

ABSTRACT

Firm value is a fair assessment of a company's performance, reflecting how the company is valued and related to its stock value. One method to assess a company's value is by using the ratio of market stock price to book value, known as Price to Book Value (PBV).

This study aims to determine the effect of liquidity and the number of board directors on firm value, with firm size and leverage as control variables, in coal mining companies listed on the Indonesia Stock Exchange from 2019-2022. The proxies used for the independent variables are: liquidity, measured using the current ratio, and the board of directors, measured by the number of directors.

This study uses a quantitative method with secondary data and uses eviews 12 software to test the research hypothesis. The population in this study was 40 coal industry companies. The sampling technique used was purposive sampling and 32 coal industry companies were selected from 2019-2022. The data analysis technique in this study was descriptive statistical analysis and panel data regression analysis.

Based on the research results, in coal mining companies listed on the Indonesia Stock Exchange, liquidity and the number of board directors, with firm size and leverage as control variables, simultaneously influence firm value. Partially, the liquidity variable does not affect firm value, and the number of board directors does not influence firm value.

The contribution of this research is to provide insights into the factors influencing firm value, especially in the coal mining industry listed on the Indonesia Stock Exchange. Suggestions for future researchers include increasing the sample size, expanding the scope of research objects, and developing other research variables.

Keywords: Firm value, liquidity, number of board directors, firm size, leverage