The Effect of Investment Decisions, Dividend Policy, and Earnings Per Share on the Value of The Companies In The Lq45 Index

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Abstract

This study aims to determine the effect of investment decisions, dividend policy, and earnings per share on the value of companies incorporated in the LQ45 index for the 2017-2020 period. This research is a type of quantitative research. The population in this study amounted to 66 companies, using purposive sampling technique, the research sample obtained was 17 companies. The analytical method used in this research is multiple linear regression. The results of the study show that: (1) investment decisions have a positive effect on firm value. (2) Dividend policy has a positive effect on firm value. (3) Earning per share has no effect on firm value.

Keywords: Investment Decision (PER), Dividend Policy (DPR), Earning Per Share (EPS), and Company Value (PBV)

1. Introduction

The main goal of a company is to maximize the value of the company. The higher the value of the company, the greater the prosperity of the shareholders. Stock prices that go up and down today are often associated by investors with the value of the company, so this is an interesting phenomenon to talk about (Saputro and Andayani, 2021). Competition to increase the value of the company will be even tighter, especially for LQ45 companies. The LQ45 index consists of 45 stocks with high liquidity that have passed the selection by the IDX by going through several selection criteria (idx.co.id, 2021). Increasing the value of the company is part of financial management, because the main goal of financial management itself is to maximize the value of the company.

Fama and French (1998) said the increase in firm value can be realized through the financial management function. Financial management has a function to make financial decisions such as investment decisions and dividend policy. The right combination of the two can increase the value of the company. In addition to the financial management function, which is directly related to company value is the Earning Per Share ratio. The Earning Per Share ratio is a market ratio, where the market ratio is used by investors as a benchmark in buying shares with fundamental analysis (Asri, 2017). Investment decisions are decisions to invest at this time in the form of current assets and fixed assets with the aim of obtaining profits in the future. Research on the effect of investment decisions on firm value has been carried out by several researchers, including research conducted by Lapitung, et al (2020) on LQ45 index companies for the 2014-2018 period, showing that investment decisions have a significant effect on firm value. Research by Saputro and Andayani (2021) on LQ45 index companies for the period 2017-2019 states that investment decisions also have a positive effect on firm value. In contrast to the research conducted by Salama, et al (2019) on companies in the banking sub-sector, dividends are a form of return or company profits that are distributed to shareholders, while dividend policy is the company's policy in distributing company profits, whether the dividends will be distributed to shareholders or the dividends will be used again for company investment. Research on the effect of dividend policy on firm value has been carried out by several researchers. Research by Lapitung, et al (2020) on LQ45 index companies for the 2014-2018 period concluded that dividend policy has a significant effect on firm value. In contrast to the research conducted by Amaliyah and Herwiyanti (2020), namely on companies

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in the mining sector, the results of his research show that dividend policy does not affect firm value.

Earnings per share this is the net profit for each share. Earnings per share ratio is also one of the factors that influence the increase and decrease in the company's stock price, so that earnings per share are also related to company value. Research on the effect of earnings per share on firm value has been carried out by several researchers. Chandra, et al (2020) on property and real estate companies state that the earning per share variable has an effect on firm value. In contrast to the research conducted by Udjaili, et al (2021) on the LQ45 index company, the results of this study indicate that earnings per share have no effect on firm value.

Based on the description of the background above, and the conclusions of several previous studies, the researcher is interested in conducting a study entitled "The Influence of Investment Decisions, Dividend Policy and Earnings Per Share on the Value of Companies Incorporated in the LQ45 Index".

1.2 Formulation of the problem
1. Does the investment decision affect the value of the companies incorporated in the LQ45 index?
2. Does dividend policy affect the value of companies incorporated in the LQ45 index?
3. Does Earning Per Share affect the value of companies incorporated in the LQ45 index?

1.3 Scope of problem
Based on the background description described above, the authors limit the problems in this study only to the effect of investment decisions, dividend policy and earnings per share on the value of companies incorporated in the LQ45 index for the 2017-2020 period.

2. Literature Review
2.1 Signal Theory
The basis of signal theory is information asymmetry between managers and investors. The signals in question are signals given by the company's management in the form of any information that has been done by the company's management to realize the wishes of investors. The information presents information, notes, and an overview of the company's condition, namely financial statements (Amaliyah and Herwiyanti, 2020).

2.2 Agency Theory
Agency theory was first proposed by Ross (1973), while the theoretical exploration was carried out by Jensen and Meckling (1976). According to Jensen and Meckling (1976) agency theory is a contract that involves an agent to exercise some authority and make decisions that are in the interest of the principal.

2.3 The value of the company
The main goal of the company is to increase the value of the company. Firm value is the investor's perception of the company which is often associated with stock prices. The value of the company is reflected in the share price that investors are ready to pay if the company is sold (Sitompul, et al, 2019).
2.4 Investment decision
According to Marino and Badriatin (2021), investment is an investment of money in a company with the aim of making a profit, or it can also be interpreted as an activity to buy assets in the hope that if they are resold in the future, they will get higher profits.

2.5 Dividend Policy
Dividend is a form of profit distribution given by the company to investors. The amount of dividends distributed by the company is determined through the GMS (General Meeting of Shareholders). Investors will get dividends if the company manages to make a profit. The constant distribution of dividends will show the success of management in managing the company. Through the distribution of dividends, it will also foster investor confidence in the company and the company's prospects in the future. (Paul Knows, 2018).

2.6 Earning Per Share
Earnings per share is the profit per share that will be obtained by the shareholders. Earning Per Share is a market ratio, where the market ratio is usually used by investors as a benchmark in buying shares with fundamental analysis. Earning Per Share is calculated by dividing the company's net profit by the number of shares outstanding in that year.

2.7 LQ45 Perusahaan company
The LQ45 index companies are 45 selected issuers who were selected based on considerations of liquidity and market capitalization with the criteria determined by the IDX (idx.co.id, 2021).

2.8 Framework for Thinking
Thinking Framework is a research pattern that describes the flow of a research. The following is a framework of thinking that can be drawn from this research:

![Conceptual Framework Diagram]

Figure 1. The Conceptual Framework

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2.9 Research Hypothesis

H₁: Investment decisions have a positive effect on firm value
H₂: Dividend policy has a positive effect on firm value
H₃: Earning Per Share has a positive effect on firm value

3. Research Method
3.1 Research Approach

The research approach used in this research is a quantitative approach and descriptive analysis method.

3.2 Place and time of research

This research was conducted on the Indonesia Stock Exchange (IDX) online site about companies that are members of the LQ45 index in 2017-2020

3.3 Operational Definition And Variable Measurement

a. The value of the company

This study uses firm value as the dependent variable. Firm value is measured using Price to Book Value (PBV).

\[
PBV = \frac{\text{Price Per Share}}{\text{Book Value Per Share}}
\]

b. Investment decision

Investment decisions are decisions about investing in the present for better results in the future. In this study, investment decisions will be measured by the Price Earning Ratio (PER).

\[
PER = \frac{\text{Price Per Share}}{\text{Earning Per Share}}
\]

c. Dividend Policy

Dividend policy is a decision determined by the company to determine how much of the company's profit. In this study dividend policy will be proxied by the Dividend Payout Ratio (DPR).

\[
DPR = \frac{\text{Dividend Per Share}}{\text{Earning Per Share}}
\]

d. Earning Per Share

Earnings per share provides information that shows how much net profit per share of a company.

\[
EPS = \frac{\text{Net Profit}}{\text{Number Of Share Outstanding}}
\]

3.4 Population and Sample

The population in this study are 66 LQ45 index companies for the 2017-2020 period listed on the Indonesia Stock Exchange. Through purposive sampling technique, the research sample was 17 companies.
3.5 Data Sources and Data Collection Methods

The secondary data used in this study is the financial statements of LQ45 index companies listed on the Indonesia Stock Exchange for the period 2017-2020 which are accessed through the official website of the Indonesia Stock Exchange www.idx.co.id. The data collection method used in this research is the documentation method, which is done by searching for data sources through the official website of the Indonesia Stock Exchange www.idx.co.id and the library method which is done by collecting theoretical foundations related to research problems in the form of books and research journals.

3.6 Data analysis technique

The data analysis technique used in this research is multiple linear regression analysis.

3.6.1 Descriptive statistics

Descriptive statistics provide an overview of the data seen from the mean, standard deviation, maximum, and minimum values (Wahyuni, 2021).

3.6.2 Classic assumption test

a. Normality test

A regression model is said to be good if it has a normal distribution or is close to normal. In this study, the normality test will use Kolmogorov – Smirnov. If a data has a significance level greater than 0.05 or 5%, then the data is normally distributed.

b. Heteroscedasticity Test

In this study, the heteroscedasticity test will be carried out using the Glejser test (Janie, 2012). In this way, if the significance value is > 0.05, then there is no heteroscedasticity and if the significance value is < 0.05, heteroscedasticity occurs.

c. Autocorrelation Test

In this study, the autocorrelation test used the Runs Test. In the Runs Test test decision making is based on several things, namely, if the results of the Runs Test <0.05, it means that there is an autocorrelation between the residual values. And if the results of the Runs Test > 0.05, it means that there is no autocorrelation between the residual values.

d. Multicollinearity Test

This multicollinearity test can be used in 2 ways, namely by looking at the Variance Inflation Factors (VIF) and the tolerance value. If VIF < 10 and tolerance value > 0.1, it means that there is no multicollinearity symptom (Jenie, 2012).

3.6.3 Multiple Linear Regression Analysis Test

This model was chosen because the purpose of this study is to examine the factors of the independent variables that affect the dependent variable. And the independent variable used in this study is more than one. The following is a multiple linear regression equation model in this study:

\[ Y = \alpha + \beta_1 \text{PER} + \beta_2 \text{DPR} + \beta_3 \text{EPS} + e \]

Information:

- \( Y \) = Company Value
- \( \alpha \) = Constant
- \( \beta_1, \beta_2, \beta_3 \) = Regression coefficient of each independent variable
- \( \text{PER} \) = Investment decision proxied by PER
- \( \text{DPR} \) = Dividend policy is proxied by DPR
- \( \text{EPS} \) = \( \text{Earning Per Share} \) proxied by EPS
3.6.4 Hypothesis test

a. t test
In this study used $\alpha = 5\%$. If the significance is $< 0.05$ and $t$ arithmetic $> t$ table, then the independent variable partially affects the dependent variable. If the significance $> 0.05$ and $t$ count $< t$ table, it means that the independent variable partially has no effect on the dependent variable.

b. F Uji test
If the level of significance $< 0.05$, it can be said that the independent variable simultaneously affects the dependent variable. However, if the significance value is $> 0.05$, there is no simultaneous effect of the independent variable on the dependent variable.

c. Coefficient of Determination
The coefficient of determination is expressed as a percentage whose value ranges from $0 < R^2 < 1$ or it can be said that the value is between 0 and 1. A small value of $R^2$ means that the ability of the independent variable to explain the dependent variable is very limited.

4. Results and Discussion

4.1 Descriptive statistics

Table 1. Descriptive Statistical Data

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PER</td>
<td>68</td>
<td>2.14</td>
<td>44.07</td>
<td>17.1069</td>
<td>10.88799</td>
</tr>
<tr>
<td>DPR</td>
<td>68</td>
<td>0.11</td>
<td>1.01</td>
<td>0.4787</td>
<td>0.17004</td>
</tr>
<tr>
<td>EPS</td>
<td>68</td>
<td>44.48</td>
<td>1476.52</td>
<td>506.7025</td>
<td>372.33606</td>
</tr>
<tr>
<td>PBV</td>
<td>68</td>
<td>0.24</td>
<td>5.79</td>
<td>2.3379</td>
<td>1.44225</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>68</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Results, Processed Data, 2022

Based on the results of the descriptive test in table 1, it can be concluded that the minimum value of the Price Earning Ratio (PER) is 2.14 and the maximum value is 44.07 with an average (mean) of 17.1069 and a standard deviation of 10.88799. Dividend Payout Ratio (DPR), has a minimum value of 0.11 and a maximum value of 1.01 with an average (mean) of 0.4787 and a standard deviation of 0.17004. Earning Per Share (EPS), has a minimum value of 44.48 and a maximum value of 1,476.52 with a mean value of 506.7025 and a standard deviation of 372.33606. Price to Book Value (PBV), has a minimum value of 0.24 and a maximum value of 5.79 with an average (mean) of 2.3379 and a standard deviation of 1.44225.

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4.2 Classic assumption test

a. Normality test

Table 2. Normality Test Results

<table>
<thead>
<tr>
<th>One-Sample Kolmogorov-Smirnov Test</th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>68</td>
</tr>
<tr>
<td>Normal Parameters, b</td>
<td></td>
</tr>
<tr>
<td>mean</td>
<td>0.0000000</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.08677368</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td></td>
</tr>
<tr>
<td>Absolute</td>
<td>0.101</td>
</tr>
<tr>
<td>Positive</td>
<td>0.101</td>
</tr>
<tr>
<td>negative</td>
<td>-0.075</td>
</tr>
<tr>
<td>Test Statistics</td>
<td></td>
</tr>
<tr>
<td>asymp. Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.101</td>
</tr>
<tr>
<td>Source: Research Results, Processed Data, 2022</td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of the Kolmogorov-Smirnov normality test in Table 2, a significance value of 0.080 was obtained. The significance value (0.080 > 0.05), so it can be concluded that the data is normally distributed.

b. Heteroscedasticity Test

Table 3. Glejser Test Results

<table>
<thead>
<tr>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
</tr>
<tr>
<td>PER</td>
</tr>
<tr>
<td>DPR</td>
</tr>
<tr>
<td>EPS</td>
</tr>
</tbody>
</table>

Source: Research Results, Processed Data, 2022

Based on Table 3 it can be concluded that the Price Earning Ratio (PER) has a significance value of (0.222 > 0.05). Dividend Payout Ratio (DPR) has a significance value of (0.393 > 0.05). Earning Per Share (EPS) has a significance value of (0.086 > 0.05). So it can be concluded that there is no symptom of heteroscedasticity in the PER, DPR and EPS variables.
c. Autocorrelation Test

Table 4. Runs Test Autocorrelation Test Results

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test Value</td>
<td>-0.12037</td>
</tr>
<tr>
<td>Cases &lt; Test Value</td>
<td>34</td>
</tr>
<tr>
<td>Cases &gt;= Test Value</td>
<td>34</td>
</tr>
<tr>
<td>Total Cases</td>
<td>68</td>
</tr>
<tr>
<td>Number of Runs</td>
<td>34</td>
</tr>
<tr>
<td>Z</td>
<td>-0.244</td>
</tr>
<tr>
<td>asymp. Sig. (2-tailed)</td>
<td>0.807</td>
</tr>
</tbody>
</table>

Source: Research Results, Processed Data, 2022

Based on Table 4, it can be concluded that the results of the autocorrelation test have a significance value of 0.807. The significance value (0.807 > 0.05) which means that there is no autocorrelation symptom in the research regression model.

d. Multicollinearity Test

Table 5 Multicollinearity Test Results

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-0.009</td>
<td>0.608</td>
<td>-0.014</td>
<td>0.989</td>
<td></td>
</tr>
<tr>
<td>PER</td>
<td>0.068</td>
<td>0.014</td>
<td>0.516</td>
<td>4.855</td>
<td>0.000</td>
</tr>
<tr>
<td>DPR</td>
<td>2.428</td>
<td>0.882</td>
<td>0.286</td>
<td>2.754</td>
<td>0.008</td>
</tr>
<tr>
<td>EPS</td>
<td>2.755E-05</td>
<td>0.000</td>
<td>0.007</td>
<td>0.064</td>
<td>0.949</td>
</tr>
</tbody>
</table>

Source: Research Results, Processed Data, 2022

Based on Table 5, it is known that the Price Earning Ratio (PER) has a tolerance value (0.784 > 0.1) and VIF (1.276 < 10). Dividend Payout Ratio (DPR) has a tolerance value (0.821 > 0.1) and VIF (1.218 < 10). Earning Per Share (EPS) has a tolerance value (0.722 > 0.1) and VIF (1.385 < 10), so it can be concluded that the regression model in this study is free from multicollinearity symptoms.

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4.3 Multiple Linear Regression Analysis

Table 6. Results of Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-0.009</td>
<td>0.608</td>
<td></td>
<td>-0.014</td>
</tr>
<tr>
<td>PER</td>
<td>0.068</td>
<td>0.014</td>
<td>0.516</td>
<td>4.855</td>
</tr>
<tr>
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<td>2.754</td>
</tr>
<tr>
<td>EPS</td>
<td>2.755E-05</td>
<td>0.000</td>
<td>0.007</td>
<td>0.064</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PBV

Source: Research Results, Processed Data, 2022

Based on Table 6, the following multiple linear regression equation is obtained:

\[ Y = -0.009 + 0.068 \text{PER} + 2.428 \text{DPR} + 0.00002755 \text{EPS} + e \]

Based on the regression equation, it can be seen that:

1. The constant value (\( \alpha \)) is -0.009, which means that if the PER, DPR and EPS variables have a value equal to zero (0), then the firm value variable (PBV) is -0.009.
2. The PER coefficient of 0.068 means that if the PER variable increases by one unit and the other variables remain constant, then the firm value will increase by 0.068.
3. The DPR coefficient is 2.428, meaning that if the DPR variable increases by one unit and the other variables remain constant, then the value of the company will increase by 2.428.
4. EPS coefficient of 0.00002755 means that if EPS increases by one unit and other variables remain constant, then the value of the company will increase by 0.00002755.

4.4 Hypothesis testing

a. T Uji test

Based on Table 6, the following is a discussion of the results of hypothesis testing (t test) in this study:

1. Investment Decision (PER)
   The significance value for the investment decision variable is 0.000, the t-count value is 4.855 and the coefficient is 0.068. The significance value (0.000 < 0.05) and the t arithmetic value > t table is (4.855 > 1.66901), so that \( H_1 \) which states that "Investment Decisions Have a Positive Effect on Firm Value" is accepted.
2. Dividend Policy (DPR)
   The significance value for the dividend policy variable is 0.008, the t value is 2.754 and the coefficient is 2.428. The significance value (0.008 < 0.05) and the t arithmetic value > t table is (2.754 > 1.66901), so \( H_2 \) which states that "Dividend Policy Has Positive Effect on Firm Value" is accepted.
3. Earnings Per Share (EPS)
   The significance value for the earning per share variable is 0.949, the t value is 0.064 and the coefficient is 0.00002755. The significance value (0.949 > 0.05) and the t arithmetic value < t table is (0.064 < 1.66901), so \( H_3 \) which states that "Earning Per Share Has Positive Effect on Firm Value" is rejected. The results showed that Earning Per Share had no effect on firm value.

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b.  **F Uji test**

Table 7 Simultaneous Test Results (F Test)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>60,234</td>
<td>3</td>
<td>20.078</td>
<td>16.239</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>79,132</td>
<td>64</td>
<td>1.236</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>139,366</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Results, Processed Data, 2022

Based on Table 7, it can be seen that the calculated F value is 16.239 and the significance value is 0.000. The significance value is (0.000 < 0.05), so it can be concluded that the regression model can be used to predict the effect of the independent variable on the dependent variable and simultaneously investment decisions, dividend policy and earnings per share affect firm value.

c.  **Coefficient of Determination (R2)**

Table 8 Results of the Coefficient of Determination of R2

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.657a</td>
<td>0.432</td>
<td>0.406</td>
<td>1.11195</td>
</tr>
</tbody>
</table>

Source: Research Results, Processed Data, 2022

Based on the results of the adjusted R2 test, Table 8 obtained a value of 0.406. The adjusted R2 value of 0.406 indicates that the value of the company which is influenced by investment decisions, dividend policy and earnings per share is 40.6%, while the remaining 59.4% is influenced by other variables not included in this study.

4.5  **Results Discussion**

1. **The Effect of Investment Decisions on Firm Value**

   Based on the results of the t-test (partial) in table 6, it can be concluded that the hypothesis which states "investment decisions have a positive effect on firm value" is accepted. The results of this study support the research conducted by Effendi and Widyawati (2020) which proves that investment decisions have a positive effect on firm value, as well as research by Saputro and Andayani (2021) which states that investment decisions have a positive effect on firm value. In contrast to the research conducted by Bahrun, et al (2020) which states that investment decisions have no effect on firm value.

2. **The Effect of Dividend Policy on Firm Value**

   Based on the results of the t-test (partial) in table 6, it can be concluded that the hypothesis which states "dividend policy has a positive effect on firm value" is accepted. This study supports the signaling theory (Signaling Theory) and The Bird In The Hand theory proposed by Gordon (1963) and Lintner (1964). The results of this study are in line with the research conducted by Saputro and Andayani (2021) which stated that dividend policy had a positive effect on firm value and the research of Salama, et al (2019) which stated that dividend policy had a positive effect on firm value. This is

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different from the research of Effendi and Widyawati (2021) which proves that dividend policy has no effect on firm value.

3. The Effect of Earning Per Share on Company Value
   Based on the results of the t-test (partial) in table 6 shows that this study has not succeeded in proving the third hypothesis, so H3 which states "Earnings Per Share has a positive effect on firm value" is rejected. The results of this study indicate that earnings per share have no effect on firm value. This can happen possibly because investors' expectations of company profits are too high. This study supports the results of previous research conducted by Wicaksana, et al. (2017) which proves that earnings per share have no effect on firm value. Research by Udjali, et al (2021) also shows that earnings per share have no effect on firm value.

4. Effect of Simultaneous Investment Decisions, Dividend Policy, and Earning Per Share on Company Value
   Based on Table 6 that simultaneously investment decisions, dividend policy and earnings per share have an effect on firm value. Based on Table 8, the adjusted R2 value is 0.406. The adjusted R2 value of 0.406 indicates that the value of the company which is influenced by investment decisions, dividend policy and earnings per share is 40.6%, while the remaining 59.4% is influenced by other variables not included in this study.

5. Conclusions and suggestions
   a. Conclusion
      Based on the results of the research and discussion described above, it can be concluded that 1) investment decisions have a positive effect on firm value, 2) dividend policy has a positive effect on firm value, 3) Earning Per Share has no effect on firm value, 4) Simultaneously investment decision variables, dividend policy, and earnings per share have an effect on firm value.
   b. Suggestion
      Based on the results of the research, data analysis, discussion and conclusions, the researcher provides several suggestions, namely, For further research with similar research topics, it is hoped that it can add a longer research period and can also increase the number of other independent variables. For investors, the results of this study can be used as a tool in making decisions in investing in shares in the capital market, so that the level of risk for investors in investing in the capital market can be managed.

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