

ABSTRACT

This study aimed to examine the effect of ownership structure and financial policy on firm value. Firm value measured by the Price to Book Value, using data companies listed on Stock Exchanges in Indonesia.

The population in this study were 420 companies listed on Stock Exchanges in Indonesia with 105 sample companies. Samples were selected using purposive sampling method of determining the number of samples taken at random based on certain criteria. The analysis used is multiple regression analysis to see the effect of independent variables on the dependent variable either jointly or individually. Before being tested with multiple regression first tested the classical assumptions.

Results showed that together the independent variables of institutional ownership, managerial ownership, debt policy, dividend policy, and investment policy affects the dependent variable firm value. Whereas individually, variable dividend policy and institutional ownership and a significant positive effect on firm value. Investment policy significant negative effect on firm value. While managerial ownership variables and debt policy does not significantly affect the firm value.

Keywords: Institutional Ownership, Managerial Ownership, Debt Policy, Dividend Policy, Investment Policy, firm value.