

ABSTRACT

Optimization of corporate value is obtained, among others, by implementing financial management functions, in which a financial decision affects the others, which eventually affects the corporate value. Financial management closely relates to critical-decisions making taken by the firm. This research aimed to analyze the effect of investment decisions (measured by PER), dividend policy (measured by DPR), and funding decisions (measured by DER) on the firm value (measured by PBV). Samples were collected from 48 manufacture firms listed in the Indonesia Stock Exchange for the period of 2012-2015, to be included into the study samples, the firm had to fulfill the criterion required. The type of data used is secondary data derived from Indonesian Capital Directory Market (ICMD). The analysis technique used multiple linear regression analysis.

The study resulted in a positive and significant effect of the investment decisions, dividend policy, and funding decisions on the firm value. The positive effect explained that the higher the investment decisions, dividend policy, and funding decisions, the higher the corporate value.

Keywords : Investment Decisions, Dividend Policy, Funding Decisions, Firm Value.