## *ABSTRACT*

*Value of the firm became very important to the firm because investors always consider it before make investment decision. According to investor's perception, value of the firm affected by firm financial performance because a good financial performance will give a great return to the investor and increase value of the firm. The previous research showed that there is a gap reseacrh by Atmojo (2010) and Hidayati (2010) have different result for observing the effect of firm size to value of the firm. Based on the data, it is known that there is a gap phenomenon. Therefore, further research is still needed. This study aims to analyze the effects of Firm Size, Outsider Ownership, and Insider Ownership towards Firm Performance and the impact to the Value of the Firm.*

*This study uses firms in manufacturer industry listed in Indonesian Stock Exchange (IDX) from 2007 until 2011 as the population which consist of 141 firms. There are 26 firms selected as samples using purposive sampling method. This study uses secondary data obtained from published financial report in Indonesian Stock Exchange (IDX). Data analysis tool used was Path Analysis with the help of Structural Equation Modeling (SEM) with 19.0 AMOS program.*

*The result of this research showed the following resulst; Firm Size has positive and significant effect on firm performance, outsider ownership has no effect to firm performance, insider ownership has positive and significant to firm performance, firm size has a positive and significant to the firm value, insider ownership has a negative and significant to the firm value, and the performance of the firm does not have an effect to firm value. The result of Path Analysis showed that Insider Ownership indirectly influence the value of the firm through firm performance.*



*Keywords* : *Value of The Firm*, *Price to Book Value* (PBV), *Return on Asset* (ROA), *Insider Ownership, Outsider Ownership*