THE EFFECT OF CAPITAL STRUCTURE, DIVIDEND POLICY AND FIRM SIZE TO FIRM VALUE OF AGRICULTURAL SECTOR COMPANIES LISTED IN INDONESIA STOCK EXCHANGE PERIOD 2014-2018

1st Yulita Sari
Sekolah Tinggi Ilmu Ekonomi Indonesia
Jakarta, Indonesia
yulita336@gmail.com

Abstract– *Company has a normative goal to maximize the value of companies, whice aims to maximize shareholder wealth. This study aims to analyze the factors that value effect of the company. The variables used in the study is capital structure, Dividend Policy and Firm Size.*

The research was conducted on agricultural sector companies listed on the stock in Indonesia Stock Exchange period from 2014 to 2018. The dependent variable in this study is the value of the company is measured by Price to Book Value (PBV). The independent varieable in this study is capital structure is measured by Debt to Equity Ratio (DER), dividend policy is measured by Dividend Payout Ratio (DPR) and the size of the company is measured by Firm Size. Sampling was conducted using purposive sampling method whice produces 20 companies as the study of a population sample of 24 companies. The method used in this research is a multiple linier regression.

The result of the study showed that Capital Structure and Dividend Policy indicated positive and significant effect to Firm Value, while the Company Size Decision have a negative and significant effect to Firm Value.

Key Word: *Capital Structurel, Dividend Policy, Firm Size and Firm Value*

PRELIMINARY

Global economic development makes companies as economic actors must be able to compete with other companies. The main objective of a company is to improve the welfare of the owner of the company indicated by the increase in the value of the company and reflected in its share price (Hamzah Ahmad, 2018). In today's creative industries, companies are increasingly emerging, especially in Indonesia. The company must have a goal of increasing the value of the company. The high value of a company's shares is directly proportional to the high value of the company. The establishment of a company must have a clear purpose. The company's objectives include getting maximum profit, prospering the owner of the company and optimizing the value of the company that can be seen from its share price.

The increase in the share price affects the maximum value of the company so that it provides prosperity for shareholders when the share price is high, then the prosperity of its shareholders is higher. Enterprise Value (EV) or firm value is an indicator for the market in providing an overall assessment of the company (Salvatore 2011:10). Some factors that can affect the value of the company include capital structure, dividend policy, company size and investment decisions.

The value of a company is an illustration of the state of a company, where there is a special assessment by prospective investors on the poor financial performance of a company. Every company owner tries to give a good signal to the public about the value of the company. This is done by the company to obtain capital from external to increase the company's production activities (Mardiyati, 2015). The company's value is measured by Price Book Value (PBV), this ratio is the ratio between the share price and the book value. Companies that run well generally have a PBV ratio above one that indicates that the stock market value is greater than its book value (Sari, 2013).

The first factor that affects the value of the company is the capital structure. The capital structure is a balance between the use of own capital and external capital, where the capital itself is retained profit and share ownership, while external capital in the form of debt (Rumondor, 2015:2). Until now, the capital structure was a problem for the company because of its influence on the value of the company. Therefore, the company needs a financial manager to create an optimal capital structure that can balance the use of debt with its own capital. According to Makkulau (2018) that a good capital structure is needed to build a company. This can help the company to determine the main steps for a company in order to move forward better.

Determining a good capital structure is important to know the financial condition as well as the ability of the company in paying and financing its own operational activities. If the financial condition is good, then it is actually not necessary to find or increase capital through debt, because it will only reduce the profit earned by the company. This opinion is supported by Brealey et al, (2011) where he relies more on his own capital than the addition of capital from outside the company. The issue of capital structure is an important problem for every company, because the bad capital structure of the company will have a direct effect on its financial position.

Uncertainty of the relationship of capital structure to the value of the company is still shown in previous research. Kusumajaya (2011) explained that the capital structure has a positive and significant direction to the company's value. Contrary to previous research, Artini (2011) found that the absence of signification between the capital structure to the value of the company, shows that in this case the change in debt proposi does not affect the value of the company in the company's capital structure but is signaled by investment and operating decisions.

The second factor that affects the value of the company is the dividend policy. Dividend policy is a decision on profit sharing or holding it to be reinvested in the company (Gayatri & Mustanda, 2013). The dividend policy relates to the distribution of profits to companies that are the right for shareholders, but dividend distribution is likely to be possible if the company's profit increases. The company's ability to pay dividends can reflect the value of the company. If dividend payments are high, then the share price is also high which has an impact on the high value of the company and vice versa. Thus, dividend policy is one of the most important decisions (Prastuti & Sudiartha, 2016).

Fenandar and Raharja (2012) found the influence of dividend policy with the value of the company where the dividend policy is significant to the value of the company. That the relevance of dividend policy to the value of the company has an impact on the value of the company is reflected in the change in the company's share price. The increase in dividend payments will indicate the company's better prospects for investors to respond with stock purchases resulting in an increase in the company's value. Wahyudi and Pawestri in Wijaya, et al (2013) stated that there is no significant influence between dividend policy and company value, debt to equity ratio (DPR) will increase in accordance with the proportion of dividends distributed. If the dividend is distributed as the company's profit, then the decrease in retained profit then the total from the internal fund source will also be reduced (Hermuningsih, 2012:80).

The third factor that affects the value of the company is the size of the company. The size of the company is considered capable of affecting the value of the company. Because the larger the size or scale of the company, the easier it will be for the company to obtain funding sources both internally and externally. The size of the company is a reflection of the assets owned by a company. The size of the company (SIZE) is an indicator of the financial strength of a company (Hermuningsih, 2012). Dewi and Wirajaya (2013) and Pantow, S. Murni, and Trang (2015), that the size of the company's scale makes it easier for companies to obtain funding sources both internally and externally, the source of funds obtained supports operational activities thereby increasing the company's share price.

The size of the company is important in the financial reporting process. The size of the company in the study can be seen by calculating how big the assets owned by a company. Assets owned by this company describe the rights and obligations and capital of the company. Large companies basically have greater financial power in supporting them, but on the other hand, companies are faced with bigger agency problems.

According to the results of pratama (2016) and Prasetyorini (2013) research stated that the size of the company has a positive and significant effect on the company's value. Meanwhile, research conducted by Ayu (2013) stated that the size of the company has no effect on the value of the company.

Nowadays, business competition in Indonesia is increasing rapidly, one of which is a company engaged in agriculture that is in demand by businesses, thus giving rise to competition and motivated to be the best in the industry. One of them is by optimizing the performance of the company. This study used the research object of agricultural companies listed on the Indonesia Stock Exchange (IDX) in 2014-2018 to distinguish from previous research.

The capital market that carries the buying and selling activities of securities is the Indonesia Stock Exchange (IDX). Indonesia Stock Exchange is a forum for stock actors to conduct stock trading activities that they own. The company that registered, and sold its shares on the Indonesia Stock Exchange (IDX) is a company that has gone public, where the company has already offered its shares to the public.

The agricultural sector is one of the sectors that has an important role for the Indonesian economy. Although the share price of the agricultural sector has increased and decreased the price of salama from 2014 to 2018, but this sector is able to support the Indonesian economy. Here are the data of annual stock price movements in the agricultural sector in the period 2014-2018.

Based on the various explanations and facts above, the author is interested in conducting research on agricultural sector companies listed on the Indonesia Stock Exchange under the title "The Effect of Capital Structure, Dividend Policy and Firm Size to Firm Value (Of Agricultural sectore Companie listed in Indonesia Stock Exchange Period 2014-2018)".

THEORITICAL REVIEW

Firm Value

A company is an organization that combines and organizes various resources with the aim of producing goods and or services for sale (Hermuningsih, 2013:131). The value of the company is an investor's precept of the company that is often associated with the share price. The high value of the company becomes the keingina of the owners of the company, because with a high tilapia shows the high shareholders' prosperity as well. A high value company is a company with a good financial position, and vice versa (Dhani & Utama, 2017).

The purpose of the company's management is to maximize the value of shareholders' wealth (Harmono, 2017:1). The value of the company can be measured through the value of the share price in the market based on the formation of the company's share price in the market which is a public assessment of the company's performance on an rill basis. It is said in rill because the formation of prices in the market is the meeting of points of stability of the strength of demand and the point of stability of the strength of the supply of prices that rill occur securities trading transactions in the capital market between sellers (issuers) and investors, or often called market equilibrium. Therefore, in the theory of capital market finance the share price in the market is referred to as the concept of the value of the company (Harmono, 2015:50).

The value of the company can also indicate the value of assets owned by companies such as securities. Shares are one of the valuable assets issued by the company. The researcher expressed the understanding of the company's value from the opinion (Irwan Djaja (2017:15) he stated that the value of the company (corporate value) describes how good or bad the management of the company in managing its wealth, which can be seen from the measurement of financial performance obtained. The company's value is the result of management's work from several dimensions namely net cash flow, profit growth and capital costs. An indicator of the company's value is the share price. The higher the share price, the higher the company's value. Irwan Djaja (2017:37) also argues that there are three methods of assessment, namely economic assessment methods, relative assessment methods, and asset-based valuation methods.

The economical valuation method is a method that departs from a thought, that an asset can be assessed by retaining the utility of the asset itself and how it can be used to generate value for the company in the future. Assessing a company based on the economic benefits obtained by investing in the company that has a model such as Economic Value Added (EVA).

Relative valuation method or also called market valuation method that departs from the idea that the value of an asset depends very much on the valuation results of the components that make up the asset, but sometimes those components are difficult to calculate or quantify, to overcome that an asset can be assessed by comparing similar assets that have been done or never happened before and the model used by investors such as Price Earning Ratio (PER) and Price Book Value (PBV).

Based on the above exposure can be explained that the value of the company can be seen using the share price. The share price in the capital market is formed based on the agreement between the demand and the offer of investors, so that the share price is a fair price that can be used as a measure of the company's value. The higher the share price, the higher the company's value, which means that the higher the shareholders.

In this study, the measuring instrument used to regulate the company's value is PBV (Price Book Value) which is an investment valuation ratio that is often used by investors to compare the market value or share price of the company with its book value. The price book value formula in this study is:

$$\text{Price to book value (PBV)} = \frac{\text{market price per share}}{\text{book value per share}}$$

Capital Structure

The capital structure is an illustration of the financial proportion of the company that is between the capital owned by long-term liabilities and the shareholders equity that is the source of financing for a company (Fahmi, 2014:175). The Capital Structure is defined as a decision concerning the composition of the company's chosen funding. Funding sources within a company are divided into two categories, namely internal funding and external funding (Sri Ayem & Ragil Nugroho, 2016).

According to Fahmi (2014:179) for a company that is profit eriented decision to find a source of funding in order to strengthen the capital structure becomes an important decision that must be studied in depth and various impacts that may occur in the future (future effect). In general, there are 2 (two) alternative sources of capital, namely capital derived from own or external capital such as loans/debt. Funding with its own capital can be done by issuing shares (stock), while funding with hitang (debt) can be done by issuing oblogasi (bonds), right issue or debt to banks, even to business partners.

According to Harmono (2017:112) commonly used indicators to determine the components of capital structure are:

a. DER (Debt to Equity Ratio)
   Debt to Equity Ratio is the ratio used to assess debt with equity. This ratio is sought by comparing all debt, including current debt with all equity.
b. DAR (*Debt to Assets Ratio*)
   Debt to Assets Ratio is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets affect the management of assets (Cashmere, 2015:156).
c. Long Term Debt to Equity
   Long Term Debt to Equity is the ratio between long-term debt and own capital. The aim is to measure how much of each rupiah of capital itself is used as a guarantee of long-term debt by comparing between long-term debt and own capital provided by the company.

In this study the measuring instrument used to regulate the capital structure is DER (Debt to Equity Ratio).

$$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Dividend Policy

Dividend policy is a decision on whether the company's profit will be distributed to shareholders as dividends or will be withheld in the form of retained earnings in the form of retained earnings for future investment financing (Rusdiana, 2017:129). If the company decides to split the profit earned as dividends it will reduce the amount of retained earnings which ultimately also reduces the source of internal funds. Whereas if the company does not divide its profits as dividends will be able to enlarge the company's internal funding sources and will improve the company's ability to develop the company (Hemastuti and Hermanto, 2014).

The dividend policy is a decision on how much profit will currently be paid as dividends rather than being held back to be reinvested in the company. The amount of dividend distributed to shareholders will be an attraction for shareholders because some investors tend to prefer dividends over capital gains because dividends are more certain. Companies that distribute dividends will attract investors to invest their capital. The number of investors who buy shares will increase the share price thereby increasing the value of the company (Putra and Lestari, 2016).

This dividend policy can be described through Bird In The Hand Theory. This theory was put forward by Myron Gordon and Jhon Litner. Based on bird in the hand, dividend policy has a positive effect on stock market price. That is, if the dividend shared by the company is greater, the market price of the company will be higher and vice versa. This is because dividend distribution can reduce the uncertainty faced by investors (Hemastuti and Hermanto, 2014:5). To analyze the dividend policy can be proxied as follows:

In this study the tool used to measure dividend policy is the Dpr.

$$\text{Dividend Payout Ratio (DPR)} = \frac{\text{Dividend}}{\text{Net Income}}$$

Firm Size

The size of the company is an important factor in determining the value of the company (Meidiawaati and Mildawati, 2016). The size of the company includes the size of a company shown by assets, number of sales, average total sales and total average assets. The size of the company will also affect the company in the ease of obtaining funds from the capital market, as well as will affect the strength of the company in conducting the bargaining process in the inter-company financial contract. Thus, the size of the company is the result of achievements by the company in increasing public confidence in the company after going through several processes and the amount of assets owned by a company (Nuraina, 2012).

The size of the company is illustrated in signaling theory that discusses the ups and downs of prices in the market such as stock prices, bonds and so on, so that it will influence investors' decisions. Investors' response to positive and negative signals is that it greatly affects market conditions, they will react in various ways by responding to such signals, such as hunting down stocks sold or performing actions in the form of not reacting like wait and see or wait and see the developments that exist only then take action (Fahmi, 2014:79). According to Halim (2015:125) the larger the size of a company, the greater the tendency to use foreign capital. This is because large companies need large funds to support their operations, and one of the alternatives is with foreign capital if the capital itself is insufficient. The company size formula is:

$$\text{Firm Size} = \text{Ln Total Asset}$$

Relationship Between Variables and Hypothesis Development

- **Effect of Capital Structure on Company Value**

  One of the decisions that must be taken to maximize the value of the company is the funding decision, where the company will determine the best capital structure to achieve the company's objectives. The large use of external and internal funds will affect the value of the company (Pantow et al., 2015:970). For companies, debt can help to control the free and excessive use of cash funds by management. This increase in control may in turn increase the value of the company as reflected by the increase in the share price (Hermuningsih, 2013:143). As long as the company is able to balance the benefits and costs incurred, debt is not a problem. The statement is backed up by mm proposition theory with the tax that the use of debt is getting bigger, the tax paid is getting smaller, which means companies can save cash outflows. Thus showing that by taking into account taxes, the capital structure can affect the value of the company.

The allegations are strengthened by several previous studies, namely research conducted by Ayem and Nugroho (2016), Prastuti and Sudiartha (2016), Dwita and Kurniawan (2019), and Agusentoso (2017), stating that the capital structure has a positive and significant effect on the company's value.

Based on the description, the research hypothesis can be formulated as follows:

H1 : The Capital Structure has a positive and significant effect on the company's Value.

- **The Effect of Dividend Policy on Company Values**

Dividend policy is a decision on whether the profit earned by the company will be distributed to shareholders as dividends or will be withheld in the form of a holding for future investment financing (Rusdiana, 2017:129). If the company decides to split the profit earned as dividends it will reduce the amount of retained earnings which ultimately also reduces the source of internal funds. Whereas if the company does not divide its profit as dividends will be able to enlarge the company's internal funding source and will improve the company's ability to develop the company (Hemastuti and Hermanto, 2014:4).

Companies that can pay high dividends will also get high value from investors, as investors prefer certainty about their returns and anticipate the risk of uncertainty about the company's bankruptcy. High dividends will attract investors, increasing demand for stocks. High demand for shares will make investors appreciate the value of shares greater than the value recorded on the company's balance sheet, so that the company's PBV is high and the company's value is high (Purnama Day, 2016). Thus, dividend policy has a positive influence on the value of the company.

This is supported by research conducted by Ayem and Nugroho (2016), Prastuti and Sudiartha (2016), Deomedes and Kurniawan (2017), Purnama (2016), and Sintyana and Artini (2029), stating that the capital structure has a positive and significant effect on the company's value.

Based on the description, the research hypothesis can be formulated as follows:

H2 : Dividend Policy has a positive and significant effect on the Company's Value.

- **Influence of Company Size with Company Value**

The size of a large company will reflect the higher the turnover it has, this can cause profits to also increase, if profits are recalled then the dividend to be distributed also increases (Lolopusi, 2013). The size of the company will also affect the company in the ease of obtaining funds from the capital market, as well as will affect the strength of the company in conducting the bargaining process in the inter-company financial contract. Companies with large growth will get the ease of entering the capital market because investors catch a positive signal to companies that have large growth so that the positive response reflects the increasing value of the company (Prasetyorini, 2013).

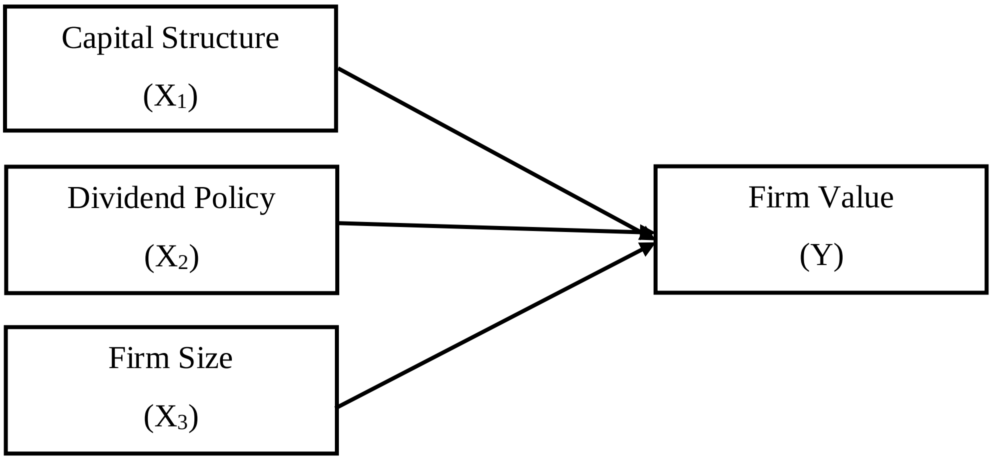
The statement was supported by signaling theory that rising prices in the market will affect investors' decisions. Thus, the size of the company has a positive influence on the value of the company. The above allegations are strengthened by previous research conducted by Prastuti and Sudiartha (2016), and Dwita and Kurniawan (2019), stating that the capital structure has a positive and significant effect on the company's value.

Based on the description, the research hypothesis can be formulated as follows:

H3 : The Size of the Company has a positive and significant effect on the Company's Value

CONCEPTUAL FRAMEWORK

Based on the background of the problem, problem formulation, research objectives, and the theoretical basis that has been stated above, the relationship between variables in this study is expressed in a theoretical frame of thought. The following research paradigms are used as follows:



Gambar 2.1. Kerangka Konseptual

X1 : Capital Structure

X2 : Dividend Policy

X3 : Firm Size

Y : Firm Value

→ : The Effect of Capital Structure, Dividend Policy and Firm Size to Firm Value

RESEARCH METHODS

Research Strategies

The strategy used in this research is descriptive research strategy. In this study the author will be able to build a theory that serves to explain the relationship between two variables consisting of free variables (X) namely capital structure, dividend policy, company size and bound variable (Y) that is the value of the company.

This research uses a quantitative approach. The data used in this study is secondary data in the form of annual financial statements of agricultural sector companies for the period 2014-2018 obtained through the Indonesia Stock Exchange www.idx.co.id website and also the company's website that was researched.

Population and Sample

Population Research

The definition of population proposed by Sugiyono (2013:81) states that population is a generalization area consisting of objects or subjects that have certain qualities or characteristics set by researchers to be studied and then drawn conclusions. The population in this study is a company that belongs to the agricultural sub-sector listed on the Indonesia Stock Exchange from the period 2014-2018. The data used in this research period 2014-2018 is due to the latest data available in the research conducted. The population in this study amounted to 24 companies.

Research Samples

Sampling method in this study using non probability sampling technique method. Sugiyono's definition of non probability sampling (2013:117) states that non probability sampling is a sampling technique that does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample. Non probability sampling technique used in sampling in this study is purposive sampling technique.

The definition of purposive sampling technique is the technique of determining samples with data sources based on certain criteria or considerations with the aim of obtaining a representative sample. The criteria for criteria in sampling using purposive sampling techniques are as follows:

a. Agricultural sector companies listed on the Indonesia Stock Exchange during 2014 – 2018

b. Agricultural sector companies that are not complete publish annual financial statements for the period 2014-2020

c. Agricultural companies use Rupiah currency

Variable Operationalization

The research variables used in this study consist of dependent variables and independent variables. Independent variables studied are capital structure, dividend policy, investment decisions, and company size, and dependent variables studied are the value of the company.

a. Dependent Variables

Dependent variables are the largest variables that affect the associated variables individually, in this study the dependent variables used are the company values. The high value of the company becomes the keingina of the owners of the company, because with a high value shows the prosperity of shareholders are high as well. A high value company is a company with a good financial position, and vice versa (Dhani & Utama, 2017). The value of the company is measured from the return of shares because the purpose of investing investors is to get a high profit or return with a certain level of risk. The company's value is measured by Price Book Value (PBV), this ratio is the ratio between the share price to the book value.

$$Price\ to\ Book\ Value\ (PBV) = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

b. Independent Variables

Independent variables are variables that can affect other variables. The independent variables in this study consisted of capital structure, dividend policy and company size. Explanation of independent variables in his research are as follows :

1. Capital Strukcture

A capital structure is corporate financing derived from a comparison or balance between debt and equity. The capital structure in this study is proxyed through debt to equity ratio (DER) is a comparison of total debt owned by the company with the total equity of the company. The formula used to calculate DER is as follows:

$$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

2. Dividend Policy

Dividend policy is a decision on whether the company's profit will be distributed to shareholders as dividends or will be withheld in the form of retained earnings in the form of retained earnings for future investment financing (Rusdiana, 2017:129). Higher dividend payments indicate a good prospect for the company so that it gets a positive response from investors to buy shares, so that the value of the company is higher. In this study, dividend policy uses proxy Dividend Payout Ratio (DPR). The formula used to calculate the House of Representatives is as follows:

$$\text{Dividend Payout Ratio (DPR)} = \frac{\text{Dividend}}{\text{Net Income}}$$

3. Firm Size

Dalam penelitian ini ukuran perusahaan (UP) diukur dari total assets yang dimiliki oleh perusahaan yang dapat dipergunakan untuk kegiatan operasi perusahaan. Jika perusahaan memiliki total assets yang besar maka pihak manajemen akan lebih leluasa dalam mempergunakan aset yang ada diperusahaan tersebut.

Firm Size = Ln Total Asset

Data Analysis Methods

The analytical technique used in this study was multiple linear regression analysis using SPSS version 24. Multiple linear regression analysis is useful for analyzing the linear relationship between two or more independent variables with one dependent variable (Priyatno, 2009:137). This analysis is to predict the value of dependent variables when the value of independent variables increases or decreases and to determine the direction of the relationship between positive or negative independent variables (Priyatno, 2009: 61).

- Descriptive Statistics

  Descriptive analysis is a description of data statistics such as mean, sum, standard deviation, variance, range and others (Priyatno, 2009:30). The research data used in this study are Capital Structure, Dividend Policy, Company Size, Investment Decision and Company Value.
- Classic Assumption Test

  Before performing multiple linear regression analysis, a classic assumption test is performed first. Classic assumption tests are used to determine whether data are normally distributed, whether or not multicoloniality, autocorrelation and heterosexastiity are in the regression model.

- Multiple Linear Regression Analysis

  This study used multiple linear regression analysis because there is one dependent variable and more than two independent variables. Multiple linear regression analysis is the analysis used by researchers, when intending to predict how the state (up and down) of dependent variables (cryptium), when two or more independent variables as predictor factors are manipulated (dinaikturunkan value.)

- Hypothesis Testing

  Hypotheses are assumptions or conjectures about something made to explain something that is often required to do its checking. Test the significance of independent variable influence on dependent variables simultaneously using F test and partially using t test.

ANALYSIS AND RESEARCH RESULTS

Descriptive Statistical Test

The results of descriptive statistical test calculation of all variables used in this study:

Tabel 4.1
Statistik Deskriptif

Statistik	DER	DPR	SIZE	PBV
Mean	1,192	0,136	29,31	3,16
Maximum	39,49	2,72	31,18	42,80
Minimum	-46,0	-5,58	26,32	-0,93
Std. Dev.	6,444	0,832	1,27	7,56

Sumber : SPSS 24

a. The Capital Structure Variable (DER) (X1) has a minimum value of -45.9 and a maximum value of 39.5 with an average (mean) of 1,192 and a standard deviation of 6,444.
b. Dividend Policy Variable (DPR) (X2) has a minimum value of -5.58 and a maximum value of 2.72 with an average (mean) of 0.136 and a standard deviation of 0.832.
c. The Company Size Variable (X3) has a minimum value of 26.32 and a maximum value of 31.18 with an average (mean) of 29.31 and a standard deviation of 1,269.
d. The Company Value Variable (PBV) (Y) has a minimum value of -0.93 and a maximum value of 42.80 with an average (mean) of 3.16 and a standard deviation of 7.56.

Classic Assumption Test

- **Test Normality**

The normality test aims to test whether residuals from the regression model have normal data distribution or not. A good regression model has normal or near-normal data distribution. In this study, normality test was conducted using Kolmogorov Smirnov Test (KS).

Tabel 4.2.
Hasil Output Uji KS
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.74906543
Most Extreme Differences	Absolute	.162
	Positive	.162
	Negative	-.113
Test Statistic		.162
Asymp. Sig. (2-tailed)		.200[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Sumber: Output SPSS 24

Based on the output in table 4.2, it can be seen that the value of 2-way significance (2 – tailed) is at 0.200, in this case it means that the significance number is greater than the value of α (0.200 > 0.05). So it can be concluded that residuals from the regression model have a normal data distribution.

- **Multicolinearity Tes**

This test is useful for identifying whether regression models are found to have a correlation between free variables. In this study, multicolinearity testing was conducted with Variance Inflation Factor (VIF) value.

Tabel 4.3.

Hasil Output Nilai VIF

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	DER	.998	1.002
	DPR	.900	1.111
	SIZE	.816	1.226

a. Dependent Variable: PBV

Sumber : Output SPSS 24

Based on the output in table 4.3, it can be seen in collinearity statistics, where for all variables used, VIF statistics show numbers below 10. It can therefore be concluded that the regression model is free from the symptoms of multicolinearity.

- **Autocorrelation Test**

The autocorrelation test aims to test whether in linear regression models there is a correlation between the fault of the gadfly in the t-period and the error in the t-1 period. In this study, autocorrelation test was conducted using Durbin – Watson (DW) statistical value.

Tabel 4.4.
Hasil Output Nilai DW

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.932[a]	.868	.862	2.80634	1.641

a. Predictors: (Constant), DER, DPR, SIZE
b. Dependent Variable: PBV

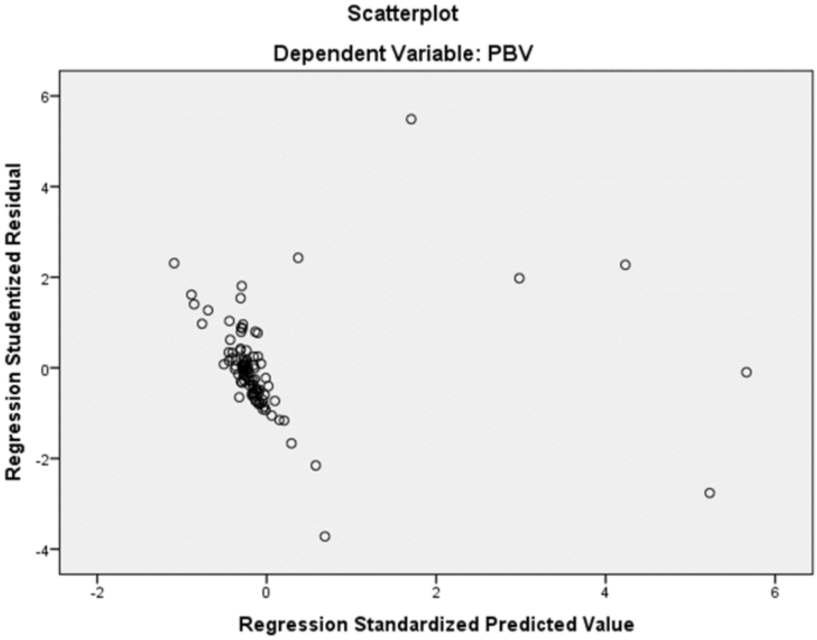
Sumber : Output SPSS 24

Based on table 4.4, it can be seen that dw value is in the number 1.641. Regression model in this study has a total of 4 independent variables and a total observation of 100, so the safe limit of DW Test value in this study is between dU < DW < 4-dU (1,592 < 1,641 < 2,242). So it can be concluded that the regression model is free from autocorrelation problems.

- **Heteroxedastisity Test**

The Heteroskedastisity test aims to test whether regression models occur variance inequality from residual one observation to another. In this study, heterocysticity test was conducted using scatterplot method.

Gambar 4.1
Hasil Scatterplot



Sumber : Output SPSS 24

Scatterplot results above show that there is no pattern on the graph, which indicates that the regression model has been free from symptoms of heterocysticity.

Double Linear Regression Analysis

In testing the results of multiple linear regression analysis, researchers used spss application output results on the four research variables namely Capital Structure, Dividend Policy, Company Size, and Investment Decision on Company Value presented in the table below.

Tabel 4.5
Hasil output uji-t

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.831	7.245		3.013	.003
	DER	.115	.044	.098	2.622	.010
	DPR	2.533	.357	.279	7.086	.000
	SIZE	-.697	.246	-.117	-2.831	.006

a. Dependent Variable: PBV

Sumber: Output SPSS 24

Based on table 4.5 above, it is known that the constant value is 21.831, the coefficient value of the independent variable DER is 0.115, the independent variable coefficient value of dpr is 2.533 and the independent variable coefficient value size is -0.697. So the regression equation formed is as follows:

PBV = 21,831+ 0,115 DER + 2,533 DPR – 0,697 SIZE

Then here is the interpretation of the regression model:

a. Constant
This means that if the variable Capital Structure, Dividend Policy, Company Size, and Investment Decision is zero (0), or fixed (constant), then the value of the Company Value variable will be worth 21,831.
b. Capital Structure (DER) to Company Value (PBV)
The coefficient value of the DER variable is 0.115. This means that each DER increase of 1 percent, then the PBV variable will increase by 0.115, assuming that the other free variables of the regression model are fixed value.
c. Dividend Policy (DPR) on Company Value (PBV)
The coefficient value of the DPR variable is 2.533. This means that each increase in the House of Representatives by 1 unit, the PBV variable will increase by 2,533, assuming that the other free variables of the regression model are fixed value.
d. Company Size (SIZE) to Company Value (PBV)
The coefficient value of the SIZE variable is -0.697. This means that each increase in SIZE by 1 unit, then the PBV variable will be reduced by 0.697, assuming that the other free variables of the regression model are fixed value.

Hypothesis Test

- **Partial Test (t-test)**
Test - t is done by looking at the level of significance α, where in this study, α used is 0.05 or 5%. To perform a Test – t is used by comparing the statistical probability value t of each independent variable against α is 5%. The following are the outputs of the t test using SPSS statistical software.

Tabel 4.6
Output uji-t

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	21.831	7.245		3.013	.003
	DER	.115	.044	.098	2.622	.010
	DPR	2.533	.357	.279	7.086	.000
	SIZE	-.697	.246	-.117	-2.831	.006

a. Dependent Variable: PBV

Sumber : Output SPSS 24

Thus, based on the output result in table 4.6, it can be concluded as follows:
a. Effect of Capital Structure (DER) on Company Value (PBV)
The DER (X1) variable statistically shows results that have a significant effect on the PBV variable (Y) with a significance value smaller than alpha (0.010 < 0.05). Thus, it can be concluded that DER variables have a significant positive effect on PBV variables.
b. Effect of Dividend Policy (DPR) on Company Value (PBV)
The DPR variable (X2) statistically shows results that have a significant effect on the PBV variable (Y) with a significance value smaller than alpha (0.000 < 0.05). So it can be concluded that the dpr variable has a significant positive effect on the PBV variable.
c. Effect of Company Size (SIZE) on Company Value (PBV)
The SIZE variable (X3) statistically shows results that have a significant effect on the PBV variable (Y) with a significance value smaller than alpha (0.006 < 0.05). It can then be concluded that the SIZE variable has a significant negative effect on the PBV variable.

- **Simultaneous Test (F-test)**

Statistical F tests are used to determine the relationship between independent variables together against dependent variables. Here is the output of simultaneous regression testing with SPSS statistical software.

Tabel 4.7
Hasil Output Uji –F

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4909.314	4	1227.328	155.840	.000[b]
	Residual	748.179	95	7.876		
	Total	5657.493	99			

a. Dependent Variable: PBV
b. Predictors: (Constant), DER, DPR, SIZE

Sumber : Output SPSS 24

Based on the output of statistical test F in the table above, it can be seen that the value of F test significance is at a number less than the alpha value of 0.05. Thus it can be concluded that all independent variables used in this study had a significant influence together (simultaneously) on dependent variables.

- **Koefisien Determinasi (R-squared)**

Nilai koefisien determinasi (R^2) digunakan untuk mengukur kemampuan model untuk menjelaskan hubungan antara variabel independen dan variabel dependen. Semakin besar nilai R^2, maka semakin baik pula model regresi tersebut (Winarno, 2011). Berikut adalah hasil output koefisien determinasi menggunakan software statistik SPSS.

Tabel 4.8
Output Koefisien Determinasi

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932[a]	.868	.862	2.80634

a. Predictors: (Constant), DER, DPR, SIZE
b. Dependent Variable: PBV

Sumber : Output SPSS 24

Based on the output, it can be seen that the value of R2 is 0.932 or 93.2%. This indicates that 93.2% variation of the Company's Value dependent variable can be explained by its independent variables, namely Capital Structure, Dividend Policy, Company Size, and Investment Decision. While the remaining 6.8%, explained by other variables outside the study that were not discussed. This means that all independent variables used in this study are rated very accurately in describing in full as factors that affect the Company's Value.

Discussion

- **Capital Structure (DER) to Company Value (PBV)**

Capital Structure Variables (DER) have a positive and significant influence on The Company's Value (PBV) on Agricultural sector companies sampled during the period 2014-2018. The results of this study support previous research that has been done before (Prastuti & Sudiartha, 2016).

Debt to equity ratio is one of the capital management ratios that reflects the ability of the company to finance its business with loans of funds sourced from third parties such as banks and other financial institutions. The capital structure becomes the main support for a company to conduct operational activities so that the company's goals that have been set can be achieved. Effective capital structure decisions can lower the cost of capital incurred by the company. The company's profits using debt i.e. interest paid can be deducted for tax purposes, thereby lowering the effective cost of debt and debtholders get a fixed return, so that stockholders do not have to take their share of profits when the company is in top condition. Effective capital structure decisions can lower the cost of capital incurred by the company. The company's profits using debt i.e. interest paid can be deducted for tax purposes, thereby lowering the effective cost of the debt. With careful planning in determining the capital structure, it is expected that the company can increase the value of the company and be superior in the face of business competition.

- **Effect of Dividend Policy (DPR) on Company Value (PBV)**

Variable Dividend Policy (DPR) has a positive and significant influence on the Company's Value (PBV) on Agricultural sector companies that were sampled during the period 2014-2018. The results of this study support previous research that has been done before (Ayem & Nugroho, 2016; Prastuti & Sudiartha, 2016; Deomedes & Kurniawan, 2018; Sintyana & Artini, 2019).

Dividend payout ratio determines how much profit the company retains for funding sources and for dividend distribution to shareholders. The company's commitment to paying dividends should increase shareholder value. This indicates the company believes that the information in the dividend can give a positive signal to investors. Dividend payments are one of the goals of investors when investing their money in stocks. The Company uses dividends to attract investors and to maximize shareholder wealth. The value of the company can provide prosperity to shareholders if the company gains profit. The profits will be distributed to shareholders as dividends.

The results of this study are also in accordance with the theory of signaling that good quality companies will deliberately give signals to the market thus the market is expected to distinguish between good and bad quality companies. Dividends provide information or signals about the company's profits because dividend payments will increase confidence in the company's profits. If the company has a stable dividend payout ratio target so far and the company can improve that ratio, investors will believe that management announced a positive change in the company's expected profit. The cue given to investors is that management and the board of directors fully feel confident that financial conditions are better than reflected in the share price. This increase in dividend will be able to have a positive influence on the share price which will also have a positive effect on pbv.

- **Effect of Firm Size (SIZE) on Company Value (PBV)**

Company Size Variables (SIZE) have a negative and significant influence on The Company's Value (PBV) on Agricultural sector companies sampled during the period 2014-2018. The results of this study support previous research that has been done before (Wiyono, 2011; Lany, 2014; Prastuti & Sudiartha, 2016).

The size of the company is one of the variables considered in determining the value of the company. The size of the company includes the size of a company that can be shown by assets, the number of sales, the average total sales and the average total assets. The size of the company is a reflection of the total assets owned by the company. The larger the size of the company, the greater the assets owned by the company and the funds needed by the company to maintain its operational activities. The large size of the company reflects that the company is undergoing good development and growth thus increasing the value of a company. The increased value of the company can be characterized by the total assets of the company that have increased and greater than the amount owed by the company.

But the results in this study, companies with large amounts of assets are not able to utilize their assets effectively, resulting in asset hoarding due to the turnover of the company's assets that are not optimal. This will result in a decrease in the value of the company affected by the company's under-effective performance. With the decline in the value of the company, it will affect investors to invest in the company.

Basically investors want to invest their shares in a company that has good prospects, not depending on the size of the company, no matter how big the company is when it hears the issue that the company is experiencing losses and on the verge of bankruptcy then automatically the investors will not invest in the company. This certainly has an impact on the decline in the value of shares in the company, because investors prefer companies that provide profits for him.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the research discussion in this thesis, the researchers can draw conclusions as an answer to the formulation of problems contained in this study, are as follows:

1. Capital Structure has a positive and significant influence on the Company's Value. The capital structure becomes the main support for a company to conduct operational activities so that the company's goals that have been set can be achieved. With careful planning in determining the capital structure, the company can increase the value of the company and be superior in the face of business competition.
2. Dividend Policy has a positive and significant influence on the Company's Value. Dividends provide information or signals about the company's profits because dividend payments will increase confidence in the company's profits. The amount of dividends distributed to shareholders will be an attraction to shareholders, as more and more investors who buy shares will raise the share price thus increasing the value of the company because. Therefore, increasing dividends can have a positive influence on the share price which will have a positive effect on PBV.
3. The Size of the Company has a negative and significant influence on the Company's Value. Basically investors want to invest their shares in companies that have good prospects and provide benefits for them.

Advice

Here are suggestions for further research:

1. For investors are expected to be able to reconsider the Value of the Company in investing in agricultural sector companies. It is recommended to use a more accurate company valuation measuring instrument in investing.
2. For the company, it is expected to improve its performance so that investors are more interested in investing in the company. In addition, the company not only maximizes profits for its companies but also has to maximize value for investors.
3. For further research is expected to add samples by using companies other than agricultural sector companies and the period used should be the latest period or use the period according to the problem to be researched in order to be more generalized.

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