

SUMMARY

UNGKAP REJEKI PASARIBU. An Empirical Analisis Of Internal and External Factors of Firm Value (Study on Property and Real Estate Companies Listed in Indonesia Stock Exchange). Supervised by NUNUNG NURYANTONO and TRIAS ANDATI.

Property sector in Indonesia is still one of excellent choices for investors. This is evidenced by the realization of investment in the five sectors most in demand in first quarter of 2018, the first place is the property sector. The trend in the realization of investment in the property sector in the last five years also showed a high increase, both PMDN and PMA. Property and Real Estate industry has important role in the national economy growth. Property and Real estate industry has a multiplier effects on other industries. The property industry has backward industrial derivatives which related to industries that provide products for property needs before construction and forward industrial derivatives which related to industries that provide products for property needs after construction is completed. However, GDP growth of property and real estate sector experienced a downward trend since 2013-2017 and the stock price index of the property and real estate sub-sector also declined since the end of 2016.

One of method that is often used to measure firm value is to calculate price to book value (PBV). PBV describes how much the market values the book value of a company's stock. The higher PBV ratio indicates higher stock prices. Investors can predict stocks that are undervalued or overvalued by looking at PBV, so they can determine investment strategies that are in line with the expectations of investors to get high dividends and capital gains.

The purpose of this study is to investigate the influence of the internal and external factors on the firm value of the property and real estate companies listed in Indonesia Stock Exchange over the 5 year period from 2013 to 2017. The dependent variabel used in this study is Price to Book Value. Internal factors used in this study are debt equity ratio, asset growth, and return on equity, while external factors used are inflation, exchange rates and economic growth. The data used in this study were collected from financial statements of companies in property and real esate industry listed in Indonesia Stock Exchange during the period from 2013 to 2017, and samples were taken from 38 companies. Panel data regression has been applied to establish the relationship among dependent and independent variables by using E-views 9 software.

The results showed that debt equity ratio, return on equity, and asset growth have a significant positive relationship with price to book value. Inflation has a significant positive relationship with price to book value, while the exchange rate has a significant negative relationship with price to book value. And GDP has not a relationship with price to book value.

Keywords: asset growth, debt to equity ratio, exchange rate, inflation, property, price to book value, return on equity.