**ABSTRACT**

Nadya Fransiska Yo / 20150136 / 2019 / Effect of Dividend Policy, Debt Policy, Profitability and Firm Size on the Firm Value of Manufacturing Companies Listed on the Indonesia Stock Exchange in the Period of 2015-2017 / Advisor: Martha Ayerza Esra, S.E., M.M.

The purpose of each company is to maximize the firm value in order to prosper shareholders. Changes in the variable dividend policy, debt policy, profitability and firm size have been shown to influence firm value. Therefore, caution is needed by management in making decisions considering that every financial decision can affect the value of the firm and will have an impact on achieving firm goals.

Signaling theory explains that firm actions provide guidance for investors and creditors to influence how the firm sees prospect. Signals can be either positive or negative signals. Other theories that support this research are the irrelevance dividend theory and the modigliani-miller I theory.

This research was conducted at manufacturing firms listed on the Indonesia Stock Exchange for the period of 2015-2017. Using a purposive sampling method obtained a sample of 39 firms with the help of SPSS 20. Data collection was carried out by observation method through annual financial reports accessed through the official website of the Indonesia Stock Exchange (IDX). The data analysis technique used is multiple linear regression. The results of this study indicate that the regression model used has met the classical assumption test.

The results showed that the data were normally distributed and passed the classic assumption test (normality, multicolonity, heteroscedasticity and autocorrelation). The significance value of the debt policy is 0.165. Debt policy has a significance of 0.189 and profitability has a significance of 0,000. Finally, the size of the company has a significance of 0.168.

The results of the study show that (1) dividend policy does not affect firm values, (2) debt policy has no effect on firm values, (3) profitability has an effect on firm values, and (4) firm size does not affect firm value.

Keywords: dividend policy, debt policy, profitability, firm size, firm value