ABSTRACT

THE EFFECT OF INVESTMENT DECISION, FUNDING DECISION, DIVIDEND POLICY, FIRMSIZE, AND BUSINESS RISK TO FIRM VALUE.

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This study is purpose to know the effect of investment decision, funding decision, dividend policy, firmsize and business risk to firm value. This study’s sample are include 19 companies which were as LQ45 between 2011-2013 by using purposive sampling. This study’s result shows the explanation ability by the variance of five independent variabel it’s about 34% and the rest 66% effected by others factor out of this study.

F-test results show the simultaneous interaction between investment decision, funding decision, dividend policy, firmsize and business risk have a significant effect on firm value. T-test results show that partially investment decision, firm size, business risk have a significant effect on firm value, while funding decision and dividend policy have no effect on firm value.

Keywords: Investment Decision, Funding Decision, Dividend Policy, Firm Size, Business Risk, Firm Value