THE IMPACT OF FINANCIAL DECISION ON COMPANY VALUE WITH PROFITABILITY AS MODERATING VARIABLE

(AN APPLIED STUDY: ON INDONESIA MANUFACTURING COMPANY 2015-2018)

UNDERGRADUATE THESIS

The Requirement of Bachelor's Degree in Faculty of Economics and Business International Program of Management and Business Universitas Muhammadiyah Yogyakarta



Proposed by:

Dhimas Fernanda Fadhlillah Suryanto

20160410077

INTERNATIONAL PROGRAM OF MANAGEMENT AND BUSINESS

DEPARTMENT OF MANAGEMENT

FACULTY ECONOMICS AND BUSINESS

UNIVERSITAS MUHAMMADIYAH YOGYAKARTA

2020

UNDERGRADUATE THESIS

THE IMPACT OF FINANCIAL DECISIONS ON COMPANY VALUE WITH PROFITABILITY AS MODERATING VARIABLE

(AN APPLIED STUDY: ON INDONESIA MANUFACTURING COMPANY 2015-2018)

Proposed by :		
DHIMAS FERNANDA FADHLILLAH SURYANTO		
20160410077		
Have been approved by:		
San and a san		
Supervisor		
Dr. Firman Pribadi, M.Si. Date		
NIK. 19670617201110 173 179		

DECLARATION PAGE

I hereby,

Name : Dhimas Fernanda Fadhlillah Suryanto

Student ID : 20160410077

The author stated that this thesis with the title: "THE IMPACT OF FINANCIAL

DECISION ON COMPANY VALUE WITH PROFITABILITY AS MODERATING

VARIABLE" there is no plagiarism from each research for undergraduate study. and as long as my

knowledge is not available or opinions that have been written or published by other people, except

those written in reference to this text and mentioned in the References. If it turns out that in this thesis

it is known that there are works or opinions that have been written or published by other people, then

I am willing to cancel the work..

Yogyakarta, June 10th, 2020

Dhimas Fernanda Fadhlillah Suryanto

iii

MOTTO

"Karena sesungguhnya sesudah kesulitan itu ada kemudahan, sesungguhnya sesudah kesulitan itu ada kemudahan, akan apabila kamu telah selesai (dari sesuatu urusan), kerjakanlah dengan sungguh sungguh (urusan) yang lain , dan hanya kepada Tuhanmulah hendaknya kamu berharap" (Al-Insyirah : 5-8)

"Live and Do" (Scaller)

DEDICATION

I present this thesis to my respected parents, Mrs. Perdi Rahayu and Mr. Wahyu Agus Suryanto. As well as my two younger siblings Farrel Rajendra Suryanto and Zaki Radhifa Suryanto, whom I love.

In addition, I offer myself and those around me who always support me so this tesis can give the benefit for us.

ACKNOWLEDGEMENTS

All praise is due to Allah SWT who has provided convenience, gifts and grace so that the writing of the undergraduate thesis entitled "The Impact of Financial Decisions on the Company Value of Indonesian Manufacture Companies: 2015-2018" can be resolved properly and at the specified time.

This undergraduate thesis was prepared to fulfill one of the requirements in obtaining a Bachelor's degree in the Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta. The author takes this topic in the hope that it can provide input for companies in determining financial decisions to increase company value. This research is also expected to be used as a tool to find out whether the level of Financial decision. For investor, this research is expected to be able to provide information in decision making when investing, as well as providing development ideas for future research. The completion of this thesis is inseparable from the guidance and support of various parties. Therefore on this occasion the author would like to thank as much as possible to:

- 1. Mr. Dr. Firman Pribadi, S.E., M.Si. as the first supervisor who always gives free time, input, advice, support, and guidance during the completion of this thesis.
- 2. Mr. Taufik Akhbar, S.E., MBA. as the second supervisor who always gives free time, input, advice, support, and guidance during the completion of this thesis.
- 3. Mrs. Dr. Indah Fatmawati, S.E., M.Si. as the Secretary of IMaBs Study Program who has supported and provided input during the completion of this thesis.
- 4. Almighty Mr. Wahyu Agus Suryanto and Mrs. Perdi Rahayu as the parents of the author and my brother who always prays and gives enthusiasm, support and attention so that the writer can complete the study.
- 5. All my friends Padang-Lampung Jaya; Imad, Taufik, Agung, Aufandi, Arif, Fatsa, Nizar, Yunita, Faiqah, Yovita, and Putri who always provide motivation and support in doing this thesis.

The author realizes that in writing this thesis is still far from perfect because of the limited knowledge possessed by the writer. Therefore, the authors expect constructive suggestions and criticism from various parties. Hopefully

this thesis can provide benefits to readers and all parties, especially in the field
of financial management
Yogyakarta, June 10 th , 2020
Dhimas Fernanda Fadhlillah Suryanto

TABLE OF CONTENT

TITLE	PAGE	i
VALID	ATION PAGE	ii
VALID	ATION PAGE	iii
DECLA	ARATION PAGE	iv
MOTT	O	v
DEDIC	ATION	vi
ABSTR	RACT	vii
ABSTR	RAK	. viii
ACKN(OWLEDGEMENTS	ix
TABLE	E OF CONTENT	xi
TABLE	E OF FIGURE	. xiii
CHAPT	FER I	1
INTRO	DUCTION	1
A. Re	search Background	1
B. Re	search Problem Formulation	4
C. Re	search Objectives	5
D. Be	mefits Of Research	6
E. Lir	mitation Of Research Problems	7
CHAPT	FER II	8
LITER	ATURE REVIEW	8
A. Th	eoretical Background	8
1.	Company Value	8
2.	Signalling Theory	9
3.	Investment Decision	10
4.	Funding Decision	12
5.	Dividend Policy	13
6.	Profitability	14
B. Pre	evious Research Results	14
C. De	rivation Hypothesis	19

D. Research Model	25
CHAPTER III	26
RESEARCH METHODOLOGY	26
A. Research Object	26
B. Data Types	26
C. Sampling Technique	26
D. Method of Collecting Data	27
E. Operational Definition of Research Variables	27
F. Test of Hypotheses and Analysis Tools	29
CHAPTER IV	38
RESULTS AND DISCUSSION	38
A. General Description of Research Objects	38
B. Data Analysis	39
C. Hypothesis Test	46
D. Discussion of Research Results	61
CHAPTER V	68
CONCLUSIONS, SUGGESTIONS AND LIMITA	ATIONS 69
A. Conclusion	
B. Suggestions	70
C. Research Limitations	70
BIBLIOGRAPHY	72

TABLE OF FIGURE

Figure 2.1 Research Model
Figure 4.1 Selecting Sample Process
Figure 4.2 Descriptive Statistics Data
Figure 4.3 Normality Test Results
Figure 4.4 MultiMulticollinearity Test Result
Figure 4.5 Heteroscedasticity Test Result (Park Test)
Figure 4.6 Autocorrelation Test Result
Figure 4.7 Multiple Linier Regression
Figure 4.8 Determination Coefficient Test Results, PER, ROA, PER*ROA 52
Figure 4.9 F Test Results PER, ROA, PER*ROA
Figure 4.10 MRA Test Results of PER, ROA, PER*ROA
Figure 4.11 Determination Coefficient Test Results, DER, ROA, DER*ROA55
Figure 4.12 F Test Results PER, ROA, PER*ROA55
Figure 4.13 MRA Test Results of DER, ROA, DER*ROA56
Figure 4.14 Determination Coefficient Test Results, DPR, ROA, DPR*ROA58
Figure 4.15 F Test Results DPR, ROA, DPR*ROA
Figure 4.16 MRA Test Results of DPR, ROA, DPR *ROA