

# **CHAPTER V**

## **CONCLUSION**

### **5.1 Conclusion**

This study aims to obtain empirical evidence regarding the Influence of Financial Performance on Corporate Value. This study uses secondary data in the form of annual reports amounting to 129 samples from all manufacturing companies listed on the Stock Exchange during the year 2014-2016. In this study the analysis tool used is SPSS 19 with 95% possession rate. Based on the results of the research described in the previous chapter, the conclusions obtained are as follows:

Return on Asset (ROA) has no influence on Corporate Value. ROA can be seen from how much profit in the company's acquired assets owned by these companies explain the greater Return on Assets then cannot be sure. The results of this study are not in tune with the results of previous research conducted by Ulupui (2007) which states that ROA influence the returns of one period ahead in other words ROA influence the value of the company.

Debt to Equity Ratio (DER) has influence the Company Value. Debt to Equity Ratio is the ratio used to measure the level of debt utilization to total shareholder's equity owned by the company. . The results of this study are consistent with the results of previous research conducted by Umi Mardiyanti and Ria Putri (2012) which states that the DER influence the value of the company.

Dividend Ratio has no influence on Corporate Value. Dividend Ratio the amount of dividends paid to shareholders compared to the total net income of the company. The results of this study are consistent with the results of previous research conducted by Gatot Nazir Ahmad, Ria Putri, and Umi Mardiyanti (2012) which states that Dividend Ratio does not influence the value of the company.

### **5.2 Research limitation and Future Research**

As for research limitation, the object of this research from Indonesia stock exchange. The research only use 1 variable dependent which are Price Book Value, and 3

variables independent which are Return on Asset (ROA), Debt to Equity Ratio (DER), Dividend Ratio.

In accordance with this research limitation, researcher encourages some suggestion for further research. The first, further research is expected to expand the scope of research, not only in manufacturing companies and the study period plus time in order to obtain accurate research results in the long run. The second, variables should be added with other variables that may influence company value. To reflect the performance and can use components of the ratio like other ratios that have not been used in this study.

