

ABSTRACT

Company value is a perception or response of investors to the demand and supply made by a company often with the share price offered by potential investors of a company to be sold. The price of shares traded on the stock exchange is a consideration for the value of the company.

The purpose of this study is to determine the effect of institutional ownership and dividend policy on company value with control variables of profitability, leverage, and company size in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020.

The population in this study is the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The sampling technique used was purposive sampling and the number of samples used in this study was 60 samples consisting of 12 companies with a research period of 5 years. The data analysis method uses panel data regression analysis using Eviews 9 software by carrying out several testing stages.

The results of this study indicate that institutional ownership and dividend policy with control variables of profitability, leverage, and company size have a simultaneous effect on company value. Partially dividend policy has a positive effect on company value. Meanwhile, institutional ownership has no effect on company value.

This research is expected to assist potential investors in determining the amount of the company value using the calculation of price for book value (PBV) with several calculation factors with independent institutional ownership variables, and dividend policy.

Keyword: company value, institutional ownership, dividend policy, profitability, leverage, and company size.