

TABLE OF CONTENTS

THESIS APPROVAL	ii
CONFIRMATION OF EXAMINATION PASS	iii
UNDERGRADUATE THESIS ORIGINALY STATEMENT	iv
MOTTO AND DEDICATION.....	v
ABSTRAK.....	vi
<i>ABSTRACT</i>.....	vii
PREFACE.....	viii
TABLE OF CONTENTS	xi
LIST OF TABLE.....	xv
LIST OF PICTURE.....	xvi
LIST OF ATTACHMENT	xvii
CHAPTER I INTRODUCTION.....	1
1.1 Background.....	1
1.2 Problem Statement.....	10
1.3 Research Objectives	11
1.4 Benefit of the Study.....	12
1.4.1 Theoretical Benefit	12
1.4.2 Practical Benefit	13
1.5 Structure of the Thesis	14
CHAPTER II LITERATURE REVIEW.....	17
2.1 Theoretical Framework.....	17
2.1.1 Agency Theory	17
2.1.2 Signalling Theory	20
2.1.3 Trade-off Theory.....	23

2.2	Research Gap.....	25
2.3	Conceptual Framework.....	34
2.4	Hypothesis Development.....	36
2.4.1	The Effect of Capital Structure on Firm Value (H1)	36
2.4.2	The Effect of Investment Efficiency on Firm Value (H2)	37
2.4.3	The Effect of Free Cash Flow on Firm Value (H3)	38
2.4.4	Institutional Ownership Moderates the Effect of Capital Structure on Firm Value (H4)	39
2.4.5	Institutional Ownership Moderates the Effect of Investment Efficiency on Firm Value (H5).....	40
2.4.6	Institutional Ownership Moderates the Effect of Free Cash Flow on Firm Value (H6)	41
2.4.7	Justification of Control Variables	42
CHAPTER III RESEARCH METHOD		45
3.1	Research Variables and Operational Definitions	45
3.1.1	Firm Value (Dependent Variable – Y)	46
3.1.2	Capital Structure (Independent Variable– X1)	46
3.1.3	Investment Efficiency (Independent Variable– X2)	47
3.1.4	Free Cash Flow (Independent Variable– X3)	49
3.1.5	Institutional Ownership (Moderating Variable – Z)	50
3.1.6	Control Variables	51
3.2	Population and Sample Selection	53
3.3	Data Type and Source	55
3.4	Data Analysis Techniques.....	57
3.4.1	Descriptive Statistics	57
3.4.2	Panel Data Model Selection	58
3.4.3	Classical Assumption Tests	59

3.5	Moderated Regression Analysis (MRA).....	60
CHAPTER IV RESULTS AND DISCUSSION		64
4.1	Sample Selection and Distribution	64
4.2	Descriptive Statistics	65
4.3	Panel Data Model Selection	74
4.3.1	Chow Test	74
4.3.2	Hausman Test.....	76
4.3.3	Langrage Multiplier (LM) Test.....	77
4.3.4	Summary.....	78
4.4	Classical Assumption Tests	79
4.4.1	Multicolinierity Test	79
4.4.2	Normality Test	81
4.4.3	Heteroscedastisity Test	82
4.4.4	Autocorrelation Test	86
4.5	Hypothesis Test Results.....	86
4.5.1	The Effect of Capital Structure on Firm Value (H1)	86
4.5.2	The Effect of Investment Efficiency on Firm Value (H2)	87
4.5.3	The Effect of Free Cash Flow on Firm Value (H3)	88
4.5.4	The Moderating Effect of Institutional Ownership on the Relationship between Capital Structure and Firm Value (H4)	89
4.5.5	The Moderating Effect of Institutional Ownership on the Relationship between Investment Efficiency and Firm Value (H5)	90
4.5.6	The Moderating Effect of Institutional Ownership on the Relationship between Free Cash Flow and Firm Value (H6)	91
4.5	Discussion of Hypotheses Results.....	91
CHAPTER V CONCLUSION.....		95
5.	Conclusion.....	95

5.1	Limitations of the Study	97
5.2	Recommendations	99
REFERENCES		102
ATTACHMENT		106

