ABSTRACT

This study aims to show the effect of Good Corporate Governance (GCG), leverage, and also auditor reputation on firm value. This research held with a different measurement of Good Corporate Governance variable, the author use CGPI as an indicator to measure GCG.

This research was conducted on public companies listed in Indonesia Stock Exchange for 2009-2012. included in Corporate Governance Perception Index (CGPI) during the periods. After the election process with specific criteria, the final sample consisted of 75 samples. The study provides empirical evidence that both of Good Corporate Governance and auditor reputation had a positively significant influence on the firm value. It may cause of the highest index in CGPI reflect a good management system and improve the investor’s trust, while the good auditor reputation is helping a firm to establish a reliable financial statement that can improve value of a firm. In the other hand, leverage has negative effect on the value of the company and consistent with the trade off theory.

Key word: Good Corporate Governance, Leverage, Auditor reputation, Firm value.