

THE INFLUENCE OF CAPITAL STRUCTURE AND GOOD CORPORATE GOVERNANCE ON THE COMPANIES VALUE MEDIATED WITH PROFITABILITY

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ABSTRACT

This study aims to analyze the effect of Capital Structure and GCG on Company Value proxied by Price to Book Value and Tobin's Q. In addition, this study also aims to analyze whether Profitability mediates the effect of GCG and Capital Structure on Company Value. The research period used was 2015-2017, and was a quantitative descriptive study.

The data collection technique is done by the documentation method. This method is done by collecting data from various literature and financial statements of manufacturing companies published by the Indonesia Stock Exchange through www.idx.co.id. Data analysis techniques used are multiple linear regression analysis and path analysis models.

The results showed that (1) Capital Structure had a positive and significant effect on the value of the company, which was proxied by Price to Book Value and Tobin's Q; (2) Good Corporate Governance does not affect the Company Value either proxied by Price to Book Value or Tobin's Q; (3) Profitability has a positive and significant effect on the value of the company, which is proxied by Price to Book Value and Tobin's Q; (4) Capital structure has a negative effect on profitability; (5) Good Corporate Governance does not affect profitability; (6) Profitability mediates the effect of Capital Structure on Company Value proxied by Price to Book Value; (7) Profitability does not mediate the effect of Good Corporate Governance on Company Value proxied by Price to Book Value; (8) Profitability does not mediate the effect of the influence of Good Corporate Governance on Company Value proxied by Tobin's Q.

Kata Kunci: *Capital Structure, Good Corporate Governance, Company Value, Profitability*