

## **ABSTRACT**

*The main goal of the company is to maximize shareholder wealth, this can be achieved by maximizing value of the company. This study is aim to examine the effect of profitability, investment decision, financing decision, dividend policy to the firm value. Return On Asset (ROA) used as a proxy of profitability, Total Asset Growth (TAG) used as a proxy of investment decision, Debt to Equity Ratio (DER) used as a proxy of financing decision, Dividen Payout Ratio (DPR) used as a proxy of dividend policy and Price Book Value (PBV) used as a proxy of firm value.*

*The sample used in this study consisted of 18 companies listed on the Jakarta Islamic Index (JII) in the period from 2011 – 2015. The selection of sample using a purposive sampling technique. Data analysis technique applied was Multiple regression linier.*

*This results partially on profitability (ROA) and invesment decision (TAG) have the positive and significant effect to the firm value (PBV). In contrast, financing decision (DER) and dividend policy (DPR) has the positive and un-significant effect to the firm value (PBV). Simultaneously, the four independent variables that affect the Company's variable value (PBV), but the value of the company is not only influenced by internal factors, the company's value is also influenced by external factors such as interest rates, inflation rates, exchange rates and social and political situation.*

*The implications of this research are to prove that the perpetrators of the investment on the Stock Exchange following the pattern of bird in the hand theory, can be used as a reference for the company in trying to analyze that into consideration and decision making can be a reference to the investor as consideration for investing in companies.*

*Keywords: Firm value (PBV), profitability (ROA), investment decision (TAG), financing decision (DER), dividend policy (DPR).*