

CHAPTER 5

CONCLUSIONS AND RECOMONDATIONS

This research is a quantitative research using secondary data. The sample used in this study is a banking company listed in the database Osiris year 2012-2016 periods got through the official website of Indonesia Stock Exchange and Bursa Malaysia. The research technique used is purposive sampling, which is sampling with a certain purpose. Variables used are independent variable and dependent variable. The independent variables used in this research are Leverage, Profitability which proxies a return on Asset, Dividend Payout Ratio and Dividend Payout Ratio proxy investment opportunities projected Price Earning Ratio, while the dependent variable in this study is the value of the company in the measured by using proxy Price to Book Value. Testing was done by using linear regression with a significance level (α) equal to 0.05. Based on the results of the analysis that has been done, it can be got conclusions and suggestions for further research with the same topic in this study as follows:

5.1 CONCLUSION

This study aims to test and get empirical evidence regarding the influence of leverage, profitability, dividend policy and investment opportunities against corporate value. Based on the analysis and discussion that has been described before, the conclusion of this research is:

1. Leverage in proxies leverage does not have a positive and significant impact on corporate value; this is evidenced by the value of regression coefficient of 1.169 and significance value of 0.250.

2. Profitability variables as measured by Return on Asset (ROA) have a positive effect on corporate value. The results of this study indicate that high profitability reflects good financial performance. Good financial performance shows good company prospects so that investors will respond positively and company value will increase. This is evidenced by the value of regression coefficient of 4570 and the significance value of 0.000.

3. Dividend Policy has a positive and significant influence on the value of the firm that is proxy to Price Book Value (PBV). The results of this study show that dividend policy contributes to corporate value. This is proved by the regression coefficient value of 3.476 and the significance value of 0.001.

4. Investment Opportunity proxy Price Earning Ratio (PER) has a positive and significant influence on the value of the company that proxies Price Book Value (PBV), the results of this study indicate that investment opportunities have a direct relationship and have contributed to the increase of company value of a company especially in banking companies. This is evidenced by the value of regression coefficient of 4.314 and a significance value of 0.000.

5.2 LIMITATIONS OF RESEARCH

Given this research is still far from perfection, for further research is expected to be more extensive in developing and strengthening the results of this study with some consideration. As for some limitations that need to be considered for further research that is:

1. Some companies do not publish their financial statements completely and some companies do not issue dividend value in a given year so as to reduce the sample of the company to be in scrutiny.

2. The data used in the form of secondary data where the data obtained from the second party that is (idx.co.id) and Bursa Malaysia (www.bursamalaysia.com) so that sometimes the available data is incomplete and must access the website of each bank. The value of the price to book value used is the value contained in the Indonesian Capital Market Directory and the Malaysian stock exchange because the stock market value information for some banks is not available.
3. Looking at the results that tended to be insignificant, the researcher concludes one indication that causes insignificant results is the number of samples studied. This research use only 10 banks as the object of study with a total of 28 samples, the number is relatively small for allowing the emergence of quantitative research results Not significant.

5.3 RECOMMENDATIONS

Based on the results of testing and discussion of the discussion and some conclusions that have been put forward in this study, is expected to provide an overview of the influence of leverage, profitability, dividend policy and investment opportunities against company value. Of course, this study still has limitations. Therefore, it is expected that this research can be used as a reference for further research so that this research can be improved.

As for recommendations that can be provided through this research so as to provide better results for further research, are:

1. Further research is expected to use interviews or observations to the company sampled for more gain understanding of research data.
2. Companies should be able to control the level of leverage in order to obtain optimal leverage, so as to be able to increase and maintain corporate profits that will result in increased value of the company.

3. The next researcher is expected to use a sample of more companies or subsequent researchers using a sample of companies that are different from the research that researchers have currently done.
4. Increase the periodization of the study so that the larger samples obtained and provide greater possibility to obtain the actual condition and can reduce the outlier that resulted in data not distributed normally.
5. Further research needs to consider other factors that are likely to affect corporate value such as insider ownership, liquidity, and so forth.
6. Further research is expected to add research in some other countries so as to compare the value of companies between countries.