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THE EFFECT OF CAPITAL STRUCTURE, DIVIDEND POLICY, COMPANY SIZE, PROFITABILITY AND LIQUIDITY ON COMPANY VALUE (STUDY AT MANUFACTURING COMPANIES LISTED ON INDONESIA STOCK EXCHANGE 2014-2016)

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Abstract

The purpose of this study to analyze the effect of capital structure, dividend policy, company size, profitability and liquidity of the company's value manufacturing in Indonesia Stock Exchange. The population of this research is manufacturing companies listed and is still active in the Indonesian Stock Exchange (BEI) for 2014 through 2016 amounted to 146 companies. Sampling, sample then determined criteria and gained 15 companies for 3 years who meet the criteria specified sample. The data was analyzed using multiple regression. The results showed that the capital structure, dividend policy, company size, profitability and liquidity and significant positive effect on firm value. In order to increase the value of the company, then the company is expected to maintain the condition of an optimal capital structure through the use of debt. Moreover, that the public continues to believe the prospects for the company, the company is expected to know the criteria on which to base any investor to invest. For investors and *prospective investors the companies listed in Indonesia Stock Exchange in order to more carefully and also the aspect of dividend policy, company size, profitability and liquidity as a consideration in making investment.*

Keywords: Capital Structure, Dividend Policy, Company Size, Profitability, Liquidity and Value Companies

INTRODUCTION

The company's value is important because of the high value of the company which will be followed by a high prosperity shareholders (Gapenski, 1996). The higher the stock price, the higher the value of the company. Managers are required to make decisions that consider all stakeholders in maximizing the company's value in the long term because, the manager will be judged performance by reaching the goal (Jensen, 2001). The company's value can be seen from Price Book Value (PBV), which is the ratio between the share price and book value per share (Ang, 2002). Good company PBV ratios generally have a larger one (> 1), which indicates that the stock market value is greater than the book value of the company. Below is a table of the average value of the development Price Book Value (PBV) of manufacturing companies listed in Indonesia Stock Exchange from 2008 to 2012.

Table 1. Average Price Book Value In Manufacturing Companies Listed on the Stock Exchange

Ratios	**2013**	**2014**	**2015**	**2016**
Price Book Value	1.73	0.60	2:01	5.83

Source: ICMD processed

Based on Table 1 Average *Price Book Value*Companies manufacturing larger one (> 1) except in 2014, this shows that the stock market value greater than the book value of the company, so the greater the opportunity for investors to buy shares of the company which is a reflection of the high value of the manufacturing company. The phenomenon of high value manufacturing company which is proxied by PBV interesting to do a study on the factors that affect the value of the company.

Currently the business world is highly dependent on funding issues. The funding decision with regard to the company's decision to seek funds to finance investments and determine the composition of the source of funding from retained earnings, debt and equity to finance the company's investment and operational activities that will affect the value of the company. The funding decision regarding the determination of the optimal capital structure and dividend policy relating to the achievement of corporate objectives (Moeljadi, 2006: 236).Capital structure decisions is the decision in selecting the debt and equity financing (Brealey & Myers, 2006: 7). Optimal capital structure must achieve a balance between risk and return in order to maximize the stock price (Brigham & Houston, 2006: 7).

Capital structure theory explains that the funding policy (financial policy) in determining the company's capital structure (mix between debt and equity) aimed at optimizing the company's value (value of the firm). According to the trade-off theory, managers can choose the ratio of debt to maximize the value of the company. The company's value will be reflected in stock prices (Fama, 1978). Maximizing the value of the company not only with equity values should be considered, but all kinds of financial resources such as debt, warrants and preferred stock (Jensen, 2001). Optimizing the value of the company which is the company's goals can be achieved through the financial management function, whereby the financial decisions taken will affect other financial decisions and the impact on the value of the company (Fama and French, 1998).

Sebelummnya research results on the effect of capital structure on firm value, do Chowdhury and Chowdhury (2010) proved that the capital structure relates to the value of the company. Cheng and Tzeng (2011) indicates that there is a positive effect of leverage on firm value which tends to strengthen when the company's financial quality is also good. Cheng, et al (2010) showed that the increase in the debt structure of the company, then the company's value will increase. Rahim et al (2010) found that the leverage is positively related to the value of the company. Different results conducted by Adekunle et al. (2010) found that there is a negative relationship between the debt ratio as a proxy for capital structure to good corporate value, measured by ROA and ROE.

Dividend policy is one important aspect of the objective of maximizing the value of the company. Management has two treatment alternatives to net income after taxes or Earnings After Tax (EAT), which divide it to shareholders in the form of dividends, or reinvested back into the company as retained earnings. Usually, most EAT divided in the form of dividends and partly reinvested. Therefore, management must create a policy about the amount of EAT distributed as dividends. The company's value can be seen on the company's ability to pay dividends. The amount of the dividend divided can affect stock prices. If dividends were paid higher then stock prices tend to be high so that the company's value too high. However, if dividends paid to small shareholders the company's stock price was too low. Thus, a large dividend will increase the company's value (Harjito and Martono, 2010: 115).

Bird in the Hand Theory suggests that there is a relationship between the value of the company with the dividend policy, whereby the company's value will be maximized by a high dividend payout ratio, as investors assume that dividends are not at risk of risk capital appreciation (Gordon and Lintner, 1956). Investors prefer profits in dividends than expected gains from capital appreciation.

Results of previous studies on the effect of dividend policy on firm value is done by Alonso et al. (2005) found evidence that dividend affect the value of the company. Amidu (2007) found that the dividend policy has positive influence on the value of the company is seen on firm performance (ROA). Qureshi (2007) showed that an adequate dividend policy can achieve the goal of maximizing the value of the company. Ghosh and Ghosh (2008) found that the dividend policy is positively related to the value of the company. The different results shown by Kapoor (2006) that the dividend is not significantly associated with the value of the company.

Size companies deemed capable of affecting the value of the company. Because the bigger the size or scale of the company, the company will be more easily obtain funding sources both internal and external. The decision concerning the amount of the company will result in the company stock price level (Weston and Copeland, 2010: 13). In general, the size can be defined as a ratio of large or small objects. If this notion is associated with a company or organization, then the size of the company can be defined as a ratio of large or small the business of a company or organization.

Companies that have total assets of the shows that the company has reached a stage of maturity where at this stage the company cash flow has been positive and is considered to have good prospects within a relatively long time, but it also reflects that the company is relatively more stable and better able to generate profits than companies with total assets were small (Indriani 2005 in Daniati and Suhairi, 2006). Usually large companies have assets greater value. Theoretically larger companies have certainty (certainty) that is larger than a small company so it will reduce the level of uncertainty regarding the company's future prospects. It can help investors predict the possible risks when investing in companies that (Yolana and Martani, 2005).

The previous study that tested the effect of firm size on firm value, performed by Cheng, Liu and Chien (2001) concluded that the size of the companies individually affect the value of companies listed on China's stock exchanges. Paranita, (2007) and Sudjoko and Soebiantoro (2007) concluded that the size of the company's positive effect on firm value. Obradovich and Gill (2013) concluded that the size of the company and significant positive effect on the value of companies listed on the New York Stock Exchange. Purnomosidi. L. et al (2014) concluded that the size of the company has a positive effect on the value of real estate companies in Indonesia

Stock Exchange. Siahaan, Marius U., et al (2014) showed that the size of the company's positive effect on the value of companies listed on the Indonesia Stock Exchange. Different results shown by Gill and Mathur (2011) proved that a larger firm size (number of the number of directors) have a negative impact on the value of a manufacturing company in Canada.

The value of the company will also be influenced by the profitability. Profitability is considered important in the retention of the company's survival in the long term, because the profitability indicate whether the company has good prospects in the future. Thus, each company will always strive to improve its profitability, because the higher the level of profitability of the company, the company's survival will be more secure. Profitability means the extent to which companies make a profit from sales and investment companies. If profitability is good then the stakeholders, including creditors, suppliers, and investors will look at the extent to which the company can generate earnings from sales and investment companies (Carlson and Bathala, 1997).

Research on the effect of profitability on the value of the company, namely, Paranita (2007), Chowdhury, Anup and Chowdhury, S. Paul (2010), Rizqia, et al (2013) concluded that the level of profitability has a positive effect on firm value. Different results shown by Sudjoko and Soebiantoro (2007) and Rahim et al (2010) where the profitability of significant negative effect on the value of the company.

The company's value can also be seen from the company's liquidity. Companies with a large liquidity shows the company's ability to repay short-term debt is good, it gives a good signal for the company so that the company's value increased (Ibe, 2011). This is consistent with the concept of signaling theory stating that profitability will be a signal from management that describe the company's prospects based on the level of profitability that is formed and directly affect the value of a company can be seen from the stock price in the market.

Based on the results of previous empirical studies, showing the diversity of variables that affect the value of the company. Accordingly, there is a gap to do research back on the influence effect of capital structure, dividend policy, company size, profitability and liquidity of the value of the company (Study at Manufacturing Companies Listed on the Stock Exchange in the period from 2014 to 2016). The reason for choosing a manufacturing company is because the manufacturing companies have the potential to develop products more quickly by performing a variety of innovations and tend to have expansion of the broader market in comparing the company non-manufacturing or service companies, so that the study of the capital structure, dividend policy, the size of the company , profitability and liquidity as well as the value of the company is more relevant to do.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Capital Structure and Company Value

Capital structure theory explains that the funding policy (financial policy) in determining the company's capital structure (mix between debt and equity) aimed at optimizing the company's value (value of the firm). Chowdhury and Chowdhury (2010) found that the capital structure as seen from the determining factors associated with the company's value. Cheng and Tzeng (2011) show that companies using leverage is greater than the unleveraged company, found no positive effect of leverage to the company's value tends to strengthen when the company's financial quality is also good. Cheng, et al (2010) showed that the increase in the debt structure of the company, then the company's value will increase. Rahim et al (2010) found that the leverage is positively related to the value of the company.

According Husnan (2000: 58) the value of the company is willing to pay the price that potential buyers if the company is sold, while according to Keown (2003: 74) the value of the company is the market value of debt and equity securities outstanding companies. The value of the company is investor perception of the level of success of the company that are often associated with a stock price (Sudjoko and Soebiantoro, 2007). High stock prices make the company's value too high. High value of the company will make the market believe not only on the company's performance today but also in the company's prospects in the future. Value companies often proxied by the price to book value (Ahmed and Nanda, 2000). Based on the results of empirical studies the research hypothesis is stated as follows:

H_1: The capital structure affect the value of the company

Devidend Policy and Company Value

The company's value can be seen on the company's ability to pay dividends. The amount of the dividend divided can affect stock prices. If dividends were paid higher then stock prices tend to be high so that the company's value too high, however, if the dividends paid to small shareholders the company's stock price was too low. Thus, a large dividend will increase the company's value (Harjito and Martono, 2005). *Bird in the Hand Theory* asked Gordon and Lintner (1956), suggests that there is a relationship between the value of the company with the dividend policy, whereby the company's value will be maximized by a high dividend payout ratio, as investors assume that dividends are not at risk of risk capital appreciation. Investors prefer profits in dividends than expected gains from capital appreciation.

Alonso et al (2005) found evidence that dividend affect the value of the company. Mohammed Amidu (2007) found that the dividend policy has positive influence on the value of the company is seen on firm performance (ROA). Muhammad Azeem Qureshi (2007) showed that an adequate dividend policy can achieve the goal of maximizing the value of the company. Ghosh and Ghosh (2008) found that the dividend policy is positively related to the value of the company. The value of the company is investor perception of the level of success of the company that are often associated with a stock price (Sudjoko and Soebiantoro, 2007). High stock prices make the company's value too high. High value of the company will make the market believe not only on the company's performance today but also in the company's prospects in the future. Value companies often proxied by the price to book value (Ahmed and Nanda, 2000). Based on the results of empirical studies the research hypothesis is stated as follows:

H_2: Dividend policy affects the value of the company

Company Size and Company Value

Size companies deemed capable of affecting the value of the company. Because the bigger the size or scale of the company, the company will be more easily obtain funding sources both internal and external.The size of the company is a large scale where small companies can be classified according to a variety of ways, including: total assets, log size, the value of the stock market, and others. Companies that have total assets of the shows that the company has reached a stage of maturity where at this stage the company cash flow has been positive and is considered to have good prospects within a relatively long time, but it also reflects that the company is relatively more stable and better able to generate profits than companies with total assets were small (Indriani 2005 in Daniati and Suhairi, 2006). Theoretically larger companies have certainty (certainty) that is larger than a small company so it will reduce the level of uncertainty about the company's prospects going forward. Cheng, Liu and Chien (2001) concluded that the size of the companies individually affect the value of companies listed on China's stock exchanges. Paranita, (2007) and Sudjoko and Soebiantoro (2007) concluded that the size of the company's positive effect on firm value. Obradovich and Gill (2013) concluded that the size of the company and significant positive effect on the value of companies listed on the New York Stock Exchange. Purnomosidi. L. (2014) concluded that the size of the company has a positive effect on the value of real estate companies in Indonesia Stock Exchange. Siahaan, Marius U., et al (2014) showed that the size of the company's positive effect on the value of companies listed on the Indonesia Stock Exchange. Based on the results of empirical studies the research hypothesis is stated as follows:

H_3: The size of the company affects the value of the company

Profitability and Company Value

Profitability is the ability of the company makes a profit through its business operations by using fund assets owned by the company. Profitability can be calculated with the ROE (return on equity). ROE reflects the level of investment penembalian results for shareholders. High profitability reflects the company's ability to generate high returns for shareholders, with a high profitability ratio that owned a company would attract investors to invest in the company. The high interest of investors to invest in companies with high ROE will increase the price of the stock (Kim, et al, 1993). Paranita (2007), Chowdhury, Anup and Chowdhury, S. Paul (2010), Rizqia, et al (2013) concluded that the level of profitability has a positive effect on firm value.

PBV existence is very important for investors to determine investment strategy in the stock market because it is through price-book value, investors can predict the stocks that are overvalued or undervalued (Ahmed and Nanda, 2000). Price-book value describe how big the market appreciates the value of a company's stock book. Companies that goes well, generally has a price book value ratio above one, which reflects that the stock market value is greater than its book value. The high price reflects the book value of shareholders a level of prosperity, wealth for shareholders is the main aim of the company (Weston and Brigham, 2000:71). Based on the results of empirical studies the research hypothesis is stated as follows:

H_4: Profitability affect the value of the company

Liquidity and Company Value

The company's value can also be seen from the company's liquidity. Companies with a large liquidity shows the company's ability to repay short-term debt is good, it gives a good signal for the company so that the company's value increased (Ibe, 2011). This is consistent with the concept of signaling theory stating that profitability will be a signal from management that describe the company's prospects based on the level of profitability that is formed and directly affect the value of a company can be seen from the stock price in the market. Results of research on the effects of liquidity on the value of the company is done by Septiono, et al (2013) and Susilaningrum (2016) proved that liquidity has a significant influence on the value of the company.Based on the results of empirical studies the research hypothesis is stated as follows:

H_5: Liquidity effect on the value of the company

RESEARCH METHOD

In accordance with the subject matter and purpose of the study, this research uses explanatory patterns (level of explanation). Explanatory research is research that intends to describe an effect between two or more variables, which are symmetrical, causal and reciprocal (Sugiyono, 2004). Pattern effect will be revealed in this study is effect of capital structure,dividend policy, firm size, and profitability managerial stock ownership on firm value Manufacturing Listed on the Stock Exchange in the period 2014-2016,

The unit of analysis in this study is a manufacturing company with the population is a manufacturing company that registered and are still active in the Indonesian Stock Exchange (BEI) for 2014 through 2016 amounted to 146 companies. Sampling was carried out with saturated sampling method. According Sugiyono (2006) saturation sampling is a sampling technique when all members of the population used as a sample. To avoid sampling error, then the sample is determined criteria, as follows:

1. Data companies listed on the Stock Exchange consecutive years 2014-2016
2. The manufacturing company that does not publish financial statements consistently year 2014-2016
3. The Company does not consecutive dividend during the study period
4. Having a positive net profit or tax loss for the year 2014-2016

Based on these criteria the number of companies that meet the criteria specified sample, as follows:

Table 2. Population Selection Process

Determination Samples	**Amount**
Data companies listed on the Stock Exchange consecutive years 2014-2016	146
The manufacturing company that does not publish financial statements consistently year 2014-2016	(22)
The Company does not consecutive dividend during the study period	(90)
Having a positive net profit or tax loss for the year 2014-2016	(19)
Samples	**15**

Data used in this research is secondary data, which is a source of research data obtained indirectly or through an intermediary medium. Secondary data such as data in the form of financial statements of companies that we obtain from various sources. The collection of data needed for this study, namely the company's financial statements as well as stock quotes, data collection techniques used were documentation. Documentation is a method to obtain data by collecting data from the existing literature. Source of research data obtained from siteswww.idx.go.id, www.yahoofinance.com, and ICMD.

Testing the hypothesis to test the effect of the effect of capital structure, dividend policy, company size, profitability and liquidity of the company's value. This hypothesis was tested based on the analysis of the value t, resulting from multiple regression model. Where the level of significanceα= 5% and with a degree of freedom (k) and (nk) where n is the number of observations and k are independent variables. Then the t value is defined as follows (Sugiyono, 2006):

$$t_{hitung} = \frac{\beta_i}{S_e\beta_i}$$

Where :

βi = Coefficient of regression

Se βi = Standard error of the regression coefficient

Based on the level of significanceα = 5%, then if t> t table then Ho is rejected and Ha received or if the probability value (Sig.) T <5%, then Ho is rejected and Ha accepted.

ANALYSIS AND RESULTS

Results of Multiple Regression Analysis

Multiple regression analysis is used to see whether there is any effect of capital structure, dividend policy, company size, profitability and liquidity of the company's value. The results of multiple linear regression analysis calculation is done with the help of Statistical Package for Social Science (SPSS) 17.0 for Windows, as shown in Table 3 below.

Table 3. Summary of Results of Regression Analysis

Research variable	Standardized Coefficients Beta	t	sig.	Information
Capital structure	0.623	4.870	0.000	Significant
Dividend Policy	0.691	5.796	0.000	Significant
Company size	0.390	2.847	0.007	Significant
profitability	0.354	2.940	0.005	Significant
Liquidity	0.296	2.200	0.034	Significant
R : 0.736				
R Square : 0.542				
F count : 9220				
Sig. F : 0000				

Based on table 3 can be explained that the F test used in this study to test the accuracy or significance of research models. Based on the results obtained F value of 9220 with a significance value of 0.000 is smaller than statistically significant at α = 5%, meaning that it has a capital structure, dividend policy, company size, profitability and liquidity worth to explain the value of the company.

The value of the correlation coefficient (R) is 0.736, this shows that the relationship between the variables of capital structure, dividen dpolicy, company size, profitability and liquidity of the value of the company amounted to 73.6%. These results indicate that capital structure, dividend policy, company size, profitability and liquidity have high levels of closeness to the value of the company. Predictive power of the regression model (R-square) which is formed in this test of 0.542. These results indicate that capital structure, dividend policy, company size, profitability and liquidity have contributed to the value of the company amounted to 54.2%, while the remaining 45.8% is influenced by other variables outside the model.

The value of t for a variable capital structure is 4.870 with the significance of 0.000 is smaller than statistically significant at α = 5%, with a coefficient of positive regression is 0.623, so reject H_0, which means that the capital structure of positive and significant impact on the value of the company, this means that peningatan capital structure will be followed by an increase in the value of the company.

The value of t for a variable dividend policy is 5.796 with the significance of 0.000 is smaller than statistically significant at α = 5%, with less coefficient of positive regression of 0.691, so reject H_0, which means that the dividend policy positive and significant impact on the value of the company, this means that an increase in the dividend policy will be followed by peningkaan value of the company.

The amount of t value for the variable size of the company is 2.847 with the significance of 0.007 is smaller than statistically significant at α = 5%, with less regression coefficient is positive, namely 0.390, so reject H_0, which means that the size of the company's positive and significant impact on the value of the company, this means that the increase in the size of the company will be followed by peningatan value of the company.

The amount of t value for the variable profitability is 2.940 with the significance of 0.005 is smaller than statistically significant at α = 5%, with a coefficient of positive regression is 0.354, so reject H_0, which means that the profitability of positive and significant impact on the value of the company, this means that increased profitability will be followed by an increase in the value of the company.

The amount of t value for the variable liquidity is 2.200 with the significance of 0.034 is smaller than statistically significant at α = 5%, with a coefficient of positive regression is 0,296, so reject H_0, which means that liquidity is positive and significant impact on the value of the company, this means that increased liquidity will be followed by an increase in the value of the company.

DISCUSSION

The Influence of Capital Structure to the Value of the Company

Based on the results of inferential statistical analysis obtained evidence that the capital structure and significant positive effect on firm value. The selection of the optimal capital structure is one of the main tasks of management of the company. The capital structure is the proportion of debt financing (debt financing) company, which is the ratio of leverage (leverage) of the company, thus, debt is an element of the company's capital structure. The capital structure is the key to improving productivity and company performance. Capital structure theory explains that the funding policy (financial policy) in determining the company's capital structure (mix between debt and equity) aimed at optimizing the company's value (value of the firm).

The results of this study found that the presence of positive and significant impact on the value of the company. These results can be explained that the use of debt in the capital structure can control the use of free cash flow in excess so that the management is not involved in investment projects that are not profitable (Jensen, 1986). Repayment of loans and other financial charges can reduce the agency problem of free cash flow usage. The use of debt will bring additional oversight on the part of the creditor in order to work for the company's management. This condition will be responded positively by shareholders which is reflected in the increase in the stock price.

These findings were supported by the trade-off theory, which according to the trade-off theory, managers can choose the ratio of debt to memaksimakan value of the company. The model assumes that the trade-off the company's capital structure is the result of a trade-off of using the tax advantages of debt at a cost that would result from the use of the debt. The essence of the trade-off theory of capital structure is balancing the benefits and sacrifices that arise as a result of the use of debt. As far larger benefits, additional debt is still allowed.

The results of this study support the study conducted by Chowdhury and Chowdhury (2010) found that the capital structure as seen from the determining factors associated with the company's value. Cheng and Tzeng (2011) show that companies using leverage is greater than the unleveraged company, found no positive effect of leverage to the company's value tends to strengthen when the company's financial quality is also good. Cheng, et al (2010) showed that the increase in the debt structure of the company, then the company's value will increase. Rahim et al (2010) found that the leverage is positively related to the value of the company.

The Influence of Dividend Policy on the Value of the Company

Based on the results of inferential statistical analysis obtained evidence that the dividend policy and a significant positive effect on firm value. Dividend policy determines how much profit to be gained shareholders. The gains of shareholders will determine the welfare of shareholders, who are the main objectives of the company. The greater the dividends distributed to shareholders, the performance of listed companies will be considered the better and in the end the company has performed a good managerial considered beneficial and of course an assessment of the company will be the better, which is usually reflected by the level of its share price ,

If the company increases the dividend payment, may be interpreted by investors as a signal of management's expectations of going to the improved performance of the company in the future, so that's dividend policy has an influence on the value of the company.

These findings are supported by Bird in the Hand Theory filed Gordon and Lintner (1956), suggests that there is a relationship between the value of companies with dividend policy, whereby the company's value will be maximized by the dividend payout ratio is high, as investors assume that the risk of a dividend is not as big risk capital appreciation. Investors prefer profits in dividends than expected gains from capital appreciation.

The results of this study support the study by Alonso et al (2005) found evidence that dividend affect the value of the company. Mohammed Amidu (2007) found that the dividend policy has positive influence on the value of the company is seen on firm performance (ROA). Muhammad AzeemQureshi (2007) showed that an adequate dividend policy can achieve the goal of maximizing the value of the company. Ghosh and Ghosh (2008) found that the dividend policy is positively related to the value of the company.

The Influence of Company Size on the Value of the Company

Based on the results of inferential statistical analysis obtained proof that size of the companies deemed capable of affecting the value of the company. Because the bigger the size or scale of the company, the company will be more easily obtain funding sources both internal and external.The size of the company is a large scale where small companies can be classified according to a variety of ways, including: total assets, log size, the value of the stock market, and others. Companies that have total assets of the shows that the company has reached a stage of maturity where at this stage the company cash flow has been positive and is considered to have good prospects within a relatively long time, but it also reflects that the company is relatively more stable and better able to generate profits than companies with total assets were small (Indriani 2005 in Daniati and Suhairi, 2006).

Company size in this study is a reflection of the size of the companies that appear in the value of total assets of the company. With the growing size of the company, there is a tendency that more investors are paying attention to the company, this is because large companies tend to have a more stable condition. This stability to attract investors to own shares of the company. This condition is a cause for rising share prices of companies in the capital market. Investors have great expectations towards large enterprises. Insvestor expectation of acquiring the dividend from the company. Increased demand for company shares will be able to spur the increase in stock prices in the capital market.

Theoretically larger companies have certainty (certainty) that is larger than a small company so it will reduce the level of uncertainty regarding the company's future prospects. It can help investors predict the risk that might occur if he invested in the company (Yolana and Martani, 2005).

The results of this study support the study conducted by the Cheng, Liu and Chien (2001) concluded that the size of the companies individually affect the value of companies listed on China's stock exchanges. Paranita, (2007) and Sudjoko and Soebiantoro (2007) concluded that the size of the company's positive effect on firm value. Obradovich and Gill (2013) concluded that the size of the company and significant positive effect on the value of companies listed on the New York Stock Exchange. Purnomosidi. L. (2014) concluded that the size of the company has a positive effect on the value of real estate companies in Indonesia Stock Exchange. Siahaan, Marius U., et al (2014) showed that the size of the company's positive effect on the value of companies listed on the Indonesia Stock Exchange.

Influence the Profitability of the the Value of the Company

Based on the results of statistical analysis in this study, it was found that the profitability of a positive significant effect on firm value, this suggests that the higher profitability (profitability), the higher the value of the company. The higher a company's ability to generate profits, will raise the company's value as indicated by the increase in the company's stock price. Companies that have profitability (profitability) is great every year, tend to be preferred by many investors. Investors assume that companies that have a large profit will yield greater returns. This is captured by investors as a positive signal of the company, thereby increasing the confidence of investors and will facilitate the management of the company to attract capital in the form of shares.

The high profitability of the company will increase earnings per share (EPS or earnings per share) of the company. An increase in EPS will make investors interested to invest by buying shares of the company. This condition leads to a positive relationship between profitability and stock prices where high stock prices will affect the value of the company.

In accordance with the opinion of Weston and Brigham (2001) which states that the profitability as measured by ROA high reflects the position of a great company so that the value of a given market is reflected in the stock price of the company will also be good. The results of this study support the study conducted by the Paranita (2007), Chowdhury, Anupand Chowdhury, S. Paul (2010), Rizqia, et al (2013) concluded that the level of profitability has a positive effect on firm value.

Influence of Liquidity to the Value of the Company

Based on the results of statistical analysis in this study, it was found that liquidity is a positive significant effect on firm value, it indicates that the Liquidity determine the extent of a company's ability to realize non-cash into cash. This is as stated Husnan (2005) Nugroho (2012) that, liquidity is an asset which can be changed in the size of the monetary unit to be used as means of payment most smoothly because it can be widely accepted as a medium of exchange. The company's liquidity is considered good if the company is able to meet its short term obligations on time because of the funds available for the company to fund operations and investments. Liquid companies tend to use internal funds in financing activities, (Sartono, 2010). This can increase the demand for shares by investors that will increase the company's share price. High stock price is a reflection of the high value of the company. ,The results of this study support the study conducted by theSeptiono, et al (2013) and Susilaningrum (2016) proved that liquidity has a significant influence on the value of the company.

CONCLUSIONS AND SUGGESTIONS FOR FUTURE RESEARCH

This study examines the effect of capital structure, dividend policy, firm size, and profitability managerial stock ownership on firm value. Based on the results of the study found that capital structurepositive and significant impact on the value of companies.That result can be explained that the use of debt in the capital structure can control the use of free cash flow in excess so that the management is not involved in investment projects unprofitable. The use of debt will bring additional oversight on the part of the creditor in order to work for the company's management. This condition will be responded positively by shareholders which is reflected in the increase in the stock price. Dividend policy has positive and significant effect on firm value. Dividend policy determines how much profit to be gained shareholders. The gains of shareholders will determine the welfare of shareholders, who are the main objectives of the company. The greater the dividends distributed to shareholders, the higher the value of the company.

Size of company positivly and significantly affect on firm value. The larger the size of the company, there is a tendency that more investors are paying attention to the company, this is because large companies tend to have a more stable financial condition. This stability to attract investors to own shares of the company. This condition is a cause for rising share prices of companies in the capital market.Profitability positive and significant effect on firm value, this suggests that the higher profitability (profitability), the higher the value of the company. The higher a company's ability to generate profits, will raise the company's value as indicated by the increase in the company's stock price.Liquidity positive and significant impact on the value of the company, this means that the increased liquidity will be followed by an increase in the value of the company.

There are several limitations research that need attention. The period of observation in this study is relatively brief, lasting only 3 years from 2014 to 2016, so that the conclusions can not be generalized in another year. The number of samples obtained slightly less than the previous number, this is because the sampling selected companies that have distributed dividendsrespectively during the study period.

Based on the conclusions and limitations on the above results, it can be recommended as follows. To still be able to increase the value of the company, the company is expected to maintain the condition of an optimal capital structure through the use of debt. Moreover, that the public continues to believe the prospects for the company, the company is expected to know the criteria on which to base any investor to invest. These criteria eg level of financial risk, rate of return on investment, prosperity parapemegang stock and others.For investors and prospective investors the companies listed in Indonesia Stock Exchange in order to more carefully and also the aspect of dividend policy, company size, profitability and liquidity as a consideration in making investment. For further research, it is expected to use other variables that can affect the value of the company as the company's growth and business risk.

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