

# The Influence of Investment Decisions, Funding Policies and Dividend Policies on Company Value (Empirical Study on LQ45 Companies on theIDXPeriod 2011 – 2020)

Melda Rosa, Sri Hasnawati, Mahatma Kufepaksi

Master Department Of Management Faculty Of Economics And Business University Of Lampung

Corresponding author: Dr. Sri Hasnawati, SE, MSi

---

## Abstract

The purpose of this study is to analyze the effect of investment decisions, funding policies, and dividend policies on firm value. This research is a qualitative research using secondary data from the company's financial statements available on the website of each company. The sample selection method used is purpose sampling. Of the 98 population of companies that are consistently listed on LQ45 during the period 2011 to 2020 on the Indonesia Stock Exchange (IDX), 13 companies are found as samples. The data were processed with SPSS 26 using multiple regression analysis. The findings in this study are that (1) investment decisions (PER) have a positive and significant effect on firm value, (2) funding decisions (DER) have a negative and significant effect on firm value.

**Keywords:** firm value, investment decision, funding policy, dividend policy, BEI.

---

Date of Submission: 26-08-2022

Date of Acceptance: 10-09-2022

---

## I. Background

The era of international trade is an era where competition between countries is getting tougher day by day. Competition arises as a result of the advancement of science and technology in various fields. The industrial revolution 4.0 is an important foundation for future organizational development. Make every country strive to accelerate economic growth and national development. One means that is considered effective in accelerating development is through the capital market.

The purpose of investors investing their funds in securities in the capital market is to obtain an optimal return with a certain risk or obtain a return at a minimal risk. Investors must make a good assessment of the issuer before buying shares. Investors buy shares in the hope of receiving returns in the form of dividends and profits in the form of capital gains. In theory, the higher the level of return expected by investors, the higher the risk it faces (high risk, high return).

According to Salvator, the main goal of companies that have gone public is to increase the prosperity of the owners or shareholders through increasing the value of the company. Firm value is very important because it reflects the company's performance which can affect investors' perceptions of the company. Several factors that can affect firm value are investment decisions, funding policies and dividend policies.

An investment decision is a decision to place a certain amount of funds by an investor in a company within a certain period. Investment decisions are one of the factors in the company's financial function. The higher the investment decision set by the company, the higher the company's opportunity to get a return. Decisions on the allocation of capital into investment proposals must be evaluated and linked to the risks and expected returns (Hasnawati, 2005).

According to signaling theory, investment spending gives a positive signal about the company's growth in the future, so that it can increase stock prices which are used as indicators of company value. Several studies conducted in relation to investment decisions include. Myers (1977) which introduced the Investment Opportunity Set (IOS). IOS gives a broader indication that the value of the company depends on the company's future expenses, so the company's prospects can be estimated from the IOS. IOS is defined as a combination of assets owned and investment options in the future with a positive net present value (NPV) (Fama, 1978). In previous research Hasnawati (2005), Ferris (1997) and Andaswari et al. (2019) found that investment decisions affect firm value, while Wahyuni & Pawestri (2011), Nopiyani et al., (2019), and Salama et al., (2019) found that investment decisions have no effect on firm value.

Capital structure is the proportion of funding with company debt. Capital structure is the key to improving company productivity and performance. Capital structure theory explains that the company's funding policy in determining the capital structure or mix between debt and equity aims to optimize the value of the company. The optimal capital structure of a company is a combination of debt and equity (external sources) which maximizes the company's share price. At any given time, the company's management sets a targeted capital structure, which may be the optimal structure, although the target may change from time to time.

Debt policy according to Kouki (2011) and Tongkong (2012) is that external funds tend to be more needed by companies with high asset growth. According to Hasnawati (2005), Wahyuni and Pawestri (2011) and Robiyanto (2020) debt policy has a positive and significant effect on firm value. According to Kodongo; et al (2014), Handriani (2018) and Andaswari et al. (2019) debt policy has no significant effect on firm value.

Another indicator to see the value of the company is the dividend policy. Dividend policy is often considered as a signal for investors in assessing the good or bad of the company, because dividend policy can have an influence on the company's stock price. According to Miller (1958) and Ross (1977) in the bird-in-the-hand theory, dividend policy does not affect firm value, because every rupiah of dividend payment will reduce retained earnings which are used to purchase new assets. In research Abdillah (1996), Hermuningsih & Wardani (2009), Wahyuni & Pawestri (2011), and Kim (2020) states that dividend policy has no significant effect on firm value.

While in other research Rozeff (1982), Lestari and Asri (2011), Ilhamsyah and Soekotjo (2017), Andaswari (2019) and Kim (2020) which states that dividend policy has a negative effect on firm value. This is based on the premise that dividends tend to be taxed at a higher rate than capital gains, so investors will demand a higher rate of return for stocks with high dividend yields. In accordance with the tax differential theory presented by Litzenger and Ramaswamy (1979).

Besides, in Irrevan's theory, Miller (1958) and Ross (1977) states that the dividend policy does not affect the value of the company, because every rupiah of dividend payments will reduce retained earnings which are used to purchase new assets. In research Abdillah (1996), Hermuningsih & Wardani (2009), Wahyuni & Pawestri (2011), and Kim (2020) states that dividend policy has no significant effect on firm value

There are still differences in income in the results of previous studies and global economic conditions which cause very tight competition between companies which is interesting for research. So that the authors are interested in conducting research with the title: The Effect of Investment Decisions, Funding Policies and Dividend Policies on Firm Value (Empirical Study on LQ45 Companies on the IDX Period 2011 – 2020).

## **II. Literature Review**

### **Agency Theory**

Agency theory by Meckling (1976) stated agency relationships arise when one or more individuals pay another individual (agent or employee) to act on their behalf, delegating decision-making power to agents and employees. In the management of the company, agency conflicts will arise, namely problems between owners and managers. Shareholders are only concerned with the systematic risk of a company's stock, because they invest in a well-diversified portfolio. However, managers will be more concerned with the risk of the company.

According to Meckling (1976) approach mechanism through dividend policy, ownership structure and debt structure can be used to reduce agency costs arising from agency problems (agency conflict). Hansen & Crutchley (1989) said that the use of debt is expected to reduce agency conflict. The addition of debt in the capital structure aims to reduce the use of shares, thereby reducing agency costs. When in debt, the company has an obligation to repay the loan and pay interest expense periodically. This will encourage managers to work hard to fulfill these obligations by increasing profits. However, because of this policy, the company faces agency costs of debt and the risk of bankruptcy

### **Signal theory**

In a study entitled Job Market Signaling, Michael Spence (1973) introduces Signaling Theory, which is a signal criterion that is useful for decision making. Signaling theory explains how companies provide signals to users of financial statements. Signals can be in the form of information about what management has done to realize the owner's wishes (Jama'an, 2008). There is information asymmetry between the company's management and external parties, the company's management knows more information than external parties.

Companies can increase the value of the company by reducing information asymmetry, namely by providing reliable financial reports. In addition, the company can give a positive signal through investment spending. Investment spending gives a positive signal about the company's growth in the future, thereby increasing stock prices as an indicator of company value. Increased debt gives a positive signal of the company's ability to pay obligations in the future or the existence of low business risk (Brigham and Houston 2001).

Dividends are a positive signal for the company's prospects (Rozeff, 1982) and (Asquith & Mullins, 1986). Referring to the theory of firm value and the results of research in various fields starting in the 1980s, it is known that firm value is influenced by investment opportunities, funding policies, and dividend policies.

### **The value of the company**

According to Fama (1978) and Ferris (1997) the value of the company will be reflected in the share price. Stock prices in the capital market are formed based on an agreement between investor demand and supply. The market price of company shares formed between buyers and sellers when a transaction occurs is called the company's market value, because the stock market price is considered a reflection of the actual value of the company's assets. The value of the company that is formed through the stock market value indicator is strongly influenced by investment opportunities. The existence of investment opportunities will give a positive signal for the company's growth in the future, to increase the value of the company.

The value of the company with the stock market value indicator, is strongly influenced by investment opportunities. Investment spending gives a positive signal about the company's growth in the future, thereby increasing stock prices as an indicator of company value (signaling theory). Increased debt is defined by investors as the company's ability to pay obligations in the future or the existence of low business risk, this will be responded positively by the market (Brigham and Houston 2001). The increase in dividends was carried out to strengthen the company's position in seeking additional funds from the capital market and banking. According to Rozeff (1982) dividends are a signal of the company's prospects. Roseff's opinion is supported by Asquith & Mullins (1986) In his research, the announcement of an increase in the value of dividends has increased stock returns, and the announcement of dividends can ward off negative issues for the company in the future.

### **Investation decision**

Several studies conducted in relation to investment decisions include: Myers (1977) which introduced IOS. IOS provides a broader guide where the value of the company depends on the company's future expenses IOS is defined Fama (1978) as a combination of assets owned (assets in place) and investment options in the future with a positive net present value. IOS defined Fama (1978) as a combination of assets owned (assets in place) and investment options in the future with a positive net present value. This opinion is in line with Smith & Watts (1992), that IOS is a component of company value that is the result of choices to make investments in the future. There are two notions of IOS, namely IOS is an investment decision made by a company to generate value and IOS is defined as a company value whose value is proxied through a set of investment opportunities. But in general, IOS is the relationship between current and future expenditures with value/return/prospects as a result of investment decisions to generate firm value.

Company value by Fama (1978) solely determined by investment decisions. This opinion can be interpreted that investment decisions are important, because to achieve the company's goals will only be generated through the company's investment activities. In South Africa, according to Ferris (1997) investment decisions through divestment affect the value of the company. According to Hasnawati (2005) The type of investment expenditure has a large effect on the value of the company because it provides information about the expected income growth in the future. Andaswari et al. (2019) mentioned that the higher the IOS, the higher the value of the company. Agung (2021) Investment decisions are directly proportional to the value of the company, if the investment decisions increase, then the value of the company will also increase. It's different with Wahyuni & Pawestri (2011) which states that investment decisions have no effect on firm value. Based on the opinions of the experts above, while it can be concluded that investment decisions are shaped and influenced by investment opportunities which in turn will have an impact on company value.

### **Funding Policy**

*Trade-off theory* by Miller (1958) and Ross (1977), explains how much debt and equity the company needs to balance costs and profits. This theory states a balance of benefits and sacrifices that arise as a result of using debt. If the benefits generated are greater, the portion of debt can be increased. If the sacrifice due to the use of debt is greater, then additional debt is not allowed. The trade off theory assumes that with the tax benefits due to the use of debt, the company will use debt to a certain level to maximize the value of the company.

According to Fama (1978), Hasnawati (2005) and Wahyuni & Pawestri (2011) Investments resulting from leverage provide information about the future of the company, which in turn has an impact on the value of the company. According to Brigham and Houston (2001) an increase in debt is interpreted by outsiders about the company's ability to pay obligations in the future or there is a low business risk, this will be responded positively by the market. More findings Sujoko (2007), Hoque (2014) and Hang et al. (2018) revealed that the policy on debt has a negative effect on firm value. Based on the opinions of the experts above, while it can be

concluded that the funding policy to the optimal level will describe the company's value and business risk in the future.

### **Dividend Policy**

Dividends are part of net income distributed to shareholders. Dividend policy is a policy related to determining whether the profits earned by the company will be distributed to shareholders as dividends or will be retained in the form of retained earnings. The policy on dividend payments is a very important decision in a company. This policy will involve two parties who have different interests, namely the first party the shareholders, and the second party the company itself. Dividend policy can be related to the value of the company. There are two theories related to dividend policy, namely the Relevant Theory (Bird in The Hand), Irrelevant Theory and Tax Differential Theory.

According to Fama (1978) The investment resulting from the dividend policy will provide information about the company in the future, which in turn has an impact on the value of the company. Umrie & Cahyadi (2011) and Maimunah & Hilal (2018) dividend policy affects the value of the company, the higher the dividend payment, the higher the value of the company. The dividend policy taken by the company is the policy most observed by investors. Salteh (2013) dividend policy will affect the value of the company in the short term, on the contrary for the long-term dividend policy will not affect the value of the company. In his research, Hasnawati and Sawir (2015) mentions that the company's policy of not paying dividends has a negative effect on the value of the company, so that the policy of paying cash dividends is worth considering in the company's efforts to increase company value.

The amount of dividend payment is an important policy, so that Rozeff (1982) offers an optimal model of dividend payment that can be used so that payment decisions describe the optimal value of the company. While in research Handriani (2018) Dividend policy is considered one of the most important financial decisions for corporate managers, because dividends have potential implications on stock prices and yields. The results of high dividend distribution will certainly be in demand by investors.

On the other hand Abdillah (1996), Wahyuni & Pawestri (2011), Hermuningsih & Wardani (2009) and Kim (2020) stated that dividend policy has no effect on firm value. This shows that shareholders no longer see dividend policy as a positive signal that the company is doing well.

Meanwhile, according to research results Rozeff (1982), Lestari and Asri (2011), Ilhamsyah and Soekotjo (2017), Andaswari (2019) and Kim (2020) stated that dividend policy has a negative effect on firm value. This is based on the premise that dividends tend to be taxed at a higher rate than capital gains, so investors will demand a higher rate of return for stocks with high dividend yields. There are still differences of opinion about dividend policy from experts, but it can be argued that dividend policy is an important decision for management.

### **III. Research Methods**

This research is a qualitative research using secondary data from the company's financial statements available on the website of each company. The sample selection method used is purpose sampling. Of the 98 population of companies that are consistently listed on LQ45 during the period 2011 to 2020 on the Indonesia Stock Exchange (IDX), 13 companies are found as samples. The data were processed with SPSS 26 using multiple regression analysis. This study aims to determine the relationship between two or more variables. Based on the theoretical searches and discussions of previous researchers, the research design can be described as in the model below.

$$Y = \alpha_0 + \alpha_1 \text{PER} + \alpha_2 \text{DER} + \alpha_3 \text{DPR} + \varepsilon$$

#### **Dependent variable**

**The value of the company** represented by  $Y_1$  measured by using Price to Book Value (PBV). PBV measures the value that financial markets provide to the management and organization of a company as a growing company (Brigham and Houston, 2001). According to Mardiyati and Ahmad (2012) and Reilly and Brown (2012), Firm Value is proxied by PBV, using the following equation:

$$PBV = \frac{\text{stock price}}{BV}$$

#### **Independent variable**

**Investment decision** represented by  $X_1$  defined as a combination of assets in place and investment options in the future with a positive net present value (Myers, 1977). IOS can not be observed directly (latent), so the calculation uses a proxy (Kallapur & Trombley, 1999). In this study, investment decisions refer to research

conducted byMardiyati and Ahmad (2012)andHasnawati (2017). Investment Decision is proxied by PER, using the following equation:

$$PER = \frac{\text{Stock Price}}{EPS}$$

**Funding Policy** represented by X<sub>2</sub> defined as a policy regarding the composition of funding chosen by the company(Hasnawati, 2005). The funding policy in this study is confirmed through the Debt to Equity Ratio (DER). In this study, the Funding Policy refers to research conducted byMardiyati and Ahmad (2012)namely Debt to Equity (DER). Funding Policy is proxied by DER, using the following equation

$$DER = \frac{\text{Debt}}{\text{Equity}}$$

**Dividend Policy** represented by X<sub>3</sub> is the policy of how much current earnings will be paid out as dividends rather than retained for reinvestment in the company (Brigham and Houston 2001). In this study, Dividend Policy refers to research conducted byHasnawati (2017)andMardiyati and Ahmad (2012). Dividend Policy is proxied by DPR, using the following equation:

$$DPR = \frac{DPS}{EPS}$$

Before running the Multiple Regression Analysis, the credibility of the data was tested using the classical assumption test consisting of data normality, heteroscedasticity, autocorrelation, and multicollinearity. Hypothesis testing using t-test and F-test.

#### IV. Research Result

This study aims to determine the relationship between two or more variables. Hypothesis testing in this study was conducted using multiple regression.

**Table 1. Regression Analysis Results**

Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.740	.137	5.420	.000	
	Investation decision	.096	.010	.638	9.670	.000
	Funding Policy	-.447	.213	-.140	-2.097	.038
	Dividend Policy	-1.278	.220	-.362	-5.808	.000

a. Dependent Variable: Firm Value

Mathematically, the results of multiple linear regression analysis can be written as follows.

$$Y = 0.740 + 0.096 KI - 0.447 KP - 1.278 KD$$

The coefficient of determination (R<sup>2</sup>) measures how far the variation in the dependent variable can be explained by the independent variable. The Adjusted R square value is 0.57. This means that 57% of firm value is influenced by investment decisions, funding policies and dividend policies. While the remaining 46% is influenced by other factors that are not included in this research model.

In addition to the regression equation model, the SPSS calculation results provide information about the partial test results. Partial testing was conducted to determine the effect of each independent variable, namely investment decisions, funding policies, dividend policies, on the dependent variable of firm value. The proposed hypothesis can be accepted if the value of t count > t table. In the following table, the results of the t-test with the SPSS program can be seen.

**Table 2. t-test result**

Model	t	sig.	Conclusion
(Constant)	5.420	.000	
Investation decision	9.670	.000	Hypothesis Accepted
Funding Policy	-2.097	.038	Hypothesis Rejected
Dividend policy	-5.808	.000	Hypothesis Rejected

**Table 3. F test results**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	108.672	3	36,224	50,271	.000b
	Residual	82,146	114	.721		
	Total	190,818	117			
a. Dependent Variable: YB						
b. Predictors: (Constant), X3B, X1B, X2B						

Based on the table of simultaneous test results, the value of Sig = 0.000 < significance level = 0.05 means that there is a joint influence between the variables of Investment Decision, Funding Policy and Dividend Policy.

**The Effect of Investment Decisions on Firm Value**

Based on research testing, statistical tests show that investment decisions have a positive effect on firm value. Referring to the proposed hypothesis that investment decisions have a positive effect on firm value, it means that the hypothesis is accepted. The value of the LQ45 company on the IDX, especially for the 2011–2020 period, is proven in this study, increasing when investment decisions are made.

This research is in accordance with the Signaling Theory, where investment spending gives a positive signal about the company's growth in the future, thereby increasing stock prices as an indicator of company value. The results of this study are in line with research Fama (1978), Ferris (1997), Hasnawati (2005), Andaswari et al. (2019) and Agung et al. (2021) which states that investment decisions have a positive effect on firm value

**The Effect of Funding Decisions (DER) on Firm Value**

Based on research testing, statistical tests show that Funding Policy has a negative effect on Firm Value. Referring to the hypothesis that the Funding Policy has a positive effect on firm value, it means that the hypothesis is rejected. The value of the LQ45 company on the IDX, especially for the 2011–2020 period, is proven in this study, decreasing when the funding decision is made

This research is in accordance with the Trade off theory by Miller (1958) and Ross (1977) which states that companies need to balance the amount of debt financing and equity, so that there is a balance between costs and profits. This theory states a balance of benefits and sacrifices that arise as a result of using debt. If the benefits generated are greater, the portion of debt can be increased. If the sacrifice due to the use of debt is greater, then additional debt is not allowed. The results of this study indicate that debt financing has a negative effect on firm value, meaning that if the company has too much debt, the company must stop additional funding from debt to reduce the debt to equity ratio. In line with research (Sujoko, 2007), Hoque (2014) and Hang et al. (2018) previously found that funding policy had a negative effect on firm value.

**The Effect of Dividend Policy (DPR) on Firm Value**

According to research testing, statistical tests show that dividend policy has a negative effect on firm value. Referring to the hypothesis that dividend policy has a positive effect on firm value, it means that the hypothesis is rejected. The value of the LQ45 company on the IDX, especially for the 2011–2020 period, is evident in this study, decreasing when the dividend decision is made.

Referring to the Tax Differential Theory by Litzenberger and Ramaswamy (1979), the income relevant to investors in terms of dividends or capital gains is after-tax income, i.e. the required rate of profit after tax. If capital gains are taxed at a lower rate than the tax on dividends, then stocks that have a high growth rate will be more attractive, because the value of capital gains that will be received by investors will be higher than the value of dividends that will be received by investors. On the other hand, if capital gains are taxed the same as dividends, the capital gains will be reduced. But the tax on capital gains is more attractive than the tax on dividends, because capital gains tax payments are only paid if the shares are sold so that in this condition investors prefer dividends to be distributed as small as possible. Rozeff (1982), Lestari and Asri (2011), Ilhamsyah and Soekotjo (2017), Andaswari (2019) and Kim (2020) stated that dividend policy has a negative effect on firm value

**V. Conclusions & Suggestions**

The results of the analysis show that investment decisions have a positive effect on firm value. Funding policy has a negative effect on firm value. Dividend policy has a negative effect on firm value.

Dividend policy responded negatively by investors. This needs top management's attention in making plans related to dividends, because dividends tend to be taxed at a higher rate than capital gains, so it is better for companies to determine a low dividend payout ratio to minimize the cost of capital and maximize firm value. In determining the dividend policy, it is necessary to consider the viability of a company so that profits are not only used to pay dividends, but also set aside to invest or pay debts.

Investors responded negatively to the Funding Policy. This needs top management's attention in making plans related to funding to reduce the debt to equity ratio. Top Management needs to determine the right alternative sources of financing that can provide optimal results for the company. The company needs to stop the withdrawal of new loans when the company's DER value is already high. DER can also be lowered by issuing new shares

Investment Policy is the only variable that is responded positively by investors. This needs top management's attention in determining the appropriate form and amount of investment, as well as continuing to provide a signal of the investment policy being made. So that investors see the income opportunities (returns) they will receive in the future

## References

- [1]. Abdullah, A. (1996). Analysis of the Influence of Dividend Policy, Debt Policy, Profitability and Investment Decisions on the Value of Manufacturing Companies on the IDX for the 2009-2012 Period. *TrAC Trends in Analytical Chemistry*, 15(7), 251–256. [https://doi.org/10.1016/0165-9936\(96\)00040-4](https://doi.org/10.1016/0165-9936(96)00040-4)
- [2]. Agung, G. et al. (2021). The Effect of Investment Decision, Financing Decision, Dividend Policy on Firm Value. *Journal of Business And Management*, 17(1), 1–12. <https://doi.org/10.23960/jbm.v17i1.189>
- [3]. Andaswari, S., Setyadi, D., Paminto, A., & Defung, F. (2019). The company size as a moderating variable for the effect of investment opportunity set, debt policy, profitability, dividend policy and ownership structure on the value of construction companies listed on the Indonesia stock exchange. *International Journal of Scientific and Technology Research*, 8(9), 2356–2362.
- [4]. Asquith, P., & Mullins, DW (1986). Signaling with Dividends, Stock Repurchases, and Equity Issues. *Financial Management Association International*, 15(3), 27–44.
- [5]. Fama, EF (1978). The effects of a firm's investment and financing decisions on the welfare of its security holders. *American Economic Review*, 68(3), 272–284. <https://doi.org/10.2307/1805260>
- [6]. Ferris, PWS (1997). Agency Conflict and Corporate Strategy: The Effect of Divestment on Corporate Value. *Strategic Management Journal*, 18(1), 77–83.
- [7]. Handriani, E. (2018). Investment opportunity and industrial growth in Indonesia. *International Journal of Business and Society*, 19(2), 295–312.
- [8]. Hansen, RS, & Crutchley, CE (1989). A Test of the Agency Theory of Managerial Ownership , Corporate Leverage , and Corporate Dividends. *Financial Management*, 18(4), 36–46.
- [9]. Hasnawati, S. (2005). The Impact of the Investment Opportunity Set on the Value of Public Companies on the Jakarta Stock Exchange. *JAAI*, 9(2), 117–126.
- [10]. Hasnawati, S. (2017). Dividend Policy on the Indonesia Stock Exchange in Group Companies LQ 45. *Journal of Management*, XXI, 132–145. <http://repository.lppm.unila.ac.id/id/eprint/1782>
- [11]. Hasnawati, S., & Sawir, A. (2015). Financial Decisions, Company Size, Ownership Structure and Value of Public Companies in Indonesia. *Journal of Management and Entrepreneurship*, 17(1), 65–75. <https://doi.org/10.9744/jmk.17.1.65-75>
- [12]. Hermuningsih, S., & Wardani, DK (2009). Factors Affecting Company Value in Companies Listed on the Malaysia Stock Exchange and Indonesia Stock Exchange. *Journal of Business Strategy*, 13(2), 173–184.
- [13]. Hoque, J. (2014). Impact of Capital Structure Policy on Value of the Firm – a Study on Some Selected Corporate Manufacturing Firms Under Dhaka Stock Exchange. *Ecoforum*, 3(2 July), 9–9.
- [14]. Ilhamsyah, FL, & Soekotjo, H. (2017). The Influence of Dividend Policy, Investment Decision, And Profitability on Firm Value. *Journal of Management Science and Research*, 6(2), 1–15. <https://repository.stiesia.ac.id/>
- [15]. Jama'an. (2008). The Influence of Corporate Governance Mechanisms, and the Quality of Public Accounting Firms on the Integrity of Financial Statements Information (Case Study of Public Companies Listed on the JSX). *Journal of Diponegoro University*, 1(1), 1–52.
- [16]. Kallapur, S., & Trombley, MA (1999). The association between investment opportunity set proxies and realized growth. *Journal of Business Finance and Accounting*, 26(3–4), 505–519. <https://doi.org/10.1111/1468-5957.00265>
- [17]. Kim, TKI (2020). The influence of credit scores on dividend policy: Evidence from the Korean market. *Journal of Asian Finance, Economics and Business*, 7(2), 33–42. <https://doi.org/10.13106/jafeb.2020.vol7.no2.33>
- [18]. Kodongo; et al. (2014). Capital structure, profitability and firm value: panel of evidence of listed firms in Kenya. *Munich Personal RePEc Archive*, 1(57116).
- [19]. Kouki, MBSH (2011). Capital Structure Determinants: New Evidence from French Panel Data. *International Journal of Business and Management*, 7(1), 214–229. <https://doi.org/10.5539/ijbm.v7n1p214>
- [20]. Lestari, D., & Asri, M. (2011). The Effect of Leverage, Dividend Policy and Concentrated Ownership on Firm Value in Companies with High and Low Growth Opportunities.
- [21]. Litzenberger, RH, & Ramaswamy, K. (1979). The effect of personal taxes and dividends on capital asset prices. Theory and empirical evidence. *Journal of Financial Economics*, 7(2), 163–195. [https://doi.org/10.1016/0304-405X\(79\)90012-6](https://doi.org/10.1016/0304-405X(79)90012-6)
- [22]. Maimunah, S., & Hilal, S. (2018). The Influence of Investment Decisions, Funding Decisions, Dividend Policy and Interest Rates on Firm Value. *JIMFE (Scientific Journal of Management, Faculty of Economics)*, 6(2), 42–49. <https://doi.org/10.34203/jimfe.v6i2.467>
- [23]. Mardiyati, U., & Ahmad, GN (2012). The effect of enterprise risk management (ERM) on firm value in manufacturing companies listed on the Indonesian Stock Exchange year 2010-2013. *Indonesian Journal of Science Management Research (JRMSI)*, 3(2), 1–17. <https://doi.org/10.20885/jsb.vol16.iss2.art8>
- [24]. Meckling, MCJWH (1976). Theory of The Firm: Managerial Behavior, Agency Cost and Ownership Structure. *Journal of Financial Economics*, 3, 305–360. [https://doi.org/https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/https://doi.org/10.1016/0304-405X(76)90026-X)
- [25]. Michael Spence. (1973). Job Market Signaling. *The Quarterly Journal of Economics*, 87(3), 355–374.
- [26]. Miller, FMMH (1958). The Cost Of Capital, Corporation Finance And The Theory Of Investment. *American Economic Association*, XLVIII(3594), 261–297. <https://doi.org/10.1136/bmj.2.3594.952>
- [27]. Myers, SC (1977). Determinants of corporate borrowing. *Journal of Financial Economics*, 5(2), 147–175. [https://doi.org/10.1016/0304-405X\(77\)90015-0](https://doi.org/10.1016/0304-405X(77)90015-0)
- [28]. Nopiyani, PE, Sanjaya, NMWS, Rianita, NM, & Xx. (2019). The Effect of Ios on Firm Value With Earnings Quality As

- Moderating Variable. *Scientific Journal of Accounting*, 3(1), 33–48. <https://doi.org/10.23887/jia.v3i1.16627>
- [29]. Reilly, FK, & Brown, KC (2012). *Investment Analysis & Portfolio Management TENTH EDITION* (JW Calhoun (ed.); 10th ed.). South-Western Cengage Learning.
- [30]. Robiyanto, A. (2020). The Interaction Between Debt Policy, Dividend Policy, Firm Growth, and Firm Value. *Journal of Asian Finance, Economics and Business*, 7(11), 699–705. <https://doi.org/10.13106/jafeb.2020.vol7.no11.699>
- [31]. Ross, SA (1977). Determination of Financial Structure: the Incentive-Signalling Approach. *Bell J Econ*, 8(1), 23–40. <https://doi.org/10.2307/3003485>
- [32]. Rozeff, MS (1982). Growth, Beta and Agency Costs as Determinants of Dividend Payout Ratios. *Journal of Financial Research*, V(3), 249–259.
- [33]. Salama, M., Rate, P. Van, Untu, VN, & Sss, S. (2019). The Influence of Investment Decisions, Funding Decisions and Dividend Policy on Company Value in the Banking Industry Listed on the IDX for the 2014=2017 period. *EMBA Journal: Journal of Economic Research, Management, Business And Accounting*, 7(3), 2651–2660. <https://doi.org/10.1016/B978-0-323-60984-5.00062-7>
- [34]. Salteh, RIRBHHM (2013). The effect of dividend policy on stock price volatility and investment decisions. *European Online Journal of Natural and Social Sciences*, 2(3), 51–59. [www.european-science.com](http://www.european-science.com)
- [35]. Smith, CW, & Watts, RL (1992). The investment opportunity set and corporate financing, dividend, and compensation policies. *Journal of Financial Economics*, 32(3), 263–292. [https://doi.org/10.1016/0304-405X\(92\)90029-W](https://doi.org/10.1016/0304-405X(92)90029-W)
- [36]. Sujoko, S. (2007). The Influence of Ownership Structure, Diversification Strategy, Leverage, Internal and External Factors on Firm Value (Empirical Study on Manufacturing and Non-Manufacturing Companies on the Jakarta Stock Exchange). *JOURNAL OF MANAGEMENT AND ENTREPRENEURSHIP*, 9(1), 41–48. <https://doi.org/http://dx.doi.org/10.24034/j25485024.y2007.v11.i2.2236>
- [37]. Tongkong, S. (2012). Key factors influencing capital structure decision and its speed of adjustment of Thai listed real estate companies. *Procedia - Social and Behavioral Sciences*, 40, 716–720. <https://doi.org/10.1016/j.sbspro.2012.03.254>
- [38]. Umrle, RHS, & Cahyadi, A. (2011). Analysis of Dividend Policy and Debt Policy on the Value of Go Public Companies in Indonesia. *Sriwijaya Journal of Management and Business*, 9(17), 13–32.
- [39]. Wahyuni, U., & Pawestri, HP (2011). Ownership Structure Against Firm Value: With Financial Decisions As Variables. *Journal of Actual Accounting*, 1(2), 61–70.

Dr. Sri Hasnawati, SE, MSi, et. al. “The Influence of Investment Decisions, Funding Policies and Dividend Policies on Company Value (Empirical Study on LQ45 Companies on theIDXPeriod 2011 – 2020).” *IOSR Journal of Economics and Finance (IOSR-JEF)*, 13(5), 2022, pp. 23-30.