

ABSTRACT

In general, the main goals of the company is to increase the prosperity of shareholders by maximizing the value of the company. Firm value reflects the good or bad performance of the company which can be seen from the increase in stock market price on the capital market. With a high corporate value, it gives a positive signal to investors about the investment opportunities, so investors will be interested in investing their capital in the company.

This study aims to determine the effect of funding decision (debt to equity ratio), liquidity (current ratio), sales growth (sales growth), and firm size (Ln total sales) on firm value (price to book value) in manufacturing companies food and beverages sub-sector listed on Indonesia Stock Exchange in 2017-2020.

The population in this study are in manufacturing company food and beverages sub-sector listed on Indonesia Stock Exchange in 2017-2020. The sample selection technique used was purposive sampling and obtained 11 companies with a research period of 4 years, so that 44 sample were obtained. The data analysis method in this research is descriptive statistical analysis, classical assumption test, and hypothesis testing with panel data regression analysis using Eviews version 12 software.

Based on the test results, the funding decisions, liquidity, sales growth, and firm size simultaneously have a significant effect on firm value. Partially that the funding decision, liquidity have a significant effect on firm value. While, the sales growth and firm size variable don't have a significant effect on firm value.

This research is suggested to be a good reference and can be re-examined using other independent variable with the latest time period. For the investors, this study can be used as a source of additional information to making investment decisions. And for the company, is suggested to company managers to maintain the availability of internal funds, to be able to defray the company's operating activities and investment.. So, certainly will increase the confidence of external parties in the company opportunities in the future, and affect the increase on firm value.

Keywords : Firm Size, Firm Value, Funding Decision, Liquidity, and Sales Growth.