

ABSTRACT

This research aimed to observe, test, and analyze the effect of profitability, exchange rate, and investment decision on the firm value at pharmaceutical companies at IDX in the 2016-2020 periods. Profitability was measured with return on equity, the exchange rate was measured with the average exchange in one year, and investment decisions were measured by the price earning ratio. This research used a comparative causal method with a quantitative approach. Furthermore, this research sample was obtained by purposive sampling method, it determined on the certain consideration and criteria. The research population was 11 companies, and the samples were 7 pharmaceutical companies at IDX 2016-2020. The analysis method of this research used multiple linear regression with SPSS program 25 version. The research result showed that profitability and investment decision had a significant effect on the firm value, while the exchange did not significantly affect the firm value. This research used comparative causal relationship with a quantitative approach. The sample of this research was obtained by the purposive sampling method, which was determined based on certain criteria and considerations. The population used is 11 companies, and a sample of 7 pharmaceutical companies on the IDX for the period 2016 – 2020. The analytical method used is multiple linear regression analysis using the SPSS version 25 program. The results of this study indicate that profitability and investment decisions have a significant effect on firm value. , while the exchange rate has no significant effect on firm value.

Keywords: Profitability, exchange rate, investment decision, firm value.



I certify that this translation is true
and accurate, Prepared by a
professional translator. This
translation is provided on this day

21/2021
/12

M. Faisal, S.Pd., M.Pd

STIESIA Language Center
Menur Pumpungan 30 Surabaya 60118, Indonesia