

ABSTRACT

This study aims to know the factors that influence firm value and to know which factor that has the biggest influence to firm value. Population of this study were manufacturing companies listed on the Indonesia Stock Exchange. Samples determined by using purposive sampling method. Samples obtained were as much 24 companies. Testing of hypothesis using multiple linear regression analysis method with the help of SPSS ver. 16. Test results showed that the first hypothesis (H1) which states firm size had positive effect to firm value, accepted. The second hypothesis (H2) which states firm growth had positive effect to firm value, accepted. The third hypothesis (H3) which states leverage had negative effect to firm value, accepted. The fourth hypothesis (H4) which states profitability had positive effect to firm value, accepted. The fifth hypothesis (H5) which states dividend policy had positive effect to firm value, rejected. The sixth hypothesis (H6) which states cash flow had positive effect to firm value, rejected. The seventh hypothesis (H7) which states firm age had positive effect to firm value, accepted. The eighth hypothesis (H8) which states cultivation of foreign capital had positive effect to firm value, rejected.

Keywords: Firm value, firm size, firm growth, leverage, profitability, dividend policy, cash flow, firm age, and cultivation of foreign capital.