

ABSTRACT

The purpose of this paper is to get empirical evidence about the effect of liquidity ratio, leverage ratio, asset management ratio and profitability ratio on corporate values of manufacturing industries in Indonesia.

The population in this study involves all manufacturing industries operating in Indonesia and listed on the Indonesia Stock Exchange in 2017-2020. Sampling is obtained by the purposive sampling method and results a total sample of 452 data. Then the data was analyzed using multiple linear regression analysis method.

This study indicates that liquidity ratio variable has a positive effect on firm value is the quick ratio (QR) while the current ratio (CR) and cash ratio (CaR) have a negative effect. Leverage ratio variables that have a positive effect on firm value are the total debt to total capital ratio (DCR) and times interest earned ratio (TIER) while the total debt to total assets ratio (DAR) has a negative effect. Asset management ratio variable that has a positive effect on firm value is accounts receivable turnover (RT) while inventory turnover (IT) has a negative effect. Meanwhile, profitability ratio does not show any effect on firm value.

Keyword : liquidity ratio, leverage ratio, asset management ratio, profitability ratio, firm values