

ABSTRACT

This study aims to provide empirical evidence about relationship between Corporate Governance Perception Index and profitability which is measured by Return on Asset towards corporate value which is measured by Tobin's Q.

The object of this study are companies listed on the Corporate Governance Perception Index in 2011-2013 which is assessed by The Indonesian Institute of Corporate Governance, an independent institute that conducting dissemination and development of Good Corporate Governance in Indonesia. The sampling method is purposive sampling that based on criterion which has been determined before. Hypotheses in this study are tested by descriptive statistic and multiple regression analysis method.

The results of statistical test (F Test) shows that all independent variables affect corporate value. The effect of independent variable Corporate Governance Perception Index towards corporate value on the T test is not significant. While profitability has significant effect to corporate value.

Key words: Good Corporate Governance, Corporate Governance Perception Index, profitability, Return on Asset, corporate value, Tobin's Q