

## TABLE OF CONTENT

	Page
<b>COVER PAGE</b>	
<b>TITLE PAGE</b>	
<b>DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT .....</b>	<b>ii</b>
<b>APPROVAL PAGE BY FINAL PAPER ADVISOR .....</b>	<b>iii</b>
<b>APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE ....</b>	<b>iv</b>
<b>ABSTRACT .....</b>	<b>v</b>
<b>ABSTRAK .....</b>	<b>vi</b>
<b>PREFACE .....</b>	<b>vii</b>
<b>TABLE OF CONTENTS .....</b>	<b>x</b>
<b>LIST OF FIGURES .....</b>	<b>xiv</b>
<b>LIST OF TABLES .....</b>	<b>xv</b>
<b>LIST OF APPENDICES .....</b>	<b>xvi</b>
<b>CHAPTER I INTRODUCTION</b>	
1.1. Background of the Study .....	1
1.2. Problem Limitation .....	7
1.3. Problem Formulation .....	7
1.4. Objective of the Research .....	8
1.5. Benefit of the Research .....	9
1.5.1. Theoretical Benefit .....	9
1.5.2. Practical Benefit.....	9
<b>CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT</b>	
2.1. Theoretical Background .....	11
2.1.1. Agency Theory .....	11

2.1.2.	Signaling Theory .....	10
2.1.3.	Firm Value .....	12
2.1.3.1.	Firm Value Definition.....	12
2.1.3.2.	Firm Value Importance and Benefits .....	13
2.1.3.3.	Firm Value Indicators .....	13
2.1.4.	Leverage .....	14
2.1.4.1.	Leverage Definition .....	14
2.1.4.2.	Leverage Importance and Benefits .....	14
2.1.4.3.	Leverage Indicators .....	15
2.1.5.	Dividend Policy .....	18
2.1.5.1.	Dividend Policy Definition .....	18
2.1.5.2.	Dividend Policy Importance and Benefits .....	20
2.1.5.3.	Factors Influencing Dividend Policy Involvement .....	21
2.1.5.4.	Dividend Policy Indicators .....	22
2.1.6.	Profitability .....	23
2.1.6.1.	Profitability Definition .....	23
2.1.6.2.	Profitability Classification, Importance, and Benefits.	23
2.1.6.3.	Profitability Indicators .....	24
2.2.	Previous Research .....	26
2.3.	Hypothesis Development .....	31
2.3.1.	The Effect of Leverage on Firm Value in Manufacturing Companies Listed on the Indonesia Stock Exchange .....	31
2.3.2.	The Effect of Dividend Policy on Firm Value in Manufacturing Companies Listed on the Indonesia Stock Exchange .....	32
2.3.3.	The Effect of Profitability on Firm Value in Manufacturing Companies Listed on the Indonesia Stock Exchange .....	33
2.3.4.	The Effect of Leverage, Dividend Policy, and Profitability on Firm Value in Manufacturing Companies Listed on the Indonesia Stock Exchange .....	33
2.4.	Research Model .....	35
2.5.	Framework of Thinking .....	36

## **CHAPTER III RESEARCH METHODOLOGY**

3.1. Research Design .....	38
3.2. Population and Sample .....	39
3.3. Data Collection Method .....	41
3.4. Operational Variable and Variable Measurement .....	41
3.4.1. Dependent Variable .....	41
3.4.2. Independent Variable .....	42
3.4.2.1. Leverage.....	42
3.4.2.2. Dividend Policy .....	43
3.4.2.3. Profitability .....	43
3.5. Data Analysis Method .....	44
3.5.1. Descriptive Statistic .....	45
3.5.2. Classical Assumption Test .....	45
3.5.2.1. Normality Test .....	45
3.5.2.2. Heteroscedasticity Test .....	47
3.5.2.3. Multicollinearity Test .....	48
3.5.2.4. Autocorrelation Test .....	48
3.5.3. Multiple Regression Analysis .....	49
3.5.4. Hypothesis Testing .....	50
3.5.4.1. Partial T Test.....	51
3.5.4.2. Simultaneous F Test .....	51
3.5.4.3. Coefficient of Determination (Adjusted R <sup>2</sup> ).....	52

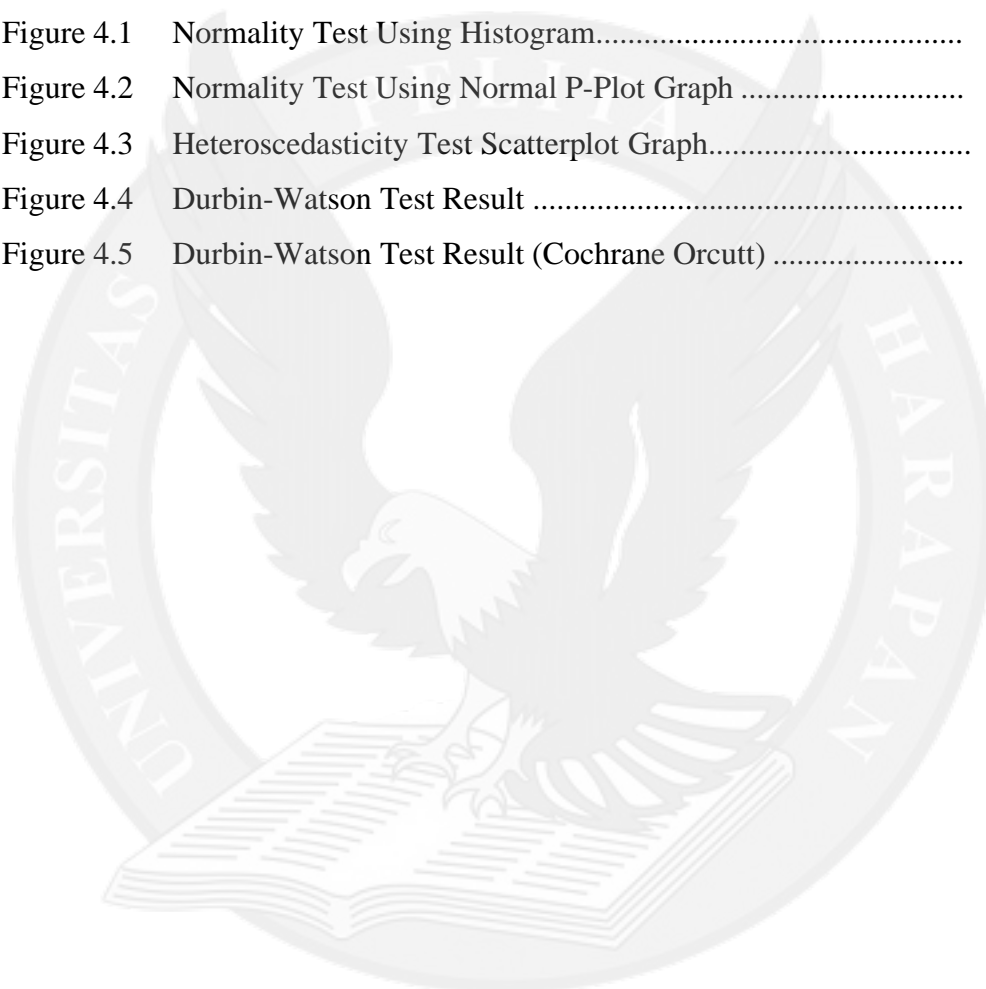
## **CHAPTER IV RESEARCH RESULT AND DISCUSSION**

4.1. General View of Manufacturing Companies in Indonesia Stock Exchange .....	53
4.2. Research Result .....	63
4.2.1. Descriptive Statistics .....	63
4.2.2. Results of Data Quality Testing .....	64
4.2.2.1. Normality Test .....	65
4.2.2.2. Heteroscedasticity Test .....	67
4.2.2.3. Multicollinearity Test .....	69
4.2.2.4. Autocorrelation Test .....	71

4.2.2.5. Summary of Classical Assumption Test.....	73
4.2.3. Multiple Linear Regression Analysis .....	73
4.2.4. Result of Hypothesis Testing .....	75
4.2.4.1. Partial Hypothesis Testing (T-Test Analysis).....	75
4.2.4.2. Simultaneous Hypothesis Testing (F-Test Analysis) .....	79
4.2.4.3. Coefficient of Determination (Adjusted R <sup>2</sup> ).....	80
4.3. Discussion .....	81
4.3.1. The Effect of Leverage toward Firm Value on Manufacturing Companies Listed on the Indonesia Stock Exchange .....	82
4.3.2. The Effect of Dividend Policy toward Firm Value on Manufacturing Companies Listed on the Indonesia Stock Exchange .....	83
4.3.3. The Effect of Profitability toward Firm Value on Manufacturing Companies Listed on the Indonesia Stock Exchange .....	84
4.3.4. The Effect of Leverage, Dividend Policy, and Profitability toward Firm Value on Manufacturing Companies Listed on the Indonesia Stock Exchange .....	85
<b>CHAPTER V CONCLUSION</b>	
5.1. Conclusion .....	87
5.2. Recommendation .....	89
<b>REFERENCES.....</b>	<b>90</b>

## LIST OF FIGURES

	<b>Page</b>
Figure 1.1 Average Firm Value Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX).....	3
Figure 2.1 Research Model .....	36
Figure 2.2 Framework of Thinking .....	37
Figure 4.1 Normality Test Using Histogram.....	66
Figure 4.2 Normality Test Using Normal P-Plot Graph .....	67
Figure 4.3 Heteroscedasticity Test Scatterplot Graph.....	68
Figure 4.4 Durbin-Watson Test Result .....	71
Figure 4.5 Durbin-Watson Test Result (Cochrane Orcutt) .....	72



## LIST OF TABLES

	<b>Page</b>
Table 1.1 The Value of DER, DPR, ROE, and PBV of Manufacturing Companies Listed on Indonesia Stock Exchange for the period of 2019-2021 .....	3
Table 2.1 Summary of Previous Research .....	29
Table 3.1 Determination of Sample .....	39
Table 3.2 Research Sample.....	40
Table 3.3 Measurement of the Variables .....	44
Table 3.4 Durbin-Watson Decision Table .....	49
Table 4.1 Descriptive Statistics.....	63
Table 4.2 Normality Test Using Kolmogorov-Smirnov Test Result.....	65
Table 4.3 Heteroscedasticity Test – Glejser Test.....	69
Table 4.4 Multicollinearity Test .....	70
Table 4.5 Autocorrelation Test – Durbin-Watson Test .....	71
Table 4.6 Autocorrelation Test – Cochrane-Orcutt Test .....	72
Table 4.7 Summary of Classical Assumption Test .....	73
Table 4.8 Multiple Linear Regression Analysis .....	74
Table 4.9 Partial Hypothesis Testing (T-Test).....	77
Table 4.10 Simultaneous Hypothesis Testing (F-Test).....	80
Table 4.11 Coefficient of Determination (Adjusted R <sup>2</sup> ).....	81
Table 4.12 Summary of the Hypothesis Test Results .....	86

## LIST OF APPENDICES

	<b>Page</b>
APPENDIX A LIST OF POPULATION AND SAMPLE OF MANUFACTURING COMPANIES (CONSUMER GOODS INDUSTRY) LISTED AT INDONESIA STOCK EXCHANGE DURING 2016-2020.....	A – 1
APPENDIX B DATA OF SAMPLE COMPANIES.....	B – 1
APPENDIX C SPSS OUTPUT RESULTS.....	C – 1
APPENDIX D DURBIN-WATSON TABLE.....	D – 1
APPENDIX E T-DISTRIBUTION TABLE.....	E – 1
APPENDIX F F-DISTRIBUTION TABLE.....	F – 1

