

PROCEEDING

IC 2018 MS

**The 4th International Conference on Management Sciences
Universitas Muhammadiyah Yogyakarta, Indonesia**

“Disruptive Innovation in Modern Business Era”

held in UMY, Indonesia, on March 28, 2018

Department of Management

FACULTY OF ECONOMICS AND BUSINESS
Universitas Muhammadiyah Yogyakarta

in collaboration with:
Universiti Sains Islam, Malaysia
Tamkang University, Taiwan
Khon Kaen University, Thailand



**The 4rd International Conference on Management Sciences 2018
(ICoMS 2018)**

March 28 2018

Universitas Muhammadiyah Yogyakarta, Indonesia

Chair Person

Dr. Indah Fatmawati, S.E., M.Si

Keynote Speakers:

1. Prof. Shu Hsein Liao, Ph.D (Tamkang University, Taiwan)
2. Dr. Kawpong Polyorat (Khon Khaen University, Thailand)
3. Dr. Syadiyah Abdul Shukor (Universiti Sains Islam Malaysia)
4. Punang Amaripuja, S.E., S.T., M.IT. (Universitas Muhammadiyah Yogyakarta)

Moderator:

Meika Kurnia Puji RDA, S.E., M.Si., Ph.D (Universitas Muhammadiyah Yogyakarta)

Reviewers of Papers:

1. Prof. Dr. Heru Kurnianto Tjahjono, M.M. (Universitas Muhammadiyah Yogyakarta)
2. Dr. Retno Widowati PA, M.Si. (Universitas Muhammadiyah Yogyakarta)
3. Dr. Indah Fatmawati S.E., M.Si. (Universitas Muhammadiyah Yogyakarta)
4. Dr. Arni Surwanti, M.Si. (Universitas Muhammadiyah Yogyakarta)
5. Ika Nurul Qamari, S.E., M.Si. (Universitas Muhammadiyah Yogyakarta)

Chairs of Parallel Session:

- ROOM A** : Dr. Indah Fatmawati S.E., M.Si.
ROOM B : Retno Widowati PA, M.Si., Ph.D
ROOM C : Ika Nurul Qamari, S.E., M.Si.
ROOM D : Prof. Dr. Heru Kurnianto Tjahjono, M.M.
ROOM E : Dr. Arni Surwanti, M.Si.

Preface ICoMS 2018
The 4rd International Conference on Management Sciences 2018
(ICoMS 2018)
March 28 2018
Universitas Muhammadiyah Yogyakarta, Indonesia

Dear Presenters and Delegates,

Department of Management, Economics Faculty, University of Muhammadiyah Yogyakarta, in collaboration with the Tamkang University Taiwan, Khon Kaen University Thailand, USIM Malaysia, organized an International Conference which will be held on March 28 2018.

We are proud to know that there is a thick manuscript submissions came to our table for this conference. In detail, there are 42 international academic manuscripts which we received from Indonesia, Malaysia, Thailand. And in this conference we choose **Disruptive Innovation in Modern Business Era** as the main theme.

Our international conference is a manifestation of the Government of Indonesia through the Directorate General of Higher Education, which has encouraged the internationalization of research and teaching in order to foster high-caliber academic institutions globally and increase competitiveness in International Higher Education.

We are very confident that our presenters and delegates will get a lot of ideas together and experience of this conference. In addition, our participants will enjoy additional insight from our plenary session keynote speakers, namely, Prof.Dr.Shu-Hsien Liao from Tamkang University Taiwan, Dr. Kawpong Polyorat from Khon Kaen University Thailand, Prof. Dr. Syadiyah Abdul Shukor from USIM Malaysia, and Punang Amaripuja, S.E., S.T., M.IT. from Universitas Muhammadiyah Yogyakarta.

Through this conference, we are committed to promote and improve our mission and academic culture synthesize global progress with local knowledge. Therefore, it is my great honour to welcome you to ICoMS 2018 in great cultural city of Yogyakarta, Indonesia. I look forward to seeing you soon in the conference.

Best wishes,

Dr. Indah Fatmawati

Chair of ICoMS 2018

<http://icoms.umy.ac.id/call-for-papers>

TABLE OF CONTENTS

The 4th International Conference on Management Sciences 2018 (ICoMS 2018)

Wednesday, March 28 2018

Universitas Muhammadiyah Yogyakarta, Indonesia

No	Article	Page
1	Preface ICoMS 2018	ii
2	Table of Contents	iii
	ROOM A Chairs of Parallel Session: Dr. Indah Fatmawati S.E., M.Si.	
3	PAPER ID 18.023: The Effect of Corporate Brand Image, Store Image, Perceived Risk and Price Image on Purchase Intention: A Study on “Carrefour” Private Label Brand M. Alimardi Hubeis and Daniel Tumpal Hamonangan Aruan, Ph.D	1-15
4	PAPER ID 18.030: Customer’s Skepticism in Islamic Banking Alex Fahrur Riza and Dwi Marlina Wijayanti	16-29
5	PAPER ID 18.031: A Concept of City Branding: Gresik Halal Life Style Tyas Ajeng Nastiti, Alfina, and Nova Ridho Sisprasajo	30-35
6	PAPER ID 18.061: The Effect of Corporate Social Responsibility on Word of Mouth with Trust and Corporate Reputation as Intervening Variable Alif Supriyatno and Siti Dyah Handayani	36-46
	ROOM B Chairs of Parallel Session: Retno Widowati PA, M.Si., Ph.D	
7	PAPER ID 18.011: Pattern of Community Economy Under the Process of Globalization: Case study Don Kaew Village, Maung District, Beung Gaan Province. Asst. Prof. Dr. Bodee Putsyainunt	47-55

8	PAPER ID 18.013: Strategic Management Analysis Development of Cattle Agribusiness In NorthSulawesi With Concept Approach "Cooperative Farming" Jolyanis Lainawa	56-66
9	PAPER ID 18.047: Dispute Settlement on Violation of Business Ethics: A Legal Framework to Innovative Future FE Fikran Alfurqon, Dinda Andriandita and Rima Ayu Andriana	67-71
10	PAPER ID 18.014: Analysis of Sustainable Competitiveness of Tourism Sector In Ternate, North Maluku Province Muharto	72-87
11	PAPER ID 18.020: Analysis of University Entrance Decision Through Promotion, Student Purchasing and Awareness Anik Tri Suwarni, Rorim Panday and Andrian	88-100
12	PAPER ID 18.034: Development of Awqaf Products in the State of Negeri Sembilan Post-Wakaf Enactment (Negeri Sembilan) 2005: Effectiveness of Promotion Campaigns Prof. Dato' Dr. Mohammad Haji Alias, Haji Azzerol Effendi Abdul Kadir, Nur Izzati Adnan, Nur Hidayah Mazlan and Nik Norsalina Raja Dollah	101-117
13	PAPER ID 18.056: Small and Medium Enterprises (SMEs) Community Strategy to Increase Consumer Interest of Handycraft Products at Tanggulangin Sidoarjo Dra. Lilik Indayani, MM and Dewi Andriani, SE., MM	118-121
14	PAPER ID 18.057: Knowledge Sharing and Innovation Capability to Encourage Competitive Advantage (Empirical Study on Small Medium Enterprises Giriloyo Art Batik, BantulIndonesia) Ayu Candrawati and Ika Nurul Qamari	122-128
ROOM C Chairs of Parallel Session: Ika Nurul Qamari, S.E., M.Si.		
15	PAPER ID 18.051: Financial literacy For Family Welfare Within Financial Planning: Study Demographic of community in Tanjung Balai City, North	129-140

	Sumatera Irawan, Yossie Rossanty, and Muhammad Dharma Tuah Putra Nasution	
16	PAPER ID18.048: Marginal Expected Shortfall Analysis in Banking Emerging Market ASEAN Arif Satrio Wicaksono and Dony Abdul Chalid	141-159
17	PAPER ID 18.052: Estimating the Potential Bankruptcy on Banking Sector in Indonesia: Using Method of Altman Z – Score and Springate Yossie Rossanty, Irawan, and Muhammad Dharma Tuah Putra Nasution	160-168
18	PAPER ID 18.015: Analysis Of Factors Influencing Values Of Mining Company In Indonesia Stock Exchange Beta Asteria	169-179
19	PAPER ID 18.029: Price Discovery in Indonesia Government Bond Market Yasir Maulana and Buddi Wibowo	180-185
20	PAPER ID 003: Analysing The Factors That Influence The Adoption Of Internet Payment System By Malaysian Public Users Muhamad Sade Mohamad Amin and Mohd Fuaad Said	186-200
21	PAPER ID18.007: Innovation in Operations and Project Development Strategy at PHE ONWJ to Sustain The Business in Implementing Gross Split Production Sharing Contract Nanang Sahroini and Aries Firman	201-214
22	PAPER ID 18.017: Geographic Information System Proposes Determination of Business Location Feasibility: Case Study Small Business Culinary in Pontianak Mochammad Ridwan Ristyawan	210-222
	ROOM D Chairs of Parallel Session: Prof. Dr. Heru Kurnianto Tjahjono, M.M.	
23	PAPER ID 18.012: Analysis of Performance Management Implementation in Realizing The Inclusive Health With Balanced Scorecard Approach (BSC)	223-237

	At North Minahasa District Health Office Joice L.M.Katuuk, Bernhard Tewal, James Massie, and Victor Lengkong	
24	PAPER ID 18.016: Organizational Justice, Ethical Leadership And Commitment Predictors Of OCB Dwi Novitasari and Asri Laksmi Riani	238-249
25	PAPER ID 18.027: Transformational Leadership and Organizational Citizenship Behavior in Public Sector: The Mediating Role of Psychological Empowerment and Affective Commitment Puti Indrasari and Aryana Satrya	250-256
26	PAPER ID 18.049: The Effect of Leadership, Control System, and Motivation To Work on Effectiveness of Organization of Bhayangkara Jakarta Raya University Semuel Rusen Kabangnga	257-261
27	PAPER ID 18.022: Pre and Post Merger and Acquisition Decisions Related to The Company's Operating Performance in Indonesia Agus Windu Atmojo and Rizal Edy Halim	262-270
28	PAPER ID 18.055: Types, Actors, and Modes of Sexual Harassment against Female Nurses at Hospitals in Jakarta Wahyu Muhamad Zen, Muhammad Irfan Syaebani, and Monica Devina	271-283
29	PAPER ID 18.045: Damaging Business Principles in Umroh Services Company (An Ethical Perspective Analysis at Solusi Balad Lumampah Ltd) Yulindha Permatasari	284-292
30	PAPER ID 18.054: The Competitive Strategies of BPR Conventional in Lowering Bad Debts Through The Collateral Taken Over (AYDA) on Pt BPR Candisaka Arta Sidoarjo Sumartik, SE., MM and Misti Hariasih, SE., MM	293-296
31	PAPER ID 18.001: Profitability Analysis on Healthcare Company in Indonesia Stock Exchange Teti Anggita Safitri	297-303

ROOM E		
Chairs of Parallel Session:		
Dr. Arni Surwanti, M.Si.		
32	PAPER ID 18.005: Cryptocurrency and Constituency: Understanding the Existence of Bitcoin and Its Regulation in Indonesia Tareq Muhammad Aziz Elven	304-311
33	PAPER ID 18.006: Working Capital Management of PT Waskita Beton Precast Tbk Eva Zaliha Satyati, ST and Ir. Drs. H. Arson Aliludin, S.E, DEA	312-321
34	PAPER ID 18.008: Financial Feasibility Study Of Mix-Use Building Area Investment Plan Nurul Sandy Putri and Arson Aliludin	322-333
35	PAPER ID 18.018: The Effect of Internal Control and Internal Audit on Effort to Minimize the Income Statement Fraud (Case Study at PT Jasa Marga (Persero) Tbk) Cahyadi Husadha and Desi Wulandari	334-345
36	PAPER ID 18.021: Impact Implementation of PSAK 70 Related to Tax Amnesty on Reporting of the Firm (Case Study on CV Btari Senja) Widi Winarso and Rorim Panday	346-352
37	PAPER ID 18.032: Financial Restructuring on Distress Firm in Indonesia Sri Dwi Ari Ambarwati	353-367
38	PAPER ID 18.037: Creative Funding and Marketing in Sharia Banking Fifi Swandari	368-373
39	PAPER ID 18.044: Optimal International Financial Cooperation: Solution to the Growing Breakdown of Global Cooperation Chairuddin Syah Nasution	374-386
40	PAPER ID 18.059: Awairness Raising Experience In Efforts To Improve The Welfare Of Persons With Disabilities Through The Role Of The Community-Based Rehabilitation Group In The Student Course Work Of	387-395



**THE DEPARTMENT OF MANAGEMENT
FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA**

Website: www.icoms.umy.ac.id | Email: icoms@umy.ac.id
Jl. Brawijaya, Tamantirto, Kasihan, Bantul, D.I. Yogyakarta 55183
Telp. 0274-387656 ext 118 Fax. 0274-387656

ISBN 978-602-5450-32-7



9 786025 450327

Analysis of Factors Influencing Values of Mining Company in Indonesia Stock Exchange

Beta Asteria

STIE Widya Wiwaha Yogyakarta
(beta_asteria@stieww.ac.id)

ABSTRACT

This research is about the influence of Debt to Equity Ratio (DER), Return on Assets (ROA), Current Asset Ratio (CR) and Company SIZE toward the value of Mining Companies that are listed in Indonesia Stock Exchange in 2013-2016. This research uses financial report data published by Indonesia Stock Exchange. The data were obtained by purposive sampling method. The data used is panel data. Panel data is a combination of time series and cross section data. The model used is multiple regressions. The independent variables are Debt to Equity Ratio (DER), Return on Assets (ROA), Current Asset Ratio (CR) and SIZE. Meanwhile, the dependent variable is Company Value. The results showed that the independent variables that significantly influence the Company Value on the real level of $\alpha = 5$ percent are Return on Assets (ROA), Current Asset Ratio (CAR). Meanwhile, the Debt to Equity Ratio (DER) and Company SIZE do not significantly affect Company Value. All independent variables can explain the variability of Company Value of 72.80 percent and the rest of 27.20 percent are explained by other variables outside the model.

Keywords: *Debt to Equity Ratio (DER), Return on Assets (ROA), Current Asset Ratio (CR), Company SIZE, and Company Value.*

1. Introduction

Globalization encourages the increasingly fierce business competition. Therefore, the company seeks to continually improve the performance that is reflected in the value of the company. Value is Important for the company because the main purpose of the company is to increase the value of the company itself. High corporate value is the desire of every company owner because the high value indicates the magnitude of the shareholders' wealth (Putri, 2014). The corporate value in question is the amount of price that the investor is willing to pay in case the company is about to be put on sale. The corporate value can reflect the asset value owned by the company, and the higher the corporate value, the better the company image will be. Corporate value is commonly linked to stocks price, hence the higher the stock price, the higher the corporate value and vice versa.

The share price is the price occurs when the stocks being traded in the market (Mahdaleta et al, 2016).

The price-earnings ratio, or earnings multiple, is one of the most popular measures of company value. It is computed by dividing the current stock price by earnings per share for the most recent 12 months. It is followed so closely because it relates the market's expectation of future company performance, embedded in the price component of the equation, to the company's actual recent earnings performance. The greater the expectation, the higher a multiple of current earnings investors are willing to pay for the promise of future earnings (Bajkowski, 2000).

The research about the factors affecting company value has been proved by several researchers, and still found research gap. The first is company value is affected by Debt to Equity Ratio. According to Hermuningsih (2013) the policy of conservative financial

structure wants the firm not to have bigger debts than the amount of its own capital in any kind of conditions. On the other side, the concept of cost of capital states that firm will effort to get the capital structure which can minimize the average cost of capital. The minimization of this average cost of capital does not force the composition of the total of external capital. When manager has a strong faith on the future prospect of firm and wants the stock price increase, then manager can use more debt as the more trusted signal for the investor. According to Ulum (2015), the capital structure ratio is measured by Debt Equity Ratio (DER). The result of research proved that Debt to Equity Ratio (DER) has significant effect to company value (Safitri et al (2014); Ulum (2015). Meanwhile, Debt to Equity Ratio (DER) has no significant effect on company value (Hidayah, 2014).

The second is company value is affected by Return On Assets (ROA). According to Mainul et al (2018), Profitability significant effect on the value of the company. This means that the value of the company has a significant effect on the profitability on the profitability of the company's value and any increase in the growth rate of the value of the company would increase. Return on Assets (ROA) has significant effect on company value (Hermuningsih (2013); Ulum (2015). Return on Assets (ROA) has positive significant effect to company value (Safitri et al (2014); Marsha and Murtaqi (2017). Meanwhile Return on Assets (ROA) has negative significant effect on company value (Tahir and Razali, 2011). In other hand (ROA) has no significant effect on company value (Suhendra, 2015).

The third is company value is affected by Current Assets (CR). Marsha and Murtaqi (2017), current ratio is a liquidity ratio that measures a firm's ability to pay off its short-term liabilities with its current assets. If the ratio result less than 1, it indicates that the liabilities of the company are greater than the assets which implied the obligations of the company would be unable to be paid off by the

time it is due. It tells the business owner or investor that the company's financial health is not good, it also may indicate issues with company's liquidity. Previous research found that Current Ratio (CR) has significant effect on company value (Hasania et al 2016). Also Current Ratio (CR) has positive significant effect on company value (Marsha and Murtaqi:2017), Meanwhile Current Asset Ratio (CR) has negative significant effect on company value Purwanto and Agustin (2017).

The fourth is company value is affected by company size. Kartikasari and Merianti (2016), The size of company may be measured by total assets, total sales, number of employees, and market capitalization. The bigger a company, the more easily it garners outside capital, the larger its capital, the bigger it will be and so on. An investor is interested in companies that provide high returns, so he would invest his capital. The availability of these funds from investor's capital makes companies easier to exercise investment opportunities. According to Setiadharna and Machali (2017), total of assets owned by a company indicates the company size. A big firm size is an indicator of a good growth of the firm, this will give positive signal to investor, which leads to an increase in firm value. A big firm size reflects a better profit accomplishment in the future. A firm value is defined from its stock price.

Hidayah (2014) company size has significant effect on company value. Company size has negative significant effect on company value (Tahir and Razali, 2011). Meanwhile size of the company has no significant effect on the value of company (Oluwagbemiga et al (2014); Setiadharna and Machali (2017); Mainul et al (2018).

The objective of this paper is to investigate the influence of Debt to Equity Ratio (DER), Return on Assets (ROA), Current Asset Ratio (CR), Company SIZE, on Company Value (PER).

2. Literature Review

Ulum (2015), This study seeks to provide the influence on firm value with used profitability and capital structure as variable. The analysis was implemented on all the 505 manufacturing industries listed at Indonesia Stock Exchange for period 2008-2012. The GeSCA method was carrying out this analysis. The result of the study reveals that profitability and capital structure has a significant impact on firm value. The profitability ratio that most affects both profitability and firm value is Return on Assets (ROA), meanwhile the capital structure ratio that the most built influences capital structure and firm value is Debt Equity Ratio (DER). Even though the profitability and capital structure has significant influence on firm value, and profitability had no reciprocally influence on capital structure in simultaneously, which means both of it has no significant impact on each others.

Safitri et al (2014), The study investigated the influence of capital structure and profitability on firm value of retail companies listed in Indonesia Stock Exchange from 2010 until 2013. Capital structure is measured by Debt to Total Asset Ratio, and Debt to Equity Ratio. The indicators used to measure profitability are Net Profit Margin, Return on Equity, Return on Asset, and Earning per Share, while firm value is represented by Closing Price, Price to Book Value, and Tobin's Q. The measurement model of PLS shows that DAR, and DER are valid indicators used as proxies for capital structure. NPM, ROE, ROA and EPS are also valid indicators used to measure profitability and only Tobin's Q is rejected to be used as proxy for firm value. The structural model assessment reveals that capital structure has significant and negative influence on profitability.

Tahir and Razali (2011), The objective of this study is to estimate the relation between ERM and firm value in the Malaysian public listed companies. Tobin's Q is used to measure the firm value. The approach employed is to model firm value (TOBIN'S Q) as a function of Enterprise Risk Management (ERM) and

other determinants: size (SIZE); leverage (LEV); profitability (ROA); international diversification (INTDIV); and majority ownership (OWN). Our findings suggest that the regression model is significant at the 1 percent level with the adjusted R-squared of 0.654. Empirical results report that ERM is positively related to firm value but it is not significant. The results do not support the hypothesis that firms which practice ERM would have a higher Tobin's Q ratio than firms which are not. SIZE and ROA establish a negative and significant relationship with firm value. LEV and companies that do not diversify internationally (INTDIV = 0) have a positive and significant relationship with firm value. Finally OWN is positive but not significantly related to firm value.

Hermuningsih (2013), this paper examines the influence of profitability, growth opportunity, and capital structure on firm value. We apply Structural Equation Model (SEM) on 150 listed companies on the Indonesia Stock Exchange during 2006 to 2010. The result shows that profitability, growth opportunity and capital structure positively and significantly affect the company's value. Secondly, the capital structure intervene the effect of growth profitability on company's value, but not for profitability.

Suhendra (2015), the results of this study indicate that Intellectual capital has a significant effect on profitability, market valuation and growth. Intellectual capital does not significantly affect productivity and firm value. Market valuation significantly affects the firm value. Profitability, productivity and growth do not significantly affect firm value. Furthermore, Intellectual capital which is intervened by the firm performance has a positive effect on firm value.

Marsha and Murtaqi (2017), This research examines the use of Financial Ratios (ROA, Current Ratio, and Acid Test Ratio) and its effect on Firm Value of 14 Indonesia Firms in the Food and Beverages sector for period of 2010-2014. Tobin Q Ratio is used as the measure for Firm Value to investigate whether

Financial Ratios has effect on Firm Value or not. This is investigated by using multiple regression analysis with ROA, CR, and ATR as the independent variable and Firm Value as dependent variable. The result of this study is that all three financial ratios has significant effect to firm value. ROA and Current Ratio have a positive relationship with Firm Value, while Acid Test Ratio has a negative relationship. On the basis of these findings, the study concludes that companies need to pay more attention on financial ratios and that there is increasing need for a more credible and comprehensive disclosure of financial ratios in the annual reports of firms.

Purwanto and Agustin (2017), The result was concluded that firm size, earnings growth, current ratio, DER and ROA had partial significant influences towards PBV. Simultaneously, those five independent variables provided 66.594% influences while the rest 33.406% was influenced by other factors. Moreover, firm size was chosen as the most significant factor which influences price to book value.

Hasania et al (2016) This research aims to examine the influence of current ratio, firm size, capital structure, and ROE to the value of the company on the pharmaceutical companies listed on the Indonesia stock exchange (IDX) on 2011-2014 whether partial or simultaneous. The population used in this research is the pharmaceutical companies listed on the IDX on 2011-2014. 9 companies are the sample of this study. The result shows the variable Current Ratio (CR) significantly influence to the company value. Firm Size variables have no significant influence to the company value. Capital Structure significant influence to the company value. ROE significant influences to the company value. The current ratio, firm size, capital structure, and the ROE simultaneously significant influences to the company values.

Setia Dharma and Machali (2017), the purpose of this study is to analyse the direct and indirect effect of asset structure and firm size on the firm value. The samples of this

study are thirty four property and real estate firms registered in Indonesia Stock Exchange in the period 2010-2014. The result of this study shows that (1) there is a direct effect of asset structure on the firm value, (2) there is no indirect effect of asset structure on the firm value with capital structure as intervening variable, (3) there is no direct effect of firm size on the firm value, (4) there is no indirect effect of firm size on the firm value with capital structure as intervening variable. Thus, it can be concluded that capital structure as intervening variable cannot mediate the relationship between asset structure and firm size on the firm value.

Kartikasari and Merianti (2016), This study aimed to analyze the effect of leverage and the size of a company to its profitability. Data were obtained from the financial statements of 100 qualified manufacturing companies listed in Indonesia Stock Exchange in the period of 2009-2014. Leverage was measured by debt ratio, while firm size was measured by total assets and total sales, and profitability by return on assets. Panel data regression analysis was implemented to analyze the influence of independent variables to the dependent variable. The most suitable panel data regression model in this study was a fixed effect model. The study found that the debt ratio had a significant positive effect on profitability while total assets had a significant negative impact. In contrast, total sales had statistically insignificant effect to the profitability of the companies.

3. Hypothesis

Hypothesis of the research as follow:

- H₁ = Debt to Equity Ratio (DER) has significant effect on Corporate Value
- H₂ = Return On Assets (ROA) has significant effect on Corporate Value
- H₃ = Current Ratio (CR) has significant

- effect on Corporate Value
- H₄ = SIZE has significant effect on Corporate Value
- H₅ = Debt to Equity Ratio (DER), Return On Assets (ROA), Current Ratio (CR) and SIZE have significant effect on Corporate Value

4. Data and Methodology

4.1 Data

The type of data used is secondary data. It's financial data published by Indonesia Stock Exchange (IDX). Sampling technique used in this research is purposive sampling. The sampling criteria are as follows:

1. Included in the mining company in 2013-2016
2. Listed on Indonesia Stock Exchange in 2013-2016
3. Publish its financial statements from 2013-2016

There are 43 mining companies listed on the Indonesia Stock Exchange from 2013-2016. Based on purposive sampling technique there are 12 mining companies that meet the criteria. 12 mining companies as follows:

Table 1: Companies Name

No	Company Code
1	ADRO
2	BSSR
3	ELSA
4	ESSA
5	GEMS
6	ITMG
7	KKGI
8	MYOH
9	PTBA
10	RUIS
11	TINS
12	TOBA

4.1.1 Research Variable

Dependent variable in this research is company value. According to Purwanto and Agustin (2017), Price Earnings Ratio (PER), Price to Book Value Ratio (PBV), Tobin's Q and Price sales ratio are some of the widely used ratios to determine the value of a company. In this research company value measured by Price Earnings Ratio (PER). According to Brigham and Houston (2007), PER ratio is calculated by dividing Price per share by Earnings per share. Formula as follow:

$$PER = \frac{\text{Price per share}}{\text{Earnings per share}}$$

The independent variables are Debt to Equity Ratio (DER), Return on Assets (ROA), Current Asset Ratio (CR) and SIZE

4.1.2 Debt to Equity Ratio (DER)

According to Horne (2009), DER is calculated by total debt by shareholder's equity. Formula as follow:

$$DER = \frac{\text{Total Debt}}{\text{Shareholder's Equity}}$$

4.1.3 Return on Assets (ROA)

According to Brigham and Houston (2007), ROA is calculated by dividing Net income available to common stockholders by Total asset. Formula as follow:

$$ROA = \frac{\text{Net income available to common stockholders}}{\text{Total asset}}$$

4.1.4 Current Asset Ratio (CR)

According to Brigham and Houston (2007), Current Ratio (CR) is calculated by current assets by current liabilities. Formula as follow:

$$CR = \frac{\text{Current assets}}{\text{Current liabilities}}$$

4.2 Size

Kartikasari and Merianti (2016), The size of company may be measured by total assets, total sales, number of employees, and market capitalization. According to Setiadharna and Machali (2017), total of assets owned by a company indicates the company size. In this research company size measured by total assets of company.

4.3 Method of Data Analysis

4.3.1 Classic Assumptions Test

Data analysis method used is multiple regression analysis model Using regression analysis methods in testing the hypothesis, first tested whether the model meets the assumptions of classical. Testing includes normality test, autocorrelation test, multicollinearity test, autocorrelation test and linearity test.

4.3.2 Multiple Linear Regression Analysis

The analytical method used is multiple linear regression analysis

$$PER = \beta_0 + \beta_1 DER + \beta_2 ROA + \beta_3 CR + \beta_4 SIZE + e$$

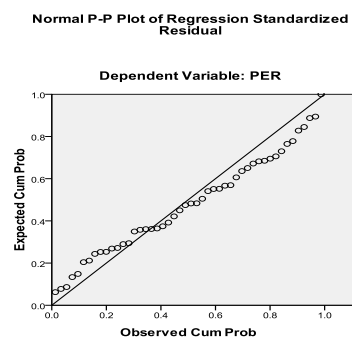
4.4 Emprisal Result

4.4.1 Classic Assumptions Test

4.4.1.1 Normality Test

SPSS results show Normality Test with P-P Plot of Regression Standardized Residual as follows:

Figure 1



Based on the output of SPSS, Normal P-Plot Regression Standardized as picture 1. Normality Test, using P-P Plot Regression Standard Residual. Then it can be concluded based on Normal P-Plot Regression Standardized view seen that the dots spread around diagonal line. Therefore it can be said to be normally distributed (Ghozali, 2013).

4.4.1.2 Multicollinearity Test

According Ghozali (2013: 106), multicollinearity can be seen from the value of Variance Inflation Factor (VIF). Common values used to indicate the presence of multicollinearity is $VIF \geq 10$, Based on SPSS results obtained by VIF value of DER is 1.098; VIF value of ROA is 1.149; VIF value of SIZE is 1.067 and VIF value for CR 1.059. It can be concluded that research model is free of multicollinearity

4.4.1.3 Autocorrelation Test

According Suliyanto (137: 2011) run test is a non-parametric analysis that can be used to test whether inter residual there is a high correlation. If there is no correlation between residuals it can be said that the residual value is random.

Tabel 2
Autocorrelation Test with Run Test Method
Runs Test

	Unstandardized Residual
Test Value ^a	-2.38431

Cases < Test Value	24
Cases >= Test Value	24
Total Cases	48
Number of Runs	19
Z	-1.605
Asymp. Sig. (2-tailed)	.109

a. Median

Analysis of result SPSS with Runs Test obtained probability value $0.109 > 0.05$ thus it can be concluded that there is no autocorrelation in the regression equation.

4.4.1.4 Heterocedasticity Test with White Test

According to Ghozali (143: 2012), white test can be done by regressing quadratic residues with independent variables

Table 3
Heterocedasticity Test
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.515 ^a	.265	.091	5796.57863

a. Predictors: (Constant), SIZE, CR, DER, ROA2, DerRoaSizeCar, DER2, ROA, CR2, SIZE2

b. Dependent Variable: RES2

Results of SPSS data obtained R2 to calculate c2, where $c2 = n \times R2 = 48 \times 0.265 = 12.72$. Because the value of c2 count (12,72) < c2 table (55,7585) hence can be concluded model free from heterokedastisitas.

Table 4
Linearity Test
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.125 ^a	.016	-.076	44.09892620

a. Predictors: (Constant), SIZE2, CR2, DER2, ROA2

b. Dependent Variable: Unstandardized Residual

Based on SPSS output then X^2 equal to 48 X 0,016 = 0,786 whereas value of X^2 table with df: 0,05; 48 is 65,171. Therefore, the value of X^2 count (0.016) < value of X^2 table (65,171) then the correct regression model is linear.

4.4.2 Emperical Result

4.4.2.1 Linear Regression Equation

$$PER = 41,057 - 2,663DER - 5,198ROA + 0,203C - 6,052E-7 SIZE + e$$

Where:

PER : Price Earning Ratio

DER : Debt Equity Ratio

ROA : Return On Assets

CR : Current Ratio

SIZE : Size

Table 5
t Test Statistic

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	41.057	15.716		2.612	.012

DER	-2.663	2.009	-0.106	-1.326	.192
ROA	-5.198	1.365	-0.311	-3.808	.000
CR	.203	.021	.743	9.490	.000
SIZE	-6.052E-7	.000	-.158	-2.005	.051

Corporate Value at the level of real $\alpha = 5$ percent.

F-statistic test (Simultaneous)

3.5 The Fifth Hypothesis

a. Dependent Variable: PER

4.4.3 Hypothesis Test Results

Hypothesis in this research is 5. Testing first to fourth hypothesis to know influence of independent variable partial to dependent variable by using t-statistic test (partial) and testing of fifth hypothesis to know influence of independent variable simulant to dependent variable with using the F -statistics test.

4.4.3.1 First Hypothesis

Based on Table 4. T-statistical test results, DER has a t-statistical probability of $0.192 > \alpha = 0.05$ means that DER has no significant effect on Corporate Value at the real level $\alpha = 5$ percent.

4.4.3.2 Second Hypothesis

Based on Table 4. T-statistical test results, ROA has a t-statistical probability of $0.000 < \alpha = 0.05$ means ROA has significant effect on Corporate Value at the level of real $\alpha = 5$ percent.

4.4.3.3 Third Hypothesis

Based on Table 4. T-statistical test results, CR has a t-statistical probability of $0.000 < \alpha = 0.05$ means that CR has a significant effect on Corporate Value at a significant level $\alpha = 5$ percent.

4.4.3.4 Fourth Hypothesis

Based on Table 4. T-statistical test results, SIZE has:

1. t-statistical probability of $0.51 > \alpha = 0.05$ means SIZE no significant effect on

From the result of multiple linear regression obtained F-statistical probability of $0.000 < \alpha = 0.05$ means it can be said that the variables DER, ROA, CR and SIZE simultaneously significantly influence the Company Value.

Test coefficient of determination (adjusted R^2)

The coefficient of determination to know proportion of the dependent variable is explained by the independent variable. In this study adjusted R^2 of 0.728 which means variation of Company Value can be explained by DER, ROA, CR and SIZE equal to 72,80 percent and the rest 27,20 percent explained by other variable outside model.

5. Discussion

The results showed that Debt Equity Ratio (DER), Return On Assets (ROA), Company Size and Current Ratio (CR) have significant effect to Company Value. While the test partially shows Return On Assets (ROA) have a significant effect on Corporate Value and Current Ratio (CR) have a significant effect on Corporate Value. The explanation is as follows:

5.1 Influence Debt to Equity Ratio (DER) on Corporate Value

The results showed that DER has no significant effect on company value. The results of this study contradict the results of research that proved of Debt to Equity Ratio (DER) has significant effect to company value (Safitri et al (2014); Ulum (2015)).

In other hand, the results of research in accordance with Hidayah (2014) proved that Debt to Equity Ratio (DER) has no significant effect on company value. Company value is influenced by the capital structure. Size of the debt policy will greatly affect the changes in firm value. High amount of debt will affect the stock price, but at a certain point the increase in debt will lower the value of the company if the benefits obtained than costs of debt.

5.2 Influence Return On Assets Ratio (ROA) on Corporate Value

The results research showed that ROA has significant effect on company value. The result support with Return on Assets (ROA) has significant effect on company value (Hermuningsih (2013); Ulum (2015). More precisely in this study the results showed that ROA has a significant negative effect on company value as in the research of Tahir and Razali (2011). The results of this study contradict with research by Suhendra (2015) proved that (ROA) has no significant effect on company value.

The Return on Assets (ROA) as a proxy of profitability is negative and significant. It shows there is an inverse relationship between profitability and firm value. One of the reasons is that if the proportion of capital structure of the company is more on debt such as bond, the obligation for company to pay interest is compulsory; hence it will affect the net profit of the company. In addition, profitability is not static from year to year Tahir and Razali :2017)

5.3 Influence Return Current Ratio (CR) on Corporate Value

The results research support that Current Ratio (CR) has significant effect on company value (Marsha and Murtaqi: 2017) and Hasania et al (2016). Liquidity ratio is the ratio used for measure the level of a company's ability to meet its financial obligations short-term just in time. The high level of

liquidity failure company in meeting the short-term standards for creditors and apply also otherwise (Hasania et al:2016). in this study, the higher the CR then the higher the value of the company. On the contrary to Current Asset Ratio (CR) has negative significant effect on company value Purwanto and Agustin (2017).

5.4 Influence SIZE on Corporate Value

The results research support that size of the company has no significant effect on the value of company (Oluwagbemiga et al (2014); Setiadharna and Machali (2017); Mainul et al (2018). According to Setiadharna and Machali (2017), total of assets owned by a company indicates the company size. Based on research result, this shows that the size of the company will have no effect with the size of the company's value (Hasania et al:2016). Contrary to Hidayah (2014) company size has significant effect on company value.

6. Conclusion and Implication for Further Study

The objective of this study is to investigate the influence of Debt to Equity Ratio (DER), Return on Assets (ROA), Current Asset Ratio (CR), SIZE, on Company Value (PER), the conclusion of this study are:

1. Debt to Equity Ratio (DER) has no significant effect on Value of Mining Company In Indonesia Stock Exchange 2013-2016.
2. Return On Assets (ROA) has significant effect on Value of Mining Company In Indonesia Stock Exchange 2013-2016.
3. Current Ratio (CR) has significant effect on Value of Mining Company In Indonesia Stock Exchange 2013-2016.
4. SIZE has no significant effect on Value of Mining Company In Indonesia Stock Exchange 2013-2016.
5. Debt to Equity Ratio (DER), Return On Assets (ROA), Current Ratio (CR) and SIZE have significant effect on Value of

Mining Company In Indonesia Stock Exchange 2013-2016.

The result of this study can be used for reference for next study. The coefficient of determination in this study adjusted R^2 of 0.728 which means variation of Company Value can be explained by DER, ROA, CR and SIZE equal to 72,80 percent and the rest 27,20 percent explained by other variables outside model. For the next study can add other variable that influence to Company Value.

7. References

- Bajkowski, John (2000), Evaluating Valuations Using Price Earnings Relatives, AAI Journal, October.
- Brigham, Eugene F and Joel F. Houston (2007). *Fundamental of Financial Management*. Eleventh Edition. Thomson-South Western.
- Ghozali, Imam (2013), Aplikasi Analisis Multivariate Dengan Program IBM SPSS 21. Semarang: Badan Penerbit Universitas Diponegoro.
- Hermuningsih, Sri (2013), "Bulletin of Monetary, Economics and Banking, October.
- Hasania, Zuhria., Sri Murni, Yunita Mandagie (2016), "Pengaruh Current Ratio, Ukuran Perusahaan Struktur Modal, Dan Roe Terhadap Nilai Perusahaan Farmasi Yang Terdaftar Di Bursa Efek Indonesia Periode 2011 – 2014", *Jurnal Berkala Ilmiah Efisiensi*, Volume 16 No. 03, pp. 133-144.
- Hidayah, Nurul (2014), "The Effect Of Company Characteristic Toward Firm Value in The Property And Real Estate Company in Indonesia Stock Exchange", *International Journal of Business, Economics and Law*, Vol. 5, December.
- Horne, James C. Van (2009), *Fundamentals of Financial Management*, 13th ed., Pearson Education Limited.
- Kartikasari, Dwi and Marisa Merianti (2016), "The Effect of Leverage and Firm Size to Profitability of Public Manufacturing Companies in Indonesia", *International Journal of Economics and Financial Issues*, Vol.6, Issue 2, pp.409-413.
- Mahdaleta, Ela., Iskandar Muda, Gusnardi Muhammad Nasir (2016), "Effects of Capital Structure and Profitability on Corporate Value with Company Size as the Moderating Variable of Manufacturing Companies Listed on Indonesia Stock Exchange", Vol. 2, No.3, pp. 30–43.
- Mainul, Q Fitri Tat., Agung Budi Sulistiyo, Ahmad Roziq (2018), "Influence Policy Liabilities, Size, Growth Corporate, Profitability and Value of the Company in the Agricultural Sector in Indonesia", *Research Journal of Finance and Accounting*, vol. 9, No.2. pp. 54-61.
- Marsha, Nadya and Isrochmani Murtaqi (2017), "The Effect of Financial Ratios On Firm Value In The Food and Beverage Sector of The IDX", *Journal of Business And Management*, Vol. 6, No.2, pp. 214-226.
- Oluwagbemiga, Oyerogba Ezekiel., Olaleye Olugbenga Michael, Solomon Adeoluwa Zaccheaus (2014), "The Effect Ownership Concentration on Firm Value of Listed Companies", *IOSR Journal Of Humanities And Social Science (IOSR-JHSS)*, Vpl 19, Issue 1, Ver. VII, Jan, PP 90-96.
- Purwanto, P and Jillian Agustin (2017), "Financial Performance towards Value of Firms in Basic and Chemicals Industry", *European Research Studies Journal*, Volume XX, Issue 2A, pp.443-460.
- Putri, Siti Meilani Wandini (2014), "Pengaruh *Dividend Payout Ratio* (DPR), *Debt Equity Ratio* (Der), *Return On Asset* (ROA), Dan *Size* Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2009-2012", *e-Journal, Fakultas Ekonomi, Universitas Maritim Raja Ali Haji. Tanjungpinang.*
- Safitri, Okyana Nur., Siti Ragil Handayani, Nila Firdausi Nuzula (2014), "The Influence of Capital Structure And Profitability on Firm Value", *Jurnal Administasi Bisnis (JAB)*, Vol.13, No. 2, Agustus.
- Setiadharna S and Machali M (2017), "The Effect of Asset Structure and Firm Size on Firm Value with Capital Structure as Intervening Variable", *Journal of Business & Financial Affairs*, vol 6, issue 4.
- Suhendra, Euphrasia Susy (2015), "The Influence of Intellectual Capital on Firm Value towards Manufacturing

- Performance in Indonesia”, International Conference on Eurasian Economies.
- Suliyanto (2011), *Ekonometrika Terapan: Teori & Aplikasi dengan SPSS*. Yogyakarta: Penerbit Andi.
- Tahir, Izah Mohd and Ahmad Rizal Razali (2011), “The Relationship Between Enterprise Risk Management (ERM) and Firm Value:Evidence From Malaysian Public Listed Company” ,International Journal of Economics and Management Science, Vol. 1,No.2, pp.32-41.
- Ulum, Achmad Saiful (2015), “The Influence of Profitability and Capital Structure on Firm Value (Study on Manufacturing Industries Listed at Indonesia Stock Exchange for Periods 2008-2012), Media Mahardika, Vol.14, No. 1 September.