

ABSTRACT

The purpose of this study is to test the role of corporate governance in affecting value of firm and other factor that affecting value firm in Indonesian financial market. The dependent variable in this research is Value Firm is measured by using a proxy Tobins'Q. Then the independent variables used were concentrated shareholding ownership, board size, profitability, market capitalization, and market confidence in the company's prospects.

The population in this study includes all companies listed on the Indonesian Stock Exchange (BEI) in 2013 and 2014. The samples in this study conducted by using stratified random sampling method. The samples used were randomly selected based on the proportion of the appropriate level of the sample. For this type of company that the sample size is at most be at the top level and the type of company that the sample size is at least is at the lowest level. Total sample used in this study were 200 samples divided into 100 samples per year her. Test equipment used in this study were using multiple regression analysis.

From the results of hypothesis testing, the overall instrument of corporate governance, profitability, market capitalization and market confidence in the company were significant effect on firm value. 4 variables showed a positive influence on the value of the Firm, which concentrated stock ownership variables, profitability, market capitalization and market confidence in the company's prospects. While the first variable is the size of the board has a negative correlation with the value of the Firm. In other words, only the variable size of the board was that if the value is high, it will decrease the value of the company.

Keywords: *Value Firm, corporate governance, profitability, market capitalization, market confidence in the prospects of the company, Value Firm*