THE EFFECT OF CURRENT RATIO, DEBT TO EQUITY RATIO, AND RETURN ON ASSETS ON FIRM VALUES WITH DIVIDEND POLICY AS AN INTERVENING VARIABLE

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Abstract
This study aims to analyze the effect of the current ratio, debt to equity ratio, and return on assets to firm value with dividend policy as an intervening variable on manufacturing companies. The population used in this study was 27 manufacturing companies listed on the Indonesia Stock Exchange in 2013-2017. The size of the sample size was 135 observational data. The sampling technique used is the census method or saturated sample. The test equipment used in this study is multiple linear regression analysis and path analysis with a multiple test to conduct an intervening test. The results obtained show that the current ratio has a negative and not significant effect on dividend policy, debt to equity ratio has a negative and significant effect on dividend policy, and return on assets has a positive and significant effect on dividend policy. Directly the current ratio has a negative and not significant effect on firm value, debt to equity ratio has a negative and significant effect on firm value, return on assets has positive and significant effect on firm value, and dividend policy has positive and significant effect on firm value. Dividend policy cannot strengthen or mediate the effect of the current ratio, debt to equity ratio, return on assets to the firm value.

Keywords: Current Ratio, Debt to Equity Ratio, Return On Assets, Dividend Policy, and Firm Value.

INTRODUCTION
The development of the business world is increasingly rapid at this time, making every company is demanded to be able to survive in the midst of competition. The company is expected to be able to show the best performance especially to the stakeholders so that it will continue to be able to provide benefits to them. This is of course in accordance with the objectives of the establishment of the company, as an economic entity every company usually has goals both in the short and long term. The company's short-term goal is to generate maximum profit through each of its resources, while the company's long-term goal is to maximize the value of the company. This shows that the main purpose of a company that has gone public is to increase the prosperity of the owner or shareholders through increasing the value of the company (Salvatore in Hernomo, 2017).
Company value is the price that prospective buyers are willing to pay if the company is sold (Husnan and Pudjiastuti, 2015). Company value is very useful for investors in making investment decisions. The importance of the company's value is seen from several points of view, such as the price of its shares in the market. This is because the company's stock price is an assessment given by the investor as a whole from every capital owned by the company. Company value is very important for an investor in investing in a publicly listed company listed on the Indonesia Stock Exchange. The value of the company that continues to increase will make a positive signal for the company. The existence of a positive signal will be able to make them more interested in investing to invest their capital so as to make the company's stock prices increase (Istamawarti and Suseno, 2017).

Current Ratio (CR) is a ratio that measures a company's ability to pay current debt using current assets (Sudana, 2011). Current ratio is possible to be one of the elements or factors that can affect dividend policy and company value. The greater the company to meet its short-term needs with current assets, the cash position will be strengthened so that the company's ability to pay greater dividends (Wahyuni and Hafiz, 2018). High Current Ratio will also make the security level of paying the company's short-term obligations guaranteed, thereby resulting in value companies are increasing in the eyes of investors (Sakinah and Karjono, 2018). This is also in line with Signaling theory, saying that companies that have a high level of liquidity will give a positive signal to investors so that the value of the company increases as seen from stock prices (Jogiyanto, 2010).

Another factor that can affect a company's value is Debt to Equity Ratio (DER), which is a measure used in analyzing financial statements to show the amount of collateral available to creditors (Fahmi, 2013). Increasing debt causes the burden that must be borne by the company becomes large. Therefore, the greater the debt will cause the priority of the company to pay dividends, the smaller will be due to the company's profits. The greater the debt of a company will affect the level of income available to shareholders, that is, the higher the obligations of the company will reduce the level of ability to pay dividends (Wahyuni and Hafiz, 2018). The high value of DER also reflects the relatively high risk of the company, as a result investors tend to avoid stocks that have high DER. This shows that, with the high DER value of a company, it can reduce the value of the company (Sakinah and Karjono, 2018).

The next factor that can affect the value of the company also is Return On Assets (ROA), which is a measure of the company's overall ability to generate profits with the total amount of assets available in the company (Syamsuddin, 2013). According to the residual theory which says that the company only will pay dividends if there is excess funds after financing debt and investment (Brigham in Ardianto, et al., 2017). Return on Asset (ROA) which is increasingly shows better financial performance, because the level of return on investment received by investors both in the form of dividend income and capital the greater gains. The better the company's ROA reflects the better the company is in paying returns to shareholders, thus giving a good signal to investors and can also increase the value of the company (Alfredo et al in Ardianto, et al 2017).

In this study the proxy used to measure dividend policy is the Dividend Payout Ratio (DPR), which is the percentage of profits distributed in cash dividends. This means that the size of the dividend payout ratio affects the size of the company value. Attractive dividend policy is used as an intervening variable or that mediates the relationship between CR, DER, and ROA on firm value. This is because dividend policy is an integral part of corporate funding decisions regarding corporate internal spending so that its effects on the firm's value can be identified. This dividend policy is also the center of attention of many parties who act as shareholders, creditors, and other external parties who have an interest in the information
released by the company. The greater the dividends distributed to shareholders, the company's performance will be considered good, and in the end the valuation of the company reflected through share prices will be better too (Burhanudin and Nuraini, 2018).

Several previous studies on the effect of Current Ratio, Debt to Equity Ratio, Return On Assets, and dividend policy on firm value have also been conducted by previous researchers. From each of the results of the study showed the existence of inconsistency or differences in research results. The phenomenon of differences in research results or research gaps makes the impetus or reason for conducting this research.

Formulation of the problem
Based on the background description shows the problem regarding the existence of factors that can affect the value of manufacturing companies listed on the Indonesia Stock Exchange, such as Current Ratio, Debt to Equity Ratio, and Return on Assets both directly and through dividend policy on company value. Based on the findings that indicate the existence of the research group, the formulation of the problem in this study are: (1) What is the effect of the current ratio, debt to equity ratio, return on assets to dividend policy ?, (2) What is the effect of the current ratio, debt to equity ratio, return on assets to firm value ?, (3) How does dividend policy influence corporate value?

LITERATURE REVIEW

Signaling Theory
According to Jogiyanto (2010), information published as an announcement will give a signal to investors in making investment decisions. If the announcement contains a positive value, then the market is expected to react when the announcement is received by the market. When the information is announced and all market participants have received the information, market participants first interpret and analyze the information as good news or bad news. If the announcement of this information is a good signal for investors, there will be changes in the trading volume of shares.

Residue Theory
According to this theory, dividend payments are made if the company has remaining funds after financing investments that have a positive Net Present value using retained earnings. In other words, a company will not pay dividends if it does not have the remaining funds (Manurung and Siregar, 2010).

Bird in the Hand Theory
This theory was put forward by Gordon (1959) and Lintner (1956) who argued that equity or company value would decrease if the dividend payout ratio was raised, because investors were less confident in receiving capital gains resulting from retained earnings compared to if investors receive dividends. Gordon and Lintner (1956) argued that investors actually value the income expected from dividends far more than the income expected from capital gains.

Current Ratio
Current ratio is one component of the liquidity ratio, which is often used by companies and investors to determine the level of the company's ability to meet its obligations. These obligations are short term. Short-term obligations such as paying electricity bills, employee salaries, or debts that are past due. But sometimes there are some companies that are unable to pay the debt at the specified time, on the grounds the company does not have sufficient funds to cover the debt that is due.
According to Kasmir (2014), "Liquidity is a ratio that describes or measures a company's ability to meet short-term obligations (debt). This means that if the company is billed, the company will be able to meet the debt, especially debt that is past due."

This ratio is expressed as a decimal and shows the company's ability to pay short-term liabilities with current assets or the ratio between current assets divided by current debt. The Current Ratio (CR) calculation formula according to Kasmir (2014), is as follows:

\[
\text{Current Ratio} = \frac{\text{Total Current Assets}}{\text{Current Total Debt}}
\]

**Debt to Equity Ratio (DER)**

Debt to Equity Ratio serves to measure how far the company is funding its operations with debt compared to equity (equity). According to Gill and Chatton (2008) factors that influence Debt to Equity Ratio (DER) include the following: (1) increase or decrease debt, (2) increase or decrease in own capital, (3) Debt or fixed capital, (4) debt increases higher than own capital, or vice versa.

**Return on Assets**

Indicators (measuring instruments) used in Return on Assets (ROA) involve elements of net income and total assets (total assets) where net income is divided by total assets or total assets of the company, which can be formulated as follows (Brigham and Houston 2011):

\[
\text{Return On Assets} = \frac{\text{EAT}}{\text{Total Assets}}
\]

EAT (Earning After Tax) is the operating profit obtained by the company after deducting the income tax expense. The total assets in question are the entire assets of the company, obtained from own capital or from foreign capital that has been converted by the company into company assets that are used for the survival of the company.

**Dividend Policy**

In this study, to measure the company's dividend policy, it is carried out using Dividend Payout Ratio. According to Sartono (2012) "Dividend Payout Ratio or Dividend payout ratio is the percentage of earnings paid in the form of dividends, or the ratio between earnings paid in the form of dividends with the total profit available to shareholders". Meanwhile, according to Sutrisno (2012) "Dividend Payout Ratio is the percentage of profit distributed as dividends, where the greater the Dividend Payout Ratio the smaller the portion of funds available to be reinvested to the company as retained earnings".

According to Sudana (2011), mathematically Dividend Payout Ratio can be formulated as follows:

\[
\text{DPR} = \frac{\text{Dividend Per Share}}{\text{Earning Per Share}}
\]

**The Value of the Company**

Value is something that is desirable if the value is positive in the sense of beneficial or pleasant and makes it easy for the party who obtained it to fulfill its interests related to that value. Conversely, value is something that is undesirable if the value is negative in the sense of harming or making it difficult for those who obtain it to influence the interests of those parties so that the value is shunned (Tika, 2012).
In this study, this formula is used to calculate the value of a company. Namely (Weston and Brigham, 2008):

\[
\text{Company Value} = \frac{\text{Market price per share}}{\text{Price of books per share}}
\]

Relationship between Variables

Effect of Current Ratio on Dividend Policy

Each company has their respective abilities in meeting their obligations or current debts. To find out the ability of its current liabilities owned by the company can be seen from its current assets. If the current debt exceeds the current assets of the company, it means that the company is unable to bear the short-term debt guaranteed by its current assets. But the greater the company to meet its short-term needs with current assets, the cash position will be stronger so that the company's ability to pay dividends is greater (Wahyuni and Hafiz, 2018). This is supported by the research results of Annisa and Chabachib (2017) and Kalsum, et al (2015) who stated that the current ratio has a positive and significant effect on dividend policy. Based on the description, the hypothesis proposed is as follows:

H1: Current Ratio has a positive and significant effect on dividend policy.

Effect of Debt to Equity Ratio on Dividend Policy

Debt to Equity Ratio (DER) is to measure the company's ability to meet all debts. The greater the Debt to Equity Ratio (DER) indicates the higher the obligation and the lower the Debt to Equity Ratio (DER) will indicate the higher the company in meeting its debt. The greater the debt of a company will affect the level of income available to shareholders, that is, the higher the company's obligations will reduce the ability to pay dividends (Wahyuni and Hafiz, 2018). This is supported by the results of the study of Permana, et al (2018), Wahyuni and Hafiz (2018), Annisa and Chabachib (2017), Kalsum, et al (2015), and Thaib and Taroreh (2015) which state that Debt to Equity Ratio has a negative effect and significant towards dividend policy. Based on the description, the hypotheses proposed in this study are as follows:

H2: Debt to Equity Ratio has a negative and significant effect on dividend policy.

The Effect of Return on Assets on Dividend Policy

Return on Assets (ROA) is also the rate of return on investment on a company's investment in fixed assets used for operations. The greater Return On Assets (ROA) shows better financial performance, because the level of return on investment received by investors in the form of dividend income and capital gains is greater. This is supported by research results conducted by Wahyuni and Hafiz (2018), Ardianto, et al (2017), Kalsum, et al (2015), Thaib and Taroreh (2015), and Fadli, et al (2013) who state that Return On Asset has a positive and significant effect on dividend policy. Based on the description, the hypotheses proposed in this study are:

H3: Return On Assets has a positive and significant effect on dividend policy.

Effect of Current Ratio on Firm Value

If Current Ratio is high, the security level of paying off short-term corporate obligations is guaranteed which results in increased corporate value in the eyes of investors (Sakinah and Karjono, 2018). In line with Signaling theory, it is said that a company that has a high level of liquidity will give a positive signal to investors so that the value of the company increases as seen from stock prices. This is supported by the results of research from Sakinah and Karjono (2018) and Ardianto, et al (2017) which states that the current ratio has a positive and
significant effect on firm value. Based on the description, the research hypothesis can be proposed as follows:

H4: Current Ratio has a positive and significant effect on the value of the company.

**Effect of Debt to Equity Ratio on Company Value**

The high level of DER shows the composition of total debt is greater when compared to total own capital, so this has an impact on the greater the company's burden on external parties (creditors). Increased burden on creditors shows that the company's capital source is highly dependent on external parties, thereby reducing investor interest in investing in the company concerned. This decline in investor interest in investing has an impact on the decline in the company's stock price. This means that with the high DER value, it indicates that the capital structure of the business uses more debt relative to equity. Therefore, the higher the DER reflects the relatively high risk of the company, as a result investors tend to avoid stocks that have a high DER (Sakinah and Karjono, 2018). This is supported by research results from Permana, et al (2018), Annisa and Chabachib (2017), Hernomo (2017), and Fadli, et al (2013) which states that Debt to Equity Ratio has a negative and significant effect on the value of the company. Based on the description, the research hypothesis can be proposed as follows:

H5: Debt to Equity Ratio has a significant negative effect on the value of the company.

**The Effect of Return On Assets on Company Value**

Based on signal theory, high profitability values can provide signals that are reflected in the stock price. This shows that the better the company's ROA reflects the better the company is in paying returns to shareholders, thus giving a good signal to investors and can also increase the value of the company (Alfredo et al in Ardianto, et al 2017). This is supported by the results of research conducted by Annisa and Chabachib (2017), Hernomo (2017), Ardianto, et al (2017), Kalsum, et al (2015), Fadli, et al (2014), and Fadli, et al (2013) which states that return on assets has a positive and significant effect on firm value. Based on the description, the research hypothesis can be proposed as follows:

H6: Return On Assets has a positive and significant effect on the value of the company.

**Effect of Dividend Policy on Company Value**

Dividend distribution policy is a guarantee of welfare for shareholders. Investors will be satisfied with the guarantee and provide a high valuation of the company which is usually reflected in the stock price. According to signaling theory, company announcements that increase dividends per share can be interpreted by investors as a positive signal because high dividends indicate that the company believes that future cash flows will be large enough to bear high dividend rates (Weston and Copeland, 2010). This is supported by the results of research by Permana, et al (2018), Annisa and Chabachib (2017), Hernomo (2017), Ardianto, et al (2017), and Fadli, et al (2013) who state that dividend policy has a positive and significant effect on the value of the company. Based on the description, the research hypothesis can be proposed as follows:

H7: Dividend policy has a positive and significant effect on the value of the company.

The following is a picture of the theoretical framework used in this research as follows:
RESEARCH METHODS

Population and sample

According to Arikunto (2013), “Population is the entirety of research subjects”. So what is meant by the population are individuals who have the same characteristics even though the percentage of similarity is small, or in other words all individuals will be used as research objects. The population in this study is the entire financial statements of manufacturing companies listed on the Indonesia Stock Exchange (BEI) from 2013 to 2017 with a total of 27 companies, which are taken based on the following criteria: (1) Manufacturing companies listed on the Indonesia Stock Exchange during the 2013-2017, which consistently publishes its financial statements during this period, (2) companies that have positive profits during the study period, (3) companies that distribute cash dividends for 5 consecutive years during the study period.

Based on the criteria above, the following is the process of selecting the number of populations that were sampled from the study.

Research Population Criteria

Manufacturing companies listed on the Indonesia Stock Exchange during the 2013-2017 period were 169, out of 169 manufacturing companies listed on the Indonesia Stock Exchange in a row from 2013-2017, only 27 were selected as research populations, so the population used in this study amounted to 27 companies. 39 companies that did not publish financial statement data in the 2013-2017 period were negative for the 12 study periods. The companies that did not distribute cash dividends for 5 consecutive years during the study period were 91 companies.

The sampling technique in this study uses the census method or saturated sample which is a sampling technique where all members of the population are used as samples (Sugiyono, 2015). In this study the number of manufacturing companies population obtained with certain criteria is obtained by 27 companies and by time series data method for 5 years, so the obtained number of samples used is $27 \times 5 = 135$ observational data.

Method of collecting data

Data collection techniques in this research were carried out in several ways, the following description: (1) Library Studies (Library Research). According to Sugiyono (2015), "Literature studies relate to theoretical studies and other references relating to values, culture and norms that are developing in the social situation under study, besides the study of
literature is very important in conducting research, this is because research will not be separated from scientific literature, (2) Documents, According to Sugiyono (2015) documents are records of events that have passed. Documents can be in the form of writing, drawings, or works that give the impression of a person. The documents used are financial reports or annual reports of manufacturing sector companies listed on the Indonesia Stock Exchange from 2013 to 2017, obtained from the internet, the Capital Market Information Center (PIMP), Indonesian Capital Market Directory (ICMD) and Indonesia Stock Exchange (IDX).

**DISCUSSION**

**Current Ratio Variable**

Based on the results of the descriptive analysis, it shows that the average value of the current ratio of manufacturing companies listed on the Indonesia Stock Exchange in 2013-2017 as the research sample is 2.5201. This means that the average sample company has the ability to pay its current debts from its current assets is 252.01% or every 1 current debt can be paid with 2.52 its current assets, so the value indicates that the company has a reserve of current assets that are so that it can avoid bankruptcy. In other words that the manufacturing company used as a research sample is liquid.

**Debt to Equity Ratio Variable**

Descriptive analysis results of the variable to equity ratio obtained from the study showed the average value of the debt to equity ratio of manufacturing companies listed on the Stock Exchange in 2013-2017 which became the study sample was 0.7146. This means that the average sample company has the ability to meet all the obligations used to pay debts that are aimed at some part of the company's capital is 71.46%. This means that manufacturing companies that become research samples have capital that can be used to pay off their debts, so that these companies are still fairly efficient in meeting their obligations.

**Return On Asset Variable**

Based on the results of descriptive analysis shows that the average value of return on assets of manufacturing companies listed on the Stock Exchange in 2013-2017 as a research sample is 0.1290. This means that the average sample company has the ability to make a profit from the use of assets owned by each company is 12.90%, and this value indicates that the company's ability to make a profit is good. This means that the manufacturing companies that became the research sample are still in an effective condition, because on average they are able to produce a large enough spider that is 12.90% of each asset owned by them as company operations.

**Dividend Policy Variable**

The results of the descriptive analysis of the dividend policy obtained showed that the average value of the dividend policy of manufacturing companies listed on the Indonesia Stock Exchange in 2013 - 2017 that became the study sample was 0.3469. This means that the average manufacturing company that is a research sample distributing dividends to shareholders is 34.69%. This has shown that manufacturing companies that become the research sample always try to share the profits obtained by the company through dividends so that investors are more interested in the company.

**Company Value Variable**

The results of the descriptive analysis of the company value variables obtained show that the average value of the company value measured by Price Book Value (PBV) produced by the sample companies in 2013 - 2017 is 6.0473. This means that the value generated per
share of a manufacturing company that is a research sample is 6.05 or the value of the company seen from the price of shares outstanding in a certain period of time in a manufacturing company that is a research sample of 6.05.

**Effect of Current Ratio, Debt To Equity Ratio, and Return On Assets on Dividend Policy**

Based on the regression equation above, it can be explained as follows: (1) Current Ratio has a negative effect on dividend policy, (2) Debt to equity ratio has a negative effect on dividend policy, (3) Return on assets has a positive effect on dividend policy.

**Effect of Current Ratio, Debt To Equity Ratio, Return On Assets, and Dividend Policy on Firm Value**

Regression equation that can be written:

\[ Y = -0.059X1 - 0.358X2 + 0.682X3 + 0.224Z. \]

Based on the above equation, it can be explained as follows: (1) Current Ratio has a negative effect on firm value, (2) Debt to equity ratio has a negative effect on firm value, (3) Return on assets has a positive effect on firm value, (4) Dividend policy positive effect on company value.

**Effect of Current Ratio, Debt To Equity Ratio, Return On Assets, and Dividend Policy on Firm Value**

Based on the results of the coefficient test, obtained Adjusted R Square value of 0.102. This can be interpreted that the current ratio, debt to equity ratio, and return on assets are able to explain the dividend policy of 10.2% (0.102 x 100%), while the remainder is 79.8% (100% - 10.2%) policy dividends are explained by other variables outside the model.

**Effect of Current Ratio, Debt To Equity Ratio, Return On Assets, and Dividend Policy on Firm Value**

Based on the results of the coefficient of determination test, obtained Adjusted R Square value of 0.665. This can be interpreted that the current ratio, debt to equity ratio, return on assets, and dividend policy can explain the value of the company at 66.5% (0.665 x 100%), while the rest is 33.5% (100% - 66.5 %) firm value is explained by other variables outside the model.

**Effect of Current Ratio, Debt To Equity Ratio, Return On Assets on Dividend Policy.**

F Statistical Test results obtained calculated F value of 4.852 and a significance value of 0.003 smaller than 0.05, it can be concluded that the regression model of the influence of the current ratio, debt to equity ratio, and return on assets to dividend policy is fit, meaning that the model The regression is significant and feasible to use.

**Effect of Current Ratio, Debt To Equity Ratio, Return On Assets, and Dividend Policy on Firm Value**

Based on the results of the Statistical F test, the calculated F value of 67.471 and a significance value of 0.000 is less than 0.05, it can be concluded that the current ratio regression model, debt to equity ratio, return on assets, and dividend policy on firm value are fit, it means that the regression model is significant and feasible to use.
Hypothesis Test Results The Effect of Current Ratio, Debt To Equity Ratio, and Return On Assets on Dividend Policy

Based on the results in the table above, the effect of each variable of the current ratio, debt to equity ratio, and return on assets on dividend policy is as follows: (1) The t value of the current ratio variable is -1.579 and the significance value is 0.117, where the value the significance is greater than 0.05 (0.117 > 0.05). This means that the current ratio has a negative and insignificant effect on dividend policy in manufacturing companies that became the research sample in 2013-2017. It can be concluded that hypothesis one is unacceptable, (2) the t value of the calculated debt to equity ratio variable is -2.643 and the significance value is 0.009, where the significance value is less than 0.05 (0.009 < 0.05). This means that the debt to equity ratio has a negative and significant effect on dividend policy in manufacturing companies that became the research sample in 2013-2017. It can be concluded that hypothesis two is acceptable. (3) The t-value of the variable return on assets is 2.743 and the significance value is 0.007, where the significance value is smaller than 0.05, i.e. (0.007 < 0.05). This means that return on assets has a positive and significant effect on dividend policy in manufacturing companies that are the research samples for 2013-2017. It can be concluded that hypothesis three.

Intervening Test Results with the Sobel Test The Effect of Current Ratio on Firm Value Through Dividend Policy

Based on the results of the intervening test or mediation test using the Sobel Test in the picture above, it shows that the Z value obtained is 1.035. These results indicate that where the value of the Sobel test is smaller than 1.98 (1.035 < 1.98) with a significance level of two-tailed probability 0.300 > 0.05. So it can be concluded that dividend policy cannot be an intervening variable or cannot mediate the effect of current ratio on firm value. This means that the size of the current ratio value will not affect the value of the company through the size of the dividend policy.

CONCLUSIONS AND SUGGESTIONS

Conclusion

From the results of the study in the previous chapter, about the effect of the current ratio, debt to equity ratio, and return on assets on firm value with dividend policy as an intervening variable (a study of manufacturing companies listed on the Indonesia Stock Exchange in 2013-2017), several conclusions, among others: (1) Current ratio has a negative and not significant effect on dividend policy. Can be seen from the negative t value and significance value greater than 0.05, 0.117 > 0.05. This means that a decrease in the value of the current ratio will not significantly influence the increase in dividend policy of manufacturing companies listed on the Indonesia Stock Exchange in 2013-2017 as a sample. (2) Debt to equity ratio has a negative and significant effect on dividend policy. Can be seen from the negative t value and the significance value smaller than 0.05, 0.009 < 0.05. This means that a decrease in the value of debt to equity ratio will significantly influence the increase in the value of dividend policy of manufacturing companies listed on the Indonesia Stock Exchange in 2013-2017 as a sample. (3) Return on assets has a positive and significant effect on dividend policy. It can be seen from the positive t value and the significance value smaller than 0.05 which is 0.007 < 0.05. This means that an increase in the value of return on assets will have a significant effect on the increase in the value of dividend policy of manufacturing companies listed on the Stock Exchange in 2013-2017 which is the sample. (4) Current ratio has a negative and not significant effect on firm value. Can be seen from the negative t value and the significance value greater than 0.05, 0.527 > 0.05. This means that a decrease in the value of the current ratio will not significantly influence the increase in the
value of the company in manufacturing companies listed on the Stock Exchange in 2013 - 2017 as a sample. (5) Debt to equity ratio has a negative and significant effect on firm value. It can be seen from the negative t value and the significance value smaller than 0.05, 0.000 <0.05. This means that a decrease in the value of debt to equity ratio will have a significant effect on increasing the value of the company in manufacturing companies listed on the Indonesia Stock Exchange in 2013 - 2017 as a sample. (6) Return on assets has a positive and significant effect on firm value. It can be seen from the positive t value and the significance value smaller than 0.05 which is 0.000 <0.05. This means that an increase in the value of return on assets will have a significant effect on increasing the value of the company in manufacturing companies listed on the Stock Exchange in 2013 - 2017 as a sample. (7) Dividend policy has a positive and significant effect on company value. It can be seen from the positive t value and the significance value smaller than 0.05 which is 0.000 <0.05. This means that an increase in the value of the dividend policy will have a significant effect on increasing the value of the company in manufacturing companies listed on the Indonesia Stock Exchange in 2013 - 2017 as a sample.

Suggestion

Based on the research results obtained, various suggestions can be submitted as follows: (1) Judging from the results obtained, that the current ratio variable has a negative value and is not significant so that for future research it is expected to replace the current ratio variable with other variables is expected to provide better results. (2) It is expected that for further research in order to increase the number of independent variables used, remember that in this study only using three independent variables, so it needs to be added to the number more. For example, by adding managerial ownership variables, return on equity, institutional ownership, company size, stock returns, earnings per share, LDR, and others, so that the results obtained are better and research results are more accurate and can predict the value of the company for the long term and the results obtained are more convincing. (3) For further research, considering that in this study using price book value (PBV) proxies to measure firm value, it is expected that other models are used to measure firm value such as using Tobins'Q, thus giving different results.

REFERENCES


