THE INFLUENCE OF FINANCIAL PERFORMANCE AND COMPANY SIZE ON THE VALUE OF FOOD AND BEVERAGES COMPANIES LISTED IN INDONESIA STOCK EXCHANGE.

Dhita Elviana, Imron HR
Department of Management
Indonesian College of Economics
Jakarta, Indonesia
dhitaelviana89@gmail.com; Imron_hr@stei.ac.id;

Abstract - *This research aims to determine the effect of financial performance and the firm size on the value of the company. Dependent variables of Company Value are measured using Price to Book Value (PBV). Independent variables of financial performance consisting of Current Ratio (CR), Debt to Equity Ratio (DER), Total Asset Turnover (TATO), Return On Assets (ROE) and Firm Size using Ln Total Assets. The object of this research is a food and beverages company listed on the Indonesia Stock Exchange for 2015-2019, sample selection was conducted with purposive sampling techniques and obtained by 9 companies. The research period for 5 years in the quarter period resulted in a total observation of 180. This research was conducted using multiple linear regression data-based panels. The results of this study are Current Ratio, Debt to Equity Ratio and Return On Equity has a positive and significant effect on the value of the company. Total Assets Turnover has a negative and no significant effect on the value of the company while the Size of the Company has a positive and no significant effect on the value of the company.*

Keywords**:** *Current Ratio, Debt to Equity Ratio, Return On Equity, Total Assets Turnover, Firm Size, Price to Book Value*

Abstrak– *This research aims to determine the effect of financial performance and the firm size on the value of the company. Dependent variables of Company Value are measured using Price to Book Value (PBV). Independent variables of financial performance consisting of Current Ratio (CR), Debt to Equity Ratio (DER), Total Asset Turnover (TATO), Return On Assets (ROE) and Firm Size using Ln Total Assets. The object of this research is a food and beverages company listed on the Indonesia Stock Exchange for 2015-2019, sample selection was conducted with purposive sampling techniques and obtained by 9 companies. The research period for 5 years in the quarter period resulted in a total observation of 180. This research was conducted using multiple linear regression data-based panels. The results of this study are Current Ratio, Debt to Equity Ratio and Return On Equity has a*

positive and significant effect on the value of the company. Total Assets Turnover has a negative and no significant effect on the value of the company while the Size of the Company has a positive and no significant effect on the value of the company.

Keywords: *Current Ratio, Debt to Equity Ratio, Return On Equity, Total Assets Turnover, Firm Size, Price to Book Value*

I. PRELIMINARY

The more developed the economy in Indonesia makes competition between companies even tighter. The company must be able to provide benefits and also have good future prospects for the parties involved in the company. Each company will compare its performance with its competitors. However, the analysis of the comparisons carried out, both in terms of financial ratios and company size, cannot be compared with all types of companies. The comparison must be made with companies whose activities are of the same type or can be said to be in the same industry category.

One of the industrial sectors listed on the IDX (Indonesia Stock Exchange) is the consumer goods sector. All subsectors included in the consumer goods industry consist of producers who provide basic necessities for people's lives. Products of basic necessities such as drinks, food, medicine and even necessities that support people's daily activities. Therefore, these products are said to be consumptive in nature and are widely liked by consumers. When examined again, of the five subsectors that can be seen as having significant developments is the food and beverage sector (Dewi and Sudiartha, 2019).

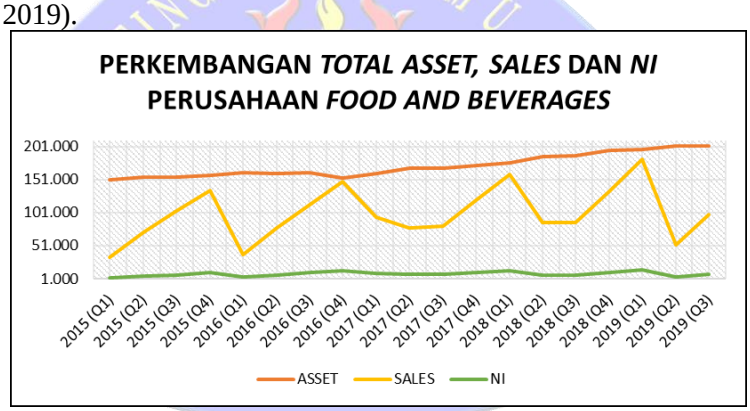

Figure 1. Graph of the development of Total Asset, Sales and Net income for food and beverages sector companies (Indonesia Stock Exchange website, 2020)

In the attached graph, it can be seen that companies in the food and beverages sector have fluctuating movements. The most visible movement occurs in the sales earned by the company. Companies in the food and beverages sector get income from selling the goods they produce. The company experienced a decrease in sales when it reached the end of the year. It can be seen that when the end of 2015 entered the beginning of 2016, the sales of companies in this sector experienced a sharp decline so that company revenues also decreased. The decline was repeated when the end of 2016 which entered the beginning of 2017, the majority of company sales experienced a decline. However, this trend changed when entering the beginning of 2018 and 2019. At the beginning of that year, the company's sales increased. The most visible fluctuations in the sales section are not seen in the company's total assets and net income. The two parts are more likely to increase each year, although not experiencing a very large increase.

In achieving the goal, a company must be able to create company value that has a high selling value. Companies must be able to manage the resources they have in order to meet these goals. The high value of the company will show that the company is able to provide prosperity to the owner of

the company. In addition, the high value of the company also indicates the company's good financial performance (Sianipar, Sar inah 2017). Firm value can be measured using several ratios. One of them is Price to Book Value (PBV). With PBV it can reflect the size of the company's wealth. By comparing the share price and book value per share, it can reflect the company's ability to provide prosperity to shareholders as seen from the high value.

Companies need to conduct regular performance appraisals. The purpose of periodic evaluation is to ascertain whether company managers are on the right track, so as to determine the right shareholder value. There are several types of company performance measures that companies use, including Liquidity Ratios, Profitability Ratios, Asset Management Ratios (Activities) and Solvency Ratios (Leverage) (Tumandung, et al, 2017).

The use of financial ratios as a measure of company performance will be able to provide an overview of how the company is performing and whether the company's performance will have an influence on company value. Companies that have high share prices are also indicated as having good corporate value. Investors must choose companies that have significant positive stock price movements so that they can get high returns. Products owned by the company will have an influence on the company's ability to form stock prices to produce good corporate value. This food and beverages subsector company has good prospects in providing high company value, because the company's products are needed by the public.

So, based on the description of the phenomena previously described, and some research results still show different results, the researchers are interested in conducting research on what factors can affect the value of food and beverages companies listed on the Indonesia Stock Exchange. This study is entitled "The Effect of Financial Performance and Company Size on the Value of Companies in the Food and Beverages Sector Listed on the Indonesia Stock Exchange".

II. THEORETICAL BASIS

A. Financial Statements

Important sources of information from a company can be obtained from financial reports. From this information is used as a reference in making financial decisions. Financial reports are suggestions for organizing and summarizing what the company has, both in terms of company assets, corporate debt to the difference between the two at a certain time (Ross, et al, 2015: 24). According to PSAK 1 2014, in the preparation of financial statements which are part of financial reporting, there are several components that must be included. The components that must be available in the financial statements include statements of financial position, income statement, changes in equity, cash flow statements, notes to financial statements, and statements of financial position at the beginning of the previous recorded period.

In the report notes the Financial reports a n contains a description of accounting policies and other information. In addition, it is also equipped with information about the closest previous period. The presentation of all company activities related to finance is presented in the form of financial statements. This report contains company information, both company income and expenditures made by the company. In general, the company's financial statements are divided into three, namely the income statement, the change in equity report and the financial position report (Warren, et al, 2015: 163). In the income statement is provided directly from a list of existing balances containing income and expense accounts. The owner's capital account balance is the first part that is included in the statement of changes in equity.

B. Financial Performance

Performance within the company is important information for certain parties. Both the performance in terms of finance and the performance of the company's employees can show the level of achievement of the company. With financial performance can indicate the success of a company. Where a good performance indicates that the company is able to generate good profits too. In comparing company performance, it will definitely cause a problem if it has different sizes. Therefore, there is one way to avoid this problem, namely using financial ratios. Financial ratios are relationships that are determined from the financial information of a company which is used for comparison purposes (Ross, et al, 2015: 62).

Financial ratios can be interpreted as numbers obtained from the results of a comparison between financial statement items and other items that have a relevant and significant relationship (Syafri, 2008: 297). The relevant relationship can be seen through the relationship between companies that provide debt and capital, between cash and total assets and the cost of goods manufactured with total sales. By using these financial ratios it is able to reduce the problems that occur, because financial ratios do not use size. Financial ratios use only percentages, time periods and also multipliers. Traditionally according to (Ross, et al, 2015: 63), financial ratios can be categorized into several groups, namely:

1. Liquidity Ratio (short-term solvency ratio)

The liquidity ratio can show the ability of a company to meet its obligations or short-term debt it has (Hantono, 2018: 9). Short-term solvency ratio, the ratio used to provide information about the liquidity of a company. This calculation concentrates on the company's ability to pay the bills it has in the short term.

Gitman and Zutter (2012) state that the ability of a company to meet short-term liabilities at maturity using current assets can be said to be the company's liquidity. With this ratio, the company is able to measure its ability to plan debt and cash. The company is able to know if there are problems with cash flow and risks that may occur in the future.

Measuring liquidity using the current ratio can identify a company's ability to meet its obligations to pay short-term debt using cash flows generated from the company's main activities. This current ratio describes a paid instrument which assumes that all current assets can be used to pay (Kariyoto, 2017: 37).

So that in this study what will be used to represent the level of company liquidity is the current ratio, which is formulated as follows (Ross, et al, 2015: 64):

$$CR = \frac{Current\ Asset}{Current\ Liability} \qquad \text{.....(1)}$$

For companies, a high current ratio value is indicated as liquidity, but it can also indicate that the company is not using it and other current assets efficiently. A negative current ratio or less than 1 means that the company's net working capital has a negative value. However, the low current ratio of the company does not necessarily indicate that the company is not healthy, it is likely that the company has a large enough reserve from untapped loans.

2. Financial Leverage Ratio (Long-Term Solvency Ratio)

This ratio can be used by a company to determine the company's long-term capability in an effort to meet its financial obligations. According to (Keown, et al, 2015), financial leverage is the funding of a portion of the company's assets and securities that cover fixed or limited returns. Securities here act as intermediaries for companies or investors. Every company must be able to make a decision to use debt or shares as part of its company's financial structure

Leverage performance, can be measured using the debt-to-equity ratio, which shows the company's ability to carry out its obligations to pay off its debt by using the capital or equity it owns. Debt to equity ratio or what is commonly called DER, is a ratio used to show the extent to which capital can meet all debts held (Hantono, 2018: 12). That way, this ratio will be able to show how the influence of funds originating from creditors and funds originating from shareholders.

The ratio used in this study is the Debt to Equity Ratio. Debt to equity ratio calculation can be done using the formula (Ross, et al, 2015: 67):

$$\text{DER} = \frac{Total\ Debt}{Total\ Equity} \qquad \text{.....(2)}$$

By using these calculations, the results obtained indicate that the higher the ratio, the greater the amount of money from other people (debt) used to generate profits.

3. Asset Management Ratio or Turnover Rate

The use of this ratio helps the company find out how efficient it is in utilizing the assets it owns. The assets that are owned will generate sales. This ratio is also called the activity ratio. Gitman and Zutter (2012: 73) suggest the activity ratio, which is to measure the speed at which various accounts are converted into sales or cash (inflows or outflows).

Total Assets Turnover (Fixed Asset Turnover Rate) or commonly abbreviated as TATO, can show management's ability to manage all investments that can generate sales. The ratio, which is able to measure the performance of the company's activities, is able to show how the company's ability to use its assets. Companies must make the best use of their assets. Every asset owned by the company is expected to generate greater revenue or sales. So that the company has good prospects for the future.

The formula used to calculate this ratio is (Ross, et al, 2015: 71):

$$\text{TATO} = \frac{Sales}{Total\ Asset} \qquad \text{.....(3)}$$

The use of this ratio shows whether a company is able to operate efficiently financially. The higher this ratio, the higher the efficiency of the assets it uses. The company is expected to have a relatively short period of time to be more liquid.

4. Profitability Ratio

According to Hantono (2018), the profitability ratio which can be called the profitability ratio is a ratio that shows the ability of a company to generate profits. This ratio analyzes the company's profit based on the level of sales, the level of certain assets and the owner's investment.

The company's ability to manage its capital to generate profits can be seen with the Return On Equity indicator. ROE is a measure of how shareholders are successfully paid in the year concerned, or it can be said that ROE is the rate of return obtained from the capital that has been issued to a business. In the profitability ratio, the measure chosen is ROE, which is usually measured using a formula (Ross, et al, 2015: 73):

$$\text{ROE} = \frac{Net\ Income}{Total\ Equity} \qquad \text{.....(4)}$$

With these calculations, the higher the results obtained, the better. The high result of Return On Equity indicates that the performance is getting better because the company's return is also getting higher. This ratio will be very beneficial for the company in attracting potential investors because it can show the efficiency of the company in using its own capital.

C. Company Size

According to Hidayah (2014), company size is a scale that can indicate the size or size of the company or the number of assets owned by the company which can be measured using total assets owned, log size, stock market value and so on. In general, basically, company size can be divided into three categories, namely large companies, medium companies and also small companies. That way the size of the company can be determined using the formula:

Firm Size = ln (Total Asset) ……(5)

The size of a company can be described using the assets it owns. Usually companies that have large assets, indicating that the company has a large size. Vice versa, small companies also have not many assets. According to Brigham and Houston (2010), company size is the total average of net sales in a certain period. The bigger the company size, the more investors will be attracted to the company. Companies with large assets, if the company is able to manage well, will provide opportunities to obtain the maximum profit.

D. Signaling Theory

According to Brigham and Houston (2010), the company's actions in providing guidance on the company's prospects as a step to attract investors can be called a signal. The information provided can be in the form of information, a good description of the past, current or future prospects of the company to how it affects the company.

In providing information, it will contain positive or negative signs or signals that investors will accept as a reference in making decisions (Jagiyanto, 2010). The company will provide information about the company's performance and will make it easier for certain parties who do not understand financial statements. The information conveyed by the company and hopes that when investors receive this information, it will get investors a positive signal from this information. If the information can have a good signal, it can help the company increase the stock price because investors will believe that the company has a good future.

E. Company Value

Investor involvement in a company is based on company value. Usually investors will associate the company's value with the stock market price. The stock market price is the value an investor will spend to acquire shares. The higher the stock price, the higher the company's value. According to Brigham and Houston (2010), firm value is a measurement of company performance by linking stock prices with cash flow, earnings and book value per share. Sartono (2010: 487) also said that company value is the selling value of an operating business. The selling value that occurs above the liquidation value is the value of the organization running the company.

The formation of the share price in the capital market will be used as a proxy for measuring company value. One method of measurement that can be done is by using Price to Book Value (PBV). This ratio will show whether the stock market price that occurs is above or below the book value. The higher the value of this ratio, the more the market has confidence in the company's prospects for the future (Andryani, Dede 2019). The formula that can be used for the calculation of Price to Book Value (PBV) is as follows (Ross, et al, 2015: 75):

$$PBV = \frac{market\ value\ per\ share}{book\ value\ per\ share} \quad \text{……..(6)}$$

In the PBV calculation, the market value used in the calculation is the share price of a company that occurs in the capital market. Meanwhile, the book value per share can be obtained from the division between the total equity and the number of shares outstanding.

Hypothesis Formulation:

H1: Current Ratio affects the firm value (Price to Book Value) of consumer goods in the food and beverages subsector
H2: Debt to Equity Ratio affects the firm value (Price to Book Value) of consumer goods in the food and beverages subsector
H3: Total Assets Turnover affects the firm value (Price to Book Value) of consumer goods in the food and beverages subsector
H4: Return On Equity affects the firm value (Price to Book Value) of consumer goods in the food and beverages subsector
H5: Firm size affects firm value (Price to Book Value) of consumer goods in the food and beverages subsector

Research Conceptual Framework:

Based on the explanations that have been delivered, the research diagram can be described as follows:

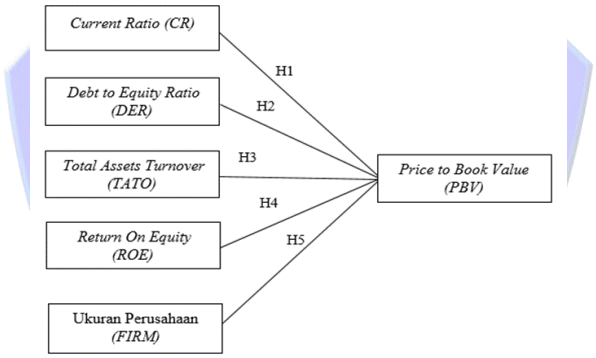

Figure 2. Conceptual Framework

This research consisted of five independent variables and one dependent variable. Based on previous research and the theoretical framework that has been described, the five variables consisting of Current Ratio, Debt to Equity Ratio, Total Assets Turnover, Return On Equity and Company Size are thought to have an effect on firm value as represented by Price to Book Value.

III. RESEARCH METHODS

1. Research Population

In a study, there are two populations, namely the general population and the target population. In general, the population of this study are manufacturing companies that are or have been listed on the Indonesia Stock Exchange. Then, the target population that will be used in this study is the consumer goods sector companies in the food and beverages subsector which are listed on the Indonesia Stock Exchange.

2. Research Sample

The sample is part of the population to be studied. This sampling comes from a predetermined population and decides to use purposive sampling technique, which is a sampling

technique using certain considerations. The considerations that will determine the sample used in the study are as follows:

1. Companies that are included in the consumer goods sector in the food and beverages subsector are included in the main part
2. The main food and beverage sub-sector companies that were listed on the Indonesia Stock Exchange before 2015 and have active stocks until 2019
3. A food and beverage sub-sector company that provides complete quarterly financial statement data, both financial position reports, income statements, cash flow and other data used in calculating Return On Equity, Current Ratio, Total Asset Turnover, Debt to Equity Ratio and Company Size starting from 2015-2019

Based on the predetermined technique, the samples used in this study were 9 companies that had met the researchers ' considerations, consisting of BUDI, CEKA, DLTA, ICBP, INDF, MLBI, MYOR, ROTI and ULTJ.

3. Data and Data Collection Methods

The data used in this research is secondary data, in the form of indirect data that has been processed by other parties and obtained from various existing sources. Sources of data collection can come from various literatures, articles, journals and official websites on the internet related to the research to be carried out. With the source of secondary data, the type of data used is documentary data. This data is processed by the company concerned, and published on the website of the Indonesia Stock Exchange and through the Indonesian Capital Market Directory (ICMD). The website will contain financial statements, quarterly profit and loss as well as information data that supports the calculation of the variables used. Meanwhile, data on stock prices is obtained from the yahoo finance website (yahoofinance.com).

4. Data Analysis Methods

1. Panel Data

This study will use panel data regression analysis as a method of data analysis. Panel data itself is a combination of time series data (data consisting of one or more observed variables in one observation unit within a certain time period) and cross section (data in observations consisting of several observations in one point of time) Basuki and Prawoto (2017: 275). With this panel data, the computer program used in the analysis of this research is EViews. By using descriptive statistical analysis method with quantitative analysis, it can describe the independent variables and the dependent variable. So that the multiple regression model used in the study is:

$$PBV = a + b1CR + b2DER + b3TATO + b4ROE + b5FIRM + e \quad \ldots\ldots (3.1.)$$

Information:

PBV = Price to Book Value
a = Constanta
CR = Current Ratio
DER = Debt to Equity Ratio
TATO = Total Assets Turnover
ROE = Return On Equity
FIRM = Firm Size
b (1-5) = Koefisien korelasi
e = error

There are three models that can be used when using panel data, namely:

1. Common Effect
This model approach only combines time series and cross section. To estimate these data, the OLS (Ordinal Least Square) least squares approach can be used.

2. Fixed Effect
This model is commonly called the Least Square Dummy Variable (LSDV). This is because this model uses pseudo variables or what is commonly called a dummy. The use of this dummy is because an object is likely to experience differences in certain times and conditions.

3. Random Effect
This model, which is commonly referred to as the ECM (Error Component Model), does not use all variables. The difference that occurs in the parameters is entered into an error. This model can solve the problem of the Fixed Effect Model that uses pseudo variables so that the model may experience uncertainty.

2. Model Testing

In choosing the right model, there are several tests that can be done in order to get the best results, including:

1. Chow test

The use of this test is carried out to choose the right model between Common Effect and Fixed Effect, using the chow test. The hypothesis will be accepted after the data is regressed using these two models.

H0 : $\beta 1 = 0$ (using Common Effect)
H1 : $\beta 1 \neq 0$ (using Fixed Effect)

2. Hausman Test

In this test, the model to be chosen is between Fixed Effect and Random Effect. This test uses Chi Square statistics as a guideline.

H0 : $\beta 1 = 0$ (using the Random Effect)
H1 : $\beta 1 \neq 0$ (using Fixed Effect)

3. Multiple Lagrange Test

The last test is a test to compare between the Random Effect and the Common Effect. The Lagrange Multiple value, which is greater than the Chi Square, means that the appropriate model is to use the Random Effect.

H0 : $\beta 1 = 0$ (using Common Effect)
H1 : $\beta 1 \neq 0$ (using the Random Effect)

3. Classic assumption test

In practice, classical assumptions do not apply in economics. However, before conducting a correlation and regression test, you must first perform a classic assumption test. This test is carried out to determine whether the model used is in accordance with reality or to avoid classical assumptions. D ilihat in general, classic assumption test is divided into four types, namely:

1. Normality Test

The normality test that is carried out can provide information about whether the regression model has a normal distribution or not. A good regression model is one that has a normal or near normal distribution value, so that the data that has been determined is feasible to be tested statistically (Priyatno, 2016).

2. Heteroscedasticity Test

A regression model that is considered good, will require that there is no heteroscedasticity problem. (Priyatno, 2016). This heteroscedasticity test is carried out in order to show that the regression model does not have an inequality in the variants there is no difference in the estimated value of the regression model.

3. Multicollinearity Test

This multicollinearity test is carried out to find out whether there is a perfect or even near perfect linear relationship / correlation between the two or more independent variables in the regression model (Priyatno, 2016). It would be better, there is no correlation between the two, because if this happens it will cause multicollinearity problems / problems.

4. Autocorrelation

Autocorrelation is a condition when observing one another has a relationship between residuals (difference in estimated values) (Priyatno, 2016). This is what must be avoided from the regression model so as not to cause problems. This test is usually done with the Durbin Watson test (DW test).

4. Hypothesis test

1. The t test

The t test is used to see the effect between variables, whether it has a significant relationship or not. This test is used in partial hypothesis testing. By using the regression coefficient test for each variable, it can be seen how much influence the independent variable has on the dependent variable. This t test was performed using a significance level of 0.05 (5%) or by referring to the t table.

2. The coefficient of determination

The coefficient of determination which is usually written with the symbol R2 shows how the ability of the independent variable to explain the dependent variable. The greater the coefficient of determination, the greater the independent variable in explaining the dependent variable.

IV. RESEARCH RESULT

1. Descriptive Statistical Analysis

Descriptive statistical analysis is used to see a summary of the calculation of company variables. In this study, descriptive statistical analysis was presented in the form of data on the average value, maximum value, minimum value and also the standard deviation of the variables. Based on the descriptive statistical test calculated using the Eviews 9 program, the results obtained are as follows:

Table 1. Descriptive Statistical Test Results

	PBV	CR	DER	TATO	ROE	SIZE
Mean	7,05685	2,70874	0,94337	0,76368	0,17379	22,4935
Maximum	81,15060	8,83690	4,35460	3,10480	1,30420	25,3092
Minimum	0,25640	0,40650	0,09530	0,14170	0,00290	20,6742
Std. Dev.	11,93486	1,98431	0,72173	0,53576	0,24938	1,39579
Observations	180	180	180	180	180	180

Source: Output eviews 9, 2020

The results of these calculations were obtained from 180 samples taken from 9 companies in the 2015-2019 period in the form of quarters. Based on the results of these calculations, the descriptive statistics of each variable are explained. The company's Current Ratio has an average of 2.708749 with a standard deviation of 1.984311 which indicates good results because the average of the Current Ratio has a fluctuation greater than the standard deviation so that it can explain the entire data (homogeneous data). From the results of these calculations, it can be seen that the value of the Debt to Equity Ratio of the nine companies has an average of 0.943376 with the highest value experienced by MLBI, reaching 4.354600 in Q2 2019. The lowest number of the nine companies occurred at PT. Delta Djakarta Tbk in early 2015 with a number of 0.095300 times. The standard deviation of the value of the company's Debt to Equity Ratio has low fluctuation below the average Debt to Equity Ratio of 0.721730 which proves that the data is homogeneous.

The maximum Total Asset Turnover value obtained by Wilmar Cahaya Indonesia Tbk. in 2018 amounted to 3.104800. Meanwhile, the minimum value of the entire sample is 0.141700 which occurred in DLTA companies in 2019 in the 2nd quarter. With a standard deviation of 0.535769, it is below the average value of the entire sample for the Total Asset Turnover value of 0.763683. For the average value of the Return On Equity variable is 0.17379, which shows that the movement of the Return On Equity value of each company is not too large. With this average value, the standard deviation has a greater value of 0.24938, which indicates that there is an unfavorable deviation and the data available is heterogeneous. With an average value of 22.4935 and a standard deviation of 1.39579, the company size has pretty good data because there is no deviation which is indicated by a standard deviation value that is smaller than the average value. While the average value of the Price to Book Value of the food and beverage subsector company is 7.05685 with a standard deviation greater than the average value of 11.93486. This indicates that the data used has a large spread or has high fluctuation so that the data deviation in PBV can be said to be less good.

2. Model Testing

1. Chow test

Chow test is performed to determine the right model between Common Effect and Fixed Effect. The significance level used is 5% (0.05). Based on data processing with eview 9, the chow test results were obtained as follows:

Table 2. Chow Test Results

Redundant *Fixed Effects* Tests Equation: Untitled Test cross-section *fixed effects*			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	24,856788	(8,166)	0,0000
Cross-section Chi-square	141,751857	8	**0,0000**

Source: Output eviews 9, 2020

Based on the results of the chow test carried out, the Chi Square Cross-Section value is 0.0000 which is below the significance value of 0.05 so that the hypothesis 0 is rejected, which means that the best model of this test is the fixed model.

2. Hausman Test

With a significance of 5% (0.05) the results of the thirst for test using eviews are as follows:

Table 3. Hausman Test Results

Correlated Random Effects - Hausman Test Equation: Untitled Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	84,549916	5	**0,0000**

Source: Output eviews 9, 2020

Based on Hausman test results conducted earned value Cross-Section random at 0.0000 which is below the value of the significance of 0, 05, so that the hypothesis 0 is rejected, which means the model t erbaik of this test is Fixed Effect.

3. Classic Assumption Test

1. Multicollinearity Test

With the assumption that the value is above 0.9, the variable has a relationship. The following are the results of the multicollinearity test obtained:

Table 4. Multicollinearity Test Results

	CURRENT RATIO	DER	TATO	ROE	FIRM SIZE
CURRENT RATIO	1.000000				
DER	-0.681630	1.000000			
TATO	0.033146	-0.099968	1.000000		
ROE	-0.206157	0.523251	0.234570	1.000000	
FIRM SIZE	-0.337680	-0.025936	-0.251685	-0.196326	1.000000

Source: Output eviews 9, 2020

In the multicollinearity test results have absolute value. Tests conducted on the five independent variables show that between one variable and another variable has a value under 0.9. Therefore, based

on the results obtained, it can be concluded that this study does not experience multicollinearity problems.

2. Heteroscedasticity Test

This test is carried out to determine whether in the model there is an inequality of variance from one observation residual to another. The following are the results of the heteroscedasticity test:

Table 5. Test Results Heteroskidastity

F-statistic	14,04548	Prob. F(5,174)	0,0000
Obs*R-squared	51,75885	Prob. Chi-Square(5)	**0,1235**
Scaled explained SS	226,4982	Prob. Chi-Square(5)	0,0000

Source: Output eviews 9, 2020

Based on the results of the output, it can be seen that the probability result of Obs * R-squared is 0.1235. This value is above 0.05, which indicates that the model in the study does not occur heteroscedasticity problems.

4. Panel Data Regression Model

By using the Fixed Effect Model, the following panel data regression results can be obtained:

Table 6. Fixed Effect Model Regression Results

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	-83,16436	37,99353	-2,188909	0,0300
CR	0,959392	0,350141	2,740019	0,0068
DER	10,42999	0,807589	12,91497	0,0000
TATO	-0,772020	0,791229	-0,975724	0,3306
ROE	9,769695	2,336453	4,181421	0,0000
FIRM SIZE	3,408738	1,674958	2,035118	0,0534

Source: Output eviews 9, 2020

Based on the output results, the panel data equation can be obtained as follows:

$$PBV = -83,16436 + 0,959392\ CR + 10,42999\ DER - 0,772020\ TATO + 9,769695\ ROE + 3,408738\ FIRM\ SIZE + e$$

Information:

PBV	: Price to Book Value
CR	: Current Ratio
DER	: Debt to Equity Ratio
TATO	: Total Asset Turnover
ROE	: Return On Equity
FIRM SIZE	: Firm Size

Based on this equation, it can be explained as follows:

1. The liquidity regression coefficient as measured by using the Current Ratio is 0.959392, indicating that if there is an increase in the Current Ratio of 1%, the firm value (Price to Book Value) will increase by 0.96% assuming the other variables are constant.

2. The leverage regression coefficient measured using the Debt to Equity Ratio is 10.42999, indicating that if there is an increase in the Debt to Equity Ratio by 1%, the company value (Price to Book Value) will increase by 10.43% assuming the other variables are constant.
3. The activity regression coefficient measured using Total Asset Turnover is -0.772020, indicating that if there is an increase in Total Asset Turnover by 1%, the firm value (Price to Book Value) will decrease by 0.77% assuming the other variables are constant.
4. The profitability regression coefficient measured using Return on Equity is 9.769695, indicating that if there is an increase in Return on Equity of 1%, the company value (Price to Book Value) will increase by 9.77% assuming the other variables are constant.
5. The Firm Size regression coefficient of 3.408738 indicates that if there is an increase in Firm Size of 1%, the firm value (Price to Book Value) will increase by 3.41% assuming the other variables are constant.

5. Hypothesis Testing

1. Significant test t

The t test is a test that is carried out individually or partially to determine the effect of the independent variable on the dependent variable. By using a significant value of 0.05, if the probability is ≤ 0.05, it can be concluded that the independent variable has an influence on the dependent variable. However, if the probability value is> 0.05, it can be concluded that the independent variable has no influence on the dependent variable. In this study, the number of observations used was 180 samples with 5 independent variables and 1 dependent variable, so based on the available t-value table, the t-table value obtained was 1.97369. So that it can be described regarding hypothesis testing as follows:

1. Hypothesis Testing 1

The first hypothesis in this research is that Current Ratio (CR) affects firm value (Price to Book Value). Based on the output results listed in table 4.5. It can be seen that the tcount of CR is 2.740019 which has a value greater than the ttable which is 1.97369 (tcount <ttable). With a probability value of 0.0068 which is smaller than the significance value of 0.05, it can be concluded that the first hypothesis (H1) is accepted. This means that the Current Ratio has a positive and significant effect on the Price to Book Value in the food and beverages sector.

2. Hypothesis Testing 2

The second hypothesis in this study uses the Debt to Equity Ratio as an indicator of calculating the company's leverage influencing the Price to Book Value ratio as an indicator of the value of food and beverages companies. Based on the results of the significant t test that can be found in table 4.5, it is obtained t count 12.91497> t table 1.97369. The probability value for this variable is 0.0000. With these results it can be concluded that the second hypothesis (H2) is accepted. This means that the Debt to Equity Ratio has a positive and significant effect on the Price to Book Value of the food and beverages sector.

3. Hypothesis Testing 3

The third hypothesis uses Total Asset Turnover as a measure of the company's activity ratio which affects the Price to Book Value ratio as an indicator of the value of food and beverages companies. The result of the significant t test shows the value of t-statistic -0.975724 <t table 1.97369. With a probability value of 0.3306 (greater than the significance value of 0.05) it can be concluded that the third hypothesis (H3) is rejected. This means that Total Asset Turnover has a negative and insignificant effect on the Price to Book Value in the food and beverages sector.

4. Hypothesis Testing 4

The fourth hypothesis in this study is that Return On Equity has an effect on the Price to Book Value ratio as an indicator of the value of food and beverages companies. Based on the results of the significant t test, it is found that the t-statistic is 4.181421> t table 1.97369. With a probability value of 0.0000 (below a significance value of 0.05), it can be concluded that the fourth hypothesis (H4) is accepted. This means that Return On Equity has a positive and significant effect on the firm value of Price to Book Value in the food and beverages sector.

5. Hypothesis Testing 5

The fourth hypothesis in this study is that Firm Size has an effect on the Price to Book Value ratio as an indicator of the value of food and beverages companies. Based on the results of the significant t test contained in table 4.5, the t-statistic result is 2.035118> t table 1.97369. The probability value is 0.0534 which is above the significance value of 0.05. Based on these results it can be concluded that the fifth hypothesis (H5) is rejected. This means that Firm Size has a positive and insignificant effect on the Price to Book Value in the food and beverages sector.

2. The coefficient of determination

The coefficient of determination shows how the ability of the independent variable to explain the dependent variable. The greater the coefficient of determination, the greater the ability of the independent variable to explain the dependent variable. The following are the results of the calculation in the coefficient of determination test:

Table 7. The results of the determination coefficient test

R-squared	0,919560	Mean dependent var	7,056849
Adjusted R-squared	**0,913260**	S.D. dependent var	11,93486
S.E. of regression	3,515003	Akaike info criterion	5,426544
Sum squared resid	2050,971	Schwarz criterion	5,674886
Log likelihood	-474,3890	Hannan-Quinn criter.	5,527236
F-statistic	145,9731	Durbin-Watson stat	0,945031
Prob(F-statistic)	0,000000		

Source: Output eviews 9, 2020

Based on the table above, the results of the coefficient of determination as seen from the Adjusted R-squared value of 0.913260 (91.33%) are above 0.5 (50%). With these results, it indicates that the ability of the dependent variable in explaining the independent variables in the research conducted is quite strong. So that there are 8.67% other factors that come from outside the research that can have an influence on firm value.

6. Discussion of Results

1. Effect of Current Ratio on Firm Value

The high value of Current Ratio indicates that the company has good internal finances. The higher the liquidity of the company, the better the company's ability to fulfill its obligations and the better the company's value. In addition, the high current assets of the company can be used as a deterrent to liquidity in the company. So it can be concluded that the Current Ratio value has a significant positive effect on firm value.

The results of previous research conducted by Sukarya and Baskara (2019) concluded that company liquidity has a significant positive effect on firm value, and Khairunnisa, et al (2019) concluded that the Current Ratio has no significant effect in a positive direction on Price to Book Value. Researchers reveal that investors will see the company's ability to use its debt to generate income in order to increase profits.

2. Effect of Debt to Equity Ratio on Firm Value

The company's high Debt to Equity Ratio indicates the company's high debt, which may decrease the company's value. However, the higher the capital structure of the company can also provide a good indication that the company is able to protect the company from losses in its operational activities. This will be in accordance with signal theory, where the company will give an indication that the company is able to provide good prospects in the future by increasing its debt.

The results of research conducted by Yanti and Darmayanti (2019) obtained the same conclusion that the company's capital structure has a significant positive effect on firm value. This is because investors will see the company's ability to take advantage of its debt.

3. Effect of Total Asset Turnover on Firm Value

When viewed from the company's ability to manage assets, the company's value should follow the increase because the company has a good performance. However, investors will have the perception that the composition of assets is dominated by fixed assets which will approach extreme conditions. This condition can lead to negative sentiment for investors which affects the decline in stock prices which will also reduce the value of the company

The results of previous research conducted by Andryani, Dede (2019) concluded that Total Asset Turnover has no significant effect on firm value. Where the high Total Asset Turnover will reduce the value of the company as measured by Price to Book Value, because investors will consider this condition inefficient for the company which will cause a decline in stock prices which will also reduce the value of the company.

4. Effect of Return On Equity on Firm Value

With the results of this study indicate that the higher the value of Return On Equity will affect the value of the company which will also increase. The high result of calculating the Return on Equity of a company will indicate that the rate of return that will be received by investors will also be high so that it can be said that the company has good financial performance.

The results of previous research conducted by Simanungkalit and Silalahi (2018) concluded that Return On Equity has a significant positive effect on firm value (Price to Book Value). However, in a study conducted by Dewanto, et al (2017), it was found that Return on Equity did not have a significant effect on firm value. From the results of these studies, capital management in generating profits in the industry is good, but the increase or decrease in Return on Equity does not directly affect firm value.

5. The Effect of Firm Size on Firm Value

The company must be able to manage these assets well in order to create good corporate value. However, this increase does not directly affect the value of the company, because asset owners may also feel concern about how these assets are used. Therefore, a company with a large size also has a bigger responsibility so that it can create a good image for internal and external parties of the company. With these conditions able to prove the results of research which states that company size has a positive and insignificant effect on firm value.

The results of research conducted by Suriyati et al (2019) concluded that company size had no effect on firm value. These results indicate that the high size of the company will increase firm value, because the company has sufficient assets to support the company's activities both in the short and long term.

V. CONCLUSIONS AND SUGGESTIONS

1. Conclusion

Based on the research results previously described, the conclusions that can be drawn from this study are:

1. *Current Ratio* has a positive and significant effect on the firm value (Price to Book Value) of the food and beverages sector listed on the Indonesia Stock Exchange.
2. *Debt to Equity Ratio* has a significant positive effect on the firm value (Price to Book Value) of the food and beverages sector listed on the Indonesia Stock Exchange.
3. *Total Assets Turnover* has a negative and insignificant effect on the company value (Price to Book Value) of the food and beverages sector listed on the Indonesia Stock Exchange.
4. *Return On Equity* has a positive and significant effect on the firm value (Price to Book Value) of the food and beverages sector listed on the Indonesia Stock Exchange.
5. Company size has a positive and insignificant effect on the firm value (Price to Book Value) of the food and beverages sector listed on the Indonesia Stock Exchange.

2. Suggestions

Based on the research that has been done, the researcher provides suggestions that are expected to provide the following benefits:

1. For companies in the Food and Beverages industry, it is recommended that they manage financial performance that can affect company value. In this case for food and beverage companies to be able to improve the capital structure and company profitability so as to increase company value.
2. Investors are expected not to make financial reports the main reference in their consideration of buying shares. Investors must also pay attention to the prospects of the national economy because inflation and interest rates can also affect stock prices which will have an impact on company value.
3. For further researchers, it is hoped that this research can be used as a reference or additional information in conducting research so that it can get better results.

REFERENCE LIST

Andryani, Dede. 2019. Effect of Financial Performance on The Value of Food and Beverage Sub Sector Manufacturing Companies Listed on indonesia Stock Exchange 2012-2018. E Usu Journal

Basuki, Agus Tri and Prawoto. 2017. Regression Analysis In Economic & Business Research: SPSS & EVIEWS Application Equipped. Depok: PT Rajagrafindo Persada.

Bringham, Eugene F and Joel F Houston. 2010. Financial Management Basics. Jakarta: Salemba Four.

Dewanto, Alfret Kristanto et al. 2017. Effect of Leverage and Profitability Ratio on The Value of Food and Beverage Industry Companies Listed on the Indonesia Stock Exchange. Journal of Management Sciences Tadulako University. Vol. 3, No. 1, January 2017, 011-026.

Dewi, Ni Luh Putu Suryani and I Gede Mertha Sudiartha. 2019. Effect of Profitability, Liquidity, Leverage, and Company Size on Stock Return on Food and Beverage Companies. E-Journal of Management. Vol. 8, No.2, 7892-7921.

Gitman, Lawrence J and Chad J Zutter. 2012. Principle of Managerial Finance. England: Pearson Education Limited.

Hantono. 2018. Financial Report Analysis Concept with Ratio and SPSS Approach. Yogyakarta: Deepublish.

Hidayah, Nurul. 2014. The Effect of Company Characteristic Toward Firm Value in The Property and Real Estate Company in Indonesia Stock Exchange. International Journal of Business, Economics and Law. 5(1): pp: 1-8.

Jogiyanto, HM. 2010. Event Study (Testing Capital Market Reaction due to an Event). Issue 1. Yogyakarta: BPFE Yogyakarta

Kariyoto. 2017. Analysis of Financial Statements. Malang: UB Press.

Keown, Arthur J. et al. 2015. Financial Management: Principles and Implementation, tenth edition. Jakarta: Index.

Khairunnisa, Tanty et al. (2019). The effect of Debt to Equity Ratio, Return On Assets, Assets Growth, Current Ratio, and Total Assets Turnover on The Company's Value in Food and Beverage Sector Companies Listed on the Indonesia Stock Exchange. E Journal Unsri. Vol.16, No.1.

Priyatno, Duwi. 2016. Review of Data Analysis Tools and How to Do It with SPSS. Yogyakarta: Gava Media Publisher.

Ross, Stephen A et al. 2015. Introduction to Corporate Finance. Salemba Four. Jakarta.

Sartono, Aug. (2010). Financial Management Theory and Application. Fourth Edition.Yogyakarta: BPFE.

Simanungkalit, Rius Witari br and Evelin R. R. Silalahi. 2018. Effect of Company Size, Return On Equity, Debt to Equity Ratio and Current Ratio on Company Value in Food and Beverage Companies Listed on Indonesia Stock Exchange. JRAK. Vol. 4, No. 2, September 2018.

Sukarya, I Putu and I Gede Kajeng Baskara. 2019. Effect of Profitability, Leverage and Liquidity on The Value of Food and Beverages Sub-Sectors. E-Journal of Management. Vol. 8, No. 1, 2019.

Syafri, Sofyan Harahap. 2008. Critical Analysis of Financial Statements. Jakarta: PT. King Grafindo Persada.

Tumandung, C.O. et al. 2017. Analysis of The Effect of Financial Performance on Share Prices in Food and Beverage Companies Listed in IDX Period 2011 – 2015. Journal of Economic Research, Management, Business and Accounting. Vol.5 No.2, June 2017. p. 1728 – 1737.

Warren, et al. 2015. Introduction to Accounting. Jakarta: Salemba Four.

www.iaiglobal.or.id

www.icmd.com

www.idx.co.id

www.yahoofinance.com

Yanti, I Gusti Ayu Diah Novita and Ni Putu Ayu Darmayanti. 2019. Effect of Profitability, Company Size, Capital Structure, and Liquidity on Food and Beverage Company Value. E-Journal of Management. Vol. 8, No.4, 2019.