## *ABSTRACT*

***The Influence of Debt Policy (DER) and Profitability (ROE) towards Business Value (PBV) in the Automotive Sub Sector Business and the Component listed in BEI during 2008-2013***

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*Business value is a value that is ready to be paid by the buyer candidate if the business sold. The business value particularly the public business will be reflected in the share value. The higher its share value means the higher business value. The higher its business value increases the prosperity of the shareholder. The business value was influenced by the debt policy and the profitability. The phenomenon in the automotive sub sector business and the component during some periods have decreased the value business whereas the business has the profitability increment and the debt policy decrease.*

*This research aims to analyze the influence of debt policy using Debt to Equity Ratio indicator and the profitability using Return on Equity indicator towards the business value by Price Book Value indicator. As for the formula for calculating Debt To Equity Ratio is* $\frac{Total\ Liabilities}{Own\ Equity}\ x\ 100$. *Formula for calculating Return On Equity is* $\frac{Earning\ After\ Tax}{Own\ Equity}\ x\ 100\%$ *and as well as to calculate Price Book Value is* $\frac{Stock\ Market\ Price\ A\ Share}{Book\ Value\ A\ Share}\ x\ 100\%$. *The method used in this research is verification descriptive method, the sample used in this research is 7 Automotive Sub Sector Business and Component listed in Indonesian stock exchange (data cross section) and financial report data in the last six years (time series). Therefore the data collected here is about 42 data (pool data). The tool analysis used is the classic assumption test, double regression, correlation analysis, determination coefficient by hypothesis test using t-test and f-test.*

*The result of the research showed that the most dominant influence towards the business value in the automotive sub sector business and the component is the profitability (ROE) with 32,8199% contribution. Whereas simultaneously, the debt policy (DER) and the profitability (ROE) simultaneously gave the influence to the business value (PBV) about 77,5102%, where as the remaining 22,4898% was influenced by the other variable.*



*Keywords: Business Value, Debt Policy, and Profitability.*