

ABSTRACT

This dissertation study aims to provide input on the gap between the effect of investment opportunity on the firm value and a new concept as a mediating variable, which is productivity sustainable investment based on financial constrains (IBPFAC) which is a novelty developed by synthesizing agency theory with pecking orders theory. This research was conducted on sharia companies on the Indonesia Stock Exchange in the period 2011 to 2016 with a population of 412 firms. Sampling using purposive sampling and obtained a sample of 131 companies with 786 observations. Data analysis in this study used path analysis using the WarpPLS analysis tool. Conclusions from the results of this study are first, investment opportunity, debt policy and dividend policy directly influence the firm value with a positive coefficient sign, and institutional ownership directly influence the firm value with a negative coefficient sign. Second, productivity sustainable investment based on financial constrains can mediate the effect of investment opportunity, debt policy, dividend policy and institutional ownership on firm value. Third, productivity sustainable investment based on financial constrains has a significant positive influence on firm value.

Keywords: Investment Opportunity, Debt Policy, Dividend Policy, Institutional Ownership, Productivity Sustainable Investment Based on Financial Constrains and Firm Value

