

ABSTRACT

The phenomenon of this study is that during 2014 to 2016 there were still many manufacturing industry companies listed on the Indonesia Stock Exchange, having a Price Book Value (PBV) smaller than one. Many studies produce different results about the factors that influence pbv. The question arises, first, what are determinan factors influence PBV. Is the PBV influenced by SIZE, sales growth (Growth), Current Ratio (CR), Debt Equity Ratio (DER), or the ability Firm to obtain operating profit (ROA). The second, is ROA a variable mediation of the influence of TA, Growth, CR on PBV. This research was conducted to answer these two questions.

The theories used in this study are: signaling theory, trade-off theory, economic of scale theory and performance theory. The study used purposive sampling as many as 75 of the 110 manufacturing companies listed on the Indonesia stock exchange in 2016. The data used was panel data from 2014-2016. The analysis uses a regression model with ROA as a mediating variable. The results of this model are expected to make a new contribution to the field of financial management.

The main findings of this study are; the effect of TA on ROA is positively significant, the effect of growth on ROA is positively significant, the effect of CR on ROA is positively significant. Total Assets significantly influence PBV, both directly and indirectly through ROA as a mediating variable. The direct effect of Growth, CR and DER was not significant. The effect of ROA on PBV is significant, ROA is also significantly as a mediating variable from the influence of TA, Growth, CR on PBV.

Keyword: SIZE, GROWTH, CURRENT RATIO, DER, ROA AND PBV