

ABSTRACT

Tobin's q is the ratio of market value of equity plus the market value of debt to total assets. This ratio measures the value provided by financial markets for any management and organization as a growing company. Tobin's q also shows how far a company is able to create its value relative to the amount of capital invested. The greater the value of Tobin's q indicates that the company has good growth prospect. This study aimed at examining the influence of Dividend Payout Ratio (DER), Independent Commissioner (KI) and Institutional Ownership (INST) on Tobin's q with Size and Return on Investment (ROI) as control variable and Market to Book Value (MBV) as a moderating variable.

The population in this study is all manufacturing companies listed on Indonesia Stock Exchange in the period of 2012-2015. The sampling technique used purposive sampling and obtained 28 companies becoming the research sample. The analysis technique used in this research was multiple regression analysis using SPSS where the data, previously, had been tested using classical assumption test like normality, multicollinearity, and autocorrelation tests.

*The results of the model-1 research show that DPR, DER, KI, INST, SIZE and ROI together influence Tobin's q with adjusted R2 of 94.5%. While individually, DPR and SIZE relate negatively and insignificantly to Tobin's q. DER, KI and ROI are related positively and significantly, while INST has significant negative influence on Tobin's q. The model-2 research shows that DER, DPR, KI, INST, SIZE, ROI, MBV, DPR * MBV, DER * MBV, KI * MBV and INST * MBV together effect on Tobin's q with adjusted R2 of 92%. While individually, DPR and ROI are related positively insignificant and SIZE is related negatively insignificant to Tobin's q. DER, KI and MBV are positively significant, INST is significantly negative to Tobin's q. MBV moderates the influence of DPR, KI, and INST against Tobin's q. MBV does not moderate the effect of DER on Tobin's q.*

Keywords: debt to equity ratio, dividend payout ratio, independent commissioner, institutional ownership, return on invesment, size, market to book value, Tobin's q