



The Impact of Financing And Venture Choices On The Esteem Of Companies Recorded On Indonesian Stock Trade (IDX)

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Abstract: Company esteem is one of the deciding perspectives some time recently speculators choose to contribute reserves in a company. The increment in company esteem from year to year is the company's accomplishment in running its commerce. The point of this inquire about is to decide the synchronous and fractional relationship between financing choices and speculation choices on the esteem of companies recorded on the Indonesia Stock Trade for the 2018-2022 period. The information collection methods in this investigate are documentation and writing consider strategies. The examination of this inquire about is numerous straight relapse utilizing SPSS 26 as a measurable test apparatus. The result in this investigate are there's no concurrent impact between subsidizing choices and venture choices on company esteem, there's a halfway impact between funding decisions on company esteem, and there's no fractional impact between venture choices on company esteem. By optimizing financing decisions and venture choices, company esteem will be able to extend.

Keywords: Company Value, Funding Decision, Investment Decision

Introduction

Financial management is an action related to determining finances and financial assets. Making decisions in financial management utilizes accounting data, especially those in financial reports. Financial policy and investment policy are several areas of financial management. Financial Management is also formulated as the responsibilities and functions of financial managers.

A sound financial management team can assist businesses in effectively managing their risks. By using sound financial management, businesses may ensure that their borrowing is in line with their existing borrowing capacity and does not exceed their available financial and working capital. Unfortunately, this will assist businesses in obtaining a favorable credit rating from investors as they are likely to be able to generate stable credit. The business must be able to identify the internal data such as laba and kas, as well as external data such as loan, among the data that are available within the company.

The capital advertise may be a meeting between finance proprietors and finance beneficiaries. Within the capital showcase there are numerous offers and choices of sources of stores for financial specialists who need to extend investment (Bracht, 2024; Guizani, 2024; Raut, 2023). The reason of a company in expansion to the welfare of workers is to urge the most extreme benefit and minimize the littlest costs or costs (Ompusunggu & Irenetia, 2023).

Indonesian stock Exchange (IDX) is an Indonesian modal market that provides opportunities to purchase long-term financial instruments. These financial instruments are issued by the government and private companies, such as banks, insurance companies, and a variety of derivative products (El-Ansary, 2023; Narayanan, 2023; Qerimi, 2023; Walia, 2023). BEI also facilitates transactions between sellers and buyers, as well as providing systems and services to enable transactions to occur.

The issue that happens on the Indonesian Stock Trade (BEI) is that company values frequently alter indeed in spite of the fact that they don't actualize monetary approaches at all times (Ardini, 2022; Kim, 2022; Syriopoulos, 2022). This money related approach relates to profits disseminated once a year. Changes in company esteem are caused by changes in share costs. The company's esteem changes when the stream of outside reserves enters the monetary advertise, this market is the most calculate in reinforcing the Composite Stock Cost File (IHSG). This financial or commerce improvement causes each company to compete to maximize the benefits created in arrange to extend company esteem.



Source : Yahoo Finance

From the graph above, it can be seen that share prices have fluctuated from year to year, especially in 2020, namely during the Covid-19 pandemic, share prices experienced a significant decline compared to previous years, this was due to the weakening of the economy due to the pandemic that occurred. However, in 2021 to 2022, share prices began to recover, reaching their highest price in mid-2022, namely around 7,255 rupiah. Share prices are influenced by price to book value and the level of profit generated by a company. Thus, the higher the share price, the more it will affect the value of the company and the investment welfare of investors will also increase.+

Company esteem is an investor's recognition of the company, this is often moreover related to the victory or failure of directors in overseeing assets within the company where these assets are related to stock costs (Deska, 2022). Company esteem could be a deciding perspective of speculators before making a choice to contribute reserves in a company.

Expanded esteem The company from year to year could be a great accomplishment of the company's endeavors in running its trade. Great corporate esteem is considered imperative since it can reflect the great welfare of shareholders(Diantimala, 2021; Nigam, 2021; Schachel, 2021).

Financing choices are choices that examine how the company finds arrangements to fund ventures and how the company decides the source of stores. The source of company stores can be through inner and outside sources of the company. Inside sources of reserves such as held profit. Whereas outside sources of obligation or stock issuance. Concurring to (Ardatiya et al., 2022), financing choices are choices related to the source of reserves to be utilized by companies, specifically inner or outside and decide the sum of obligation and claim capital and decide how the sort of obligation and capital to be utilized. The financing choice pointer is the Obligation To Value Proportion (DER). Obligation proportion is the proportion utilized to degree the comparison between add up to obligation and add up to value. This proportion is valuable for knowing the overall stores given by borrowers to company proprietors(Caviggioli, 2020; Gupta, 2020).

Speculation choices are one of the capacities of money related administration that includes the assignment of reserves, both reserves sourced from interior and exterior the company (Kumala et al., n.d.). The correct venture choice will result in ideal execution (Arizki et al., 2019). Judging from the time period, speculation is isolated into 3 sorts, to be specific brief, medium, and long-term ventures. In the mean time, judging from the resources, there are two sorts, specifically speculation in genuine resources and speculation in non-real resources. The venture choice pointer in this investigate is PER (price earning proportion) which may be a proportion that compares share costs and company benefits.

To degree the esteem of the company, there are a few proportions utilized, one of which is PBV (Cost To Book Esteem). PBV is the esteem per share partitioned by the book esteem of value per share where on the off chance that the PBV esteem is more prominent than one, it demonstrates that the showcase esteem within the stock showcase is additionally greater and if the company's esteem proceeds to extend at that point it'll influence how financial specialists see the company since the esteem of the company can be a benchmark for a company to be said to be great or not (Ramadhan & Linda, 2023).

The reason of this consider is to decide the concurrent impact between subsidizing choices and speculation choices on company esteem, to decide the fractional impact between subsidizing choices on company esteem and to decide the fractional impact between venture choices to company esteem.

Methodology

The sort of information utilized in this inquire about is quantitative investigate. Since in this inquire about there's a speculation, to be specific a transitory presumption utilized by analysts based on past investigate and existing hypothetical theories. This research could be a sort of causal affiliated inquire about, which points to distinguish the relationship between at slightest two variables. Add up to number of companies included within the populace is 47 companies with a add up to test of 21 companies. The classic presumption tests in this

investigate are the ordinarieness test, heteroscedasticity test, multicollinearity test. The information examination test employs the relationship coefficient test, different straight relapse coefficient, and coefficient of assurance. In the interim, speculation testing employs the synchronous F test and halfway T test.

Result and Discussion

The result in this inquire about are there's no synchronous impact between financing choices and speculation choices on company esteem. But essentially in building hypothetical commitments will certainly depend intensely on altering and setting models that coordinated a result of diverse approaches, particularly in back. The comes about of testing the theory that the comes about found in this ponder can demonstrate that the system The conceptual built in this research is able to supply an outline of the condition of the wonder from a few variables that decide the esteem of the company.

Normality Test

If the p value > 0.05 then the information is considered to follow the normality test criteria. In the picture above, the results of the Kolmogorov-Smirnov test using Monte Carlo show a p value > 0.05, namely 0.208. Thus, from the test results above it can be concluded that the data in this study is normally distributed.

Multiple Liniear Regression

Changes in the dependent variable (Y) in response to changes in the independent variable (X) can be partially explained through the resulting regression equation. The results of this analysis were obtained using IBM SPSS 26 software.

Tabel 1.
Result Test Multiple Linear Regression
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1					
	(Constant)	16,316	13,853	1,178	,254
	FUNDING DECISION	,472	,335	,316	,176
	INVESTMENT DECISION	,008	,191	,010	,965

a. Dependent Variable: COMPANY VALUE

Source : SPSS Data Processsing Result (2024)

Information :

$$Y = 16,316 + 0,472 X_1 + 0,008 X_2$$

$$\text{Nilai Perusahaan} = 16,316 + 0,472 \text{ Kpt Pendanaan} + 0,008 \text{ Kpt Investasi}$$

From the equation above, the coefficient value of funding decisions and investment decisions is positive, thereby increasing the value of the company. The higher the value of funding decisions and investment decisions, the higher the value of the company.

- a. 16,316 means that without being influenced by the two independent variables, the company value already has a value of 16,316

- b. 0.472 means that increasing one funding decision variable will increase the company value by 0.472 units
- c. 0.008 means that without being influenced by one investment decision variable, the company value will increase by 0.008 units.

Test F

By comparing the calculated F value with the F table, hypothesis testing is carried out simultaneously. If the significant value $F < 0.05$, then H_0 is rejected and H_a is accepted. This illustrates that all independent variables have a significant influence on the dependent variable. If the significant value $F > 0.05$, then H_0 is accepted and H_a is rejected. This shows that all independent variables do not have a significant influence on the dependent variable.

Table 2.
Result Test Simultaneous

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	829,156	2	414,578	,996	,389 ^b
	Residual	7489,511	18	416,084		
	Total	8318,667	20			

a. Dependent Variable: COMPANY VALUE

b. Predictors: (Constant), INVESTMENT DECISION, FUNDING DECISION

Source : SPSS Data Processing Result (2024)

From the table above, it can be concluded that there is no simultaneous influence between the Funding Decision Variable (X_1) and the Investment Decision Variable (X_2) on Company Value. The F table value is > 0.05 , namely 0.996. Thus, H_0 is accepted and H_a is rejected.

Test T

Individually, each variable, namely funding decisions and investment decisions, calculates the level of significance and its influence on company value using the t test. A significant partial effect on the dependent variable with a magnitude of 0.05 as the significance level.

Regression results are usually analyzed using a 95% confidence level and a significance level of 5% (0.05). The statistical criteria are as follows:

1. If the significant value of the t test is > 0.05 , then H_0 is accepted and H_a is rejected. This shows that there is no significant influence between the independent variable and the dependent variable.
2. If the significant value of the t test is < 0.05 , then H_a is accepted and H_0 is rejected. This shows that there is a significant influence between the independent variable and the dependent variable.

Table 2.
Result Test Partial

Paired Samples Test									
		Paired Differences							Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	
					Lower	Upper			
Pair 1	Funding Decision – Investment Decision	-12,80952	28,72041	6,26731	-25,88290	,26385	-2,044	20	,054

Source : SPSS Data Processing Result (2024)

From table 2 above, it can be seen that the significance value is $0.054 > 0.05$, meaning that there is an influence between Funding Decisions on Company Value, which means H_0 is rejected and H_a is accepted. This can also be seen from the value of $t_{\text{count}} < t_{\text{table}}$ with $df = n - k = 105 - 3 = 102$ (1.983) with the value of $t_{\text{count}} < t_{\text{table}}$ because $-2.044 < 1.983$) Investment decisions have no effect on company value, which means H_0 is accepted and H_a is rejected.

DISCUSSION

1. The Influence of Funding Decisions and Investment Decisions on Company Value

Based on the test results of the first hypothesis, it shows that there is no simultaneous influence between funding decisions and investment decisions on company value. The results of this first test are in line with the results of previous research testing which also supports the absence of influence between funding decisions and investment decisions on company value, namely research conducted (Salama et al., 2019) which also examined the variables of funding decisions and investment decisions on value. banking companies which provide results that increasing company value can improve the company's image in the eyes of investors.

2. The Effect of Funding Decisions on Company Value

Based on the test results of the second hypothesis, it shows that there is a partial influence between funding decisions on company value. The results of this second test are in line with the results of previous research tests which also support the influence of funding decisions on company value, namely research conducted (Bahrnun et al., 2020) which also examined funding decision variables on the value of banking companies which gave results that with As funding decisions increase, the value of the company will also increase, which will have a good impact on the sustainability of the company.

3. The Effect of Investment Decisions on Company Value

Based on the test results of the third hypothesis, it shows that there is no partial influence between investment decisions on company value. The results of this third test are in line with the results of previous research tests which also support the absence of

influence between funding decisions and investment decisions on company value, namely research conducted (Prasetya et al., 2022) which also examined investment decision variables on the value of banking companies. gives the result that a decrease in investment decisions results in a decrease in company value, where investment decisions can be used to achieve company goals through investment activities..

Conclusion

From the data obtained and the analysis carried out in this research, what can be concluded is:

1. This research proves that there is no influence between funding decisions and investment decisions on company value. Increasing company value can improve the company's image in the eyes of investors.
2. This research proves that there is an influence between funding decisions on company value. By increasing funding decisions, the value of the company will also increase, which will have a good impact on the sustainability of the company.
3. This research proves that there is no influence between investment decisions on company value. With a decrease in investment decisions, this results in a decrease in company value, where investment decisions can be used to achieve company goals through investment activities.

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