

ABSTRACT

This study is performed to test the effect of bussiness risk, firm size, growth, institutional ownership, and capital structure toward firm value. The objective to analyze the effect of the company financial ratios performance (bussiness risk, firm size, growth, institutional ownership, and capital structure) toward firm value in manufacturing industry over period 2012-2014.

Sampling technique used here is purposive sampling. The data was taken from Indonesian Capital Market Directory (ICMD). It is gained sample amount of 15 data. The analysis technique used here is multiple regression with the least square difference and hypothesis test using t-statistic to examine partial regression coefficient and f-statistic to examine the mean of mutual effect with level of significance 5%. In addition, classical assumption is also performed including normality test, multicollinearity test, and heteroscedasticity test.

The result shows size, and, institutional ownership to have influence toward capital structure at level of significance less than 5%, and size, capital structure, and, institutional ownership have influence toward firm value at level of significance less than 5%. capital structure mediating size and institutional ownership on firm value. The result also shows that capital structure able in mediating the effect of size and institutional ownership toward firm value.

Keywords: bussiness risk, firm size, growth, institutional ownership, capital structure and firm value