# Influence of Investment Decisions (PER), Policy of Dividend (DPR) and Interest Rate against Firm Value (PBV) at a Registered Manufacturing Company on Indonesia Stock Exchange in 2015-2018

**Wikan Budi Utami**

*D3 Tax Management Study Program, ITB-AAS Indonesia,*
*Surakarta,Central Java, Indonesia*
*budiutamiwikan@gmail.com*

**Abstract:** The aim of this research is to determine the influence simultaneously and partially between Investment Decisions, policy of dividend and Interest Rates on company value on the Indonesia Stock Exchange in 2015-2018. The research method used is quantitative analysis method. Data collection method in this research is documentation method. The population involved in this study are manufacturing companies listed on the Indonesia Stock Exchange in 2015-2018. The purposive sampling method was used in the research sampling. The variables of this study consist of three independent variables, namely the Investment Decision proxied by PER (X1), Dividend Policy proxied by DPR (X2), the Interest Rate (X3) and company value proxied by *PBV* (Y) as the dependent variable. The conclusion in this study is that simultaneously *PER* (X1), DPR (X2), and the Interest Rate (X3) have a significant effect on Firm Value (PBV). Partially, each independent variable (PER, DPR and Interest Rate) has a positive and significant effect on Firm Value (PBV). The coefficient of determination (R2) is 40.9% which means Investmen Decision (PER), Dividend Policy (DPR), and Interest Rates can affect the Firm Value (PBV) by 40.9% while the remaining 59.1% is influenced by factors. other factors not examined in this study.

**Keywords**: PBV(Price Book Value}, PER (Price Earning Ratio), DER (Deviden Earning Ratio), Rate of interest.

## 1. Introduction

Companies are generally founded with a specific purpose. The company also has two objectives, namely long-term and short-term goals. The company's short-term goal is to make a profit, and the company's long-term goal is to increase firm value. Optimal company value can be achieved by implementing financial functions and having an impact on company value.

The company's value reflects the level of public trust in the company's reputation. Company value is considered important for investors, because high company value has an impact on the high prosperity of shareholders so that the demand for shares increases and vice versa. In this study, Firm Valueis proxied by Price Book Value (PBV). The high demand for shares has an impact on investors giving the company's stock value greater than the value recorded on the company's balance sheet, so the company's Price Book Value (PBV) is high and the company value is also high.
Firm Valueis influenced by various factors, both internal and external factors. Factors that affect Firm ValueincludeDividend Policy, Investmen Decisions and Interest Rates.

The Investmen Decision is an aspect that determines whether shareholders are willing to invest in the company or not. Investmen Decisions are a very important factor in the company's financial function and a determining factor for company value (Hidayat, 2010). The decision to invest in the right company is expected to provide benefits in the future. The right Investmen Decisions will support the company's future growth, which will have an impact on the company's stock price increase. The share price of a company can reflect the value of the company. In this study, Investmen Decisions are proxied by the Price Earning Ratio (PER). The higher the PER value, it shows the better the company's investment and the better the company's growth prospect, which results in investors being more interested in investing in shares in the company. The high demand for shares has an impact on investors giving the company's stock value greater than the value recorded on the company's balance sheet, so the company's Price Book Value (PBV) is high and the company value is also high.

The policy of dividend determines how much of the profit is to be paid to shareholders as dividends and how much must be reinvested in the company. In this study, Dividend Policy is proxied by the Dividend Pay Out Ratio (DPR). The greater the dividends distributed to shareholders, the higher the share price of the company so that the company's value will also be higher. The company's ability to distribute dividends to shareholders is influenced by the company's ability to generate profits. The higher the company's ability to generate profits, the higher the company's ability to distribute dividends. The ability to distribute high dividends results in increasing company value.

The Interest Rate also greatly affects the value of the company. According to Boediono (2014) the Interest Rate is the price of the use of borrowed funds. The Interest Rate is an indicator in determining whether someone will invest. High Interest Rates are a negative signal to share prices. An increased Interest Rate will cause an increase in the implied Interest Rate on investment in a stock. The stock price will worsen the higher the Interest Rate. In other words, high Interest Rates have an impact on the decline in stock prices so that company value decreases.

The population used in this study is a manufacturing company. Manufacturing companies are the companies with the largest proportion on the Indonesia Stock Exchange compared to other sectors. So that as the majority sector, the manufacturing sector is expected to reflect the real situation on the trading floor. This situation will certainly attract investors to continue to monitor the state of the manufacturing sector by looking at the value of the company. The company's value is used as a signal for investors before making a decision to invest their property.

Research about the factors influencingFirm Valuehas been carried out with various results in previous studies, so further research is needed. This research was conducted under the title "The Effect of Investmen Decisions (PER), Dividend Policy (DPR) and Interest Rates on Firm Value (PBV) in Manufacturing Companies Listed on the Indonesia Stock Exchange 2015-2018".

## 2. Literature Review
### 2.1 Previous Research

LeliAmnahRakhimsyah (2011) with the research entitling *The effect of Investmen Decisions, Funding Decisions, Dividend Policies, and Interest Rates on Firm Value*resulted in the conclusion that Investmen Decisions have a positive

effect, funding decisions and Interest Rates have no effect on firm value, Dividend Policy has a negative effect. and significant to firm value.

The research entitled The Effect of Investmen Decisions, Funding, Dividend Policy on Firm ValuebyMuharti (2017) concluded that Investmen Decisions, funding decisions and dividend policies have a positive and significant effect onfirmvalue.

The research entitled *The Effect of Investmen Decisions, Funding Decisions and Dividend Policies on Firm Value*Suroto (2016) drew the following conclusions: Investmen Decisions, funding decisions and dividend policies have a positive and significant effect on firm value

EkaMaharto Putra (2016) conducted a study entitled *The Influence of Financial Performance, Inflation and Interest Rates on Firm Value*, concluded that the current ratio has a negative effect on firm value, debt to equity ratio, inflation and Interest Rates have no effect on firm value, while return on equity and earnings per share have a positive effect on firm value

## 2.2 Investmen Decisions

According to Aduardus, T. (2010) investment is a decision on a number of funds or other resources that is carried out at this time, with the aim of obtaining profits in the future. Investment Decisions are very important for the management function in the financial sector because they involve the allocation of company funds both from inside and outside and have an effect on the success of achieving company goals. This Investment Decision plays a major role in the overall financial analysis. Investment Decisions have a long impact and involve a large amount of funds, so they must be carefully considered. Investment Decisions are closely related to the hope of getting future benefits in the long term and have long-term risks as well.

There are two kinds of Investment Decisions, namely real asset investment and financial asset.

a. Investments in Real Assets

Investing in real assets is an investment in assets that have a form, for example, property (buildings and land), vehicles, and gold and others investing in real assets is a common thing to do.

b. Investments on Financial Assets

Financial assets are assets that do not appear to exist, but can be of very high value. In Indonesia, financial assets are common in banks and on the capital market (the Indonesia Stock Exchange). Examples of financial assets are money market instruments, bonds and stocks. Financial assets are much more liquid in nature, in the sense that funds are disbursed relatively quickly, so they are suitable for use in the short term or just in case.

## 2.3 Dividend Policy

The Dividend Policy according to AgusSartono (2011) is a decision whether the profits earned by the company will be distributed to shareholders as dividends or will be retained for future investment financing. The size of the dividend depends on the policies of each company. The existence of a high dividend distribution reflects a positive expectation of the company's future prospects. The high dividend received

by investors has an impact on increasing the welfare of shareholders, so that the value of the company increases.

Investors have high confidence in companies that can distribute high dividends, this gives a positive signal to investors that the company's financial performance is getting better in the future. Investors are more interested in the certainty that is obtained from the return on their investment and minimize the risk of uncertainty regarding company bankruptcy. In general, the Dividend Policy adopted by the company is one of these policies, namely: a. Constant Dividend Pay Out Ratio b. Stable Per Dividend Share

## 2.4 Interest Rates
The Interest Rate in investment will be an important guide in consideration of decision making. The Interest Rate functions are:
a. As an attraction for savers who have more funds to invest.
b. As a monetary tool controlling the supply and demand for the amount of money in circulation in a country's economy.
c. Interest Rates are used by the government to control the amount of money in circulation

## 2.5 Firm Value (PBV)
According to Bringham& Houston (2010: 408-410), Firm Value (PBV) determines wealth for shareholders. The company value (PBV) from time to time is not constant, sometimes experiencing drastic changes. Firm Value (PBV) will depend on the cash flow expected by investors if investors buy shares.
According to Hidayat (2010: 103-106) there are five types of Firm Value (PBV) in the capital market, namely:
a. Nominal Price
   The nominal price of shares is the price stated on a share issued by a company. This price will later be used for recording fully paid-up capital.
b. Prime Price
   The initial price is the price applicable to investors who buy shares during the public offering period. The initial price can be higher or lower than the nominal price.
c. Opening Price
   The opening price is the price that will apply when the stock market opens at that time.
d. Market Price
   Market price is the value of the company (PBV) on the stock exchange at that time. This will be influenced or determined by the supply and demand on the market so that the market price can fluctuate.
e. Clossing price
   The closing price is the Firm Value (PBV) at the time of market closing. After opening it in the morning, it will be closed in the afternoon and the price in effect at that time will be the closing price.
   Thus, it can be concluded that the company value (PBV) is formed in the capital market due to the sale and purchase transactions between companies and investors. When the company value (PBV) on the Stock Exchange is

closed, the market price is the company value (PBV) at the time of closing (clossing price).

## 2.6 Relationship between Investment Decisions (PER), Dividend Policy (DPR), Interest Rates and Firm Value (PBV)

The relationship between PER, DPR and the Interest Rate on Firm Value (PBV) is that if the PER and DPR value are higher, it will be able to affect the desired profit growth and will also increase, the higher the value, the higher the profit this means. that PER and DPR have a positive influence on Firm Value (PBV). As for the Interest Rate, the higher the Interest Rate, the more people are interested in saving their funds in the bank rather than investing in company shares. So that the higher the Interest Rate, the company value will decrease.

## 2.7 Framework

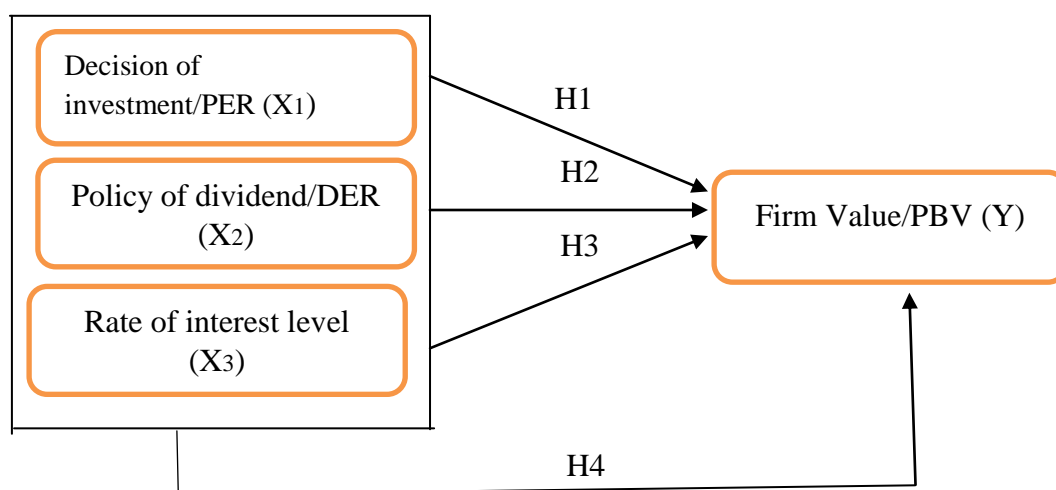The framework of this research is presented in Figure 1 below.



**Fig 1. Framework**

## 2.8 Hypothesis

H1: Investment Decision (PER) has a partially significant positive effect on Firm Value (PBV) in Manufacturing companies listed on the Indonesia Stock Exchange2015-2018.

H2: Dividend Policy (DER) has a partially significant positive effect on Firm Value (PBV) in Manufacturing companies listed on the Indonesia Stock Exchange 2015-2018.

H3: Interest Rates have a partially significant negative effect on Firm Value (PBV) in Manufacturing companies listed on the Indonesia Stock Exchange 2015-2018.

H4: Investment Decisions (PER), Dividend Policy (DER) and Interest Rates simultaneously affect Firm Value (PBV) in Manufacturing companies listed on the Indonesia Stock Exchange 2015-2018.

3. **Research Methods**
3.1 **Research Type, Data Sources, Population and Sample**
       The type of this research is a type of quantitative research. According to Ferdinand (2014: 7) quantitative research is research that describes the relationship between independent variables and the dependent variable.
       The data source in this study comes from www.idx.co.id which is the official website of the Indonesia Stock Exchange and from the official website of the manufacturing companies concerned.
       The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2015 to 2018. The sample used in this study is 29 manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2018 period with the number of financial reports. 116 annual financial reports. Sampling was done by using purposive sampling technique. Purposive Sampling is a sampling technique with certain considerations. The considerations in sampling in this study are as follows:
a. The components contained in the financial statements are very broad in scope, so researchers only choose components related to company value, namely Price Book Value, Price Earning Ratio, Dividend Pay Out Ratio and Interest Rates.
b. The company has complete data relating to the variables studied.
c. The company did not suffer losses during 2015-2018 period

3.2 **Research Variables and Variable Operational Definition**
a. **Dependent Variable (Y)**
Firm Value (PBV) is a determinant of the wealth of an investor and Firm Value (PBV) is not constant. Firm Valuecan be proxied by Price to Book Value (PBV). Where the Price Book Value (PBV) ratio is the result of a comparison between stock prices and book value. Price Book Value can show whether the stock price (market price) is traded above or below the book value of the shares (Syahyunan, 2013).

$$\text{PBV} = \frac{price\ /share}{book\ value\ per\ share}$$

b. **Independent Variable (X)**
1) Investment Decisions (X1)
Investment Decisions are proxied by the Price Earnings Ratio (PER), which shows the comparison between closing prize and earnings per share (Earning Per Share). According to Brigham and Houston (2010) it can be formulated as follows:

$$\text{PER} = \frac{price\ per\ share}{earnings\ per\ share}$$

2) Dividend Policy (X2)
Dividend Policy can be proxied by the Dividend Payout Ratio (DPR). with the formula:

$$\text{DPR} = \frac{Dividend\ per\ share}{earnings\ per\ share}$$

3) Interest Rate (X3)
Interest Rates are reflected in the annual BI rate. The BI rate in this study is determined based on the BI Rate data issued by Bank Indonesia as of

December 31 each year during the 2015–2018 period and expressed in percent.

## 4. Results and Discussion
### 4.1 Classic Assumption Test Results
a. Normality test based on the Kolmogorov Smirnov test

The normality test is a test that aims to determine whether the variables in this study with a regression model can provide a normal distribution or not (Ghozali, 2011: 160).

Based on table 1 below, it can be seen that based on the results of the normality test in table 1, it can be seen that the Kolmograv-Smirnov Z value is 1.175 and the significance / p-value is 0.126 which means greater than 0.05, it can be concluded that the data is normally distributed.

### Table 1. Normality Test Results

| Variable | Kolmogrov-Smirnov | p-value | Description |
|---|---|---|---|
| *Unstandarized Residual* | 1,175 | 0,126 | normallydistributeddata |

Source: Data processed by SPSS 20

b. Multicollinearity Test

The results of the study can be declared free of multicollinearity if the final value results have a tolerance ≥ 0.1 or have a VIF value ≤ 10 (Ghozali, 2011: 105-106).

Based on the multicollinearity test results in table 2 below, it can be seen that the tolerance value of Investment Decisions (PER) is 0.680 Dividend Policy (DPR) is 0.680 and the Interest Rate is 0.999, while the VIF value of each variable is Investmen Decision. (PER) of 1,472 Dividend Policy (DPR) of 1.471 and the Interest Rate of 1.001. Based on the results obtained abve, each variable has a tolerance value of more than 0.10 and a VIF value of less than 10, so there is no multicollinearity between the independent variables so that the regression model is feasible to use.

### Table 2. Multicollinearity Test Results

| Variable | Tolerance | VIF | Description |
|---|---|---|---|
| Investment Decision (PER) | 0,680 | 1,472 | There is no multicollinearity |
| Dividend Policy (DPR) | 0,680 | 1,471 | There is no multicollinearity |
| Interest Rate | 0,999 | 1,001 | There is no multicollinearity |

Source: Data processed by SPSS 20

c. Autocorrelation Test

In this autocorrelation test, it is conducted to determine whether there is a relationship or correlation between the confounding error in period t with the

confounding error in period t-1 (the previous one) in the linear regression testing model. The test in this test is to use the Durbin-Watson (DW) test (Ghozali, 2011).

**Table3. Autocorrelation Test Results**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-----|----------|-------------------|----------------------------|---------------|
| 1 | 0,453[a] | 0,423 | 0,409 | 1,879 | 2,461 |

Source: Data processed by SPSS 20

Based on the autocorrelation results in table 3 above shows the DW value of 2.461 with the independent variables k = 3 and n = 116, then in the Durbin Watson table the DW value is 2.461 greater than du (upper limit) of 0.05 and less than 3, 95 which is the result of 4-du, namely 4-0.05 = 3.95 (0.05 <2.461 <3.95), then there is no positive or negative autocorrelation, so the regression model can be concluded that there are no autocorrelation symptoms.

d. Heteroscedasticity Test

In this heteroscedasticity test is carried out to determine whether there is an inequality of variance from the residuals in one observation to another observation in the regression model (Ghozali, 2011: 139). A good regression model in this test should not have an indication of heteroscedasticity with results above 5% (Ghozali, 2011: 142-143).

**Table 4. Heteroscedasticity Test Results**

| Variable | p-value | Description |
|----------|---------|-------------|
| Investmen Decision | 0,503 | There is no heteroscedasitisity |
| Dividend Policy | 0,061 | There is no heteroscedasitisity |
| Interest Rate | 0,918 | There is no heteroscedasitisity |

Source: Data processed by SPSS 20

The results of the heteroscedasticity test with the Glejser test can be seen in table 4 above. Based on the results of table 4, it can be seen that the p-value of the independent variables is above 0.05 so there are no symptoms of heteroscedasticity. The p-value of each variable, namely Investment Decision (X1) is 0.503 Dividend Policy (X2) is 0.061. The Interest Rate (X3) is 0.918. Because the value of the three independent variables (X) is above 0.05, it can be concluded that there are no symptoms of heteroscedasticity. Then the regression model used in this study is feasible to use.

**4.2 Hypothesis Testing Results**

The results of hypothesis testing are summarized in table 5 below:

**Table 5. Summary of Hypothesis Test Results**

| Variable | b | tcount | Sig | conclusion |
|---|---|---|---|---|
| Konstant | 0,605 | | | |
| Investmen Decision PER) | 0,001 | 2,732 | 0,008 | Significant effect |
| Dividend Policy (DPR) | -0,148 | -2,159 | 0,034 | Significant effect |
| | 28,015 | 2,012 | 0,048 | Significant effect |
| Interest Rate (SBI) 0.605 | | | | |
| $F_{count}$ | | 3,882 | 0,012 | Significant effect |
| $R^2$ | | 0,409 | | |

Source: Data processed by SPSS 20

a. Multiple Linear Regression Analysis
   Based on the results of multiple linear regression analysis in table 5 above, the regression equation that can be arranged is as follows:
   $Y = 0.605 + 0.001\ PER - 0.148\ DPR + 28.015\ SBI + e$
   1) The regression coefficient value of the Investmen Decision variable (PER) is positive 0.001. This result means that if the Investmen Decision variable increases by 1 unit, the Firm Valuewill increase by 0.001, assuming all other independent variables are constant
   2) The regression coefficient value of the Dividend Policy variable (DPR) is negative 0.148. This result means that if the Dividend Policy decreases by 1 unit, the Firm Valuewill increase by 0.148 assuming all other independent variables are constant.
   3) The regression coefficient value of the Interest Rate variable (SBI) is 28.015. These results can be interpreted that if the Interest Rate increases by 1 unit, the company value will increase by 28.015 assuming all independent variables are constant.

b. tTest (Partial Test)
   The t statistical test was carried out in this study in order to determine how much influence the Investment Decision (PER), Dividend Policy (DER) and Interest Rate (SBI) partially affect Firm Value (PBV). The results of the t test can be seen in table 5 above:
   1) Results of Investment Decision analysis
   Based on the results of the analysis in table 5 above X1 (Investment Decision) shows a sig value of 0.008 <0.05, this indicates that the Investment Decision variable has a significant effect on Firm Value (PBV) and the results of t-countInvestment Decisions are 2.732 and t-table is 1.288 then t is greater than t-table 2.732> 1.288 so that H1 is accepted and H0 is rejected. It can be concluded that the Investment Decision (PER) affects Firm Value (PBV) significantly.

   2) Results of Dividend Policy analysis (DPR)
   Based on the results of the analysis in table 5 above, the results of X2 (Dividend Policy) show a value of 0.034 <0.05, this indicates that the Dividend Policy (DPR) variable has a significant influence on Firm Value (PBV) and the t-count

value is 2.159 and t-table equal to 1.288, then t-count is greater than t-table 2.159> 1.288 so that H0 is rejected and H1 is accepted. It can be concluded that the Dividend Policy (DPR) has a significant effect on Firm Value (PBV).

3) Results of the Interest Rate analysis (SBI)
   Based on the results of the analysis in table 5 above, the X3 (Interest Rate) results show a sig value of 0.048 <0.05, this indicates that the Interest Rate (SBI) has a significant effect on Firm Value (PBV), and the t-count value is 2.012 and t-table of 1.288, so t-count is greater than t-table 2.012> 1.288 so that H1 is accepted and H0 is rejected. It can be concluded that the Interest Ratehas a significant effect on Firm Value (PBV).

c.  F Test (Simultaneous Test)
   The F test aims to determine the effect simultaneously on the Investment Decision (PER), Dividend Policy (DER) and Interest Rate (SBI) variables on Firm Value (PBV).
   Based on the summary results of the hypothesis test in table 5 above, the results show that the sig value is 0.012 <0.05 or less than 5% and the Fcount value is 3.882 and Ftable is 2.78, so Fcount is greater than Ftable 3.882> 2.78 so this means that the independent variable Investment Decision (PER), Dividend Policy (DER) and Interest Rate (SBI) simultaneously have a significant effect on the dependent variable, namely Firm Value (PBV).

d.  Determination Coefficient Test ($R^2$)
   The test of the coefficient of determination is carried out to determine how much influence the independent variable Investment Decision (PER), Dividend Policy (DER) and Interest Rate (SBI) have on the dependent variable Firm Value (PBV).
   The results of the determination coefficient test can be seen in the summary table of the hypothesis test in table 5 above. Based on the results of the coefficient of determination test in table 5 above shows that the value of Adjusted R Square is 0.409 = 40.9%, so it can be concluded that the independent variables of Investment Decision (PER), Dividend Policy (DER) and Interest Rate (SBI) have the influence of 40.9% on the dependent variable Firm Value (PBV), while 59.1% is influenced by other variables not examined in this study or examined in other regression models.
   .

**4.3 Discussion of Research Results**
a.  Effect of Investment Decisions (PER) on Firm Value (PBV)
   Based on the results of research that has been done, the Investment Decision (PER) has a significant positive effect on Firm Value (PBV). The results of the t test can be seen that the Investment Decision(X1) shows a sig value of 0.008 <0.05, while for the t-count value, a value of 2.732 is greater than the t-table value with a t-table value of 1.288, so H0 is rejected and H1 is accepted. So, it can be concluded that the Investment Decision(X1) has a positive and significant effect on Firm Value (PBV) (Y).
   The results of this study support previous research conducted by LeliAmnahRakhimsyah (2011), Suroto's research (2015), and Muharti (2017).

In a study conducted by LeliAmnahRakhimsyah (2011), a positive regression coefficient of 0.054 was obtained with a P value of 0.000 below the 0.05 significance level, this means that PER has a positive, significant effect on Firm Value (PBV). While Research conducted by Suroto (2015) obtained significance results showing a value of 0.000 <0.05 and the regression coefficient is positive, this means that PER has a significant positive effect on Firm Value (PBV). While research conducted by Muharti (2017) uses SEM analysis concluded that PER has a significant positive effect on Firm Value (PBV) which is supported statistically (p <0.01)

The results of this study are in accordance with the Signaling theory which states that investment spending provides a positive signal about the company's future growth, thereby increasing stock prices as an indicator of firm value.

In this study, Investmen Decisions are proxied by the Price Earnings Ratio (PER). Investors are interested in investing in companies with a high Price Earnings Ratio because it shows a good company growth prospect and a good level of company investment. Investors' interest in investing in a company has an impact on the increasing level of demand for shares, so that investors value the value of shares higher than the value recorded on the company's balance sheet, so that the PBV of the company is high and the value of the company is high.

b. The effect of Dividend Policy (DPR) on Firm Value (PBV)

Based on the results of research that has been done, the Dividend Policy (DPR) has a significant effect on Firm Value (PBV). The results of the t test can be seen that the Dividend Policy (X2) shows a significance value of 0.034 <0.05, while the t-count shows a value of 2.159 which is greater than the t-table value with a t-table value of 1.288, so that H0 is rejected and H1 is accepted. It can be concluded that the Dividend Policy (X2) has a significant effect on Firm Value (PBV).

The results of this study support previous research conducted by LeliAmnahRakhimsyah (2011) and Muharti (2017). In a study conducted by LeliAmnahRakhimsyah (2011), a positive regression coefficient was obtained of 0.054 and a significance value of 0.034 <0.05, while the results of the t-count of Dividend Policy showed a value of 2.159 which was smaller than the t-table value of 1.288, this indicates that the Dividend Policy has a significant positive effect on Firm Value (PBV). Meanwhile, the results of research conducted by Muharti (2017) using the SEM-PLS analysis method show that Dividend Policyhas a significant positive effect on Firm Valuewhich is supported statistically with a p value <0.05.

Meanwhile, the research conducted by Suroto (2015) is different from the results of the research that has been done. Suroto's (2015) research results show a significance value of 0.501 above the 0.05 significance level, this means that the Dividend Policy(DER) has no significant effect on Firm Value (PBV).

c. Effect of Interest Rate (SBI) on Firm Value (PBV)

Based on the results of research that has been done, the Interest Rate (SBI) has a significant effect on Firm Value (PBV). The results of the t test can be seen that the Interest Rate (X3) shows a significance value of 0.048 <0.05, while for the t-count shows a value of 2.012 is greater than the t-table value with a t-table value of 1.288, then H1 is accepted and H0 is rejected. So it can be concluded that the Interest Rate (X3) has a significant effect on Firm Value (PBV).

The results of this study do not support previous research conducted by EkaMaharto Putra (2016) and LeliAmnahRakhimsyah (2011). In a study conducted by EkaMaharto Putra (2016), a significance result of 0.884> 0.05 was obtained, this indicates that the Interest Rate (SBI) does not have a significant effect on Firm Value (PBV). The results of research by LeliAmnahRakhimsyah (2011) with research results showing a negative coefficient of 6.682, and p-value (sig) 0.363> α 0.05, it can be concluded that the Interest Rate (SBI) has no significant effect on Firm Value (PBV)

The results of this study are in accordance with the theory that the higher the Interest Rate, the higher the capital costs borne by the company. The higher the cost of capital borne by the company has an impact on the decline in company profitability, because the company bears higher interest expenses. And vice versa, if the lower the Interest Rate, the lower the cost of capital borne by the company, and then an impact on increasing the company's profitability because the interest expense borne by the company decreases. The increase in company profitability results in an increase in firm value. The results of this study indicate that Firm Valueis influenced by Interest Rates

d. The Level of the influence of Investmen Decisions (PER), Dividend Policy (DER) and Interest Rates (SBI) on Firm Value (PBV)

In this study, the results obtained from the coefficient of determination with an adjusted $R^2$ of 0, 409 or 40.9%. This means that 40.9% Firm Value (PBV) can be explained or influenced by Investmen Decisions (PER), Dividend Policy (DER) and Interest Rates (SBI) while the remaining 59.1% is influenced by other variables not examined. in this study or examined in another regression model.

## 5. Conclusions and Suggestions
### 5.1 Conclusion
From the results of the research analysis and discussion, it can be cocluded that:
a. Partially the Investmen Decision (PER) has a positive and significant effect on Firm Value (PBV)
b. Partially the Dividend Policy (DPR) has a negative and significant effect on Firm Value (PBV).
c. Partially the Interest Rate (SBI) has a positive and significant effect on Firm Value (PBV).
d. Simultaneously the Investmen Decision (PER), Dividend Policy (DPR) and Interest Rate (SBI) have a significant effect on Firm Value (PBV)
e. The magnitude of the influence of Investmen Decisions (PER), Dividend Policy (DER) and Interest Rates (SBI) is 40.9% while the remaining 59.1% is influenced by other variables not examined in this study or examined in other regression models.

### 5.2 Suggestions
Based on the research that has been carried out by researchers, it is suggested for further research to be carried out and for thosethat are interested in the results of this research.

a. For Investors

Investors who wish to invest in manufacturing companies in the future should consider the results of this study. Investors who will invest in manufacturing companies in Indonesia should pay attention to the value of the Price Earning Ratio (PER), Dividend Pay Out Ratio (DPR), Interest Rates, and also have to pay attention to other factors that influence the amount of Price Book Value (PBV), where the Price Book Value (PBV) can reflect the value of a company.

b. For further researchers

In the future, more samples should be used in order to produce more valid research and need to add other variables that have not been included in this study which can affect the company value proxied by the Price Book Value.

**References**

[1]. Aduardus, T. (2010). *FortofoliodanInvestasi*. Yogyakarta: Kanisius.

[2]. Agus, S. (2010). ManajemenKeuanganTeoridanAplikasi. EdisiKeempat. Yogyakarta: BPFE.

[3]. Boediono, D. R. (2014). *Seri SinopsisPengantarIlmuEkonomi No. 1 EkonomiMikro.* BPFE, edisi, 2.

[4]. Brigham, E. F., & Houston, J. F. (2006). *Dasar-dasarmanajemenkeuangan, edisi 11*. Jakarta: SalembaEmpat..

[5]. Ferdinand, A. T. 2014. *MetodePenelitianManajemen: PedomanPenulisanSkripsi (*Doctoral dissertation, Tesis, danDisertasiIlmuManajemen, ed. 4. BP-UNDIP).

[6]. Hole, Y., &Snehal, P. &Bhaskar, M. (2018).Service marketing and quality strategies. Periodicals of engineering and natural sciences,6 (1), 182-196.

[7]. Hole, Y., &Snehal, P. &Bhaskar, M. (2019). Porter's five forces model: gives you a competitive advantage. Journal of Advanced Research in Dynamical and Control System, 11 (4), 1436-1448.

[8]. Imam, G. (2011).*Aplikasianalisis multivariate dengan program IBM SPSS 19. Semarang: BadanPenerbitUniversitasDiponegoro*.Hidayat, T. (2010). *BukuPintarInvestasi*. Jakarta: Mediakita.Muharti. 2017. *PengaruhKeputusanInvestasi, Pendanaan, KebijakanDividenTerhadapNilai Perusahaan".* JurnalAkuntansidanKeuangan, Volume 13, Nomer1.

[9]. Putra, E. M., Kepramerani, P., &Novitasari, N. L. G. (2016). *PengaruhKinerjaKeuangan, Inflasidan Tingkat SukuBungaterhadapNilai Perusahaan*. ProsidingSemnasHasilPenelitian.

[10]. Rakhimsyah, L. A., &Gunawan, B. (2011). *PengaruhKeputusanInvestasi, KeputusanPendanaan, KebijakanDividendan Tingkat SukuBungaTerhadapNilai Perusahaan*. InFestasi (JurnalBisnisdanAkuntansi), 7(1), 31-45.

[11]. Suroto, S. (2016). *PengaruhKeputusanInvestasi, KeputusanPendanaan Dan KebijakanDividenTerhadapNilai Perusahaan* (StudiEmpirisPada Perusahaan LQ-45 Yang Terdaftar Di Bursa Efek Indonesia PeriodeFebruari 2010-Januari 2015). SeratAcitya, 4(3), 100.

[12]. Syahyunan. 2013. *ManajemenKeuangan: Perencanaan, Analisis, danPengendalianKeuangan*.USU Press:Medan.