

## ***ABSTRACT***

The company value for the companies listed on the stock exchange is an indicator of financial performance is relatively important, because it indicates the level of wealth of the shareholders. Reality in the manufacturing industry (2009-2012) was not all companies has a large company values ( $\geq 1.0$ ), so that the objectives of the company in the prosperity of the shareholders can not be achieved. Based on theory and previous research, the value of the company can be improved through profitability, financing decisions, and investment decisions (Brigham and Gapenski, 2006; Sujoko and Soebiantoro, 2007).

The purpose of this study is to analyze: (1) the effect of financing decisions on company value; (2) the effect of investment decisions on company value; (3) the effect of profitability on company value; (4) the impact of funding decisions on profitability; (5) the effect on profitability of investment decisions; (6) the effect of financing decisions on company value through profitability; and (7) the impact of investment decisions on company value through profitability.

This research is quantitative research and the types of research are causal research. Sample size of 35 companies, the study sample selected by purposive sampling of 146 companies that exist. The research data is sourced from ICMD (2010 - 2013). Methods of data analysis using path analysis applied to the software LISREL v.8.70, and hypothesis testing using t test.

The results of the research, namely: (1) The decision of funding a significant positive effect on company value. (2) The investment decision is not a significant positive effect on company value. (3) The profitability of a significant positive effect on company value. (4) The decision of funding a significant positive effect on profitability. (5) The investment decision is not a significant positive effect on profitability. (6) The decision of funding a significant positive effect on company value through profitability. (7) The investment decision is not a significant positive effect on company value through profitability.

Suggestions put forward, the companies listed on the Stock Exchange should be able to optimize the funding decisions, consistently increasing the amount of fixed assets owned, works effectively and efficiently so that profitability can be improved, and can manage the resulting profits into a major business strategy to enhance shareholder value.

**Keywords:** The company value, profitability, funding decisions, investment decisions.