

ABSTRACT

The main goal of the company is to maximize shareholder wealth, this can be achieved by maximizing value of the company. This study aims to examine the effect of investment decision, funding decision and protability to firm value used dividend policy as intervening variable. Total Asset Growth (TAG) used as a proxy of investment decision, Debt to Equity Ratio (DER) used as a proxy of funding decision, Return on Asset (ROA) used as a proxy of profitability, Dividend 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 30 manufacturing companies listed on the Indonesian Stock Exchange in the period from 2009-2012. Sampling was done by purposive sampling method. The analysis technique used is path analysis with the help AMOS program. Otherwise it, sobel test is used to test the strenght of the indirrect effect independent variables to dependent variablesthrough intervening variable.

The result showed that ROA have positive and significant effect to DPR, but TAG and DER have negative and significant effect to DPR. TAG, DER, ROA and DPR have positive and significant effect to PBV. Based on result sobel test, DPR can to mediate effect of ROA to PBV, but TAG and DER effect to PBV can't mediated using DPR.

Keyword : Total Asset Growth (TAG), Debt to Equity Ratio (DPR), Return on Asset (ROA), Dividend Payout Ratio (DPR), and Price Book Value (PBV).