EFFECT OF DEBT AND POLICY DECISION ON THE VALUE OF INVESTMENT COMPANY

(Case Study of Pharmaceutical Sector Companies Listed in Indonesia Stock Exchange Year 2009-2013)

ABSTRACT

This study aims to determine the influence of the debt policy and investment decisions to corporate value. Phenomena associated with the debt policy in 2013, the company is implementing the debt policy but the value of the company or the stock price decline. While the phenomena related investment decisions is the disposal of shares which resulted in a decreased value of the company.

The method used is descriptive method verification with quantitative approach. While the data used is secondary data in the period of 2009-2013. The population in this study are all pharmaceutical sector companies listed on the Indonesia Stock Exchange 2009-2013 period. The sample in this study sample taken by using saturated in order to obtain a sample of 9 companies. Analyses were performed using multiple linear regression models.

These results indicate that the debt policy and significant positive effect on firm value. Investment decisions and not significant positive effect on firm value. Statistical test used is the classical assumption test, multiple linear analysis, the correlation coefficient of determination and hypothesis testing. Getting the analysis results were processed using SPSS version 21.0 for Windows.

Keywords: Debt Policy, Investment Decisions and firm value.