# ABSTRACT

Yoshua / 32150293 / 2019 / The Influence of Profitability, Investment Opportunity Set, Components of Corporate Governance and Firm Size on Firm Value ​​in Manufacturing Companies Listed in Indonesia Stock Exchange in the Period of 2015-2017 / Advisor: Yustina Triyani, Dra., M.M., M.Ak.

Firm value can be influenced by various factors including profitability, firm size, and investment opportunity set. An Investment Opportunity Set is a choice of future investment opportunities or projects that have a positive net present value. Managers as company managers know more about internal information and company prospects in the future than shareholders. To reduce the occurrence of information asymmetry, the company needs to apply the components of corporate governance which in this study consists of the number of audit committees, the proportion of independent commissioners, managerial ownership, and institutional ownership. This research aims to understand the effect of profitability, investment opportunity set, components of corporate governance and firm size on firm value in manufacturing companies listed on the Indonesia Stock Exchange for the period 2015-2017.

Firm value is a reflection of how a company's performance influences investors' views on the company. The theory underlying this research is agency theory and signaling theory. Each theory has its own connection with research variables. The variables used in this research are profitability, investment opportunity set, number of audit committees, proportion of independent commissioners, managerial ownership, institutional ownership and firm size.

The object used in this research is a manufacturing company listed on the Indonesia Stock Exchange (IDX) for the period 2015-2017. The sampling technique used was *non probability sampling* with *purposive sampling method.* The samples obtained were 34 companies per year to obtain 102 observation data. The tests performed are descriptive statistical test, coefficient similarity test, classic assumption test, and multiple regression test.

The results of the research show that the seven variables can explain 85.7% of the value of the company. The f test results obtained values ​​of 0,000 which means that simultaneously the variable X has an effect on the variable Y. The results of the t test show profitability variable with sig. 0.0255, investment opportunity set variable with sig. 0.0000, and managerial ownership variable with sig 0,0005. Meanwhile, the number of audit committees variable with sig. 0.2445, the proportion of independent commisoners variable with sig. 0,2455, institutional ownership variable with sig. 0,2445, and firm size variable with sig. 0,0825.

The conclusion of this research is that there is sufficient evidence that the profitability, investment opportunity set and managerial ownership have a positive effect on firm value.There is not enough evidence that the number of audit committees, the proportion of independent commissioners, institutional ownership, and firm size have a positive effect on firm value.

*Keywords : profitability, IOS, the number of audit commitees, the proportion of independent commisioners, managerial ownership, institutional ownership, firm size*