ABSTRACT

THE INFLUENCE OF FIN ANCING DECISIONS AND INVESTMENT DECISIONS ON COMPANY VALUE

(*EMPIRICAL STUDY ON CONSTRUCTION MATERIAL SUB-INDUSTRY COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE*)

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This research is motivated by the decline in company value within the construction materials sub-industry listed on the Indonesia Stock Exchange during the period 2018-2022. The study aims to examine funding decisions using the DER indicator, investment decisions using the TAG indicator, and company value using the PBV indicator, as well as the impact of funding and investment decisions on company value. The research employs a quantitative method with a descriptive analysis approach. The data utilized are secondary data sourced from the annual reports of companies within the construction materials sub-industry. The population of this study comprises construction materials sub-industry companies listed on the Indonesia Stock Exchange for the period 2018-2022. The study uses panel data analysis with the assistance of Eviews12 software. The sample consists of construction materials sub-industry companies listed on the Indonesia Stock Exchange (IDX) for the period 2018-2022, meeting predetermined criteria, resulting in a total of 6 (six) companies. Based on the results, it was found that funding and investment decisions simultaneously influence the value of companies in the construction materials sub-industry, whereas partially, the investment decision variable does not affect the value of companies in the construction materials sub-industry.

Keywords: Financing Decisions, Investment Decisions, Firm Value