The Determinants of Firm Value on Commercial Banks in Indonesia

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Abstract: The main objective of the company is increasing the value of the company through increased political prosperity shareholders. Shareholders, creditors and managers are parties who have different interests and perspectives with regard to the company. In general, every company has two goals: short-term goals and long term goals. Short-term goal of the company is to make profits while the company's long-term goal is to increase the value of the company. The value of the company is an important thing for a manager and for an investor. To meet the expectations of investors, financial managers trying to maximize the welfare of investors by making various decisions and policies for the financial investment decisions, financing decisions and dividend policy. Third financial decision was necessary because the decision was mutually affect one another and can affect the value of the company. The purpose of this research to study the impact of investment decisions, financing decisions and dividend policy on firm value. The data used are secondary data from go-public banking financial services company and analyzed using multiple regression. The results of this study are investment decisions and dividend policy affects the value of the company while the funding decision does not affect the value of the company. And simultaneous, investment decisions, financing decisions and dividend policy affects the value of the company. On the other side, the results indicate that there is positive relationship between investment decisions, financing decisions and dividend policy on firm value.

Key words: Investment decisions, financing decision, dividend policy, firm value, decision

INTRODUCTION

Business competition in Indonesia is now more stringent, from a variety of different fields such as field service, manufacturing and trade. In general, every company has two goals: short-term goals and long term goals. Short-term goal of the company is to make profits while the company's long-term goal is to increase the value of the company. The value of the company is an important thing for a manager and for a investor.

Leadership of the company in running the company has a responsibility to its business operations, how to compete with other companies, optimize profitability also.

To understand how the value of the company was created, we must understand how companies rated in the capital market, there are two paradigms used to explain the value of the company's common shares on the capital market, namely by accounting models and discounted cash flow model (Keown *et al.*, 2010). Factors that influence the value of the company in this research investment decisions, financing decisions and dividend policy.

The investment decision is very important because it will affect the successful achievement of corporate goals and the core of the entire financial analysis. The value of the company formed through the stock market value is heavily influenced by investment opportunities. The purpose of investment to improve the monetary or financial prosperity. Monetary prosperity can be measured by the sum of future earnings (Indarto, 2012).

One of the dividend policy to be taken by the management is to decide whether the profit earned by the company during the period will be divided all or a portion of the dividend divided and some will not be shared in the form of retained earnings (Sutrisno, 2013). If dividends are paid is high, stock prices tend to be high so that the company's value is also high. Conversely, if dividends were paid small then the company's share price is also low. Ability to pay dividends is closely related to the ability of the company makes a profit. If the company makes a profit is large, then the ability to pay dividends is also great. Therefore, large dividends will increase the value of the company.

Every company aims to maximize the wealth of its shareholders by maximizing the firm value. A company's

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goal can certainly be reached by implementing financial management functions that include fund-seeking and fund-spending function.

Meanwhile, there are three financial a financial decision must take: investmwnt, financing and dividend (Bishop *et al.*, 2004), decision reviews these are certainly intertwined Fama and French.

In Indonesia the study discusses the investment decision, financing decision, dividend policy and the value of the company was made by Afzal and Rohman (2012) but few studies were conducted in manufacturing companies. And the results showed that the results vary between one and the other.

Based on the background is exactly in this study wanted to know how to influence investment decisions, financing decisions and dividend policy of the company's value either partially or simultaneously but it is done at the company's Bank in Indonesia.

Literature review

Firm value: Value companies are certain conditions that have been achieved by a company as an overview of public confidence in the company after going through a process of several years, i.e., since the company was founded until now. The increasing value of the company is an achievement in accordance with the wishes of the owner, because with the increased value of the company, then the welfare of the owners will also increase. The value of the company is very important because of the high value of the company which will be followed by a high prosperity shareholders. The higher the stock price the higher the value of the company. The value of the company's high into the desire of the owners of the company, because with a high value indicates prosperity shareholders also high. Shareholder and the company presented by the market price of the shares is a reflection of the investment decision, financing (financing) and asset management (Keown *et al.*, 2010).

Each stock has an intrinsic value that is an estimate of the true value, as calculated by analysts as a whole possesses information that is based on risk and return data is accurate. In addition the market price is the value of the stock based on information that is expected with a possible one as seen by the marginal investor (Brigham and Houston, 2010).

Investment decision: Investment is the commitment of a number of funds or other resources is done at this time, with the goal of obtaining a number of advantages in the future. An investor buys a stock at this time with the hope of gain from rising stock prices or the amount of dividends in the future as a reward for the time and risk associated with the investment. Managing corporate finance involves settling investment decision, financing and policy dividend.

Investment decision is allocation and reallocation funds and resources into projects, assets and division in the firm and also as capital budgeting decision is a process of planning and managing long-term investment of the company. Investment decisions include investment in short-term assets (current assets) and long-term assets (fixed assets) (Sharpe *et al.*, 2006). Assets short-term is typically defined as assets with maturities of less than one year or less than one business cycle, in which case the funds invested in the assets of the short-term is expected to be received in the near term or <1 year and received at once. Investment companies have different investment objectives different (also called investment style) (Sharpe *et al.*, 2006).

Risks arising from any type of investment is usually associated with the uncertainty of a value created for investments in the future. Therefore, it is important for investors who will invest their funds perform proper management of investment that will be executable, through the investment process is expected to take steps at the right stages in the investment process consistently, then the prospective investor or investor will acquire optimal results (Indarto, 2012; Hang, 2015).

The investment decision is a provision made by the company in spending its own funds in the form of certain assets in the hope of benefit in the future (Layyinaturrobaniyah and Sekartadjie, 2016).

Investment decisions are made by a company affected by the company's ability to generate cash to meet the needs of long-term and short-term or so-called liquidity of the company. Companies must maintain liquidity in order not disturbed, so it does not disrupt the company's activities to invest and not to lose the confidence of outsiders. Investment in productive assets that can be a real asset in the form or in the form of financial (securities) are bought and sold among investors (financiers). Investors make investments to improve their financial well-being in the form utility.

Financing decision: The financial statements produced by the company from year to year can be used to determine the flow of funds from which a grant is obtained and for what funds are used. When comparing the financial statements of two consecutive years, it will be able to detect the flow of these funds. Analysis of the flow and is often referred to as the analysis of sources and uses of funds. Therefore, the purpose of the analysis of sources and uses of funds is to determine how the funds are used.

Devidend policy: Dividend is the value of company's net income after tax profit (retained earnings) being held in reserve for the company. The dividend to be distributed to the shareholders as the benefits from the profits of the company. If the company issuing the stock is able to produce large profits there is a possibility of its shareholders will benefit in the form of dividends that great anyway. Dividend is defined as profit distribution to the shareholders of the company in proportion to the number of shares held by each owner (Keown *et al.*, 2010).

If the company's management to raise the proportion of earnings per share to be given as a dividend, then it will increase shareholder value. It shows that the dividend decision (to decide the amount of dividends paid) is a very important decision (Sharpe *et al.*, 2006).

The company's choice to pay or not to pay dividends to shareholders and further options to increase, decrease or maintain the level of dividend is one of the policy areas of corporate finance most decisive and complicated, due to the return to shareholders only two, namely the change in stock price and dividends received, then the dividend decisions directly impact on shareholder value (Keown *et al.*, 2010).

Determination of the Dividend Payout Ratio will determine the size of the retained earnings. Each addition of retained earnings is an increase in the company's own capital obtained at reasonable cost. Decisions regarding the amount of retained earnings and dividends to be distributed is decided in the General Meeting of Shareholders (AGM) (Sjahrial, 2010).

The company will grow and develop, then the time will gain or profit. Earnings consist of retained earnings and profit sharing. In the next stage of retained earnings is one of the most important sources of funds for financing the company's growth. From all the profits from the company partially distributed to shareholders in the form of dividends. Regarding the determination of the amount of dividends to be declared is what is the dividend policy of the leadership of the company (Sjahrial, 2010).

Dividend theory: There are several theories of dividends, among others (Sjahrial, 2010).

Residue theory residual dividend or dividend theory: Profits derived by an enterprise in an actual period is for the welfare of shareholders. But usually partially distributed to shareholders as dividends and some were arrested. To withstand the profits realized by companies is usually because there is a profitable investment opportunity. If the profit on the investment opportunity is equal to or greater than the level implied profits, the profits really should not be shared. Profits distributed to shareholders if it turns out the benefits of reinvestment smaller than the gains that are not required. Thus the residual dividend of theory is the rest of the profits are not reinvested.

Dividend Model Walter or Walter's Dividend Model: Theory Dividend Model Walter is found for the benefits of reinvestment is higher than the costs, then invest it tends to increase the stock price or value of the company.

Dividend model: Modiglani Miller or Modiglani and Miller's Model Modiglani and Miller found in dasranya on condition that the investment decision is irrelevant given dividend payment to be taken into account, because it will not boost shareholder welfare. The increase in the value of the company is affected by the company's ability to earn profits or earning power of the company's assets. Therefore, the company's value is determined by investment decisions. While the decision as to whether profits will be shared in the form of cash dividends or held as retained earnings does not affect the value of the company. Opinion was supported by the following assumptions:

- Perfect capital markets where investors think rationally
- No taxes, both individuals and corporate income taxes
- No cost emission and no transaction fees
- Information on investment for any individual

This opinion stressed that the effect of the payment of dividends to the welfare of shareholders will be offset by the same amount with other sources of funding which means that if the company paying the dividend, the company must replace by issuing new shares in lieu of the dividend payment amount. Thus, the increase in the dividend payment will be offset by a decrease in the share price as a result of the sale of new shares.

Stock dividend policy: One of the policies that can be taken by the company is to provide dividends in the form of cash but the dividend is given in the form of shares. This means that shareholders will be given an additional share cash dividend as replacement. Granting dividend stock will not be altering the magnitude of the amount of their own capital but it will change the composition of the equity capital of the company concerned, because basically giving this stock dividend will reduce the

retained earnings in the balance sheet and will be added to the share capital post. Thus, the retained earnings will be reduced and the share capital will increase.

Payment of the dividend in shares. Stock dividend is not an actual dividend because it is not paid in cash benthic. As a result of the stock dividend the number of shares held by the shareholders will increase. A stock dividend is generally expressed as a percentage (Sjahrial, 2010).

Hypothesis development and reseach model
Investment decision on company value: The investment decision is a combination of the value of real assets with investment choice in the future. The company's growth is a factor that is expected by investors that the company could provide expected returns. The growth of the company continues to grow and increase in value of the assets is expected to be driven by expectations for investors for investment opportunities with benefits expected to be achieved. Research conducted by Afzal and Rohman (2012) shows that the investment decision is positive and significantly to the value of the company.

- H_1: Investment decisions affect the value of the company

Financing decisions on firm value: Decisions concerning the investment will determine the source and form of funds for its financing. Sources of financing that comes from debt can be derived from short-term debt (current liabilities) as well as long-term debt (long term debt) and the company's share capital consists of preferred stock (preferred stock) and common shares (common stock). Afzal and Rohman (2012), Irvaniawati (2015) and Achmad (2014) have examined the relationships funding decisions have a significant effect on firm value:

- H_2: The financing decision affect the value of the company

Dividend policy of the firm value: High dividend payments to shareholders reflects rising stock market prices, so that the value of the company will also increase. The value of the company can provide prosperity shareholders if the company has the cash absolutely free which can be distributed to shareholders as dividends. The higher the health value of a company will provide assurance to shareholders to earn income (dividends or capital gains) in the future. Irvaniawati (2015) and Achmad (2014) as well as the same study by Juhandi *et al.*
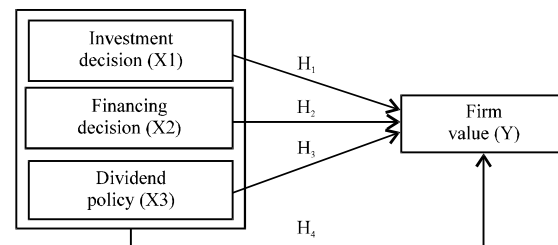

Fig. 1: Conceptual framework

(2013) have examined the relationship of dividend policy significantly influence the value of the company:

- H_3: Dividend policy affect the firm value

Investment decisions, financial decision and dividend policy simultaneously affect the firm value: The hypothesis put forward. The framework can be described as follows:

- H_4: Investment decisions, financing decision and dividend policy simultaneously affect the firm value

Data analysis
Variable operationalization: The independent variables in this study is the investment decisions, financing decisions and dividend policy while the dependent variable is the firm value (Fig. 1).

Investment decision: In the PER approach investors will count the number of times (multiplier) value of earnings is reflected in the price of a stock. PER describes the ratio or the ratio between the stock price to earnings (Indarto, 2012):

$$PER = \frac{(Stock\ price)}{EPS}$$

Financing decision: Total funding including all current liabilities and long-term debt. Because lenders prefer a low debt ratio because the lower the debt ratio, the greater the protection against creditors in case of liquidation losses. (Brigham and Houston, 2010):

$$DER = \frac{(Total\ debt)}{(Total\ equity)}$$

Dividend policy: The amount of dividends could affect stock prices. If the dividend is paid is high, stock prices tend to be high so that the value of the company too high, otherwise if the dividends paid by small, then the company's stock price too low and cause the value of the company down:

Table 1: Based on these criteria, the population sampled is 6 corporate banking financial services namely

Company name	Code	Listing
Bank Central Asia Tbk	BBCA	31-May-2010
Bank Negara Indonesia (Persero) Tbk	BBNI	25-Nov-1996
Bank Bukopin Tbk	BBKP	10-Jul-2006
Bank Jabar Banten Tbk	BJBR	08-Jul-2010
Bank Bumi Arta Tbk	BNBA	31-Dec-1999
Bank Danamon Indonesia Tbk	BDMN	06-Dec-1989

$$DPR = \frac{(Dividend)}{(Profit\ company)}$$

Firm value: PBV measure the value of a given financial market to the management and organization of the company as a company that continues to grow (Brigham and Houston, 2010):

$$PBV = \frac{Stock\ price}{BV}$$

Data type, population and sample research: The data used is secondary data obtained from the company's financial statements Banking Financial Services listed in the Indonesia Stock Exchange. The population in this study is the Financial Services Banking Companies listed on the Indonesia Stock Exchange with the method of observation from 2011-2015. By the following criteria.

Banking financial services companies listed in Indonesia Stock Exchange during the observation period 2011-2015 (Table 1):

- The financial statements are presented in rupiah currency
- The company went public that has been published and publish positive earnings in their financial statements as of December 31 2011-2015
- Complete data
- Companies that pay cash dividends consecutively over the period 2011-2015
- Companies that have earnings per share, respectively over the period 2011-2015
- There are complete the company's financial statements for the years 2011-2015, either physically or via the website

The sampling method in this research is purposive sampling. The sampling based on criteria.

Data analysis method: The analytical method used quantitative analysis that aims to develop and use theories, mathematical models and hypotheses related to natural phenomena.

Hypotesis testing: In hypothesis testing using simple regression and multiple regression. To test hypothesis 1-3 using simple regression where the simple regression equation is $Y = a+bX$ and testing using the test t. T-test was used to test the partial each variable. T-test results can be seen in the table on the column Sig. coefficients (significance). If the t-value or significance probability <0.05, it can be said that there is the influence of independent variables on the dependent variable partially. However, if the probability value or significance t>0.05, it can be said that there is no significant influence of each independent variable on the dependent variable (Ghozali, 2014).

For testing the hypothesis 4th using multiple regression where regression testing required for assumptions include normality test, heteroscedasticity and autocorrelation test. For multiple regression persamaanya are:

$$Y = a + b1x1 + b2X2 + b3X3$$

Where:
- Y = Dependent variable (value companies)
- A = Constant value
- b1 = Regression coefficients of independent variables (X1)
- b2 = The regression coefficient independent variable (X2)
- b3 = The regression coefficient independent variable (X3)
- X1 = Independent variable (Investment decision)
- X2 = Independent variable (Financing decision)
- X3 = Independent variable (dividend policy)

RESULTS AND DISCUSSION

Impact of Investment Decision toward firm value
The regression equation: Based on Table 2, the regression equation is as follows:

$$Y = 26.201 + 8.398X$$

The regression coefficient of investment decision variables (X1) of 8.398. This means that funding decision is a positive relationship with the value of the company. It shows every increase of 1 unity of the investment decision will lead to a rise in the value of the company received for 8398.

Hypothesis testing (t-test): From Table 3 obtained that t-value for 2.073 and 0.047 Sig. then this means that investment decisions have significantly influence on firm value because t-value (2.073)>t-table (2.055) and Sig. (0.047)>0.05. Correlation coefficient and the coefficient of determination.

Table 2: Result of regression equation of investment decision toward firm value

Models	Unstandardized coefficients (B)	SE	Standardized coefficients (β)	t-values	Sig.
Constant	26.201	8.437	-	3.105	0.004
Investment decision	8.398	4.051	0.365	2.073	0.047

Coefficients[a]

Table 3: Correlation coefficients and coefficients of determination of the investment decisions on firm value

Model	R	R^2	Adjusted R^2	SE of the estimate	Change statistics R^2	F
1	0.365[a]	0.133	0.102	33.38824	0.133	4.298

Table 4: Result of regression equation of financing decision toward firm value

Models	Unstandardized coefficients (B)	SE	Standardized coefficients (β)	t-values	Sig.
Constant	14.411	20.467	-	0.704	0.487
Financing decision	3.2520	2.6480	0.226	1.228	0.230

Table 5: Correlation coefficients and coefficients of determination of the the financing decisions on firm value

Model	R	R^2	Adjusted R^2	SE of the estimate	Change statistics R^2	F
1	0.226[a]	0.051	0.017	34.93090	0.051	1.508

On Table 4, show that value of R is 0.365, this means that there is low a relationship between investment decisions on firm value. And from the table R value of R^2 is 0.133, this means that the investment decisions affecting firm value amounted to 13.3% while the remaining 86.7% is influenced by other factors.

Impact of financing decision toward firm value
The regression equation: Based on Table 5, the regression equation is as follows:

$$Y = 14.411+3.252X$$

The regression coefficient variable financing decisions for 3.252. This means that the financing decision is a positive relationship with firm value. It shows every increase of 1 unity of the financing decision will lead to a rise in firm value amounted to 3.252.

Hypothesis testing (t-test): From Table 5 obtained that t-value for 1.228 and 0.230 Sig., then this means that financing decisions haven't significantly influence on firm.

Correlation coefficient and the coefficient of determination: On Table 5, show that value of R is 0.226, this means that there is very low a relationship between financing decisions on firm value. And from the table R

Table 6: Result of regression equation of dividend policy toward firm value

Models	Unstandardized coefficients (B)	SE	Standardized coefficients (β)	t-values	Sig.
Constant	-10.003	13.482		-0.742	0.464
Dividend policy	153.326	39.391	0.593	3.892	0.001

Table 7: Correlation coefficients and coefficients of determination of the dividend policy on firm value

Model	R	R^2	Adjusted R^2	SE of the estimate	Change statistics R^2	F
1	0.593[a]	0.351	0.328	28.88590	0.351	15.151

value of $R^2 = 0.051$ this means that the financing decisions affecting firm value amounted to 5.1% while the remaining 94.9% is influenced by other factors.

Impact of devidend policy toward firm value
The regression equation: Based on Table 6, the regression equation is as follows:

$$Y = -10.003+ 153.326X$$

The regression coefficient variable dividend policy for 153.326. This means that the dividend policy is a positive relationship with firm value. It shows every increase of 1 unity of the dividend policy will lead to a rise in firm value amounted to 153.326.

Hypothesis testing (t-test): From Table 6 obtained that t value for 3.892 and 0.001 Sig., then this means that dividend policy have significantly influence on firm value, because t-value (3.892)<t-table (2.055) and Sig. (0.001)<0.05.

Correlation Coefficient and the coefficient of determination: On Table 7, show that value of R is 0.593, this means that there is relationship between dividend policy on firm value. And from the table R value of $R^2 = 0.351$ this means that the dividend policy affecting firm value amounted to 35.1% while the remaining 64.9% is influenced by other factors.

Effect of investment decisions, financing decisions and dividend policy on firm value
The regression equation: The test results of the regression equation can be explained as follows:

$$Y = -27.009+8.286x_1+0.966x_2+146.909x_3$$

Where:
Y = Firm value
X1 = Investment decision
X2 = Financing decision
X3 = Dividend policy

Table 8: Results of multiple regression analysis

Models	Unstandardized coefficients (B)	SE	Standardized coefficients (β)	t-values	Sig.
Constant	-27.0090	18.025		-1.498	0.146
Investment decision	8.28600	3.2500	0.360	2.550	0.017
Financing decision	0.96600	2.1300	0.067	0.454	0.654
Dividend policy	146.909	38.285	0.568	3.837	0.001

Table 9: Result simultaneous test

Model	Sum of squares	df	Mean square	F-value	Sig.
Regression	17386.900	3	5795.633	8.094	0.001[b]
Residual	18618.090	26	716.080		
Total	36004.990	29			

Predictors: (constant), investment decision, financing decision and dividend policy; dependent variable: firm value

From the equation, it means that: if the investment decision, financing decisions and dividend policy is 0, then the Firm value will amount -27.009. When the investment decision is positive, this means that if the variable investment decisions increased by one unit and the other variable is 0, then firm value will increase by 8.286. Vice versa, if investment decision decreased by one unit and the other variable is 0, then firm value will decrease by 8.286.

When financing decision is positive, this means that if the variable financing decisions increased by one unit and the other variable is 0, then firm value will increase by 0966. Vice versa, if the financing decisions decreased by one unit and the other variable is 0, then firm value will decrease by 0.966.

When dividend policy variable is positive, this means that if the variable dividend policy increased by one unit and the other variable is 0, then firm value will rise by 146.909. Vice versa, if the dividend policy decreased by one unit and the other variable is 0, then firm value will decrease by 146.909 (Table 8).

Hypothesis testing (f-test): From Table 9 obtained F value calculated at 8.094 and Sig. 0.001, this means that the investment decision, financing decision and dividend policy simultaneous affect on firm value, because F value (8.094)>F-table (DF1 = 3, DF2 = 26, then F-table 3.44) and Sig. (0.001)<0.05.

Correlation coefficient and the coefficient of determination: On Table 10, show that value of R is 0.685, this means that there is relationship between investment decision, financing decision and dividend policy (simultaneous) on firm value. And from the table R value of R^2 = 0.483, this means that the investment decision, financing decision and dividend policy Simultaneous affecting firm value amounted to 48.3% while the remaining 51.7% is influenced by other factors.

Table 10: Correlation coefficients and coefficients of determination of the investment decision, financing decision and dividend policy on firm value

Model	R	R^2	Adjusted R^2	SE of the estimate	Change statistics R^2	F
1	0.695[a]	0.483	0.423	26.75968	0.483	8.094

Effect of investment decision on firm value: Based on the results of testing the hypothesis in mind that investment decisions are positive effect on firm value. The investment decision is an indicator that determines whether the investment decisions made on the companies affected by the company's ability to generate cash to meet the needs of long-term and short-term or so-called liquidity of the company. Companies must maintain liquidity in order not disturbed, so it does not disrupt the company's activities to invest and not to lose the confidence of outsiders. Thus investment decisions have positive influence on the value of the company.

This is according to research conducted by Afzal and Rohman (2012) and Irvaniawati (2015) as well as on research daughter concerned Indarto (2012) which states that the value of the company was formed through a stock market value of the indicator is strongly influenced by investment spending and discretionary spending in the future and provide empirical confirmation that the investment decision is positive and significant effect on firm value.

Effect of financing decision on firm value: In this study, the result is that the funding decision does not affect the value of the company. The size of the funding decisions made by the company both in terms of funding short-term and long-term does not affect the value of the company This is according to research conducted by Abdul Mukti Zulfahmi, ERISA Septaryn and Fania Yuliariskha which shows that partial funding decision variables no significant effect on the value of the company and therefore the funding decision is often referred to as capital structure. in this decision the financial managers are required to consider and analyze the combination of sources of funding are economical for the company to finance investment requirements as well as business activities.

The effect of investment decisions, financing decisions and dividend policy on firm value. Based on the results of hypothesis testing investment decisions, financing decisions and dividend policy affect the value of the company. This indicates that the investment decision, financing and dividend policy decisions affect the value of companies with a positive direction (unidirectional). Shareholder and the company presented

by the market price of the shares is a reflection of the investment decision, financing (financing) and asset management (Keown *et al.*, 2010).

The company will grow and develop, then the time will gain or profit. Earnings consist of retained earnings and profit sharing. In the next stage of retained earnings is one of the most important sources of funds for financing the company's growth. From all the profits from the company partially distributed to shareholders in the form of dividends. Regarding the determination of the amount of dividends to be declared is what is the dividend policy of the company leadership (Sjahrial, 2010).

This is according to research conducted Irvaniawati which showed that the investment decision, financing decision and dividend policy simultaneously affect the value company.

CONCLUSION

The purpose of this research is to know how to influence investment decisions, financing decisions and dividend policy of the Company's value either partially or simultaneously. After a test with SPSS 20, then showed the following results: the investment decision is positive and significant impact on corporate value, the effect of 13.3%. This means that the investment decision is very important because it will affect the successful achievement of corporate goals is to improve the value of the company. The funding decision does not significantly influence the value of the company. This means that the size of the company's funding (funding both short-term and long-term) does not affect the value of the company.

Dividend policy positive and significant impact on corporate value, the effect of 35.1%. If dividends are paid is high, stock prices tend to be high so that the company's value is also high. Conversely, if dividends were paid small then the company's share price is also low. The investment decision, financing decision and dividend policy are simutan affect the level of influence the company's value of 48.3%. This is related to the company's goal of improving the company's value and to maximize the welfare of investors, it needs to be made and policy decisions for the financial investment decisions, financing decisions and dividend policy. The third decision is required because of financial influence each other and may affect the value of the company.

SUGGESTIONS

For the banking company is expected to improve the company's performance by increasing the amount of revenue the company so that the company earned profits high and also affected the payment of dividend for the market considers that the high dividend payout reflects the value of the company is good and gives good prospects for the future.

For investors and potential investors who want to invest in a company is expected to more closely by looking at it first condition of the company which will be selected from both internal factors and external factors, should also pay attention to the investment decisions of a company because it is based on the results of this research show that the decision investment and significant positive effect on firm value.

For the next study may add other factors that affect the value of companies such as growth in assets, exchange rates, currency exchange rates and so forth.

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