alpha value of 0.05. So it is concluded that all data is free from heteroscedasticity.

Hypothesis

a. Multiple Linear Regression Test

The data analysis technique used in this study is descriptive statistical testing and hypothesis testing. Multiple regression is a test used to determine the effect of more than one independent variable on the dependent variable.

Multiple Linear Regression Test

Variabel	B	Std. Error	t	Sig	Information
Decision Investment	0,077	0,015	5,102	0,000	Significant
Decision Funding	0,019	0,039	0,500	0,619	No Significant
Policy Divedend	0,699	0,282	2,477	0,017	Significant
Profitability	8,061	1.326	6,078	0,000	Significant
Constant	-0,805	0,345	-2,332	0,024	

Source: Progressed secondary data, 2023

Based on the results of the analysis above, the results of the regression equation are as follows:

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$
$NP = \alpha + \beta_1KI + \beta_2KP + \beta_3KD + \beta_4PB + \varepsilon$
$NP = -0{,}805 + 0{,}077KI + 0{,}019KP + 0{,}699KD + 8{,}061PB + \varepsilon$

Information
NP = Firm value
α = Constant
β = Regression Coefficient
KI = Decision Investment
KP = Decision Funding
KD = Policy Devidend
PB = Profitability
ε = standard *error*

The explanation of the results of the regression equation is as follows:

a. The constant value of -0.805 indicates that if the variables KI, KP, KD and PB change, the firm value is -0.805.
b. The Investment Decision coefficient (IC) value of 0.077 indicates that every 1 unit increase in investment decisions is associated with an increase of 0.077 units in the dependent variable. A low standard error of 0.015 indicates the accuracy of the estimated coefficients. A high t value at 5.102 indicates that the investment decision coefficient significantly different from zero. In addition, a significance (Sig) of 0.000 indicates that the investment decision variable has a significant influence on the dependent variable. Thus, it can be concluded that investment decisions have a statistically significant effect on the dependent variable.
c. The coefficient value of Funding Decision (KP) of 0.019 indicates that every 1 unit increase in funding decisions is associated with an increase of 0.019 units in the dependent variable. The relatively high standard error at 0.039 indicates uncertainty in the estimation of the coefficients. A low t value at 0.500 indicates that the funding decision coefficient is not statistically significant. In addition, a significance (Sig) of 0.619 indicates that the funding decision variable has no significant effect on the dependent variable. Thus, it can be concluded that the funding decision is not statistically significant to the dependent variable in the model.
d. The coefficient value of Dividend Policy (KD) of 0.699 indicates that every 1 unit increase in dividend policy is associated with an increase of 0.699 units in the dependent variable. The standard error which is quite high at 0.282 indicates uncertainty in the estimation of the coefficients. The relatively high t value at 2.477 indicates that the dividend policy coefficient is not statistically significant. Besides that, a significance (Sig) of 0.017 indicates that the dividend policy variable has a significant effect on the dependent variable in the model. Thus, it can be concluded that the dividend policy is statistically significant to the dependent variable. The Profitability Coefficient (PB) of 8.061 indicates that every 1 unit increase in profitability is associated with an 8.061 unit increase in the dependent variable. The

relatively high standard error at 1.326 indicates uncertainty in the estimation of the coefficients. A high t value at 6.078 indicates that the coefficient B

e. is significantly different from zero. In addition, the significance (Sig) is 0.000.

b. Test F (Model Feasibility Test)

The F test aims to find out whether the regression model that has been obtained in research is feasible for hypothesis testing (Ghozali, 2018). The decision making used in this study is based on probability (in this case significant F), namely:

a. If the probability significant F < ÿ (0.05) indicates that this model test is feasible for use in research.
b. If the probability significant F > ÿ (0.05) indicates that this model test is not feasible for use in research.

The following is the Ftable Percentage point table

Ftabel Percentage Point

Point Percentage Distribution F for Probability = 0.05															
df for denominator (N2)	df for quantifier (N1)														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
46	4.05	3.2	2.81	2.57	2.42	2.3	2.22	2.15	2.09	2.04	2	1.97	1.94	1.91	1.89
47	4.05	3.2	2.8	2.57	2.41	2.3	2.21	2.14	2.09	2.04	2	1.96	1.93	1.91	1.88
48	4.04	3.19	2.8	2.57	2.41	2.29	2.21	2.14	2.08	2.03	1.99	1.96	1.93	1.9	1.88
49	4.04	3.19	2.79	2.56	2.4	2.29	2.2	2.13	2.08	2.03	1.99	1.96	1.93	1.9	1.88
50	4.03	3.18	2.79	2.56	2.4	2.29	2.2	2.13	2.07	2.03	1.99	1.95	1.92	1.89	1.87

In this F test to calculate Ftable can be formulated by:

df = n-k-1

Information:

k = number of independent variables (free)
n = number of research samples

Thus k = 4 (X1 investment decision, X2 funding decision, X3 dividend policy, and X4 profitability) and n = 53. Then this value is entered into the formula, resulting in the number 53-4-1 = 48, then the Ftable obtained 2.57

Point Percentage Distribution F for Probability = 0.05															
df for denominator (N2)	df for quantifier (N1)														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

F Test Result (Model Feasibility Test)

F	Sig
17,309	0,000[b]

Source: Progressed secondary data, 2023

Based on table 4.8 above, the calculated F value of 17.309 is greater than the F table, which is 2.57. The significance level of 0.000 is less than 0.05. So it can be concluded that there is a simultaneous influence between investment decision variables, funding decisions, dividend policy and *profitability* on firm value.

c. T Test (Partial)

Partial testing (t) is useful to determine whether there is an influence on investment decisions (X1), funding decisions (X2), dividend policy (X3), profitability (X4) and firm value (Y). Then do the analysis using the F test and t test. According to Ghozali (2018) the t test is an individual partial regression coefficient test used to determine whether the independent variable (X) individually affects the dependent variable (Y).

Basic decision making in the partial t test in research, namely:

a. Based on Significance Value (Sig.)
   1. If the significance value (Sig.) < probability 0.05 then there is an influence of the independent variable (X) on the dependent variable (Y) and the hypothesis is accepted.
   2. If the significance value (Sig.) > probability 0.05 then there is no effect of the independent variable (X) on the dependent variable (Y) and the hypothesis is rejected.

b. Based on a comparison of the calculated t value with the t table value
   1. If the value of tcount <ttable then the decision to accept the null hypothesis acceptance area (Ho) means that the independent variable has no effect on the dependent variable.
   2. If tcount > ttable, the decision to reject the null hypothesis (Ho) means that the independent variable affects the dependent variable.

T tabel Percentage

Pr	0.25	0.10	0.05	0.025	0.01	0.005	0.001
df	0.50	0.20	0.10	0.050	0.02	0.010	0.002
46	0.67986	1.30023	1.67866	2.01290	2.41019	2.68701	3.27710
47	0.67975	1.29982	1.67793	2.01174	2.40835	2.68456	3.27291
48	0.67964	1.29944	1.67722	2.01063	2.40658	2.68220	3.26891
49	0.67953	1.29907	1.67655	2.00958	2.40489	2.68220	3.26891
50	0.67943	1.29871	1.67591	2.00856	2.40327	2.67995	3.26508

Test Result T

Variabel	Coefficients	T	Sig.	Information
(Constant)	-0,805	-2,332	0,024	
Decision Investment	0,077	5,102	0,000	Influential
Decision Funding	0,019	0,500	0,619	No effect
Policy Devidend	0,699	2,477	0,017	Influential
Profitability	8,061	6,078	0,000	Influential

Source: Progressed secondary data, 2023

From the results of table 4.10 above, it can be seen if the results of the t test on investment decisions, funding decisions, dividend policies, profitability and firm value are as follows:

Based on these results it can be concluded:

1) The significance value of X1 is 0.000 with a calculated t value of 5.102, so the significance value is less than 0.05, meaning that there is a real influence between X1 and Y.
2) The significance value of X2 is 0.619 with a t-count value of 0.500, so the significance value is more than 0.05, meaning that there is no real influence between X2 and Y.
3) The significance value of X3 is 0.017 with a t-count value of 2.477, so the significance value is more than 0.05, meaning that there is a real influence between X3 and Y.
4) The significance value of X4 is 0.000 with a calculated t value of 6.078, so the significance value is less than 0.05, meaning that there is a real influence between X4 and Y.

c. Determination Test Results (R^2)

Determination Test Result (R^2)

Model	R	*R Square*	*Adjusted R Square*	*Standard Error of the Estimate*
1	$0,768_a$	0,591	0,556	0,607691

Source: Progressed secondary data, 2023

Based on table 4.11, the results of the determination test show that the independent variable in the regression model is able to explain about 59.1% (*R Square*) of the variation in the dependent variable. *Adjusted R Square* value of 0.556 indicates that approximately 55.6% of the variation in the dependent variable can be explained by the independent variables in the regression model, taking into account the number of independent variables and the number of samples. a lower *Adjusted R Square* value indicates that there may be other variables not included in the model and can provide additional explanations for variations in the dependent variable. *The Standard Error of the Estimate* provides an estimate of the error in predicting the value of the dependent variable by the model.

4. Conclusion

Based on the analysis that has been done, the following conclusions are drawn:

1. Investment Decision This variable has a t-statistic value greater than t-table. So it can be stated that investment decisions on firm value is statistically significant. So it can be stated that if investment decisions go up, the value of the company also goes up and vice versa, if investment decisions go down, the value of the company will also go down.
2. Funding Decision This variable has a t-statistic value greater than t-table. However, the significance value is greater, indicating that the funding decision does not have a significant effect. So it can also be stated that the funding decision does not affect the increase in firm value.
3. Dividend Policy This variable has a t-statistic value greater than ttable. It can be stated that the dividend policy variable has a significant effect on firm value. So it can be stated that if the policy goes up, the company value also goes up and vice versa, if the dividend policy goes down, the company value will also go down.
4. The profitability of this variable has a t-statistic value greater than ttable, so it can be stated that profitability has a significant effect on firm value. So it can be stated that if profitability increases, the value of the company also increases and vice versa, if profitability decreases, the value of the company will also decrease.

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