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Financial Performance and Corporate Value Idx30period 2016 - 2020

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Abstract
Corporate value is a measure that shows investors' perceptions of a company. One of the factors that investors consider in assessing a corporation is the financial performance of the company concerned.
The purpose of this study is to examine the causal relationship between the company's financial performance which consists of CR representation of liquidity, DR representation of leverage, and ROA representation of profitability to corporate value.
All data collected after processing is declared free from the requirements for using parametric statistical analysis tools. Anova's output illustrates that financial performance affects the level of corporate value. The individual test output describes that only CR or liquidity has a direct effect on corporate value. Meanwhile, leverage and profitability have no effect on the level of corporate value.
However, hypothesis testing on each company found different results. There is one company which shows that the three independent variables represent financial performance together or individually, causally related to the value of the corporations incorporated in IDX30.
Keywords: *Corporate Value, Performance, and Profitability*

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I. INTRODUCTION

The companies listed in the IDX30 index are a combination of 30 companies. These thirty companies are determined by the Indonesia Stock Exchange. The criteria for company shares that can be included in IDX30 must be frequently traded by investors. In addition, the company has a high capitalization value.

The development of a company can be seen from the company's internal growth rate. Financial performance is often used to measure the company's internal growth. The development of corporate value can describe the company's performance, Ang (2007). An increase in the demand for company shares occurs when the company's financial performance becomes better.

The development of company shares is influenced by the participation of investors in the capital market. Investors must assess the performance of the issuer before buying or selling the shares. Investors need accurate information and data regarding the company's performance. Financial statements and a summary of the company's financial performance can be used by a person to assess the company's overall performance.

Corporate value is formed by the attraction between supply and demand for a share in the capital market. Investors will buy shares of a company when the company's performance is good. This encourages the value of the corporation to increase. Conversely, investors will release or not buy the shares when the company's performance is not satisfactory. Thus, the value of the corporation fell.

The results of the analysis of the company's financial statements show the company's financial performance. There are five ratios to assess company performance, Brigham and Houston (2013: 133). These five ratios are liquidity, asset management, debt management, profitability, and market value.

Fundamental analysis can be used to determine the value of the corporation (Widoatmodjo, 2009). This analysis shows the company's health condition. In addition to fundamental analysis, there is another analysis called technical analysis (Husnan, 2005). This technical analysis shows the trend of the development of corporate values from one point in time to another.

The company's financial performance is related to fundamental analysis. Financial performance reflects the results of the company's operations during a certain period. Thus, investors know the health of the company and the company's prospects in the future. With this analysis, investors can minimize losses or maximize profits in investing in the capital market.

Financial ratios are the results of an analysis of a company's financial statements. Improved financial performance can encourage an increase in corporate value. On the other hand, corporate value also tends to decrease when the company's performance deteriorates. Thus, corporate value is a reflection of the company's financial performance.

Based on this description, the research questions that are posed are: (1) Do Liquidity, Leverage and Profitability together have an influence on corporate value in IDX30; (2) Does Liquidity have an influence on the value of the corporation; (3) Whether Leverage has an influence on the value of the corporation; and (4) Does profitability have an influence on corporate value.

II. LITERATUR REVIEW

2.1 Corporate Value

The power of supply and demand for shares on the stock exchange determines the price of these shares. Investors are market participants who determine stock prices. This market price reflects the value of the corporation which is the issuer of the shares (Jogiyanto, 2003). There are several kinds of stock prices. The market price of a stock that is often used in research analysis is the closing price (Anoraga and Pakarti, 2006).

2.2 Financial Performance Analysis

Important data in the analysis of company performance comes from financial statements. This report shows the financial position of a company at a certain point in time. The financial statements also show the results of the company's operations over a certain period of time. This shows the importance of a financial report, for various users of financial statements, to assess the performance of the company.

When investors invest, they need financial ratio analysis. Brigham and Houston (2013) distinguish five financial ratios, namely liquidity, asset management, debt management, profitability, and market value. Another opinion states that financial ratios consist of: liquidity, activity, debt, profitability, and market (Kasmir, 2011: 110). Considering these two opinions, the researcher only uses the financial performance ratios below.

2.3 Liquidity Performance

Liquidity is the company's ability to pay off all short-term obligations (Riyanto, 2008:25). A company is said to be liquid if it has a great ability to pay off its short-term obligations. The company is said to be in an illiquid condition, when the ability to pay off its short-term debt is low.

The level of liquidity can be measured by the current ratio and the quick ratio (Brigham and Houston, 2013: 134). The current ratio or current ratio is a comparison between total current assets and total current liabilities. A good current ratio is neither low nor too high (Sawir, 2009: 10). The quick ratio or acid test ratio is the ratio between current assets other than inventories and current liabilities.

2.4 Leverage Performance

Performance (ratio) of leverage or solvency to measure the total debt used to fund the total assets of a company (Harjito and Martono, 2012). The leverage ratio or debt ratio is a comparison between total debt and total assets (Brigham and Houston, 2013: 143). This ratio shows the power to pay off total debt when the company closes.

2.5 Profitability Performance

The company's ability to earn a profit is shown by the profitability (ratio) performance. In generating this profit, various resources owned by the company are used (Syafri, 2008:304). Return on Assets (ROA) can be used to measure this capability.

Return on assets is a comparison between total net income after tax with total assets (Brigham and Houston, 2013: 148). The same opinion was also conveyed by Munawir (2010). He argues that the effectiveness of management in managing assets to earn a profit is indicated by the ROA value.

2.6 Effect of Liquidity on Corporate Value

Kasmir (2011: 134) argues that the value of the current ratio affects the value of the corporation. This influence is positive. Meanwhile, Chasanah (2018) states that the current ratio affects the value of the corporation positively and significantly. The same result was found by Sunardi and Febrianti (2020). They found that liquidity performance affects corporate value. From these studies, it shows that increasing liquidity performance increases corporate value.

2.7 The Effect of Leverage on Corporate Value

Syamsudin (2004: 30) uses the debt ratio to measure debt management performance. Debt is used to increase profits through investment in assets. The debt ratio is used to measure asset management financed by debt (Kasmir, 2011:156). Sources of funds from debt contain financial risk.

Debt performance has a significant positive effect on corporate value (AgusSuwardika and Mustanda, 2017). Different conclusions were found by Abrori and Suwitho (2019) and Muharramah and Hakim (2021). They find that corporate value is not affected by corporate debt performance.

2.8 The Effect of Profitability on Corporate Value

The rate of return on assets (ROA) can be used to measure profitability performance (Margaretha et.al, 2019). They suggest that profitability performance has an influence on corporate value. This influence is positive and significant. Profitability can increase if the company is able to perform efficiency. This is an attraction for investors to buy company shares.

Indriyani (2017) found a positive effect of profitability performance on corporate value. These findings are supported by Abrori and Suwitho (2019) and Nuradawiyah and Susilawati (2020).

2.9 Hypothesis

This study proposes the following hypotheses: (1) Liquidity performance, debt performance, and profitability performance have an effect on corporate value; (2) Liquidity performance has an effect on corporate value; (3) Debt performance has an effect on corporate value; and (4) profitability performance has an effect on corporate value.

III. RESEARCH METHODS

Data which is data related to financial performance and corporate value performance. The analysis used is descriptive analysis and inference. The companies in IDX30 become the research population. The observation period is 2016-2020. The sampling method used is purposive sampling technique. Financial data is used in the analysis. The data is taken from the Stock Exchange page. Multiple regression was used in the analysis.

The number of companies as a population is 30. The method of taking samples is based on certain specified criteria (Purposive Sampling). The criteria for determining the sample include: (1) Companies listed in the IDX30 index during the data collection period; (2) The selected companies are not included in the financial industry; (3) Completely available data related to the analysis; (4) During the research observation period, the selected company never suffered a loss; and (5) The collected data does not cause outliers. Thus, 17 companies were selected as members of the sample.

The data collected is from Stock Exchange documents. For the purposes of data analysis, data pooling for five (5) years was used from the sample companies.

There are four kinds of variables used, namely 3 (three) independent variables and one dependent variable. Concept definition and variable measurement, as in Table 1.

Table 1 Definition of Operational Variables

No	Variable	Concept	Measurement	Scale
1	Liquidity	Ability to pay short term debt	$\frac{\text{Current asset}}{\text{Short-term Debt}}$	Ratio
2	Leverage	Measuring the proportion of debt to company assets	$\frac{\text{Total debts}}{\text{Total assets}}$	Ratio
3	Profitability	Ability to generate net profit on total assets	$\frac{\text{Profit after tax}}{\text{Total Asset}}$	Ratio
4	Corporate Value	Proportion between share price and earnings per share	$\frac{\text{Stock price}}{\text{Profit}}$	Ratio

Source: Theory Study

3.1 Data Analysis Method

Multiple regression was used as an analytical tool. The software used is SPSS. The analysis is to prove the significance of the effect of the independent variable on the dependent variable. The regression equation model is:

$Y = a + b1X1 + b2X2 + b3X3 + e$

where, a is constant of the regression equation; Y is dependent variable Corporate value; X1 is independent variable Liquidity; X2 is independent variable Leverage; X3 is Profitability independent variable; b1, b2, b3 are regression coefficients X1, X2, and X3; and e is an error.

3.2 Hypothesis Test

T Test

The effect of one independent/explanatory variable on other variables can be tested with T statistics (Ghozali, 2011:99). The null hypothesis statement (Ho) being tested is that the regression coefficient (bi) is equal to zero.

F Test

According to Ghozali (2011: 98), the simultaneous effect of all independent variables on the dependent variable can be tested with the F statistic. The null hypothesis statement (Ho) for this test is that all coefficients in the regression model are equal to zero.

3.3 Determination Test (R2)

The model's ability to explain the variation of the dependent variable is measured by the coefficient of determination. If the value of R^2 is low, the ability of the independent variable is low in explaining the variation of the dependent variable. The greater the value of R^2, the greater the ability of the independent variable to explain the dependent variable.

The R^2 value used is the adjusted R^2 (Adjusted R^2). The use of adjusted R^2 was chosen, because there were more than two independent variables.

IV. DATA ANALYSIS

4.1 Normality Test

Ideally, the data is normally distributed to get a good regression equation. The one sample Kolmogororov-Smornov test was used to test for normality. The one-sample KS test output produces a Monte Carlo probability value (Sig) of 0.32. This value is greater than the significance level (α) chosen by the researcher, which is 5 percent. This shows that the data has a normal distribution.

4.2 Multicollinearity Test

The data between the determining variables should not be correlated with each other. Correlated data shows the existence of multicollinearity between them. The existence of multicollinearity is reflected in the correlation coefficient which is close to 1.00 (Priyatno, 2017: 120). The tolerance value and the variance inflation factor (VIF) value are used to determine the existence of multicollinearity. If the tolerance value is greater than 0.1 or the VIF value is below 10, it means that there is no multicollinearity.

SPSS output shows the tolerance value is above 0.1. While the VIF value is below 10. This shows the absence of multicollinearity between independent variables.

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4.4 Autocorrelation Test

Autocorrelation occurs when the confounding error in year t is correlated with the confounding error in the previous year (t-1). The DW test (Durbin-Watson) was used to detect the presence of auto correlation (Ghozali, 2011). The results of using SPSS produce a DW value of 1.159. This DW must be compared with the critical DU and DL;

The DW table provides the critical values of DU and DL. With data (n) as much as 85 and the number of independent variables (K) as much as 3, it was obtained DU of 1.72 and DL of 1.57. So, the value of 4 - DU is 2.28 and 4 - DL is 2.43. The result of the previous autocorrelation test was the DW value of 1.159. This value is lower than the value of 4 – DU or 2.23. In addition, the DW value (at 1.159) is also lower than 4 – DL or 2.43. This shows that there is no certainty (cannot be concluded).

4.5 Heteroscedasticity Test

The difference in the residual variance value in the observed data indicates the presence of heteroscedasticity. A good linear regression equation (BLUE) must not have heteroscedasticity. The glejser test is used to detect the presence of heteroscedasticity symptoms (Priyatno, 2017:132). The absence of heteroscedasticity cases occurs when the significance value between the independent variable and the absolute residual is above 0.05.

Table 2
Heteroscedasticity Test Output
Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	8.254	2.597		3.178	.002
	Likuidity	-.452	.572	-.111	-.791	.431
	Leverage	-3.604	4.376	-.125	-.823	.413
	Profitability	-.685	14.255	-.007	-.048	.962

Table 2 shows that the sig glejser test value is above 0.05. This shows that the problem of heteroscedasticity does not occur.

V. HYPOTHESIS TEST

This section discusses hypothesis testing. This discussion is divided into two parts. The first part is based on panel data and the second part is based on time series data for each company.

5.1 Panel Data

Panel data is obtained by combining data from all selected companies into the sample for five years of observation. To test the hypothesis, this panel data is divided into several sections as discussed below.

a. Multiple Linear Regression

Multiple regression equations can be applied after all requirements (classical assumptions) are met. To analyze the effect of independent variables (liquidity, leverage and profitability) on the dependent variable (corporate value) the following regression equation is used:

$$NP = b0 + b1\ CR + b2\ DR + b3\ ROA + e$$

The SPSS output printouts for multiple linear regression are shown in Table 3.

Table 3
Multiple Regression Output
Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	9.941	3.776		2.633	.010
	Likuiditas	3.329	.831	.484	4.005	.000
	Leverage	3.743	6.362	.076	.588	.558
	Profitability	23.832	20.725	.141	1.150	.254

a. Dependent Variable: Corporate value

From the output of the multiple linear regression model (see Table 3), it is possible to construct a multiple regression equation like this:

NP = 9,941 + 3,329 CR + 3,743 DR + 23,832 ROA

The meaning of the parameters of the regression model above are:

1. Constant (b0) is 9,941 which means that if the value of the liquidity, leverage and profitability variables is zero, then the stock price prediction (corporate value) is 9,941
2. The regression coefficient for liquidity (b1) is 3.329. This means that if the liquidity performance increases by one unit, the value of the corporation will increase by 3,329 with the assumption that the leverage and profitability values are fixed.
3. The coefficient of leverage variable (b2) is 3.743. This means that if the leverage performance increases by one unit, the corporate value will increase by 3,743. Assuming the value of liquidity and profitability value does not change.
4. The coefficient of profitability performance (b3) is 23,832. This means that every 1 unit increase in profitability has the effect of increasing the share price or corporate value by 23,832 on condition that the liquidity and leverage are fixed.
5. Profitability performance has the most dominant influence on the prediction of corporate value. This is possible because the profitability regression coefficient of 23,832 is the largest value compared to the liquidity performance coefficient and the leverage performance coefficient.

b. Coefficient of Determination

The value of the coefficient of determination is indicated by the value of the adjusted R square. This value is the percentage of the influence of the independent variable on the dependent variable. This value is used because the number of independent variables is more than 2 (two).

Table 4
Coefficient of Determination
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.523[a]	.274	.247	8.99823	1.159

Table 4 shows the Adjusted R Square value is 0.247. This value means that the three independent variables above (liquidity, leverage and profitability) together contribute 24.7 percent of the corporate value. The remaining value of 75.3% is determined by other variables outside the multiple regression model above.

c. Simultaneous Test

Hypothesis testing is used to determine the factual support for the hypothesis statement. Analysis of variance (F test) was used to test the simultaneous effect of all independent variables on the dependent variable. The chosen significance level (α) is five percent. Based on the output in Table 5, it is known that the probability (sig) of the ANOVA is zero (0). This value is below 0.05. That is, the variables of liquidity, leverage and profitability together or simultaneously affect the value of the corporation.

Table 5
Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2475.514	3	825.171	10.191	.000[b]
	Residual	6558.423	81	80.968		
	Total	9033.937	84			

d. Individual Test

Table 3 above describes the output of the multiple regression model. Table 3 also describes the output of hypothesis testing on the individual regression coefficients. The probability (sig) of the leverage variable is 0.558 and the probability of the profitability variable is 0.254 both of which have a value above five percent (selected significance level). This means that individually, the leverage variable and the profitability variable do not affect the value of the corporation. While the probability (sig) of the liquidity variable is zero (0), which means that the corporate value is influenced by the company's liquidity performance.

This individual test shows that only liquidity performance has an influence on corporate value. However, leverage performance and profitability performance have no effect on corporate value. So, the previous regression equation is:

NP = 9,941 + 3,329 CR + 3,743 DR + 23,832 ROA

This formula is not usable for prediction. Therefore, it is necessary to create a new regression equation that only uses one independent variable, namely liquidity.

The following is a discussion of the effect of liquidity performance on corporate value performance. The independent variable used is only liquidity performance and the dependent variable is corporate value.

The level of the new regression coefficient which is a simple linear regression of the SPSS output is shown in Table 6.

Table 6
Simple Regression Coefficient
Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	12.906	1.683		7.670	.000
	Liquidity	3.523	.649	.512	5.429	.000

Based on the printed SPSS output in Table 6, a simple linear regression equation can be made as follows:

NP = 12,906 + 3,523 CR

This regression equation shows that the constant value (a) is 12,906 and the regression coefficient for the liquidity variable is 3.523.

The constant value of 12,906 means that the corporate value or PER value will be 12,906 when the liquidity value or CR is zero. The market price of the shares will be 12,906 times the value of net income per share. This value is certainly a relatively high appreciation from investors for the net income obtained by a corporation.

The regression coefficient value is 3.523. This value shows that there is a unidirectional relationship between the level of liquidity and corporate value. When the liquidity value goes up (down), the stock price will go up (down) too. The increase or decrease in stock prices will be 3,523 times the increase or decrease in the level of liquidity.

The value of Sig (significance) for this regression coefficient is 0.000. This zero value is below the significance value (α) chosen by the research team, which is five percent. This shows that the level of liquidity has an influence on the value of the corporation.

The value of the coefficient of determination of causality for these two variables is as shown in Table 7.

Table 7
Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.512[a]	.262	.253	8.96196	1.171

The value of the coefficient of determination (R Square) is 0.262. This value indicates that the variation in liquidity is able to explain 26.2 percent of the variation in corporate value. This value is relatively low, because 73.8 percent of the variation of the corporate value is determined by variations in variables outside the model used. However, this value is higher than the previous coefficient of determination, which is 24.7 percent.

5.2 Individual Data

Individual data referred to here is data from each company in the form of time series data for 5 years of observation period. This is to analyze causality between variables for each company. A summary of SPSS output printouts for each company is shown in Table 8.

Table 8
SPSS Output Summary for 25 Companies

No	CODE	F test (Sig)	Coefficient				T test (Sig)			
			a	CR	DR	ROA	a	CR	DR	ROA
1	ADRO	0,418	27,773	2,748	-15,090	-321,249	0,509	0,759	0,891	0,246
2	ANTM	0,039	-166,085	230,674	-508,749	-519,039	0,079	0,027	0,151	0,352
3	ASII	0,839	118,160	-49,868	43,480	-666,008	0,538	0,832	0,973	0,724
4	BRPT	0,213	580,987	-58,356	-869,377	-3132,854	0,207	0,446	0,201	0,164
5	CPIN	0,040	40,785	-12,576	26,990	6,593	0,023	0,035	0,142	0,520
6	EXCL	0,283	-201,229	371,457	242,810	1301,267	0,421	0,319	0,435	0,144
7	GGRM	0,326	-46,467	9,053	66,109	260,445	0,717	0,703	0,414	0,655
8	HMSP	0,219	18,525	12,353	-493,291	-99,980	0,353	0,150	0,403	0,390
9	ICBP	0,023	-4,895	6,483	225,622	49,512	0,120	0,038	0,023	0.058
10	INCO	0,410	-4520,579	700,510	46351,603	46134,684	0,355	0,427	0,227	0,292
11	INDF	0,876	17,001	-1,832	-41,368	209,686	0,914	0,958	0,872	0,922
12	INKP	0,008	25,285	4,332	-67,349	218,261	0,010	0,007	0,006	0,007
13	KLBF	0,753	4,942	2,728	-35,093	107,927	0,985	0,931	0,963	0,873
14	MDKA	0,242	1168,621	1851,779	-12043,712	15767,274	0,262	0,385	0,348	0,369
15	MIKA	0,365	-113,132	7,216	-3320,452	1029,027	0,565	0,488	0,372	0,430
16	PGAS	0,854	251,208	-24,886	-404,777	289,668	0,591	0,710	0,592	0,712
17	PTBA	0,169	58,936	-19,611	-92,524	2,775	0,123	0,164	0,204	0,892
18	SMGR	0,202	76,200	-7,814	-72,024	-441,344	0,161	0,460	0,263	0,128
19	TBIG	0,042	118,869	22,212	-119,473	-367,152	0,027	0,095	0,039	0.054
20	TINS	0,636	47,605	-14,944	-76,217	516,613	0,794	0,878	0,697	0,650
21	TKIM	0,209	21,282	1,970	-7,311	-132,179	0,290	0,903	0,802	0,282
22	TLKM	0,356	99,311	-9,813	-196,769	-202,055	0,179	0,474	0,212	0,267
23	TOWR	0,472	5,740	7,418	28,600	-98,189	0,952	0,536	0,744	0,871
24	UNTR	0,674	28,477	1,527	-54,210	-151,210	0,661	0,917	0,634	0,681
25	UNVR	0,980	111,559	711,721	-119,019	-1257,461	0,986	0,875	0,989	0,941

Twenty five of these companies are non-financial companies in IDX30.

The F Test column (Sig) shows the statistical significance value for the analysis of variance (ANOVA) test for all analyzed companies. All companies that produce a Sig value below 5 percent show that all independent

variables together have an impact on the value of the corporation. Conversely, if the amount of Sig is above 5 percent, this shows that all independent variables have no effect on the value of the corporation.
Table 8 shows that there are five (5) companies that produce Sig values below 5 percent. This value shows the fact that the level of liquidity, the level of leverage, and the level of profitability affect the value of the corporation simultaneously. These five companies are companies with the code ANTM; CPIN; ICBP; INKP; and TBIG. Meanwhile, other companies (20 companies) produced Sig values above 5 percent. For these fifteen companies, the three independent variables globally do not affect the value of the corporation.

The coefficient column in Table 8 shows the constants and regression coefficients of the 3 independent variables for each company. The constant value (a) is the point of intersection between the regression line and the vertical axis. This value indicates the value of the dependent variable (corporate value) when the value of all independent variables is zero. The value of this constant can mathematically be positive or negative.

The regression coefficient values for the variables of liquidity (CR), leverage (DR), and profitability (ROA) can be positive or negative, as shown in Table 8. The value of the regression slope is positive indicating that there is a unidirectional relationship between the determinant variable and the dependent variable. This means that if the independent variable increases (decreases), the dependent variable will also increase (decrease).

The negative value of the regression coefficient shows an inverse relationship between the two variables. When the value of the independent variable increases (decreases), then the value of the dependent variable will decrease (increase). This also shows the effect of changes in the value of the independent variable on the value of the dependent variable. The value of the dependent variable will increase (decrease) if the value of the independent variable decreases (increases).

The t-test column (Sig) in Table 8 shows the statistical significance value of the SPSS output printout. This value is used to partially test the hypothesis on the value of the regression slope of each determining variable. This value is diversused against the standard significance level of 5 percent. If the statistical significance value of an independent variable is greater than 5 percent, then the independent variable has no effect on the dependent variable. On the other hand, if the statistical significance value of an independent variable is lower than 5 percent, then the independent variable has an effect on the value of the corporation.

Individual test for the liquidity variable (CR), there are four companies that have a statistical significance level lower than 5 percent. These four companies are companies with codes ANTM, CPIN, ICBP, and INKP. For these four companies, the liquidity performance variable (CR) has a significant effect on corporate value. However, the other twenty-one companies had a statistical significance value higher than 5 percent. This indicates that their level of liquidity has no impact on the value of the corporation.

Individual tests for the level of leverage (DR) resulted in three companies having a statistical significance level below 5 percent. The three companies are companies with ICBP, INKP, and TBIG codes. This means that, for these three companies, the level of leverage (DR) has a significant effect on the value of the corporation. The remaining twenty-three companies have a significance value higher than 5 percent. Thus, for these 23 companies, the level of leverage has no impact on the value of the corporation, because they have a significance level above 5 percent.

In the individual test for profitability (ROA), only one company produced a statistical significance level lower than 5 percent. This company is a company with the code INKP. The statistical significance value of this company is 0.007. Thus, for this company, the level of profitability has a (significant) impact on the value of the corporation. Meanwhile, other companies show that the level of profitability has no impact on corporate value.

VI. DISCUSSION OF FINDINGS

The discussion in the hypothesis testing sub-chapter above is divided into two, namely analysis based on panel data and analysis based on time series data for each company that is the object of research.

6.1 Panel Data

The results of panel data analysis show that only the level of liquidity has an impact on corporate value. The regression coefficient value for this level of liquidity is positive. This value indicates that changes in the level of liquidity affect changes in corporate value in the same direction. An increase in the level of liquidity will lead to an increase in corporate value. The decreasing level of liquidity causes a decrease in the value of the corporation. The increase or decrease in the value of the corporation is the value of its regression coefficient multiplied by the amount of increase or decrease in the level of liquidity.

Great liquidity performance shows the company's great ability to meet current liabilities. The results of this analysis indicate that the better the liquidity condition of a company, the better the value of the corporation. To obtain optimal corporate value, companies must maintain optimal liquidity levels as well.

Meanwhile, the level of leverage and the level of profitability have no impact on the value of the corporation. Although the value of the regression slope for the level of leverage and the level of profitability is higher than zero, this value is considered equal to zero. Because of the value of this regression coefficient, statistically it has no (significant) impact on the value of the corporation.

6.2 Time Series Data

Analysis of time series data for each company shows mixed results. There are 20 companies whose analysis results show that the variables of liquidity level, leverage level, and profitability level have no impact on corporate value. These results indicate that the variables that affect the value of the corporation are variables other than those three variables that are outside the regression equation model.

This research finds that there are only 5 companies that have independent variables that affect the value of the corporation. Two companies produce only variable level of liquidity (CR) which has an impact on corporate value (PER). One company produces only the level of leverage that has an impact on the value of the corporation. One company produces a level of liquidity (CR) and the level of leverage has a significant effect on the value of the corporation. One company shows that the three independent variables have a significant impact on the value of the corporation.

VII. RESEARCH IMPLICATIONS

The results of the analysis of panel data show that only the level of liquidity has an impact on corporate value. However, the level of leverage and profitability have no impact on the value of the corporation. The findings of this research suggest to fund owners to consider the company's liquidity performance (CR) when they are going to buy or sell the company's shares. A good level of liquidity, in the sense that it is not low but also not too high, will be considered good by investors. This positive appreciation by investors is indicated by their willingness to pay a higher price for the corporation's common stock. Therefore, the value of the corporation also rose.

Meanwhile, the variable level of liquidity and profitability can be ignored in making investment decisions. Because these two variables have no effect on the value of the corporation. The owners of funds can decide to buy or sell certain securities without the need to consider these two variables.

However, if you look at the results of hypothesis testing for time series data, the decisions made can be different. The results of this analysis indicate the fact that there is one company which shows that the three independent variables have a (significant) effect on the value of the corporation. Thus, investors or potential investors must still consider the level of liquidity, level of leverage, and level of profitability in conducting transactions on shares of a company.

VIII. CONCLUSION

Conclusions that can be made based on the results of the previous discussion are:

1. Based on panel data: liquidity, leverage, and profitability simultaneously have an impact on corporate value.
2. Based on panel data: liquidity, partially, has an impact on corporate value.
3. Based on panel data: leverage, partially, has no impact on corporate value.
4. Based on panel data: profitability, partially, has no impact on corporate value.
5. Based on time series data: there are several companies that produce these three determinant variables simultaneously have an impact on the value of the corporation.
6. Based on time series data: there are several companies that generate liquidity, individually, which has an impact on the value of the corporation.
7. Based on time series data: there are several companies that generate leverage, independently, has an impact on corporate value.
8. Based on time series data: there are several companies whose profitability, alone, has an impact on the value of the corporation.

SUGGESTION

Three suggestions that can be used as material for improvement to conduct further research are:

1. Increase the number of company samples.
2. Extend the observation period.
3. Adding research variable indicators.

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