

ABSTRACT

This study aims to investigate the effect of corporate governance (size of directors, independent commissioners, audit quality, and concentrated ownership) and cash holding on firm value. This study refers to Asante-Darko, dkk (2018) in Ghana with modifications to the independent variables and research objects.

The population in this study are manufacturing sector companies listed on the Indonesia Stock Exchange (IDX). The sampling method used is purposive sampling. The objects of research are 126 audited financial reports of manufacturing sector companies listed on the Indonesia Stock Exchange for the 2020-2021 period. The independent variables in this study are the size of directors, independent commissioners, audit quality, concentrated ownership, and cash holding, while the dependent variable is firm value. The level and character of the relationship between the independent variables and the dependent variable in this study were tested using multiple regression analysis.

The results of this study are that the size of directors has a negative and significant effect on firm value, independent commissioners have a negative and insignificant effect on firm value, audit quality has a negative and insignificant effect on firm value, and cash holding has a positive and not significant effect on the value of the company.

Keywords: Corporate Governance, Cash holding, Firm Value

