ABSTRACT

THE INFLUENCE ANALYSIS OF PROFITABILITY, INVESTMENT OPPORTUNITY SET (IOS) AND THE FINANCING DECISION OF CORPORATION VALUE
(Empirical Study On The Food and Beverage Companies Listed On BEI)

By

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The main objective of this study was to determine the influence of the level of profitability, investment opportunity set and financing decisions on firm value in Food and Beverage companies listed in Indonesia Stock Exchange (BEI). Independent variable used is the level of profitability with Return on Assets (ROA), investment opportunity set with Price Earnings Ratio (PER) and funding decisions by Debt to Equity Ratio (DER). Dependent variable used was the enterprise value using the Price to Book Value (PBV).

The data used in this study was a food and beverage company data listed in the Indonesia Stock Exchange in 2007-2010. The method of sample selection in this study used a purposive sampling technique of sample selection, the type of sample selection based on certain criteria and considerations.

From the research results after testing is known that variable levels of profitability, investment opportunity set and funding decisions have a significant influence on the value of the company with a significant level of 0.000.

Keywords: Level of Profitability, Investment Opportunity Set, Financing Decisions, Corporation Value.