

THE EFFECT OF INVESTMENT DECISIONS, FUNDING DECISIONS AND DIVIDEND  
POLICY ON COMPANY VALUE

Food and Beverage Sub Sector Listed on the Indonesia Stock Exchange 2016 – 2020 Period

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Abstract

**Purpose** – This article investigates the effect of investment decisions, funding decisions and dividend policies on firm value in the food and beverage sub-sector listed on the Indonesia Stock Exchange for the 2016 – 2020 period.

**Design/methodology/approach** – We use a sample selection technique in this study is a purposive sampling method with sample criteria, namely companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2015-2020. 2015 and companies that distributed dividends during the 2015-2019 period, as many as 7 companies.

**Findings** - The results show that investment decisions (PER) have no significant effect on firm value while funding decisions (DER) have a significant positive effect on firm value. Dividend policy (DPR) has a significant positive effect on firm value. Simultaneously, investment decisions (PER), funding decisions (DER) and dividend policy (DPR) have a significant positive effect on firm value in the food and beverage sub-sector listed in Indonesia Stock Exchange Period 2016 – 2020.

**Research limitations/implications** – Our findings show that the rise and fall of firm value is not influenced by investment decisions. while funding decisions and dividend decisions partially greatly affect the rise and fall of firm value. This information is very important for investors in investing their funds.

**Originality/value** – This study improves understanding of the relationship and influence of investment decisions (PER), funding decisions (DER), dividend policy (DPR) on firm value partially or simultaneously.

**Keywords** investment decision (PER), funding decision (DER), dividend policy (DPR), firm value.

Paper type Research paper