Research Paper

International Journal of Research and Review
Vol. 9; Issue: 8; August 2022
Website: www.ijrrjournal.com
E-ISSN: 2349-9788; P-ISSN: 2454-2237

The Effect of Investment and Funding Policies on Firm Value with Dividend Policy as a Moderating Variable in Banking Companies That are Members of the LQ-45 Index

Hanapi[1], Khaira Amalia Fachrudin[1], Amlys Syahputra Silalahi[1]

[1]Master of Management Science Study Program Faculty of Economics and Business Universitas Sumatera Utara

Corresponding Author: Hanapi

DOI: https://doi.org/10.52403/ijrr.20220822

ABSTRACT

The value of a banking firm reflects the number of prices that investors are willing to pay if the company were to be sold. The responsibility of financial management as an agent is to raise the prosperity of the principle, i.e., the company's owner or shareholder, via a number of financial management-related actions or policies. This study's concern is the fluctuating movement of firm value caused by the management policies of the corporation. This study aims to determine the effect of investment and funding policies on firm value, with dividend policy as a moderating variable in banking companies incorporated into the LQ-45 Index. The determination of the sample was made using the purposive sampling method in order to obtain four banking companies from seven companies that joined the LQ-45 Index. The data is processed using PLS software. The results of the study indicate that investment policy has a positive and significant effect on firm value, which is included in the LQ-45 Index on the Indonesia Stock Exchange. The funding policy has a positive and significant effect on the firm value, which is included in the LQ-45 Index on the Indonesia Stock Exchange. The dividend policy can moderate the effect of the investment policy on firm value as included in the LQ-45 Index on the Indonesia Stock Exchange. The dividend policy cannot moderate the effect of the funding policy on firm value as included in the LQ-45 Index on the Indonesia Stock Exchange.

Keywords: Investment Policy, Funding Policy, Firm Value, Dividend Policy.

INTRODUCTION

The value of a banking company shows a number of prices that investors are willing to pay if the company is to be sold, reflecting the value of assets owned by the company. The higher the value of the company, the better the company's image. Firm value is related to stock prices, which means the higher the stock price, the greater the firm value will increase (Galuh, 2015). Firm value reflects the current value of expected future earnings and is a parameter for the market to assess the company as a whole (Utomo, 2016). As Brigham and Houston (2013) suggest, firm value is influenced by investment decisions, funding decisions, and dividend policies. A combination of the three will maximize the company's financial performance and have an impact on firm value, which in turn will increase the wealth of shareholders (Wijaya, 2013).

Companies on the LQ-45 index will represent the aggregate corporate value of those listed on the Indonesia Stock Exchange.

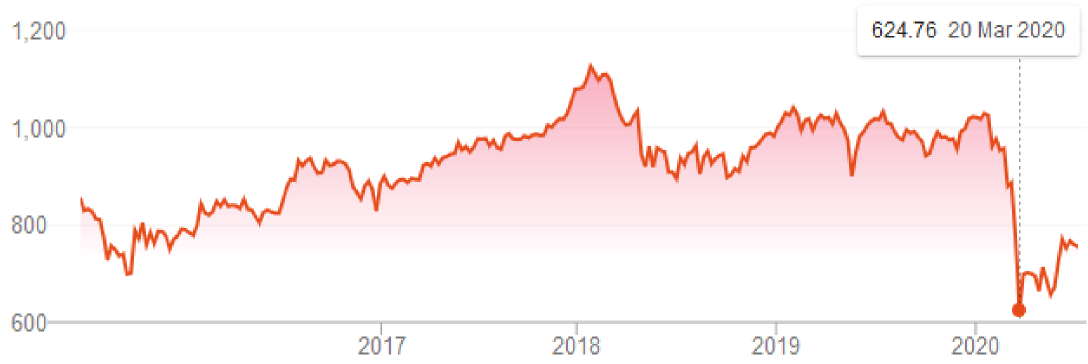

Figure 1. Chart of the 2020 LQ-45 Index

Figure 1 depicts the cumulative movement of firms on the LQ 45 index for the period 2016–2020, which fluctuates periodically. The aggregate movement of stock prices is affected by both internal and external factors (Brigham and Houston, 2013). For instance, microeconomic and macroeconomic variables (Fahmi, 2012), which in turn influence the psychological impact on investors, generate a response to either buy or sell shares.

The psychological impact of the economic downturn on investors was reflected in the market's response to the combined stock price in 2020 during the first quarter, which experienced a considerable fall. The pandemic of the COVID-19 virus contributed to the deterioration of market sentiments. The decrease in stock prices reflected a reduction in the firm's value, which may have been caused by a negative response to the company's management policies. The following is the Tobins Q-measured firm value data for several LQ-45 Index companies in the banking sector.

Table 1: Values of banking companies listed on LQ-45

No	Issuer	Tobins Q								
		2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	***Avarage***
1	BBCA	1.35	1.45	1.4	1.39	1.54	1.59	1.7	1.6	1.50
2	BBNI	1.07	1.13	1.03	1.17	1.26	1.2	1.17	1.13	1.15
3	BBRI	1.03	1.24	1.19	1.28	1.39	1.34	1.38	1.34	1.27
4	BMRI	1.14	1.15	1.11	1.26	1.33	1.28	1.27	1.2	1.22
	Avarage	1.15	1.24	1.18	1.28	1.38	1.35	1.38	1.32	

Table 1 displays the values of firms included in the LQ 45 index within the banking sector from 2013 to 2020. BBCA issuers have the highest corporate values, with an average of 1.50, followed by BBRI issuers with an average of 1.27 and BMRI issuers with an average of 1.22. The average firm value of BBNI is 1.15. Brigham and Houston (2013) believe that internal and external variables impact the firm's total value. The internal elements include the company's investment, funding, and dividend policies. All three policies anticipate the needed level of return with the risk of not achieving the expected strategic goals. Anticipated results are described in terms of the level of expected profit or expected return, while risk refers to the likelihood of not attaining the expected amount of profit or the chance of receiving a return that differs from the expected return. The greater the divergence from the anticipated profit level, the greater the risk of an increase (Sartono, 2012).

According to Harjito and Martono (2011), this investment decision is the most crucial between sourcing and asset management. This is due to the fact that investment decisions immediately impact future investment profitability and cash flow for the organization. Myers (1997) argues that the Investment Opportunity Set (IOS) is a sort of investment decision that combines assets and future investment options with a positive Net Present Value (NPV) and influences firm value. The following is MVABVA-measured investment policy data for several LQ-45 Index companies in the banking industry. On the idea that a company's growth prospects are reflected in its stock price, the MVABVA indicator is used to evaluate its investment policy. The market believes that a rising company's assets have more value than its book value.

Table 2: Investment banking policies listed on the LQ-45 index

No	Issuer	MVABVA								
		2012	2013	2014	2015	2016	2017	2018	2019	Average
1	BBCA	1.39	1.35	1.45	1.40	1.39	1.54	1.59	1.70	1.48
2	BBNI	1.08	1.07	1.13	1.03	1.02	1.12	1.06	-0.31	0.90
3	BBRI	1.02	1.03	1.24	1.19	1.14	1.25	1.20	1.23	1.16
4	BMRI	1.18	1.14	1.15	1.11	1.11	1.18	1.13	1.11	1.14
	Average	1.17	1.15	1.24	1.18	1.17	1.27	1.25	0.93	

During the period of 2012–2019, Table 2 outlines the investment policies of the LQ 45 index-listed banks. The average investment policy value of BBCA issuers is 1.48, the highest among banks. A high MVBVA value indicates that a company's investment policies are aggressive and sends a favorable signal to investors with long-term objectives. With an average investment value of 0.90, BBNI issuers have poor investment policy values. Investment decisions are crucial for businesses, but risky investment policies have the potential to decrease corporate value. The following table displays the effect of investment policies on the firm value of the banking sector listed on the LQ 45 index.

Table 3: Comparison of investment policy and firm value in the banking sector listed in LQ 45.

Investment policy		Firm value	
Year	MVABVA	Year	Tobins Q
2012	1.17	2013	1.15
2013	1.15	2014	1.24
2014	1.24	2015	1.18
2015	1.18	2016	1.28
2016	1.17	2017	1.38
2017	1.27	2018	1.35
2018	1.25	2019	1.38
2019	0.93	2020	1.32

Table 3 depicts the progression of investment policies and their effect on the firm's value the following year. The investment policy of 1.17 in 2012 declined by 1.7% to 1.15 in 2013, resulting in an 8% growth in the company's value to 1.24 in 2014 as compared to the prior year. In 2017, the corporation increased its investment policy percentage by 9 percent, however the effect on the company's value declined by 2 percent. According to the data, there is a reciprocal link between investment policy and firm value, meaning that a rise in investment policy results in a fall in firm value and a decrease in investment policy results in an increase in firm value. This view contradicts the findings of a study undertaken by Indarti (2012), which revealed that investment decisions have a significant and positive impact on the value of a firm. According to the findings of Afzal and Rohman's (2012) report, investment policy has a positive and significant impact on the company's value. This is inversely proportionate to the findings of Nurvianda et al. (2018), who concluded that investment policy had no discernable impact on the company's value. This indicates that the study findings that explain the link between investment policy factors and firm value are inconsistent.

The relationship between investment policy and firm value is explained by signal theory, which explains that investors respond positively to investment decisions because they interpret the company's situation as growing. Consequently, companies invest to increase production or expand the market in the future so that the capital market will respond positively. As seen by the rise in stock prices, the value of the firm has increased (Hasnawati, 2012). For operational activities, firms need both internal and external funding sources. Brigham and Houston (2012) contend that financing practices may influence the value of a company. The Debt-to-Asset Ratio (DAR) must be used to evaluate the company's funding policy or capital structure since it is an essential problem. The capital structure has a direct impact on the company's financial status and its market value. A low debt-to-equity ratio will provide enhanced protection against creditor losses in the case of liquidity. On the other side, stockholders may prefer a higher level of leverage since it increases the expected profit.

Several firms on the LQ 45 Index that operate in the banking sector have their funding policy, as evaluated by DAR, detailed below. The DAR indicator is used to evaluate a company's funding policy based on the quantity of assets held.

Table 4: Banking funding policies listed on the LQ 45 index

No	Issuer	Debt To Asset Ratio								
		2012	2013	2014	2015	2016	2017	2018	2019	Average
1	BBCA	88.40	87.50	86.40	85.10	83.50	82.70	82.05	81.40	84.63
2	BBNI	86.94	87.67	85.35	84.58	85.20	85.80	86.30	85.00	85.86
3	BBRI	88.23	87.29	87.82	87.12	83.66	83.34	84.10	83.51	85.63
4	BMRI	176.95	164.00	154.17	157.06	84.31	83.69	83.31	82.77	123.28
	Average	110.13	106.62	103.44	103.47	84.17	83.88	83.94	83.17	

Table 4 outlines the investment policies of LQ 45 index-listed banking institutions from 2012 to 2019. The average funding policy score for BMRI issuers is 123.28, the highest among banks. A high DAR number shows that external debt dominates the company's capital structure. The funding policy for BBCA issuers with the smallest market value relative to other firms. This funding policy issue is seen as intriguing since every utilized fund must incur a charge, sometimes called the cost of funds. If the funds originate from debt, a minimum fee equal to the interest rate must be charged. If, however, the funds originate from equity capital, the opportunity cost of the equity capital must be included. The following table details the influence of funding policies on the firm value of the banking sector listed on LQ 45.

Table 5: Comparison of funding policies and firm value in the banking sector on LQ 45.

Funding policy		Firm value	
Year	DAR	Year	Tobins Q
2012	11.01	2013	1.15
2013	10.66	2014	1.24
2014	10.34	2015	1.18
2015	10.35	2016	1.28
2016	8.42	2017	1.38
2017	8.39	2018	1.35
2018	8.39	2019	1.38
2019	8.32	2020	1.32

Table 5 demonstrates the development of funding policies and their influence on company value in the following year. The funding policy of 11.01 in 2012 declined by -31 percent in 2013 to 10.66, but increased the company's value by 8 percent in 2014 to 1.24. In 2016, the corporation lowered its funding policy by -18.56 percent; however, in 2017, the effect on the company's value climbed by 5 percent. The data reveals that there is a reciprocal link between funding policies and firm value, such that a reduction in debt produces an increase in firm value and a reduction in funding policy generates an increase in firm value. This occurrence is inversely proportionate to the theory that firms with a greater level of debt in their capital structure will be able to raise their market value (Modligani Miller, 2018).

From 2013 to 2019, the funding policy as measured by DER has decreased, indicating that banks are reducing their reliance on external funding sources in contrast to the company's value, which has been reasonably stable over the last eight years. This implies that the use of debt has no major effect on the stock market's response. The analysis of the funding policy is inconsistent with the findings of Tunggal (2018), who discovered that the funding policy had a positive and statistically significant influence on company value. There are contradictions in the study findings of Nurvianda (2018), who concluded that funding policies had no significant effect on company value. A dividend policy that establishes a balance between current dividends and future growth in order to maximize the value of a company's shares is ideal (Brigham and Houston, 2012).

Table 6: Dividend policies of banking companies listed on LQ 45

No	Issuer	Dividen Yield								
		2013	2014	2015	2016	2017	2018	2019	2020	Average
1	BBCA	5	7.12	2.49	8.37	9.44	10.5	11.59	3.02	7.19
2	BBNI	3.78	4.86	5.78	6.07	7.3	8.05	8.25	1.76	5.73
3	BBRI	7.51	8.58	9.83	2.07	2.37	2.64	2.8	1.52	4.67
4	BMRI	6.64	7.8	8.52	5.92	4.42	5.36	5.89	3.67	6.03
	Average	5.73	7.09	6.66	5.61	5.88	6.64	7.13	2.49	

The data in Table 6 shows the dividend policy as measured by dividend yield. The BBCA issuer is the issuer with the highest dividend policy, with an average value of 7.19 during the 2013-2020 period. This indicates that the company distributes most of its profits to investors at a large value when compared to other issuers. BBNI issuers with a small dividend policy value compared to other issuers with an average dividend of 5.73, which indicates that the company uses its profits for company investment activities rather than distributing them to investors.

Table 7: Comparison of dividend policy and firm value in the banking sector listed on LQ 45

Dividend policy		Firm value	
Year	DY	Year	Tobins Q
2012	5.73	2013	1.15
2013	7.09	2014	1.24
2014	6.66	2015	1.18
2015	5.61	2016	1.28
2016	5.88	2017	1.38
2017	6.64	2018	1.35
2018	7.13	2019	1.38
2019	2.49	2020	1.32

Table 7 depicts the development of the dividend policy and its effect on the preceding year's firm value. The dividend policy of 5.73 climbed by 23 percent to 7.09 in 2013 and contributed to an 8 percent growth in the company's value to 1.24 in 2014. This indicates that the dividend policy increase has an effect on the company's market value. Nonetheless, a 2015 empirical data discrepancy has occurred. The company's dividend policy was lowered by 15.74 percent, although the effect on the company's value gain in 2016 was 7.8 percent. According to the data, there is a reciprocal link between dividend policy and firm value, meaning that a reduction in dividend policy produces an increase in firm value and a reduction in dividend policy generates a rise in firm value. This viewpoint contradicts the signal theory, which claims that investors are satisfied with dividends and that corporations that give dividends cause the value of the company to rise. Investors will be attracted by high payouts, hence raising the demand for shares.

According to the findings of Imelda and Elsa's (2017) research, dividend policy influences the value of a firm. Based on the findings of further study undertaken by

Wijoyo (2018), dividend policy has no influence on the company's value. Stable dividend payments indicate that the company's financial state is stable, while unstable dividends indicate that the company's financial condition is unstable. In the viewpoint of investors, the value of a firm increases proportionally with the dividend yield.

The researchers formulated the problem, which served as the basis for the conducted research, as follows:

1. Does investment policy have a positive and significant effect on firm value listed on LQ 45 of the Indonesia Stock Exchange?
2. Does the funding policy have a positive and significant effect on the firm value listed on LQ 45 of the Indonesia Stock Exchange?
3. Is dividend policy able to moderate the effect of investment policy on firm value listed in LQ 45 of the Indonesia Stock Exchange?
4. Is dividend policy able to moderate the effect of funding policy on firm value listed in LQ 45 of the Indonesia Stock Exchange?

Therefore, this study aims to answer the formulation of the problem, while the objectives of this study are:

1. Determine and analyze the impact of investment policy on the value of companies listed on the Indonesia Stock Exchange's LQ 45 index.
2. Determine and analyze the impact of funding policies on the value of companies listed on the Indonesia Stock Exchange's LQ 45 index.
3. Determine and analyze whether a dividend policy is able to moderate the effect of an investment policy on the value of companies listed in the LQ 45 index on the Indonesia Stock Exchange.
4. Determine and analyze whether a dividend policy is able to moderate the effect of a funding policy on the value of companies listed in the LQ 45 index on the Indonesia Stock Exchange.

Investors considering a capital market investment could find this study's findings useful. The findings of this research assist managers in increasing the value of their organizations. Become a great resource for further study that has a broader and deeper reach for the community's benefit. This research is significant for the authors and may inspire them to contribute to their nation and society.

LITERATURE REVIEW

Firm value

According to Brigham and Daves (2012), investors invest their capital in issuers that have growth in the value of their company in the future in order to gain profits through dividends and capital gains. The value of the company is an indicator for investors to see whether the invested assets can add value to assets or vice versa can reduce the value of assets for shareholders. Firm value is very important because high corporate value will be followed by high shareholder prosperity. The value of the company or the value of the firm is the determination of the comparison of results as the company's performance as seen in the financial statements (Bringham and Ehrhardt, 2012).

Firm value is the price that prospective buyers are willing to pay if the company is sold (Husnan, 2015), and it reflects the current value of expected future income and serves as an indicator for the market in assessing the company as a whole (Utomo, 2016). The higher the stock price of a company, the higher its value (Zaki, 2017). In this study, firm value is proxied by price to book value (PBV). The ratio of the stock price to the company's book value, or price to book value (PBV), shows the level of the company's ability to create value relative to the amount of capital invested. A high PBV reflects a high share price compared to the book value of shares. In simple terms, price-to-book value (PBV) is a market ratio used to measure the performance of the stock market price relative to its book value.

Signal Theory

According to Brigham and Houston (2012), a signal is an action taken by a company to provide instructions to investors about how management views the company's prospects. Signal theory explains the importance of information published by company management to investors or the capital market in general (Miller, 2012). Valid and relevant published information will shape the market perception of a company. The existence of reliable financial information and the publication of complete financial statements will reduce asymmetric information so that investors can assess objectively and relevantly the value of a company. The capital market will react positively to a company if the company's financial statement signal shows good performance, but the market will react negatively if the company's financial report signal is not good, so that the company's value can be formed according to the perception of investors based on their reaction to the signals published by the company.

Investment policy

The corporation is inseparable from investment policies with many aims, one of which is to extend the product market via marketing efforts or boost manufacturing volume and research into new products. According to Tandenlilin (2011), an investment is a commitment to an amount of money or other resources that is made at the present moment in order to receive a number of future benefits. According to Halim (2015), investment is simply the placement of a quantity of money with the expectation of future profits. Investment is defined as the temporary postponement of present consumption for use in efficient production (Jogiyanto, 2013). Investment is the allocation of money to a certain form of investment in order to earn a rate of return in the future. Investment sends a favorable signal about the firm's future growth, hence increasing stock prices as a measure of corporate value (Hasnawati, 2013). The capital market will respond favorably to a corporation if its disclosed financial report signals indicate investors' outlook is favorable. According to Myers (2012), a company's investment policy is determined by the Investment Opportunity Set (IOS).

Funding policy

The use of cash or capital is required for a business's short- and long-term operational activities. With capital, the company's business operations may be conducted with the expectation of a higher return than the capital. Funding decisions are described as decisions made by a corporation about the composition of their selected funds (Hasnawati, 2011). The debt to equity ratio in this analysis validated the funding decision (DER). This ratio compares financing and funding via debt to financing and funding through equity (Brigham and Houston, 2011).

Brealy et al. (2011) suggest that the capital structure is a mix of long-term debt and equity funding. Zeni et al. (2013) suggest that a capital structure is a way for companies to form the right side of the balance sheet, consisting of capital and debt. According to Brealy, Myers, and Marcus (2011), a company's capital structure is raised and required for investment and operational activities. Based on some of the definitions above, the researcher concludes that the capital structure is a description of the capital owned by the company that can be sourced from internal (own capital) or external (capital from debt) for the benefit of the company's operational activities.

Dividend policy

Investors anticipate dividends and earnings being disbursed following a shareholders' meeting. Husnan (2013) defines a dividend policy as the decision of whether to distribute shareholder gains as dividends or retain earnings. The dividend policy decides whether the company's profits will be dispersed as dividends or maintained as retained earnings for future investment (Irawan and Zainal, 2018). A dividend policy is based on accumulated earnings, or accessible net income, according to Kiosa and Wygant (2013). A firm's dividend policy determines whether firm gains will be disbursed as dividends or maintained as retained earnings and reinvested. Sudana (2011) defines dividend policy as the amount of earnings delivered to shareholders and maintained for investment. The company's dividend policy determines its net profit. It can be concluded that the dividend policy is the company's policy to distribute profits to shareholders originating from the results of the company's operational activities.

The effect of investment policy on firm value

An investment policy is an important decision made by the company with the aim of increasing the value of the company in the future. Investment is done by allocating funds to a certain type of investment to get a certain level of return in the future. Investment decisions described in signal theory explain that investors respond positively to investment decisions because investors interpret that the company is growing so that the company invests in increasing production or expanding the market in the future so that the capital market will react positively, which can be seen from the increase in stock prices as an indicator of company value (Hasnawati, 2012). Indarti (2012) found that investment decisions have a positive and significant effect on firm value. This means that investors see this as a positive signal for the prospects of companies making investments so that they have an impact on increasing demand for shares.

H_1: Investment policy has a positive and significant effect on the value of banking companies listed on LQ 45 on the Indonesia Stock Exchange.

The effect of funding policy on firm value

The correlation between funding policies and firm value is explained by Modligani and Miller (in Irawan, 2018) in their journal entitled "Corporate Income Taxes and The Cost Of Capital: A Correction". Modligani Miller includes tax factors in his research so that he concludes that company value will increase in companies that have debt compared to companies that have small debts. This is based on the assumption that tax savings occur due to debt. This theory states that interest expense is useful as a tax deduction. So, companies that increase the amount of debt in the company's capital structure will increase the value of the company. The company can increase its value to the maximum by using 100% of its funding through debt. The cost of capital will decrease when the company's debt increases at a certain point. The trade-off theory explains that if the capital structure is below the optimal point, an increase in the amount of debt will increase the value of the company.

Based on this theory, the correlation between capital structure and firm value is positive. However, investors must look at the assumption that financial distress risk can cause the public to see that there is a potential for failure or bankruptcy that causes the company to go bankrupt and the value of the company will decrease. Indarti (2010) found that decisions have a positive and significant effect on firm value. The results of this study explain that the greater the amount of debt can have an impact on increasing the value of the smaller company. This is due to the capital structure that comes from long-term funding can reduce taxes.

H_2: The funding policy has a positive and significant effect on the value of banking companies listed on LQ 45 on the Indonesia Stock Exchange.

The effect of investment policy on firm value moderated by dividend policy

Dividend policy can strengthen the effect of investment policy on firm value. Gordon-Lintner (in Irawan, 2018) explains the "bird in the hand" theory that shareholders consider dividend policy relevant to share value. This is based on the opinion that investors prefer dividends because dividend income is a more definite income than capital gains. Shareholders will judge that the dividends received have a higher value than the retained earnings. Investors will reinvest the dividends received to obtain yields in the future.

H_3: The dividend policy can moderate the effect of the investment policy on the value of banking companies listed on LQ 45 on the Indonesia Stock Exchange.

The effect of funding policy on firm value moderated by dividend policy

Compared to enterprises with less debt, corporations with debt will have a greater firm market value. This is based on the assumption that debt results in tax savings. According to this approach, interest expense is deductible for tax purposes. Therefore, organizations that raise the amount of debt in their capital structure will improve the company's value. The company's value may be maximized by relying only on debt financing. When the firm reaches a particular level of debt, the cost of capital will reduce.

H_4 : The dividend policy can moderate the effect of the funding policy on the value of banking companies listed on LQ 45 on the Indonesia Stock Exchange

RESEARCH METHOD

The type of research used in this study is descriptive quantitative research, to explain and examine the relationships between phenomena and determine the causality of the variables (Sunyoto, 2013). The object of this research is companies listed on the LQ 45 index on the Indonesia Stock Exchange for 8 years, from 2013-2020. The variables used as research objects consist of independent variables including proxied investment policies, MVEBVA and MVEBVE. The proxied funding policies are DAR and DER. The dependent variable is the proxied value of the company, such as stock price, PBV, PER, and Tobins Q. The moderating variable is the dividend policy that is proxied by DPR, DPS, and DY. Meanwhile, the source of the data is the company's annual financial report from the Indonesia Stock Exchange.

The population used in this study are banking companies listed on the LQ 45 index on the Indonesia Stock Exchange for the period 2013-2020. The total population in this study was seven banking companies. The study used a purposive sampling method with some criteria. Banks are listed on the LQ 45 Index and have been listed for 8 consecutive years on the Indonesia Stock Exchange (IDX) for the period 2013-2020. They distribute dividends during the year of research observation, and they have the data needed to determine the variables. The number of units of analysis is 32.

Operational definition and measurement methods

The dependent variables are the firm value as proxied by stock price (Close Price), PBV, PER, and Tobins Q. Moderating variables are DPR, DPS, and dividend yield. The independent variables are the investment opportunity set and capital structure (debt to equity ratio).

Data analysis

Data analysis uses the application of the Partial Least Square (PLS) program to estimate the path model using latent constructs with multiple indicators. Partial Least Square (PLS) can also be used to confirm a theory (Ghozali, 2014). This study uses many exogenous latent variables, the number of samples of which is not large and has several variables with nominal indicators.

Model specification in Partial Least Square (PLS)

The path analysis model of all latent variables in partial least square (PLS) consists of three sets of relationships. (1) an inner model in Partial Least Squares (PLS) that specifies the relationship between latent variables (structural model). (2) an outer model (measurement model) that specifies the relationship between latent variables and their manifest indicators or variables. (3) weight relation, in which case the value of the latent variable can be estimated. Without losing generalization, it can be assumed that latent variables and indicators or manifest variables are scaled to zero means and unit variance (standardized values) so that location parameters (constant parameters) can be omitted in the model (Ghozali, 2014).

RESULTS

Descriptive data analysis

Table 8: Descriptive data analysis

	Minimum	Maximum	Mean	Std. Deviation
Investment Policy				
MVABVA	-.31	1.70	1.1694	.32102
MVEBVE	.12	4.68	2.3947	1.12086
Funding Policy				
DAR	81.40	176.95	94.8506	26.44293
DER	438.50	1484.66	6.8358E2	262.56551
Divident Policy				
DPS	44.02	555.00	1.9959E2	100.46154
DPR	20.80	65.00	35.9531	12.60711
DY	1.52	11.59	5.9034	2.77901
Firm Value				
HS	3640	33850	1.09E4	7722.775
PBV	.10	4.68	2.3644	1.18575
PER	8.13	108.49	19.2534	17.96355
TOBINS_Q	1.03	1.70	1.2847	.16666
Valid N (listwise)	32			

The MVBVA and MVEBVE proxy investment policy indicators are shown in Table 8. In 2019, the greatest MVBVA value at BCA Bank is 1.70, while the lowest value at BNI Bank is -0.31. In 2019, the highest MVBVA figure is 4.68 at BCA Bank and the lowest is 0.12 at BNI Bank. The MVBVA indicator has a mean value of 1.16, while the MVBVE indicator has a mean value of 2.39. Bank BCA's high investment policy demonstrates a commitment to prioritize the utilization of retained earnings to boost investment. This demonstrates that the firm's assets are increasing. The corporation implements this strategy with the expectation that its value will increase in the future. Bank BNI's low investment strategy demonstrates that the corporation is more cautious in its investment operations due to the uncontrollable risk involved, preferring instead to prioritize retained earnings for other corporate goals.

The company's funding policy proxies debt to asset ratio and debt to equity ratio shows the maximum DAR value of 176.95 at Bank Mandiri in 2012 and a minimum value of 81.40 at Bank BCA in 2019. The maximum value of DER is 1484 at Bank Mandiri in 2012 and the minimum DAR value of 438.50 at Bank BCA in 2019. The mean value of the DAR indicator is 94.85 and the mean value of the DER indicator is 6.85. The high funding policy at Bank Mandiri indicates that the company has a debt-based capital structure to carry out the company's operational activities. There is certainly potential for companies to be able to increase their business market by using external capital. The use of debt in a company's capital structure can certainly reduce the company's tax burden so that it has the potential to maximize profits. The use of high debt by the company must consider the risk factor of financial distress because of the debt burden that must be paid by the company. The low debt policy at Bank BNI shows that the company is more careful in using debt by prioritizing internal funding in the company's capital structure.

The company's dividend policy proxies dividend per share, dividend payout ratio, and dividend yield. The table shows the maximum DPS value of 555 at Bank BCA in 2018 and a minimum value of 44.02 at Bank BNI in 2019. The maximum value of DPR is 65 at Bank BRI in 2019 and the minimum value of DPR is 20.80 at Bank BCA in 2013. The maximum dividend yield is 11.59 at Bank BCA in 2018 with a minimum dividend yield of 1.52 at Bank BRI in 2019. The high dividend policy shows that the company prioritizes using retained earnings for the benefit of investors' welfare. The high dividend policy at Bank BCA illustrates that the company pays attention to the welfare of investors in the current period because the use of the profit is divided when the company makes a profit in its operations. The low dividend payout in several banks shows that the company prioritizes the use of retained earnings for investment activities in the company in the hope of increasing the company's productivity in the future so that the company gains a wider business market and the potential for greater profits and has an impact on the future gain of investors.

The firm value proxied by stock prices, price to book value, price to earnings ratio, and Tobins Q shows the maximum value of the stock price, which is 33850 at Bank BCA in 2020 with a minimum value of 3640 at Bank BRI in 2018. The maximum PBV value is equal to 4.68 at Bank BCA in 2019 and a minimum PBV value of 0.10 at Bank BNI in 2020. The maximum PER value is 108.49 at Bank BCA in 2020, with a minimum PER value of 8.13 at Bank BNI in 2013. The maximum value of Tobins Q is 1.70 at Bank BCA in 2019 and the minimum value of Tobins Q is 1.03 at Bank BRI in 2020. The high corporate value at Bank BCA is an indicator for investors to see whether the assets invested are This can make assets more valuable or, on the other hand, make them less valuable for shareholders. High corporate value at Bank BCA is an investor's reaction to the company's good financial performance and has good prospects in the future. The company's value is important because a high company value will be followed by high shareholder prosperity. The value of the company or the value of the firm is the determination of the comparison of results as the company's performance as seen in the financial statements.

Hypothesis Test

Table 9: Bootstrapping

	Original Sample	Sample Mean	Standard Deviasi (STDEV)	P Values
X1 $\longrightarrow$ Y	0.938	0.911	0.122	0.000
X2 $\longrightarrow$ Y	-0.256	-0.207	0.163	0.116
X1Z $\longrightarrow$ Y	0,260	0,181	0.157	0.099
X2Z $\longrightarrow$ Y	0.362	0.198	0.336	0.282

The effect of investment policy on firm value

The relationship between investment policy and firm value shows the original sample value of 0.938 and p-values of 0.000. The measurement results show that p-values < significance (α) 10%, then the first hypothesis in this study is accepted. From the results of these data, it can be interpreted that the sample data of the independent latent variable (investment policy) succeeded in proving the relationship with the dependent latent variable (firm value), or in other words, X1 had a significant influence on Y1 with a positive relationship direction.

The effect of funding policy on firm value

The relationship between funding policy and firm value shows the original sample value of-0.256 and p-values of 0.116. The measurement results show that p-values > significance (α) 10%, then the second hypothesis in this study is rejected. From the results of these data, it can be interpreted that the sample data of the independent latent variable (funding policy) cannot prove the relationship with the dependent latent variable (firm value), or in other words, X2 has an insignificant effect on Y1 with a negative relationship direction.

The effect of investment policy on firm value is moderated by dividend policy.

The relationship between investment policy and firm value shows the original sample value of 0.260 and p-values of 0.099. The measurement results show that p-values < significance (α) 10%, then the third hypothesis in this study is accepted. From these data results, it can be interpreted that the sample data of the moderating variable Z1 (dividend policy) is able to moderate the effect of X1 (investment policy) on the dependent variable (firm value), or in other words, X1*Z1 has a significant influence on Y1 with a positive relationship direction.

The effect of funding policy on firm value is moderated by dividend policy.

The relationship between dividend policy and firm value shows the original sample value of 0.362 and p-values of 1.077. The measurement results show that p-values > significance (α) 10%, then the fourth hypothesis in this study is rejected. From these data results, it can be interpreted that the sample data of the moderating variable Z (dividend policy) is not able to moderate the effect of X2 (funding policy) on the dependent variable (firm value), or in other words, X2*Z does not have a significant influence on Y1 with the direction of the relationship positive.

DISCUSSION

The effect of investment policy on the value of banking companies listed on the LQ 45 index on the Indonesia Stock Exchange

The measurement results show that the first hypothesis in this study is accepted. This means that if the investment policy is increased by 1 unit, the value of the company will increase by 0.938. Conversely, if there is a decrease in the value of the company by 1 unit, it can have an impact of a decrease in the value of the company by 0.938. In this study, BCA is the largest company that carries out investment activities as measured by MVBVA and MVEBVE during the research observation period of 8 years. The high investment policy at Bank BCA shows that the company is committed to prioritizing the use of retained earnings to increase investment. This shows that the company's assets are growing. The high investment policy at Bank BCA has an impact on increasing the value of Bank BCA during the period of observation. The high corporate value of BCA compared to other banks is an investor reaction to the company's good financial performance and has good prospects in the future.

The results of this study are in accordance with the signal theory stated by Brigham & Houston (2011), which is a signal in the form of actions taken by the company to provide instructions for investors on how management views the company's prospects in the future, including investment activities. The findings of this study support the residual theory by Modligani and Miller (2012) that investors prefer companies to hold and reinvest profits rather than distribute them in the form of dividends if the reinvested earnings can generate higher profits than the average rate of return that investors can generate themselves from other comparable investments.

The effect of funding policy on the value of banking companies listed on the LQ 45 index on the Indonesia Stock Exchange

The measurement results show that the second hypothesis in this study is rejected. The results of this study are in accordance with the research findings of Nurvianda et al. (2018), which state that funding policies have no significant effect on firm value. The high funding policy at Bank Mandiri shows that the company has a capital structure that comes from debt to run its operational activities. The use of high debt by the company must consider the risk factor of financial distress due to the debt burden that must be paid by the company. The low debt policy at Bank BNI shows that the company is more careful in using debt by prioritizing internal funding in the company's capital structure. The funding policy as proxied by DER has decreased from 2013–2019, which indicates that banks are reducing external funding sources that are inversely proportional to the company's value, which has remained relatively unchanged over a period of 8 years.

This indicates that there is no significant impact from the use of debt on the reaction in the stock market. BMRI issuers have an average funding policy score of 123.28 over a period of 8 years, the highest among other banks. A high DAR value indicates that the company's capital structure is dominated by external debt. The funding policy of BBCA issuers has the lowest value when compared to other companies. This funding policy issue is considered interesting because every fund used must have a fee, which is often referred to as the cost of funds. The results of this study are in accordance with the trade-off theory, which explains that if the capital structure is below the optimal point, an increase in debt will reduce the value of the company. The correlation between capital structure and firm value is negative with the assumption that financial distress risk can cause the public to see that there is a potential for failure or bankruptcy that will cause the company to go bankrupt and the value of the company will decrease.

The effect of investment policy on firm value with dividend policy as a moderating variable in banking companies listed on the LQ 45 index on the Indonesian Stock Exchange

The measurement results show that the third hypothesis in this study is accepted. From these data results, it can be interpreted that the sample data of the moderating variable Z1 (dividend policy) is able to moderate the effect of X1 (investment policy) on the dependent variable (firm value), or in other words, X1*Z1 has a significant influence on Y1 with a positive relationship direction.

The high dividend policy at Bank BCA illustrates that the use of the profit is shared when the company makes a profit in its operations. The low dividend distribution at Bank BNI shows that the company prioritizes the use of retained earnings for company investment activities in the hope of increasing the company's productivity in the future so that it gains a wider business market and greater profit potential and has an impact on investors in the future. come.

The effect of investment policy on firm value is moderated by dividend policy. This is due to positive investor sentiment in the future, although investment policy still has risk or uncertainty factors. Investment policy is a form of positive signal for investors in investing, but they must still consider risk factors and uncertainty appropriately so that the investment mechanism can increase the value of the company in the future. The company's dividend policy is the result that investors will receive from their investment results, while the dividend itself depends on the profits retained by the company. Hence, the company's policy on distributing dividends is the main factor that attracts investors to invest in the company. The results of this study are in accordance with the Residual Theory by Modligani Miller (2012), which states that the company sets a dividend policy after all profitable investments have been financed.

The effect of fundingt policy on firm value with dividend policy as a moderating variable in banking companies listed on the LQ 45 index on the Indonesian Stock Exchange

The measurement results show that the fourth hypothesis in this study is rejected. From these data results, it can be interpreted that the sample data of the moderating variable Z (dividend policy) is not able to moderate the effect of X2 (funding policy) on the dependent variable (firm value), or in other words, X2*Z1 does not have a significant influence on Y1 with the direction of the relationship positive. The results of this study are in accordance with the theory of "Divident Irrelevant Theory" by Modligani and Miller (2018), which states that the dividend policy is irrelevant, meaning that there is no optimal dividend policy because the policy does not affect the company's value or cost of capital. The size of the dividend does not determine the value of a company but is determined by net income before tax and company risk.

CONCLUSION AND SUGGESTIONS

The results of the analysis and discussion conclude that investment policy has a positive and significant effect on the value of companies listed on the LQ 45 index on the Indonesia Stock Exchange. The funding policy has no significant effect on the value of companies listed on the LQ 45 index on the Indonesia Stock Exchange. The dividend policy can moderate the effect of the investment policy on the value of companies listed on the LQ 45 index on the Indonesia Stock Exchange. The dividend policy cannot moderate the effect of the funding policy on the value of companies listed on the LQ 45 index on the Indonesia Stock Exchange.

By studying in more detail the company's investment policies, funding policies, and dividend policies, it is anticipated that the findings of this research will serve as a valuable resource for investors deciding whether to invest by purchasing shares or selling shares currently held. Investors who wish to invest in LQ45 companies are expected to pay close attention to the risk of the company's shares because, by doing so, they can determine the company's resilience to the ever-changing market so that it can be taken into account when investing, funding, and dividend policy, as well as anticipate the high risk of the company's shares in the future. Financial managers must make productive investments by digitally enhancing services in order to expand the business market while taking into account the unpredictability of economic, social, political, and government regulations so that investment activities provide opportunities that can increase the value of the company.

Financial managers must be cautious when selecting the use of debt in the capital structure, taking into account the cost of funds and the risk of financial distress, which has the potential to fail or cause bankruptcy, thereby decreasing the company's value. Managers of a corporation must continue to provide consistent dividends to investors while evaluating the significance of future investment initiatives. The distribution of dividends must be altered based on the health of the company's financial and long-term planning, such as prioritizing investment policies, since investors consider long-term policies more advantageous than just receiving dividends from the firm. Therefore, the corporation must distribute dividends more prudently in light of its long-term financial status. A recommendation that may be made to the next researcher is that the study sample should be drawn from a firm other than the LQ45 company listed on the IDX in order to present a more particular and in-depth view of the aspects that impact the company's value as a publicly traded company. In addition, it is necessary to extend the study duration and use macro elements in order to raise the accuracy of the research data and generate a more accurate estimate. This may be utilized as a reference for future study development and can enhance financial management knowledge, particularly with regard to firm value.

Acknowledgement: None

Conflict of Interest: None

REFERENCES

1. Afza, Al dan Rohman, A (2012). Pengaruh Keputusan Investasi, Keputusan Pendanaan, Dan Kebijakan Deviden Terhadap Nilai Perusahaan. *Jurnal Akuntansi Diponegoro. Volume 1, Nomor 1*
2. Amijaya, dkk (2015). Analisis Pengaruh Struktur Modal, Profitabilitas, Likuiditas, Kebijakan Dividen, Sales Growth dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Universitas Diponegoro*
3. Arimawati, R (2011). Analisis Pengaruh Cash Position. Return On Equity, Debt To Equity Ratio, Company's Growth dan Collateralizable AssetsTerhadap Dividen Payout Ratio. *Skripsi, FE Universitas Diponegoro : Semarang.*
4. Arjuna, S. Absah, Y., & Sembiring, B.K.F. (2021). The Analyst of Group Dynamics and Leadership Styles on the Employee's Performance through Social Interaction as the Intervening Variable of Coffee Shops in Medan. International Journal of Research and Review, 8(1), 624-636.
5. Arnada, S.T., Lumbanraja, P., & Rini, E. S. (2021). Analysis of Talent Management and Self-Efficacy of Employee Performance through Career Development at PT. Pos Indonesia (Persero) Binjai Region. International Journal of Research and Review, 8(12), 606-613.
6. Atmaja, L.S. (2013). *Manajemen Keuangan*. Yogyakarta : Penerbit Andi.
7. Aulia. D, Rini, E.S., &. Fadli. (2021). The Influence of Gamification, E-Service Quality and E-Trust on Onlie Purchase Decision with Online Purchase Intention as Intervening Variable at the Marketplace Shopee in Medan City. International Journal of Research & Review, 8(8): 546-558
8. Azliani, T., Tarmizi, H. B., & Siahaan, E. (2022). The Effect of Employee Placement and Work Environment Through Work Spirit on ASN Performance at BAPPEDA Aceh Tamiang District.
9. Banuari, N., Absah, Y., & Siahaan, E. (2021). Analyze the Influence of Talent Management and Knowledge Management on Employee Performance through Employee Retention as Intervening Variable at PT Bhanda Ghara Reksa Divre I Medan. International Journal of Research and Review, 8(9), 189-204.
10. Brealey, R.A et al. (2011). *Dasar-Dasar Manajemen Keuangan Perusahaan Jilid 1*. Penerbit Erlangga : Jakarta.
11. Brigham, E.F dan Daves, P.R. (2011). *Intermediate Financial Management*. Edisi 10. Salemba Empat : Jakarta.
12. Brigham, E.F dan Ehradt. (2011). *Financial Managenemt : Theory and Practice*. Thomson South-Western-Ohio : United States Of America.
13. Brigham, E.F dan Houston, J.F. (2013). *Dasar-Dasar Manajemen Keuangan*. Salemba Empat : Jakarta.
14. Butar-Butar, T. T. R., Fachrudin, K. A., & Syahputra, S. A. (2021). Analysis of the Effect of Profitability and Leverage on Firm Value with Dividend Policy as an Intervening Variable in Business Index Companies 27, 2016-2019 Period. International Journal of Research and Review, 8(2), 264-269.
15. Darmadji, T dan Fakhrudin. (2013). P*asar Modal di Indonesia Pendekatan Tanya Jawab*.Salemba Empat : Jakarta
16. Dermawan Sjahrial. (2014). *Manajemen Keuangan*. Mitra Wacana Media : Jakarta
17. Dermawan, S. (2014). *Manajemen Keuangan Lanjutan Edisi Pertama*. Jakarta: Mitra Wacana Media.
18. Dewi, A.S.M dan Wirajaya, A (2016). Pengaruh Struktur Modal, Profitabilitas dan Ukuran Perusahaan Pada Nilai Perusahaan. *Jurnal Akuntansi. VOL 4 NO 2 (2013)*
19. Diyah, K (2012). Pengaruh Sktruktur Modal Terhadap Nilai Perusahaan Pada Industri Barang Konsumsi Di Bursa Efek Indonesia. *Universitas Terbuka*
20. Efni, Y (2017). The mediating effect of investment decisions and financing decisions on the effect of corporate risk and dividend policy against corporate value. *Volume 14 2017, Issue#2, pp.27-37*
21. Ellen, R. (2010). Determinants of Capital Structure Of Small And Medium Enterprises In The Bufallo City Municipality, Eastern Cape Province, South Africa. *African Journal Of Business Management*.
22. Erlina. (2011). *Metodologi Penelitian*. USU Press. Medan

23. Esana, R dan Darmawan, A (2017). Pengaruh Kebijakan Deviden Dan Keputusan Investasi Terhadap Nilai Perusahaan Serta Dampaknya Terhadap Profitabilitas. *Jurnal Administrasi Bisnis. Vol 50, No 6 (2017)*
24. Fadha, M.A., Absah, Y., & Gultom, P. (2021). Analysis of The Influence of Employee Empowerment, Work Collectivity, and employee engagement on Organizational Citizenship Behavior at the BKPSDM Office in Langsa City, Aceh, Indonesia. International Journal of Research and Review, 8(3), 692-702.
25. Fahmi, I. (2012). *Analisis Laporan Keuangan*. Cetakan Keenam. Penerbit Alfabeta : Bandung.
26. Ferdinand, A. (2011). *Structural Equation Modeling dalam Penelitian Manajemen*. Edisi 4. BP. Undip : Semarang.
27. Fitria, F., Fachrudin, K. A., & Silalahi, A. S. (2021). Comparison of Determinants of Capital Structure in Lippo Group and Bakrie Group Companies Listed on the Indonesia Stock Exchange. International Journal of Research & Review, 8(2): 83-88
28. Gaver, J. dan Gaver K. M. (2011). Additional Evidence On The Association Between The Investment Opportunity Set and Corporate Financing, Dividend and Compensation Policies, *Jurnal Accounting & Economics.*
29. Ghozali, I. (2014). *Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23* (Edisi 8). Cetakan ke VIII. *Badan Penerbit Universitas Diponegoro: Semarang*
30. Ginting, S (2018). Pengaruh Likuiditas, Profitabilitas dan *Leverage* Terhadap Kebijakan Deviden Pada Perusahaan LQ 45 Yang Terdaftar Di Bursa Efek Indonesia Periode 2012-2016. *Jurnal Wira Ekonomi Mikroskil. Vol 8, No 2 (2018).*
31. Gordon, M.J. (2011). Dividens, Earnings and Stocks Prices. *Reviews Of Economics and Statistics.*
32. Halim, A. (2015). Analisis Investasi dan Aplikasinya dalam Aset Keuangan dan Aset Riil. *Penerbit Salemba Empat : Jakarta.*
33. Harahap, A. S., Rini, E. S., & Fadli. (2021). Effect of Attractions, Social Media, Quality of Service and Facilities on Revisit Interest with Customer Satisfaction as Intervening Variables to Geopark Kaldera Toba in Sianjur Mulamula Village. International Journal of Research and Review, 8(8): 342-348.
34. Harahap, S.S. (2016). *Analisis Krisis Laporan Keuangan.* Cetakan 13, 1st ed. J. Rajawali Pers : Jakarta.
35. Harjito, A dan Martono (2011). Manajemen Keuangan. Edisi Kedua, Cetakan Pertama, Penerbit EKONISIA, Yogyakarta, 2011.
36. Harris, I., Rini, E. S., & Sembiring, B. K. F. (2022). The Influence of Financial Technology and Quality of Service on Satisfaction and Loyalty on Employees of Bank CIMB Niaga Bukit Barisan Branch on Grab App Users. International Journal of Research & Review, 6(2): 65-77.
37. Hasnawati, S (2013). Dampak Set Peluang Investasi, Pendanaan dan Dividen Terhadap Nilai Perusahaan Publik di Bursa Efek Jakarta. *Jurnal Akuntansi dan Auditing Indonesa*.
38. Hasnawati,S. (2012). Dampak Set Peluang Investasi Terhadap Nilai Perusahaan Publik di Bursa Efek Jakarta . JAAI 9 (2):117-126.
39. Hendrawan A, Fauzi, A., & Sembiring, B.K.F (2021). Effect of Service Quality and Company Image on Customer Loyalty with Satisfaction Customers as Intervening Variables (Case Study of Brilink Agent PT Bank Rakyat Indonesia (Persero) TBK. Medan Region Office). International Journal of Research and Review, 8(8): 196-202.
40. Herman, H. Absah, Y., & Lumbanraja, P. (2020). Effect of Organizational Commitment and Organizational Justice on Employee Performance with Work Stress as an Intervening Variable in the General Department of PT. Indonesia Asahan Aluminum (Inalum) Kuala Tanjung, North Sumatra. International Journal of Research and Review, 7(12): 475-410
41. Hermunigsih dan Kusuma (2010). Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Pada Perushaan Yang Terdaftar Di Bursa Efek Malaysia Dan Bursa Efek Indonesia. *Universitas Indonesia. Vol. 13 No. 2*
42. Hilal, A dan Samono, S (2019). Analysis of the Effect of Company Micro Fundamental Factors on Company Value in Companies Listed in LQ 45 Index. *Internationall Journal Of Economics And Financial Issues. Vol. 9 No. 4 (2019).*
43. Hilal, A. dan Samono (2019). “Analysis of the Effect of Company Micro Fundamental Factors on Company Value in Companies

Listed in LQ 45 Index". *International Journal of Economics and Financial Issues | Vol 9 • Issue 4 • 2019. Jakarta.*

44. Huda, A.N. Dalimunthe, R.F., & Silalahi, A.S. (2022). The Effect of Emotional Intelligence, Cooperations and Self Efficacy on Employee Turnover Intention through Job Satisfaction in PT. XYZ. The International Journal of Business Management and Technology, 6(3): 102-116.
45. Husnan, S (2015). *Dasar-Dasar Teori Portofolio dan Analisis Sekuritas*. Unit Penerbit dan Percetakann *AMP YKPN. Yogyakarta.*
46. Imelda, Elsa and Clara Ignacia Alodia. (2017). The Analysis of Altman Model and Ohlson Model in Predicting Financial Distress of Manufacturing Companies in the Indonesia Stock Exchange. Indian-Pacific Journal of Accounting and Finance 1(1):51–63
47. Irawan dan Silangit (2018). Financial Statement Analysis. *Penerbit : Smartprin. Medan.*
48. Janifairus, J. B., (2013). Pengaruh Return On Asset, Debt To Equity Ratio, Assets Growth, Dan Cash Ratio Terhadap Dividend Payout Ratio. *Jurnal Administrasi dan Bisnis Universitas Brawijaya. Vol. 1, No. 1. Jakarta*
49. Jogiyanto, H.M. (2013). Teori Portofolio dan Analisis Investasi. Edisi Ketujuh. *BPFE : Yogyakarta.*
50. Juliandi, A, dkk. (2015). *Metode Penelitian Bisnis.* Umsu Press. Medan.
51. Kasmir. (2012). *Analisis Laporan Keuangan. Edisi Pertama*. Rajawali Pers : Jakarta.
52. Laksmawati, M. (2013). *Pengantar Bisnis*. Fakultas Ekonomi Universitas Budi Luhur. Jakarta.
53. Linna, I (2017). The Influence of Capital Structure, Dividend Policy and Ownership Structure on Firm Value. *International Conference on Business, Economic, Social Sciences and Humanities (ICOBEST 2018)*
54. Listiani, Y (2017). Pengaruh *Investment Opportunity Set* Terhadap Kebijakan Dividen. Unnes.
55. Lubis, K. R. A., Rini, E. S., & Sembiring, B. K. F. (2021). The Influence of E-Service Quality and Perceived Value on the Positive E-Word of Mouth through Satisfaction of Customers Users of Internet Banking BRI in the City of Medan. International Journal of Research & Review, 8(1): 259-268
56. Lubis, M. I., Sadalia, I., & Silalahi, A. S. (2021). Effect Of Good Corporate Governance, Financial Leverage and Firm Size on Firm Value with Profitability as an Intervening Variable (Case Study of Banking Include in the ASEAN Corporate Governance Score Card Country Reports and Assessments). International Journal of Research and Review, 8(1), 509-514.
57. Manullang dan Manuntun (2014). Metodologi Penelitian Proses Penelitian Praktis. *Penerbit Cipta Pustaka Media :Bandung.*
58. Marusya, Pantoringdan Mariam Magantar. (2016). PengaruhStruktur Modal TerhadapProfitabilitasPada Perusahaan Tobacco Manufacturers Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2008-2015. *Jurnal Berkala IlmiahEfesiensi. Volume 16, Nomor 3.*
59. Matondang, M. H., Absah, Y., & Lubis, A. N. (2021). The Effect of Trust in Leader and Communication on Employee Performance through Motivation Pt. Herfinta Farm and Plantation. International Journal of Research and Review, 8(1), 663-672
60. Meutia, dkk (2018). Analysis of Interdependence Relationship Between Investment Decisions, Financing Decisions and Dividend Decisions on Manufacturing Companies in Indonesia Stock Exchange Period 2010-2017. *Eurasian Journal of Analytical Chemistry.*
61. Miller, M., et al. (2011). *Measuring and Reporting Intellectual Capital from A Diverse Canadian Industry Perspective*. International Symposium : Amstemdam.
62. Miller, M.H dan F. Modligiani. (2018). Dividen Policy, Growth, and The Valuatuin Of Shares. *Journal of Business.*
63. Miraza, F.M., Rini, E. S., & Fadli. (2021). Halal Awareness, Social Media Promotion, and Reference Group (Word of Mouth) on Purchase Decision through Purchase Intention as Intervening Variable (Case Studies on MSME in Super Swalayan, Taman Setiabudi Indah, Medan). International Journal of Research and Review, 8(6), 347-354.
64. Modigliani, F. and Miller, M.H. 1958. *The cost of capital, corporation finance and the theory of investment*. American Economic Review. 47(3): 261-297.

65. Modligani, F dan M.H. Miller. (2010). Corporate Income Taxes and The Cost Of Capital : *A Correction. Dalam The American Economic Review.*
66. Myers S.C dan Majluf N. (1997). Corporate Financing dan Investment Decisions When Firms Have Information That Investors That Investors Do Not Have. *Journal Of Financial Economics. Vol 13.*
67. Myers, S.C. (2012). The Capital Structure Puzzle. *Journal Of Finance.*
68. Na'im (2018). Analisis Pengaruh Profitabilitas, Likuiditas Terhadap Kebijakan Dividen Kas. *Vol 1 No 1 (2019): Values.*
69. Nasution, L. S., Sembiring, B. K. F., & Harahap, R. H. (2021). Analysis of the influence of work motivation, locus of control, and organizational commitment to employee performance with Islamic work ethics as a moderating variable. International Journal of Research and Review, 8(1), 615-623.
70. Nasution, N. A., Sadalia, I., & Irawati, N. (2022). Behavior Holding Period Determination With Moderating Yield To Maturity In Indonesia And Malaysia Manufacturing Open Companies. International Journal of Economic, Business, Accounting, Agriculture Management and Sharia Administration (IJEBAS), 2(1), 63-66.
71. Nurvianda, G, Yuliani dan Ghasarma, R (2018). Pengaruh Keputusan Investasi, Keputusan Pendanaan dan Kebijakan Dividen Terhadap Nilai Perusahaan. *Jurnal Manajemen dan Bisnis Sriwijaya Vol.16 (3), 2018*
72. Palupi, M.T, dkk (2017). Pengaruh Struktur Modal Terhadap Kebijakan Dividen (Studi Pada Perusahaan Manufaktur Sektor & Kimia Yang Terdaftar Di BEI Periode 2013-2015). *Jurnal Administrasi Bisnis. Vol 44, No 1 (2017)*
73. Pasaribu, D & Lumbantobing, D.N (2017). Analisis Pengaruh Struktur Modal, Profitabilitas, Kebijakan Dividen Dan Ukuran Perushaan Terhadap Nilai Perusahaan Pada Perusahaan Farmasi Yang Terdaftar Di BEI. *Jurnal Akuntansi dan Keuangan Methodist. Vol 1, No 1 (2017).*
74. Pasaribu. D.A, Absah, Y., & Sinulingga, S. (2021). Analysis of the Impact of Talent Management Practice on Employee Performance with Employee Engagement as an Intervening Variable in Bank XYZ Region I. International Journal of Research & Review, 8(1): 342-356
75. Pertiwi, S, Nurbaity, A., & Absah, Y. (2021). The Influence of Service Failure and Service Recovery Towards Customer Loyalty of Firstmedia Service Users with Customer Trust as an Interveing Variable. International Journal of Research and Review, 8(1), 693-705.
76. Prabowo, A., Lubis, A. N., & Sembiring, B. K. F. (2021). The Effect of Promotion and Servicescape on Impulsive Buying Behavior with Shopping Emotion as Intervening Variables for Consumers Store of Fashion H&M in Sun Plaza Medan, North Sumatera, Indonesia. International Journal of Research and Review, 8(2): 235-252.
77. Pratama, A.P. Lumbanraja, P., & Absah, Y. (2021). Effect of Quality and Competence on Satisfaction ofCivil Servants for E-Kinerja Users throug Perceptions of Ease of Use as an Intervening Variable at the City Government of Banda Aceh in 2020. International Journal of Research and Review, 8(1): 243-249
78. Purnama, A R N & Sulasmiyati, S (2018). Analisis Pengaruh Profitabilitas, Likuiditas Terhadap Kebijakan Dividen Kas. *Jurnal Administrasi Bisnis.*
79. Puspitaweni, R., Rini, E. S., & Sembiring, B. K. F. (2021). The Influence of Product Quality and Price on Customer Loyalty of Telkom Users Through Customer Satisfication in Medan City. International Journal of Research and Review, 8(12), 580-586.
80. Putri, C. A., & Ginting, P. (2021). The Influence of E-Service Quality and Relational Marketing on E-Satisfaction in Using Mobile Banking through User Experience at Bank Syariah Mandiri Medan Petisah Branch Office. International Journal of Research & Review, 8(8): 587-596.
81. Rahayu, H.S, Ginting, P.,& Sembiring, B.K.F. (2021). The Influence of Service Quality and Company Image to Customer Loyalty through Corporate Customer Satisfaction on XXX Group. International Journal of Research & Review, 8(8): 207-213
82. Ramadhan, H., Lumbanraja, P., & Sinulingga, S. (2021). Analysis of the Effect of Competence and Soft Skill on Employee Performance with Job Satisfaction as

Intervening Variable at the Regional Social Services of South Tapanuli Regency. International Journal of Research and Review, 8(8), 290-298.

83. Ramadhani, A., Fauzi, A., & Absah. Y. (2021). The Influence of Brand Awareness, the Knowledge and Halal Label on Purchase Decisions of Cosmetics Emina through to Reference Group as a Moderating Variable on the Generation Y and Generation Z in the City of Medan. International Journal of Research and Review, 8(1): 323-335.
84. Regina, R., Rini, E. S., & Sembiring, B. K. F. (2021). The Effect of Online Customer Review and Promotion through E-Trust on the Purchase Decision of Bukalapak in Medan. International Journal of Research and Review, 8(8), 236-243.
85. Rohman, A (2012). Pengaruh Keputusan Investasi, Keputusan Pendanaan, dan Kebijakan Dividen terhadap Nilai Perusahaan, Jurnal of Accounting Volume 1 No 2 Hlm 09, Universitas Diponegoro, Semarang.
86. Ross, A.S. (2010). The economic Theory Of Agency : The Principal's Problem. *American Economic Association. Volume.63. No 2.*
87. Sartono, A. (2013). Manajemen Keuangan Teori dan Aplikasi. *BPFE UGM : Yogyakarta.*
88. Sawir, Agnes. (2013). Kebijakan Pendanaan dan Restrukturisasi Perusahaan. *Gramedia Pustaka Utama : Jakarta.*
89. Sembiring, S. N., Lumbanraja, P., & Siahaan, E. (2021). The Effect of Leadership, Emotional Intelligence and Social Support on Employee Performance through Job Satisfaction at PT Bank XYZ Regional Credit Card Medan. International Journal of Research and Review, 8(1), 673-692.
90. Sharpe, William F., Gordon. J Alexander, and V. Baily, (2013). Investment. New York: Prentice Hall.
91. Siagian, M., Rini, E. S., & Situmorang, S. H. (2021). The Effect of Digital Service Quality (Brimo) on Customer Loyalty through Customer Trust and Satisfaction on COVID-19 Situation (PT Bank Rakyat Indonesia Medan Regional Office). International Journal of Research and Review, 8(8), 263-271.
92. Sjahrial, D, M. (2014). *Manajemen Keuangan Lanjutan.* Mitra Wacana Media : Jakarta
93. Sudana, I. M. (2011). *Manajemen Keuangan Perusahaan*. Penerbit Erlangga : Yogyakarta.
94. Sundjaja. (2017). *Manajemen Keuangan 2.* PT. Prehallindo. Jakarta.
95. Suriani, G (2019). "Pengaruh Likuiditas, Profitabilitas dan Leverage Terhadap Kebijakan Deviden Pada Perusahaan LQ 45 Yang Terdaftar Di Bursa Efek Indonesia Periode 2012-2016". *Vol 8, No 2. Jakarta.*
96. Tampubolon, R., Lumbanraja, P., & Silalahi, A. S. (2021). The Effect of Emotional Intelligence and Spiritual Intelligence on Job Satisfaction with Social Interaction is a Moderate Variable in PT Bank Tabungan Negara Medan Branch. International Journal of Research and Review, 8(3), 715-730.
97. Tandelilin, Eduardus. (2011). *Portofolio dan Investasi : Teori dan Aplikasi, Edisi Pertama*. Kanisiun : Yogyakarta.
98. Tarigan, P. S., Ginting, P., & Siahaan, E. (2021). Effect of Job Stress and Organizational Climate on Turnover Intention with Job Satisfaction as an Intervening Variable for Employees of STMIK STIE Mikroskil. International Journal of Research and Review, 8(9), 468-474.
99. Tumulo, Y. S., Lumbanraja, P., & Harahap, R. H. (2022). Effect of Changing Employee Readiness and Organizational Citizenship Behavior on Employee Performance Through Work Stress on Employees of UPT. Food Plant Protection and Horticulture, North Sumatra. The International Journal of Business Management and Technology. The International Journal of Business Management and Technology, 6(1), 90-106.
100. Tunggal, C.A dan Ngatno (2018). Pengaruh Struktur Modal Terhadap Nilai Perusahaan dengan Ukuran dan Umur Perusahaan Sebagai Variabel Moderator (Studi Kasus Tahun 2014-2016) pada Perusahaan Sub-Sektor Makanan dan Minuman Yang Terdaftar di BEI. *Jurnal Ilmu Administrasi Bisnis. Vol 7, No 2 (2018)*
101. Tunggal, N dan Ngatno, C (2018). Pengaruh Struktur Modal Terhadap Nilai Perusahaan dengan Ukuran dan Umur

Perusahaan Sebagai Variabel Moderator (Studi Kasus Tahun 2014-2016) pada Perusahaan Sub-Sektor Makanan dan Minuman Yang Terdaftar di BEI. *Jurnal Ilmu Administrasi Bisnis, vol. 7, no. 2,Jakarta.*

102. Utomo, L. P. (2016). Kecurangan dalam Laporan Keuangan "Menguji Teori Fraud Triangle". Jurnal Akuntansi dan Pajak, 19(01), 2018, 77-88.
103. Verina, R.N., Rini, E. S., & Sembiring, B. K. F. (2021). The Effect of e-Service quality on customer loyalty with customer satisfaction as an intervening variable for Grab Service users in Medan City, North Sumatera, Indonesia. International Journal of Research and Review, 8(3), 703-714.
104. Wardhani, Galuh (2015). Analisis Faktor-Faktor Yang Mempengaruhi DPR (Studi Kasus Pada Perusahaan Manufaktur Yang Listed Di BEI Periode 2003-2007. Skripsi yang tidak dipublikasikan.
105. Wijaya (2013). Pengaruh Profitabilitas Terhadap Nilai Perusahaan (Kebijakan Dividen Dan Kesempatan Investasi Sebagai Variabel Mediasi. *E-Jurnal Manajemen Unud. Vol. 4. No 12. 2015. Bali.*
106. Wijoyo (2018) Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Pada Perusahaan property dan Real Estate Di Bursa Efek Indonesia.
107. Wijoyo, A (2018). Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Pada Perusahaan property dan Real Estate Di Bursa Efek Indonesia. Universitas Tarumanegara. *Jurnal Ekonomi/Volum XXIII,No. 01 Maret 2018: 48-61*.
108. Zahara, A.N, Rini, E.S., & Sembiring, B. K. F. (2021).The Influence of Seller Reputation and Online Customer Reviews towards Purchase Decisions through Consumer Trust from C2C E-Commerce Platform Users in Medan, North Sumatera, Indonesia. International Journal of Research and Review, 8(2): 422-438.
109. Zaki (2017). *Intermediate Accounting.* BPFE: Yogyakarta.

How to cite this article: Hanapi, Khaira Amalia Fachrudin, Amlys Syahputra Silalahi. The effect of investment and funding policies on firm value with dividend policy as a moderating variable in banking companies that are members of the LQ-45 index. *International Journal of Research and Review*. 2022; 9(8): 238-257. DOI: *https://doi.org/10.52403/ijrr.20220822*

******