

The Influence of Investment Policy and Funding Policy on Company Value moderated by Firm Size

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ABSTRACT

Abstract

This research aims to determine the influence of investment policy and funding policy on company value which is moderated by firm size. Investment policy is measured by adding up all capital expenditures, expenditures for mergers and acquisitions, and costs incurred for research and development ((Alzahrani, 2014); while funding policy is measured by dividing total debt by total assets; and firm size as a moderating variable.

This research was quantitative research using secondary data, then tabulated and processed using SPSS software so that it could be interpreted and analyzed. The classical assumption test was also applied so that the model used was able to explain the variables studied, in this case is the company value.

Based on data processing and analysis of SPSS output, it could be concluded that investment policy variables had a positive effect on company value. This was indicated by a regression coefficient value of 0.000 and a significance value was 0.023. Likewise, funding policy also had an effect on company value, but the effect was negative with a coefficient value of -0.055 and a significance value was 0.034. Firm size as a moderating variable was also able to moderate the relationship between investment policy and company value as well as the relationship between funding policy and company value.

Kata Kunci: *Investment policy, funding policy, company value, firm size and moderating variables.*