ABSTRACT

*Erwin / 21150351 / 2015 / Analysis of the Effect of Dividend Policy, Debt Policy, Investment Decisions, and Sales on Company Values ​​in Manufacturing Companies Listed on the Indonesia Stock Exchange in the Period of 2015-2017 / Dr. Said Kelana Asnawi, M.M.*

The Manufacturing Industry in Indonesia is a mainstay sector that supports national economic growth. For this reason, the key to the success of the manufacturing sector to advance the national economy is by increasing the value of the company. Increasing the value of the company is the main goal of every company that can be done by increasing stock prices. High stock prices indicate the market believes in the performance of the company and its prospects in the future. The company's financial manager is expected to be able to understand the factors that influence the value of the company in order to increase company value and prosper shareholders. Setting dividends is a function of financial managers. The optimal dividend policy is to create a balance between current dividends and future growth so as to maximize stock prices. This balance can be formed by increasing the retained earnings used for investment. Apart from retained earnings, the source of funds in investment funding can be obtained through debt. On the other hand, sales also affect company value. That way, this study aims to examine the effect of dividend policy, debt policy, investment decisions, and sales on manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) in the period 2015-2017.

The theories underlying this research are agency theory, signaling theory, and pecking order theory. Signs are actions taken by company management that provide guidance to investors about how management views the company's prospects. Agency theory is the action taken by the owner of the company (principal) to reduce conflict between managers (agents) and interested parties in business activities that have a negative impact. Pecking order theory is a management action that prioritizes funding that comes from internal rather than external funding.

The object of this research is the manufacturing sector companies listed on the Stock Exchange in the period 2015-2017. The sampling technique that will be used is the Non-Probability Sampling technique using Judgment / Purposive Sampling. Data analysis techniques to test each variable and test hypotheses through multiple linear regression analysis.

The findings of this study state that (1) Dividend Policy has a negative effect on company value, (2) Debt Policy has a positive effect on firm value, (3) Investment Decision has a negative effect on firm value, (4) Sales have a positive effect on firm value.

With the results of this study companies and investors do not need to pay attention to dividend policies and investment decisions, but consider debt policy and sales.

Key word: Dividend Policy, Debt Policy, Investment Decisions, Sales, Agency Theory, Signaling Theory, Pecking Order Theory.