

THE EFFECT OF INVESTMENT DECISIONS ON COMPANY VALUE IN LQ45 INDEX COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2018-2020 PERIOD

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Article Info

Article history:

Received 03 30, 2023

Revised 04 02, 2023

Accepted 04 02, 2023

Keywords:

Investation Decision

Fixed Assets to Total Assets

Price Earning Ratio

The value of the company

Price To Book Value

Abstract

This study aims to examine the effect of investment decisions on firm value in LQ45 index companies listed on the Indonesia Stock Exchange. Investment decisions are measured by Fixed Assets to Total Assets (FATA) and Price Earning Ratio (PER), while company value is measured by Price To Book Value (PBV). Sampling using purposive sampling technique, with a total sample of 27 companies. Data collection methods used are Library Research and Web Searching. The data analysis used was SPSS V23 with the classical assumption test, multiple linear regression analysis and hypothesis testing. From the results of research using the coefficient of determination test (R^2) obtained a yield of 12.5%. FATA and PER affect Firm Value (PBV), while the remaining 87.5% are influenced by other variables not examined in this study. Based on the results of the t (partial) test for the variable Price Earning Ratio has $t_{count} < t_{table}$ or $2,933 < 1,67022$ then H_0 rejected and H_a accepted and the sig value of 0.005 is less than 0.05 so it can be concluded that the Price Earning Ratio has a significant effect on Firm Value, and Fixed Assets to Total Assets have $t_{count} > t_{table}$ or $-1,432 > 1,67022$ then H_0 accepted and H_a rejected and the sig value of 0.157 is greater than 0.05 so it can be concluded that partially Fixed Assets to Total Assets have no significant effect on Firm Value. And from the F test (simultaneous) Price Earning Ratio and Fixed Assets to Total Assets $F_{count} > F_{table}$ or $4.428 > 2.75$ with a significant value of 0.016 less than 0.05, it can be concluded that simultaneously there is a significant effect on firm value at LQ45 index companies listed on the Indonesia Stock Exchange for the 2018-2020 period.

1. INTRODUCTION

Background problem

According to Husnan (2012) company value is assessed based on the share price that will be paid by prospective buyers if the company is sold. High stock prices can increase the value of the company. When the value of the company increases, the prosperity of shareholders will also increase. The value of companies included in the LQ45 index is considered good by investors, because it has a large capitalization value and high transaction value. However, that does not mean that the company value of the LQ45 index is always good from time to time. The LQ45 index shares are always updated by the Indonesia Stock Exchange, so that stocks enter and leave the LQ45 index. LQ45 index shares are issued when they do not meet the requirements to be included in the LQ45 index. Shares that are included in the LQ45 index will be issued if there is a large decrease in transaction value which reduces liquidity.

In today's increasingly competitive industrialization era, a manager plays an important role in the company's success. Company managers are required to achieve company goals, namely the prosperity of company owners or shareholders by maximizing the value of the company. Therefore, every company manager always tries to increase the share price as a reflection of the company's value in giving signals to investors so that investors are interested in investing in the company. One of the investment vehicles in the capital market that provides a high rate of return and great welfare for investors is the LQ45 index. This index consists of 45 stocks with liquidity (*liquid*) is high and is one of the stock index indicators on the IDX which can be used as a reference as material for assessing stock trading performance. This is because LQ45 shares have a high capitalization and high trading frequency so that the growth prospects and financial condition of the shares are good.

Investment decisions regarding the act of issuing funds at this time so that it is expected to get cash flows in the future with a larger amount than the funds issued at this time so that the company's expectations to always develop will be more planned (Pudjiati and Widanar, 2009). The purpose of making investment decisions is to get large profits with manageable risks in the hope of optimizing firm value (Afzal and Abdul, 2012). According to Prasetyo (2011) if a company is able to make the right investment decisions, the company's assets will produce optimal performance so as to provide a positive signal for investors which will increase stock prices and increase firm value.

Investment decisions are very important for companies because investment decisions are related to the profits that the company will receive in the future. Septia (2015) states that company value is solely determined by investment decisions. From this statement it can be interpreted that investment decisions are important because achieving company goals will be generated through the company's investment activities.

The researcher tries to use LQ45 index data, the LQ45 index is the market capitalization value of the 45 most liquid stocks and has a large capitalization value, this is an indicator of liquidity. The LQ45 index uses 45 selected stocks based on stock trading liquidity and is adjusted every six months (every beginning of February and August).

This prompted researchers to conduct an analysis of **The Effect of Investment Decisions on Company Value in LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 Period.**

Problem Formulation

Based on the background above, the formulation of the problem in this study is as follows:

1. Does Fixed Assets to Total Assets (FATA) have a partial effect Against Company Value of LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 Period?
2. Does the Price Earning Ratio (PER) have a partial effect on Company Value in LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 Period?
3. Do Fixed Assets to Total Assets (FATA) and Price Earning Ratio (PER) simultaneously affect Company Value in LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 period?

Research purposes

Based on the background above, the objectives of this study are as follows:

1. To find out and analyze the effect of Fixed Assets to Total Assets (FATA) partially Against Company Value of LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 Period?
2. To find out and analyze the partial effect of the Price Earning Ratio (PER) on Company Value in LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 Period?
3. To find out and analyze the effect of Fixed Assets to Total Assets (FATA) and Price Earning Ratio (PER) simultaneously on Company Value in LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 period?

2. LITERATURE REVIEW

Financial management

According to Dewi Utari (2014), financial management is planning, organizing, implementing, and controlling the search for funds at the lowest possible cost and using them effectively and efficiently for organizational operations.

According to Agus Sartono (2015), Financial Management can be interpreted as good fund management related to allocating funds in various forms of investment effectively as well as collecting efforts to finance investment or learning efficiently. According to Horne and Wochowicz (2012) Financial management is all activities related to the acquisition, financing and management of assets with several objectives[1].

According to Mustafa (2017) Financial management explains several decisions that must be made, namely investment decisions, funding decisions or decisions to fulfill funding needs, and dividend policies.

From the theories above, it can be concluded that financial management is an effort to manage funds that are collected and allocated to finance all company activities in order to achieve the goals of the company.

The value of the company

According to Hery (2017), company value is a certain condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activity for several years, starting from when the company was founded until now.

According to Silvia Indrarini (2019), company value is an investor's perception of the level of success of managers in managing the company's resources entrusted to them which is often associated with stock prices. According to Bambang Sugeng (2017), company value is the selling price of the item when the item is to be sold.

Based on the three opinions above, it can be concluded that firm value is a condition that is achieved by managers in managing company resources which are used as an illustration for the community and investors, which are usually related to stocks.

Firm value is a certain condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activity for several years, namely since the company was founded until now. The public judges by being willing to buy company shares at a certain price according to their perceptions and beliefs. Firm value is proxied by PBV. The formula for the PBV ratio (Brigham & Houston, 2010):

$$\text{PBV} = \frac{\text{Stock Price}}{\text{Book Value Per Share}}$$

Investation decision

The investment decision is a decision on the assets managed by the company. Investment decisions have a direct effect on the size of the company's investment profitability and cash flow in the future. The purpose of investment decisions is to obtain a high level of profit with a certain level of risk (Yuliani, 2013). Investors will see how the company's management manages the assets or assets owned by the company because the investment

decisions taken will have an impact on the profits generated by the company. Van Horne & Wachowicz (2009) mentions that investment decisions are the most important thing for creating company value, starting with determining the total assets required by the company.

Investment decisions are decisions regarding investment in the present to obtain results or profits in the future (Setiani, 2013). Investment decisions made by companies are influenced by the company's ability to generate cash so that it can meet long-term and short-term needs or what is called company liquidity. Companies must maintain liquidity so that it is not disturbed, so that it does not interfere with the smooth running of company activities to invest and does not lose confidence from outsiders (Hidayat, 2010).

Investment decisions in this study are proxied by Fixed Asset to Total Assets (FATA) and Price Earning Ratio (PER). Investment decisions are decisions related to investing in both real assets and financial assets (Yuliani, 2013). Fixed assets to total assets (FATA) is defined as the ratio of fixed assets to total assets. Fixed assets are assets acquired to be used in company activities for a period of more than one year, not intended to be resold in the normal course of the company, and are expenditures with a large or material value. The formula for FATA is (Brigham & Houston, 2010):

$$\text{FATA} = \frac{\text{Fixed Assets}}{\text{Total Assets}}$$

Price Earning Ratio (PER) where this ratio shows how much investors are willing to pay for each reported profit (Brigham & Houston, 2011). The higher the PER ratio of a stock, the higher the share price in terms of net income per share, which means that the investment in the company is also high and shows a signal of future growth in the company's earnings. This will be considered as good news which will change investors' perceptions of the company's performance so that it can increase stock prices which will ultimately affect the value of the company. Rumus price Earning Ratio (PER) is:

$$\text{PER} = \frac{\text{Stock Price}}{\text{Earning Per Share}}$$

Hypothesis

Based on the formulation of the problem that has been raised, then the authors present the hypothesis.

- H1 : It is suspected that Fixed Assets to Total Assets (FATA) has a partial effect on Company Value at LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 period.
- H2 : It is suspected that the Price Earning Ratio (PER) has a partial effect on company value in LQ45 index companies listed on the Indonesia Stock Exchange for the 2018-2020 period.
- H3 : It is suspected that Fixed Assets to Total Assets (FATA) and Price Earning Ratio (PER) have a simultaneous effect on Company Value in LQ45 Index Companies Listed on the Indonesia Stock Exchange for the 2018-2020 period.

3. RESEARCH METHOD

Object of research

The objects in this study are investment decisions and company values using financial report data for LQ45 index companies listed on the Indonesia Stock Exchange which have survived in the last year, namely 2020.

Research time

In conducting this research, the research time starts from October to February, and with the required financial data through the Indonesia Stock Exchange for LQ45 companies in 2018-2020.

Data Type

In this study, researchers used qualitative and quantitative data.

Data source

In this study, the data source used is secondary data collected through financial reports on LQ45 index companies listed on the Indonesia Stock Exchange for 2018-2020.

Population

The population in this study are companies listed on the LQ45 index during the 2018-2020 period which have survived in the last year, namely 2020, with a total of 45 companies.

Sample

The technique used in determining the sample in this study is the method purposive sampling namely the selection of samples based on certain criteria and systematics. The criteria for companies that were sampled in this study were:

- a. Companies that are included in LQ45 which are still listed on the Indonesia Stock Exchange during the 2018-2020 period
- b. LQ45 company that lists the value of Fixed Assets and Total Assets in its financial statements
- c. Companies that provide stock prices and book value per share on the IDX
- d. Companies that provide earnings per share in their financial statements

From these criteria, researchers obtained 27 LQ45 companies to be sampled in this study.

Data Collection Techniques

The data taken in this research is secondary data. Secondary data is data that is not obtained directly from research subjects, data obtained indirectly from companies that are used as the unit of analysis using the following techniques:

1. Library Studies (Library Research), the author obtains several data sources derived from previous research references.
2. Web Searching, namely writing efforts to collect articles, journals, documentation and others that have to do with scientific writing material on the internet.

Data analysis method

The data analysis techniques used in this study are as follows:

1. Classic assumption test

The classic assumption test is a data test that is used to find out the research data meets the requirements for further analysis, in order to answer the hypotheses that have been determined by the researcher. The classic assumption test used in this study includes:

- a. Normality test
- b. Autocorrelation Test
- c. Multicollinearity Test
- d. Heteroscedasticity Test

2. Multiple Linear Regression Analysis

Multiple linear regression is used to analyze how much influence the independent variables have on the dependent variable with the following model:

$$Y = a + bx_1 + bx_2 + e$$

Information:

Y = Firm Value

bx_1 = Fixed Assets To Total Assets (Investation decision)

bx_2 = Price Earning Ratio (Investation decision)

It is = error (residual error)

a = constant

3. Hypothesis test

a. Partial Test (t test)

This test examines the level of significance of each independent variable, namely investment decisions affect the dependent variable, namely firm value. Testing is done by comparing between t_{count} with t_{table} and if the significance value is <0.05 or $\alpha = 5\%$ then the hypothesis is accepted.

b. Simultaneous Test (F Test)

The F test is carried out by comparing F_{count} with F_{table} and if the significance value is <0.05 or $\alpha = 5\%$ then the hypothesis is accepted.

c. Determination Coefficient Test (R^2)

Measuring coefficient of determination is between zero and one. If the value is closer to one, it means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

4. RESULTS AND DISCUSSION

1. Classic assumption test

a. Normality test

The purpose of the normality test is to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016). The data normality test in this study used Kolmogorov-Smirnov for each variable. If the Kolmogorov-Smirnov test value has a significance value of more than 0.05 or 5%, it can be concluded that H_a is accepted so that the data is said to be normally distributed. Meanwhile, if it is less than 0.05 or 5% the data is said to be not normally distributed.

The following is a test result using Kolmogorov-Smirnov test.

Table 1. Abnormal normality test results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		81
Normal	Mean	-.0000002
Parameters ^{a,b}	Std. Deviation	2605344615.38063050
Most Extreme	Absolute	.214
Differences	Positive	.214
	Negative	-.147
Test Statistic		.214
Asymp. Sig. (2-tailed)		.000 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Spss Processed Data Version 23.0 For Windows, 2021

As seen from the table above, the results of the calculation of the normality test are not normally distributed. To get values that are normally distributed, data transformation and outliers are performed using the Natural Logarithm (LN).

Following below are the results of normalized data.

Table 2. Normal normality test results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		65
Normal	Mean	.0000000
Parameters ^{a,b}	Std. Deviation	4.78603426
Most Extreme	Absolute	.095
Differences	Positive	.056
	Negative	-.095
Test Statistic		.095
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: Spss Processed Data Version 23.0 For Windows, 2021

Known from the output above in the column kolmogorov-smirnov it can be seen that the significance value for PER and FATA is 0.200, it can be concluded that PER and FATA are normally distributed, because their significance value is greater than 0.05.

b. Multicollinearity Test

To find whether or not multicollinearity exists in the regression model, it can be seen from the tolerance value and the Variance Inflation Factor (VIF) value. The tolerance value measures the variability of the selected independent variables which cannot be explained by other independent variables. So a low tolerance value is the same as a high VIF value, because $VIF = 1/\text{tolerance}$, and indicates high collinearity. The cut off value used is for a tolerance value of 0.10 or a VIF value above 10.

Table 3. Multicollinearity normality test results

		Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Say.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	15.217	2.325		6.545	.000		
	LN_FATA	-.679	.474	-.180	-1.432	.157	.894	1.118
	LN_PER	.517	.176	.368	2.933	.005	.894	1.118

a. Dependent Variable: LN_PBV

Source: Spss Processed Data Version 23.0 For Windows, 2021

Based on the "Coefficients" output table in the "Collinearity Statistics" section, it is known that the Tolerance values for the FATA and PER variables are 0.894 greater than 0.10. Meanwhile, the VIF

values for the FATA and PER variables were $1.118 < 10.00$. Then referring to the basis of decision making in the multicollinearity test it can be concluded that there are no symptoms of multicollinearity in the regression model.

If there are only 2 independent variables (X) used in the regression analysis, then automatically the Tolerance and VIF results for the two variables will have the same value.

c. Heteroscedasticity Test

Heteroscedasticity test using the graphical method detects whether there is heteroscedasticity which can be seen from the graphical method scatterplot between SRESID and ZPRED where the y axis is the predicted variable and the x axis is the residual. To prove whether there is heteroscedasticity disorder, it can be seen from the scatter diagram pattern (*scatter – plot*).

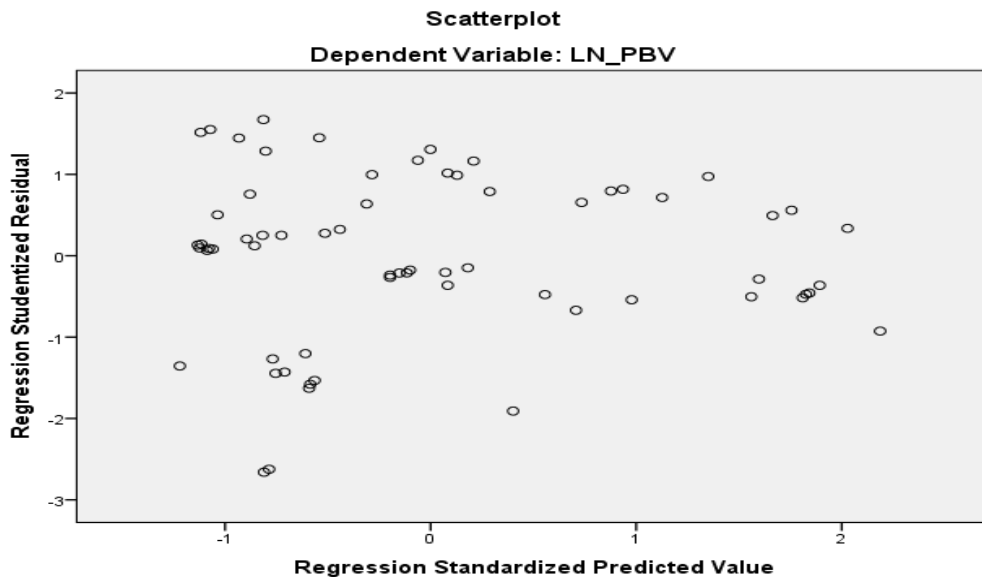


Figure 1. Heteroscedasticity Test Results
Source: Spss Processed Data Version 23.0 For Windows, 2021

Based on the picture above, we can see that the points on the scatterplot are spread out and do not form a certain pattern which indicates that there is no heteroscedasticity problem in the regression model, so that the regression model is suitable for predicting Price To Book Value which is a scale for measuring company value, based on the input of the independent variables FATA and PER.

d. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in the (previous) $t-1$ period (Ghozali, 2016). If there is a correlation, then there is called an autocorrelation problem. The regression model is said to be good if the regression is free from autocorrelation. To find out whether or not autocorrelation exists, it can be done using the Durbin-Watson test (DW test) with the following conditions:

Provision :

- a. If the DW number is below -2, it means that there is a positive autocorrelation.
- b. If the DW number is below -2 to +2, it means that there is no autocorrelation.

c. If the DW number is below +2, it means that there is a negative autocorrelation.

Table 4. Autocorrelation test results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.354 ^a	.125	.097	4.86262	.977

a. Predictors: (Constant), LN_PER, LN_FATA

b. Dependent Variable: LN_PBV

Source: Spss Processed Data Version 23.0 For Windows, 2021

From the output above, it is obtained that the Durbin Watson (DW) value resulting from the regression model is 0.977, while from the DW table the significance is 0.05 and the amount of data (n) = 65, and k = 3, the dl value is 1.5632 and du is 1.7164. then the null hypothesis is accepted which means there is no autocorrelation.

2. Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine the relationship between the two sub-variables, in this case the influence of PER and FATA on PBV in LQ45 companies. Based on the results of data processing that has been carried out using SPSS 23.0 for windows, the complete results are presented in the table below:

Table 5. Multiple Linear Regression test results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.217	2.325		6.545	.000
	LN_FATA	-.679	.474	-.180	-1.432	.157
	LN_PER	.517	.176	.368	2.933	.005

a. Dependent Variable: LN_PBV

Source: Spss Processed Data Version 23.0 For Windows, 2021

Based on the multiple regression test table above, the multiple regression equation is obtained as follows:

$$\text{Firm Value} = 15.217 + (-0.0679) + 0.517$$

From the above equation it is known:

1. The constant is 15.217, which means that if the PER and FATA variables do not exist or have a constant zero value, then the PBV value is 15.217.
2. FATA variable regression coefficient (X_1) of (-0.0679). This means that if FATA decreases by 1% rupiah, then PBV will increase by (-0.0679) assuming other variables are constant.
3. PER variable regression coefficient (X_2) of 0.517. This means that if PER increases by 1% then PBV (Y) will increase by 0.517 assuming that other variables are constant. The coefficient is positive, meaning that there is a positive relationship between the PER variable and PBV.
4. The coefficient is negative, meaning that there is a negative relationship between the FATA variable and the stock price, so the PBV decreases.

3. Hypothesis test

a. Partial test (t)

This test examines the level of significance of each independent variable, namely investment decisions affect the dependent variable, namely firm value. Testing is done by comparing between t_{count} with t_{table} and if the significance value is <0.05 or $\alpha = 5\%$ then the hypothesis is accepted using SPSS 23.0 then compared with the t value t_{table} .

The hypothesis is as follows:

- Ho : There is no significant effect between the independent variable and the dependent variable (Ho is accepted, Ha is rejected, if the value of $t_{count} < t_{table}$).
- Ha : There is a significant influence between the independent variables and the dependent variable (Ho is rejected, Ha is accepted, if the value of $t_{count} > t_{table}$).

Table 6. Partial test results (t)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Say.
		B	Std. Error	Beta		
1	(Constant)	15.217	2.325		6.545	.000
	LN_FATA	-.679	.474	-.180	-1.432	.157
	LN_PER	.517	.176	.368	2.933	.005

a. Dependent Variable: LN_PBV

Source: Spss Processed Data Version 23.0 For Windows, 2021

From the variable testing table above, it can be concluded as follows:

1. PER variable testing

Based on *output* above obtained t_{count} of 2.933. And for t_{table} with degrees of freedom (df) $n-k-1$ or $65-3-1 = 61$ with a test of 0.05, t is obtained t_{table} of 1.67022. With the following test criteria:

- a) Ho is rejected if $t_{count} > t_{table}$
 b) Ha accepted if $t_{count} < t_{table}$

Nilai t_{count} 2,933 $<$ t_{table} 1.67022, then Ha is accepted and Ho is rejected and the sig value of 0.005 is less than 0.05 so it can be concluded that partially PER has a significant effect on PBV.

2. FATA variable testing

Based on *output* above obtained t_{count} equal to (-1.432) And for t_{table} with degrees of freedom (df) $n-k-1$ or $65-3-1 = 61$ with a test of 0.05, t is obtained t_{table} of 1.67022. With the following test criteria:

- a) Ho is rejected if $t_{count} > t_{table}$
 b) Ha accepted if $t_{count} < t_{table}$

Nilai t_{count} (-1.432) $>$ t_{table} (1.67022), then Ho is accepted Ha is rejected and the sig value is 0.157 greater than 0.05 so it can be concluded that partially FATA has no significant effect on PBV.

b. Simultaneous test (test F)

The F test is carried out by comparing F_{count} with F_{table} and if the significance value is <0.05 or $\alpha = 5\%$ then the hypothesis is accepted. The F test is used to test whether the independent variables simultaneously affect the dependent variable. With a confidence level of 95% ($\alpha = 0.05$).

Table 7. Simultaneous test results

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	209.422	2	104.711	4.428	.016 ^b
Residual	1465.992	62	23.645		
Total	1675.414	64			

a. Dependent Variable: LN_PBV

b. Predictors: (Constant), LN_PER, LN_FATA

Source: Spss Processed Data Version 23.0 For Windows, 2021

From the calculation results obtained the value of F_{count} of 4.428. value of F_{count} 4,428 > from F_{table} (2.75) with a significant value of 0.016 less than 0.05 then H_a is accepted H_o is rejected, meaning that simultaneously there is a significant influence between the PER and FATA variables on PBV.

c. Test the coefficient of determination (R^2)

Measuring coefficient of determination is between zero and one. If the value is closer to one, it means that the independent variables provide almost all the information needed to predict the variation of the dependent variable.

Table 8. Determination test results

Model Summary ^b						
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.354 ^a	.125	.097		4.86262	.977

a. Predictors: (Constant), LN_PER, LN_FATA

b. Dependent Variable: LN_PBV

Source: Spss Processed Data Version 23.0 For Windows, 2021

Based on the output, the R Square number is 0.125 or 12.5%. This shows that the percentage of contribution of the independent variables (PER and FATA) to the dependent PBV is 12.5% or the variation of the independent variables used is only able to explain 12.5% of the dependent variable while the remaining 87.5% is influenced by the variable other independents who were not included in this study.

The influence of investment decisions on firm value indicates that the company's ability to maximize investment in its efforts to generate profits is in accordance with the amount of funds tied up.

5. CONCLUSION

Based on the results of the analysis and discussion described in the previous chapter, the conclusions of this study are:

1. Based on the results of the hypothesis it is known that the Investment Decision variable as measured by Fixed Assets to Total Assets (FATA) is not statistically proven to have an effect on Company Value as measured by Price Book Value (PBV).
2. Based on the results of the hypothesis it is known that the Investment Decision variable as measured by Price Earning Ratio (PER) is statistically proven to have a positive and significant effect on the Firm Value variable as measured by Price Book Value (PBV).
3. Based on the results of the F test, it can be concluded that the investment decision indicators are Fixed Assets to Total Assets (FATA) son Price Earning Ratio (PER) together have an effect on Price Book Value (PBV) with the calculation results obtained the value of F_{count} of 4.428. value of F_{count} 4,428 > from F_{table} (2.75) with a

significant value of 0.016 greater than 0.05 then H_a is accepted H_o is rejected, meaning that simultaneously there is a significant effect between the Investment Decision of the PER and FATA variables on Firm Value (PBV) in LQ45 companies listed on the Stock Exchange Indonesia for the 2018-2020 period.

6. SUGGESTION

Based on the description of the results of the research conducted, the researcher proposes the following suggestions:

1. For LQ45 companies, especially the management, it is hoped that they can choose investment activities that can increase the value of the company.
2. Investors are expected to be able to compare various investment decisions so that they are more optimal in assessing a company.
3. For future researchers to be able to add independent variables as a material consideration for predicting other factors that may affect firm value and the results of this study are a useful reference for further investment decision research by taking into account the existing limitations.

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