ABSTRACT

This research examines the factors affecting firm value (Tobin’s Q), and whether the growth opportunity could enhance the relationship between independent variables and firm value. There are four independent variables used in this research which are financing decision, dividend policy, profitability and liquidity. Growth opportunity’s proxy with MVE/BVE as moderating variable.

This research uses a quantitative approach, in which the sample used is 60 listed companies in LQ-45 index for the period 2010-2012 consecutively. There are three models used in this research, the first model was conducted using multiple regression analysis, the second model was using multiple regression analysis and the third model is using moderated regression. Calculation and hypotheses testing is using EViews statistic 6.10.

The result shows that financing decision has a negative relationship toward the firm value. Liquidity and dividend policy has a non-relationship toward the firm value. Profitability has a positive relationship toward the firm value. In addition, growth opportunity acts as a quasi moderator in the relationship between each of financing decision, profitability, and liquidity toward firm value. However, growth opportunity is unable to moderate the relationship between dividend policy and firm value.

Keyword: Growth Opportunity, Investment Opportunity Set (IOS), Financing Decision, Dividend Policy, Profitability, Liquidity, Firm Value, Moderated Regression Analysis