The Influence of Related Party Transaction, Profitability, Liquidity, and Debt Policy on Firm Value in Property and Real Estate Companies Listed on IDX 2016-2020 with Firm size as a Moderating Variable

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ABSTRACT

This study aims to determine how the effect of related party transactions, profitability, liquidity, and debt policy on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. In addition, this study also aims to determine whether firm size can be used as a moderating variable in this research model. The type of research conducted is causal associative research. The population in this study are Property and Real Estate companies listed on the Indonesia Stock Exchange from 2016-2020. The sample in this study was determined by using the judgment sampling technique. The number of observations in this study amounted to 190 data. And the analysis used in this research is the Multiple Linear Regression Analysis, and Interaction Test performed with the help of SPSS Software.

The results in this study indicate that partially related party transactions and liquidity are proven to have a negative and significant effect on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Profitability has a positive and significant effect on firm value. Meanwhile, other results show that firm size is proven to moderate the effect of related party transactions and profitability on firm value.

Keywords: Related party transactions, profitability, liquidity, debt policy, firm value, and firm size

INTRODUCTION

The long-term goal of forming a company is to maximize the value of the company by increasing the prosperity of the owners or shareholders. By maximizing the value of the company, it is hoped that it will invite new investors to invest. In addition, the firm value will also reflect its potential and prospects in maintaining and improving its business in the future, which is also an attraction for investors (Samy, 2019).

Firm value is defined as a condition that has been achieved and used as a profile, description, and characteristics of shareholder trust. This value can also describe the company's state (Endri, 2020). The low or poor value of the company's potential investors will view the company as unfit as an alternative for their investment. A company is said to have good value if the company's performance is also good. A high firm value indicates success in managing every share of the company.

The explanation above implies that firm value is an investor's perception of the company's level of success which is often associated with stock prices. A high stock price can describe a high firm value and increase market confidence not only in the company's current performance but also in the company's prospects. The company's

success in creating this value certainly gives hope to shareholders in the form of large profits. The higher the stock price, the higher the firm value. On the contrary, the lower the stock price, the lower the firm value (Moestafa, 2020). The increasing value of this company can attract investors to invest their capital (Khanh et al., 2020). The higher the firm value, the greater the owner's prosperity of a company (Alvionita and Agussalim, 2021). For companies that issue shares in the capital market, the price of shares traded on the stock exchange indicates firm value. The firm value is significant because a high firm value will be followed by high shareholder prosperity (Putri and Maksum, 2020). A high firm value will make the market believe not only in the company's current performance but also in the company's prospects in the future. High firm value is one of the assessment factors for potential investors before investing in the company (Kartika, 2021). The share price is the price that occurs when shares are traded in the capital market.

The measurement of firm value in this study was carried out using the PBV formula as follows (Nugroho and Abdani, 2017):

$$PBV = \frac{Stock\ Price}{Stock\ Book\ Value}$$

Price to Book Value Ratio (PBV) is a ratio that shows the results of the comparison between the market price per share and the book value per share. This ratio measures the level of stock prices, whether overvalued or undervalued. PBV can show how far a company can create firm value relative to the amount of capital invested. The higher the PBV indicates, the more successful the company creates value for shareholders.
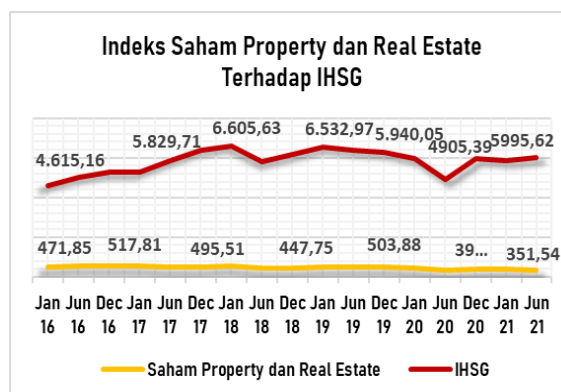

Figure 1.The phenomenon of Comparison of Property and Real Estate Stock Indexes to JCI

Table 1. Phenomenon of Declining Property and Real Estate Stock Index

Period	Property and Real Estate Stock Index
December 2016	517,81
December 2017	495,51
December 2018	447,75
December 2019	503,88
December 2020	396,89

Source: Data processed, 2021

Based on the data above, it can be seen that in December 2016-2018, there was a decline in the value of share prices for Property and Real Estate companies. Even though in December 2019, the Property and Real Estate stock index rose to 503.88, in December 2020, it decreased significantly to 396.89.

One of the factors that are predicted to influence the company's high and low value is the Related Party Transaction (RPT). Related party transactions occur between the parent company and subsidiaries, called related party transactions, the disclosure of which must be reported in the parent company's financial statements (Firmansyah, 2020). Related party transactions are transactions with related parties, such as companies under one control, associate companies, key employees, individuals, close family members, or companies with significant voting rights. Related party transactions can be essential in meeting the company's economic needs (Nodeh and Gerayli, 2020). RPT is a mandatory disclosure that the company must make. The RPT has been regulated for disclosure and discussed in PSAK. Based on PSAK No. 7, related parties are defined as parties that are

considered to have a special relationship if one party can control another party or has significant influence over other parties in making financial and operational decisions.

Some transactions that show the existence of a related party such as lending transactions without interest or with interest rates above or below generally accepted, sales transactions at different prices which are generally accepted, asset exchange transactions, and loan transactions without conditions regarding the schedule and method of payment (Firmansyah and Ardi, 2020).

These parties are considered to have a special relationship if one party can control another party's financial and operational decisions (Rahmat et al., 2020). Users of financial statements then view the existence of special party transactions as an indicator of an increased possibility of aggressive accounting. Zimon et al. (2021) identify areas that allow aggressive accounting to occur, one of which is related party transactions (RPT), which allows companies to increase profits arbitrarily.

The measurement of RPT in this study was carried out using the following formula (Suryani et al., 2019):

$$RPT = \frac{RPT\ Debt\ Transactions}{Total\ Liabilities}$$

The results of previous research conducted by Alhadab et al. (2020) prove that related party transactions significantly influence firm value. These results are in line with the results of research by Ashrafi et al. (2019), Hendratama & Barokah (2020), and Tariq & Gehan (2020). However, different results were obtained in research conducted by Anggala & Basana (2020) and Suryani et al. (2019), which stated that related party transactions did not significantly affect firm value.

The next factor that is thought to influence the firm value is profitability. Profitability is a ratio used to assess the company's ability to seek profit or profit in a certain period (Kasmir, 2019). From an investor's point of view, one of the crucial indicators to see the

company's prospects in the future is to see how far the company's profitability is growing. This indicator is crucial to determine how much return investors can receive on their investments. The signaling theory states that high profitability is a good signal for potential investors related to good company prospects, thus triggering investors to increase share demand. The increasing demand for shares causes the value of the company to increase.

Investors in the capital market are very concerned about the company's ability to generate and increase profits. It is an attraction for investors in buying and selling shares. Therefore management must be able to meet the targets that have been set.

Halim (2018) adds that profitability can measure a company's ability to generate profits in sales, certain assets, and share capital. Profitability describes the company's ability to earn profits through all capabilities and sources such as sales activities, cash, capital, number of employees, branches, etc.

The measurement of profitability in this study was carried out using the ROA (Return On Assets) formula as follows (Mappadang, 2021):

$$ROA = \frac{Net\ Profit}{Total\ Asset}$$

ROA is a ratio of profitability that shows the results (return) on the number of assets used in the company. This ratio shows how much the company's assets are used effectively to generate profits. So the greater the ROA shows, the better performance because the company has a significant rate of return.

The results of previous research conducted by Zuhroh (2019) found a significant influence between profitability and firm value. It is corroborated by research conducted by Mappadang (2021); and Kanta et al. (2021). Meanwhile, Nugroho & Abdani (2017); and Maulida et al. (2019) found that profitability has no significant effect on firm value.

The next factor that is thought to influence the firm value is liquidity. Liquidity

describes the ability of a company to meet its financial obligations that must be met immediately. So that the higher the company's liquidity (one of which is reflected in the ratio of cash to current assets), the more funds are available for the company to pay dividends, finance operations, and investments. So that investors' perceptions of the company's performance will increase, share prices will also increase, and the firm value will be affected (Wijaya and Purnawati, 2014).

Through liquidity, company owners can assess management's ability to manage entrusted funds, including funds used to pay short-term obligations. Liquidity can measure the company's strength in paying obligations or debts that will soon mature. The company can pay short-term obligations using total current assets, estimate the company's cash scale in paying short-term debt and make future financial plans, especially those related to cash planning and short-term liabilities, knowing each company's state and liquidity position. The measurement of liquidity in this study was carried out using the CR (Current Ratio) formula as follows (Putra and Sedana, 2019):

$$CR = \frac{Current\ Asset}{Current\ Liabilities}$$

The current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed in their entirety. The higher this ratio, the greater the company's ability to pay its short-term obligations. It means the company can pay off its short-term obligations at any time.

The results of previous research by Putra and Sedana (2019) stated that liquidity significantly affected firm value. These results align with the research conducted by Kanta et al. (2021); and Wijaya & Purnawati (2014). In contrast to the results above, Andriani & Rudianto (2019); and Mahendra et al. (2012) stated in their research that liquidity has no significant effect on firm value.

The last factor that is thought to affect firm value is debt policy. In funding its operational activities, the company has two alternatives: internal funding and external funding. In this case, debt policy is included as a company's funding policy from external sources. Debt is all the company's financial obligations to other parties that have not been fulfilled, where this debt is a source of funds or company capital originating from creditors. At the same time, the debt policy is a policy regarding the decisions taken by the company to run its operations using financial debt (Widiyasari and Nursiam, 2020).

The debt policy includes the company's funding policy which is sourced from the company's external sources. Some companies consider using debt safer than issuing new shares (Ramadhan et al., 2018). For this reason, management must be able to make the best business decisions to increase shareholder wealth. The business decision taken by the management is to maximize the company's resources, namely through the use of debt. Thus, the higher the company's debt policy, the higher the value.

The company's debt policy also functions as a monitoring mechanism for the actions of managers in managing the company. For shareholders, the existence of a debt policy means that obtaining additional funds from loans can positively influence the performance of company management (Ismail et al., 2021). Based on the above understanding, it can be seen that the debt policy is one of the funding activities for the company. In addition to their capital, companies use debt to achieve specific goals such as operational financing activities, improving company management performance, and other company goals and determine whether the company's funding needs to be financed by debt.

The measurement of debt policy in this study was carried out using the DER formula as follows (Mappadang, 2021):

$$DER = \frac{Total\ Liabilities}{Total\ Equity}$$

The debt to Equity Ratio (DER) is a ratio used to determine the ratio between total debt and equity. This ratio helps know how much the company's assets are financed from debt, where debt has a significant influence on the company because it can be used as a source of funding and capital that can affect the survival and development opportunities of the company.

Widiyasari & Nursiam (2020) and Ismail et al. (2021) found that debt policy significantly influences firm value. However, a study conducted by Wedyanti et al. (2021); and Mappadang (2021) obtained different results where debt policy does not significantly affect firm value.

In adding to the novelty of this research, the researcher uses a moderating variable that is thought to moderate the effect of the independent variable on firm value. The moderating variable used is firm size. Firm size is one indicator that shows the financial strength of a company. The relatively large size of the company can indicate that the company is experiencing development so that investors will respond positively and the firm value will increase. In addition, large companies are usually stronger in the face of economic shocks and vice versa. So investors tend to like large companies over small companies.

Firm size can be interpreted as the size of the company from the value of assets owned by a company (Santosa, 2020). The definition of total assets is all resources controlled by the company due to past transactions. They are expected to provide economic benefits for the company in the future. If the company has large total assets, the management is more flexible in using the existing assets. If viewed from the management side, the ease with which large companies can help control the company will increase the company's value.

The size of the company can determine the ease of obtaining funds from the capital market (Pohan et al., 2019). Small companies will generally lack access to an organized capital market for bonds and stocks. Even if they have access, the launch costs of selling a small number of securities can be a drag. If the issuance of securities is feasible, small company securities may be less marketable and therefore require pricing so that investors obtain yields that provide significantly higher returns.

In addition, the size of the company can also determine the bargaining power of financial contracts. Large companies generally have high flexibility and accessibility in funding through the capital market (Octoriawan and Rusliati, 2019). Large companies can usually choose funding from various forms of debt, including special offers that are more profitable than those offered by small companies, the greater the possibilities of making standard debt contracts.

Measurement of firm size in this study was carried out using the following formula (Pohan et al., 2019):

$$Size = LN\ (Total\ Asset)$$

Total assets can be used to measure the size of the company. The size is measured as the logarithm of the total assets owned by the company. The total value of assets is usually immense compared to other financial variables. The asset variable is refined to the natural logarithm of assets or Ln Total Assets.

The results of research conducted by Pohan et al. (2019) showed the ability of firm size to moderate the influence of independent variables on firm value. The firm size is considered to have a good influence on the firm value by providing the financial capability to the management in managing the capital given by investors and making the right decisions to get greater profits. Because the larger the size of the company, the easier it will be for the company to get funds. The funds will be managed by management to increase the firm value. These results are also corroborated by the research conducted by Octoriawan & Rusliati (2019) and Santosa (2020).

Based on the background explanation, which includes the phenomenon, the results of previous research, and the existing

research gap, the researcher is interested in conducting a study entitled "The Effect of Related Party Transactions, Profitability, Liquidity and Debt Policy on Firm Value In Property And Real Estate Companies Listed On Idx 2016-2020 With Firm size As A Moderating Variable".

Framework

Following the description of the background of the problem, literature review, and previous research, a conceptual research framework is prepared as follows:
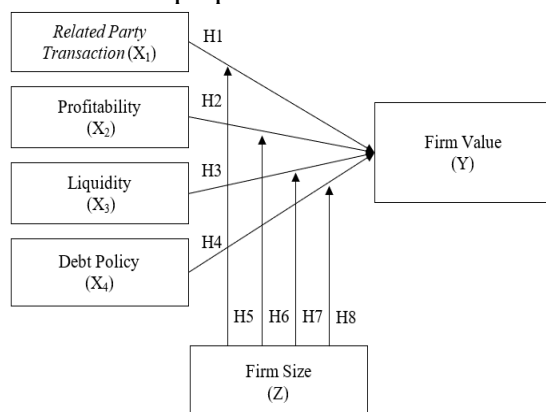

Figure 2:Conceptual Framework

H1: Related party transactions have a negative effect on firm value.

H2: Profitability has a positive effect on firm value.

H3: Liquidity has a negative effect on firm value.

H4: Debt policy has a negative effect on firm value.

H5: Firm size can strengthen the effect of related party transactions on firm value.

H6: Firm size can strengthen the effect of profitability on firm value.

H7: Firm size can strengthen the influence of liquidity on firm value.

H8: Firm size can strengthen the effect of debt policy on firm value.

RESEARCH METHODS

This research was designed by researchers using causal research. Causal research is research with identified causal relationships between various variables (Erlina and Mulyani, 2017). This study uses causal research to see the effect of related party transactions, profitability, liquidity, and debt policy as independent variables on firm value as the dependent variable with firm size as the moderating variable.

This study uses secondary data. Secondary data is data obtained indirectly through intermediary media. The data used is secondary data, namely financial statements for 2012 to 2020, obtained through the official website of the Indonesia Stock Exchange (IDX) www.idx.co.id.

The population in this study are Property and Real Estate companies listed on the Indonesia Stock Exchange, totaling 65 companies. The sample is part of the population used to estimate population characteristics (Erlina and Mulyani, 2017). This study's sample was determined using a judgment sampling technique (purposive sampling), which means that the sample is determined based on the characteristics determined by the target population elements that are adjusted to the objectives or research problems. The use of judgment sampling technique is used to obtain more representative information. The considerations or criteria used in this study are as follows:

Property and Real Estate companies listed on the Indonesia Stock Exchange from 2016-2020 and not being delisted from the Indonesia Stock Exchange during that period.

Property and Real Estate Companies submit audited financial reports for 2016 to 2020.

Companies with complete data in their financial statements regarding the variables studied in this study are related party transactions, profitability, liquidity, debt policy, firm size, and firm value.

Based on these criteria, the research sample obtained was 38 companies, so the total observations for 5 years were 190 (38 companies x 5 years).

The data analysis technique used in this research is panel data regression analysis. In addition, moderating testing will be carried out using an interaction test using the SPSS 25 software.

RESULT AND DISCUSSION
### Classic Assumption Test
Normality Test
A normality test is helpful to find out whether the data used in the study is normally distributed or not. The normality test results of the data used in this study are based on statistical tests. Namely, the One-Sample Kolmogorov-Smirnov test can be seen in the following table:

Table 2.Normality Test Results
One-Sample Kolmogorov-Smirnov Test

N		190
Normal Parameters	Mean	,0000000
	Std. Deviation	,82315449
Most Extreme Differences	Absolute	,050
	Positive	,050
	Negative	-,026
Test Statistic		,050
Asymp. Sig. (2-tailed)		,200

Source: Data processed, 2022

The table above shows that the resulting significance value (Asymp. Sig.) is 0.200, which is greater than 0.05, so the data in this study are assumed to be normally distributed.
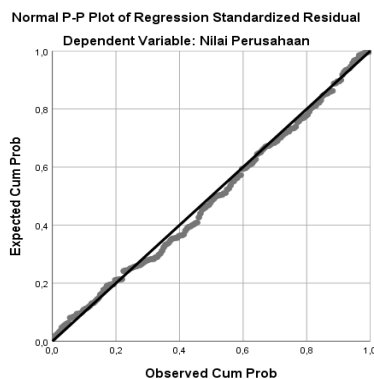
Source: Data processed, 2022

In supporting the results of the Kolmogorov-Smirnov One-Sample test, normality testing is also carried out based on the graph, namely the Normal P-P Plot graph. Based on the picture above, it can be seen that the points spread around the diagonal line. So these results indicate that the regression model used in this study is feasible because it has met the assumption of normality.

Multicollinearity Test

The multicollinearity test is used to test whether there is a correlation between the independent variables (independent) in the regression model. A good regression model should not correlate with the independent variables. Multicollinearity can be identified in several ways, one of which is by looking at the tolerance and variance inflation factor (VIF) values generated by the independent variables. If the tolerance value is > 0.10 and VIF < 10, it can be interpreted that there is no multicollinearity in the study. On the other hand, if the tolerance is < 0.10 and VIF > 10, there is a multicollinearity disorder.

**Table 3.Multicollinearity Test Result**
Coefficients

Model	Tolerance	VIF
(Constant)		
Related Party Transaction	,984	1,016
Profitability	,951	1,052
Liquidity	,878	1,138
Debt Policy	,847	1,181

Source: Data processed, 2022

The table above shows no symptom of multicollinearity in the interaction of the independent variables used in this study, namely related party transaction variables, profitability, liquidity, and debt policy, because each tolerance value is greater than 0.1 and the VIF value is less than 10.

Heteroscedasticity Test

Table 4. Heteroscedasticity Test Results
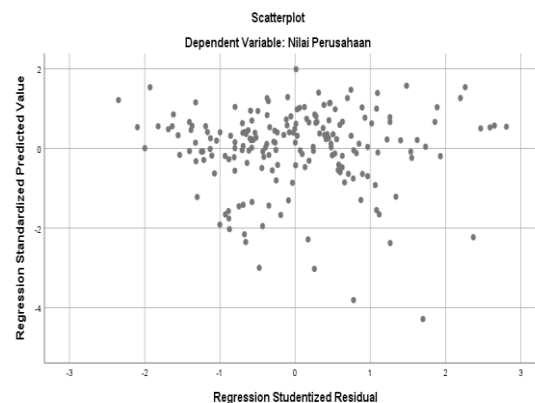
Source: Data processed, 2022

This test aims to test whether there is an inequality of variance in the regression

model from one residual observation to another. If the residual variance remains from one observation to another, it is called homoscedasticity. If it is different, it is called heteroscedasticity.

The results of the heteroscedasticity test show that there is no clear pattern. With the points spread above and below the number 0 on the Y axis, it can be concluded that there is no heteroscedasticity.

Autocorrelation Test
The autocorrelation test aims to determine whether, in a linear regression model, there is a correlation between the confounders in period t and errors in period t-1 (previous). This study uses a run test to determine whether the data has autocorrelation symptoms.

Table 5. Autocorrelation Test Results
Runs Test

Test Value	-,03863
Cases < Test Value	95
Cases >= Test Value	95
Total Cases	190
Number of Runs	101
Z	,727
Asymp. Sig. (2-tailed)	,467

Source: Data processed, 2022

The table above shows that the significance value (Asymp. Sig) produced is 0.467, which is greater than 0.05. So with these results, it can be concluded that there is no autocorrelation symptom in the model used in this study.

Hypothesis Test
Multiple Linear Regression Analysis
The analytical technique used in this research is multiple linear regression analysis to describe the effect of related party transactions, profitability, liquidity, and debt policy on firm value. The results of the regression analysis for this study can be seen in the following table:

Table 6. Multiple Linear Regression Analysis Results

Model	B	Std. Error	Beta	t	Sig.
(Constant)	-,116	,146		-,796	,427
RPT	-3,922	,896	-,297	-4,377	,000
Profitability	2,618	,907	,199	2,888	,004
Liquidity	-,040	,020	-,144	-2,007	,046
Debt Policy	-,172	,111	-,113	-1,552	,122

Source: Data processed, 2022

The table above shows the multiple linear regression equation in this study, namely:
$$Y = -0.116 - 3.922X_1 + 2.618X_2 - 0.040X_3 - 0.172X_4 + e$$

F Statistic Test (Simultaneous)
The F test is used to simultaneously see the effect of all independent variables on the dependent variable (firm value). This effect needs to be tested to see whether this regression model can be continued by performing a t-test (partial) or not. If the results of the F test have a significant effect, this regression model can be continued by performing a t-test (partial test). On the other hand, if it does not have a significant effect, the t-test (partial test) does not need to be carried out because all independent variables do not affect the dependent variable. The following is a table of F test results.

Table 7. F Test Results (Simultaneous)
ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	24,925	4	6,231	9,002	,000
Residual	128,063	185	,692		
Total	152,988	189			

Source: Data processed, 2022

Based on the table above, it can be seen that the F test results show a significant value of 0.000 which is smaller than 0.05. It means that the F-test results show a simultaneous (together) effect of independent variables on firm value, namely related party transactions, profitability, liquidity, and debt policy. A t-test (partial test) is conducted to see what independent variables partially affect the dependent variable.

Test Statistics t (Partial)
The t-test shows how much one independent variable's influence individually explains the dependent variable. Acceptance or rejection of the hypothesis in a study can be done with the following criteria:
1. If the probability is smaller than the significance level (Sig < 0.05), then Ha is accepted, and H0 is rejected so that the

independent variable has a significant effect on the dependent variable.

2. If the probability is greater than the significance level (Sig > 0.05), Ha is rejected and H0 is accepted, so the independent variable does not have a significant effect on the dependent variable.

Table 8.T-Test Results (Partial)

Model	B	Std. Error	Beta	t	Sig.
(Constant)	-,116	,146		-,796	,427
RPT	-3,922	,896	-,297	-4,377	,000
Profitability	2,618	,907	,199	2,888	,004
Liquidity	-,040	,020	-,144	-2,007	,046
Debt Policy	-,172	,111	-,113	-1,552	,122

Source: Data processed, 2022

The table above shows that related party transactions, profitability, and liquidity partially affect firm value. At the same time, the debt policy does not significantly affect firm value because it has a significance value greater than 0.05.

Coefficient of Determination Test (R2)

The coefficient of determination (R2) essentially measures how far the model can explain variations in the dependent variable (Ghozali, 2016). The value of R2 ranges from 0 to 1; if the value is close to 1, the better, and vice versa.

The value of the coefficient of determination obtained in this study can be seen in the following table.

Table 9. Coefficient of Determination Test Results
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	,404ª	,163	,145	,832006

Source: Data processed, 2022

The table above shows that the value of R Square (R2) is 0.163, which means that all independent variables, namely related party transactions, profitability, liquidity, and debt policy, can explain and describe the firm value of 0.163 (16.3%). In contrast, the other 83.7% are explained by other variables not included in this research model.

Interaction Test (Moderating)

The moderating variable used in this study is firm size. It can be seen based on its interaction with the research model, which is presented in the following table.

Table 10. Interaction Test Results (Moderating)

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	3,124	1,628		1,919	,057
RTP	14,200	8,545	1,074	1,662	,098
Profitability	-22,321	8,013	-1,699	-2,786	,006
Liquidity	-,119	,145	-,425	-,818	,414
Debt Policy	-2,576	1,526	-1,697	-1,688	,093
Firm Size	-,223	,110	-,369	-2,021	,045
X1_Z	-1,269	,596	-1,351	-2,128	,035
X2_Z	1,690	,536	1,927	3,156	,002
X3_Z	,005	,011	,258	,512	,609
X4_Z	,163	,099	1,737	1,649	,101

Source: Data processed, 2022

CONCLUSION

Based on the results of research and discussion, the following conclusions can be drawn:

1. Related party transactions have a negative and significant effect on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H1 is accepted.

2. Profitability partially has a positive and significant effect on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H2 is accepted.

3. Liquidity has a negative and significant effect on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H3 is accepted.

4. Debt policy partially proved to have no significant effect on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H4 is rejected.

5. Firm size as a moderating variable can strengthen the effect of related party transactions on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H5 is accepted.

6. Firm size as a moderating variable can strengthen the influence of profitability on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H6 is accepted.

7. Firm size as a moderating variable cannot strengthen the influence of

liquidity on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H7 is rejected.

8. Firm size as a moderating variable cannot strengthen the influence of debt policy on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. Then H8 is rejected.

RESEARCH LIMITATIONS

Weaknesses or deficiencies that were found after analyzing and interpreting the data were as follows:

1. This study was only conducted on companies engaged in one type of industry, Property and Real Estate Companies listed on the Indonesia Stock Exchange, with a total sample of 38 observations.

2. The scope of this research is limited to certain variables, so it is still possible to look for other variables.

SUGGESTION

Based on the results of the research, discussion and conclusions obtained, the following suggestions can be given:

1. The results in this study indicate that partially related party transaction, profitability, and liquidity are proven to have a significant effect on firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange. With these results, it is hoped that Property and Real Estate companies listed on the Indonesia Stock Exchange can continue to pay attention to the level of related party transactions and liquidity generated by the company every year. It is because the higher the related party transactions and the level of liquidity owned by the company have been proven to reduce the company's value in the investors' eyes. In addition, Property and Real Estate companies must also pay attention to the company's ability to generate profits because

profitability is proven to influence firm value positively.

2. This study was only conducted based on the measuring instrument (parameters) that the author used, so the study's results may not be the same if applied to other measuring instruments (parameters). In future research, it is recommended to use other measuring instruments (parameters) so that the results can be compared with the results of previous studies.

3. In future research, researchers should use other variables suspected to affect firm value, and further research is recommended to add other independent variables besides the variables tested in this study. For example, financial distress, intellectual capital, company growth, and so on can better describe the overall results that can explain the determinants of firm value in Property and Real Estate companies listed on the Indonesia Stock Exchange.

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