**ABSTRACT**

Yosef / 22150415/2019 / Effect of Capital Structure, Profitability, and Dividend Policy on Firm Value in Manufacturing Companies Listed in Indonesia Stock Exchange (IDX) from 2015 to 2017 / Advisor : Martha Ayerza Esra, S.E., M.M.

A company established to increase the wealth of its shareholders. In making decisions so that companies can work with the maximum variable capital structure, profitability, and dividend policy is proven to affect the value of the company. Therefore, caution is needed by management in making decisions considering each financial decision can affect the value of the company and will have an impact on the achievement of company goals.

Trade-off theory explains why a company in using an optimal loan will add value to the company because it succeeded in making a profit by using a loan. This theory is supported by Modigliani Miller, if a company uses debt in a capital structure more than its optimal capital structure target, it will reduce the value of the company.

This research was conducted at manufacturing companies that were published on the Indonesia Stock Exchange in the 2015-2017 period. Using the SPSS 20 method. Data collection is carried out by the method of collection through financial reports that are 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 the regression model used has met the classical assumption test.

The results showed that the data were normally distributed and passed the classical assumption test (normality, multicollinearity, heteroscedasticity and autocorrelation). The significance value of the credit policy is 0.290. Profitability has a significance value of 0,000 and dividend policy has a value of 0.152.

The conclusions show (1) capital structure does not have a significant effect on firm value, (2) profitability has a significant effect on firm value, and (3) dividend policy does not significantly influence firm value.