

Table of Contents

TITLE PAGE	i
AUTHORIZATION.....	ii
DECLARATION OF AUTHENTICITY.....	iii
ACKNOWLEDGEMENT	iv
Table of Contents.....	vi
List of Tables.....	x
List of Figures.....	xi
List of Appendices	xii
Intisari	xiii
<i>Abstract</i>	xiv
CHAPTER I	1
INTRODUCTION	1
1.1 Research Background.....	1
1.2 Research Problem	9
1.3 Research Objectives	10
1.4 Research Benefits.....	10
1.5 Organization of the Report	11
CHAPTER II	13
THEORETICAL BACKGROUND AND HYPOTHESES FORMULATION .	13
2.1 Literature Review.....	13
2.1.1 Company Value.....	13

2.1.2 Stock Valuation Ratio.....	13
2.1.3 Dividend Discount Model.....	15
2.1.4 The Constant-Growth Dividend Discount Model	16
2.1.5 Stock Valuation with Price to Book Value Ratio.....	17
2.1.6 Dividend Policy	19
2.1.7 Estimating r_s with Capital Asset Pricing Model (CAPM).....	23
2.1.8 Company Size	24
2.2 Previous Research.....	25
2.3 Hypotheses Formulation.....	26
CHAPTER III	29
RESEARCH METHOD	29
3.1 Types of Data.....	29
3.2 Population and Sample.....	29
3.2.1 Population	29
3.2.2 Sample	30
3.3 Research Variables, Operational Definitions, and Research Model.....	31
3.3.1 Company Value (Dependent Variable)	31
3.3.2 Dividend Policy (Independent Variable 1)	32
3.3.3 Profitability (Independent Variable 2).....	32
3.3.4 Required Rate of Return of Shareholders (Independent Variable 3)	33
3.3.5 Company Size (Control Variable).....	34
3.3.6 Research Model.....	35

3.4 Data Collecting Method	35
3.5 Data Analysis Method	35
3.5.1 Normality Test	36
3.5.2 Heteroscedasticity Test	37
3.5.3 Multicollinearity Test	37
3.5.4 Autocorrelation Test	38
3.5.5 Statistical Test	39
CHAPTER IV	41
ANALYSIS AND RESEARCH FINDINGS	41
4.1 Research Description	41
4.2 Descriptive Statistics of the Research Variables	41
4.3 Classical Assumptions Test	44
4.3.1 Normality Test	44
4.3.2 Heteroscedasticity Test	44
4.3.3 Multicollinearity Test	45
4.3.4 Autocorrelation Test	46
4.4 Regression Analysis	47
4.4.1 F Test	47
4.4.2 T Test	48
4.5 Discussion	49
4.5.1 H ₁ Discussion (Dividend Policy has positive effect on Value of the Company)	49

4.5.2 H ₂ Discussion (Profitability has positive effect on Value of the Company).....	51
4.5.3 H ₃ Discussion (Required Rate of Return of Shareholders has positive effect on Value of the Company).....	53
CHAPTER V	55
CONCLUSION, LIMITATIONS AND RECOMMENDATIONS	55
5.1 Conclusion of the Research	55
5.2 Limitations and Recommendations of the Research.....	55
BIBLIOGRAPHY	57
APPENDICES	60

List of Tables

Tabel 3.1 List of The Samples.....	31
Tabel 4.1 Descriptive Statistic.....	42
Tabel 4.2 Kolmogorov-Smirnov Test Result of Independent and Dependent Variables	44
Tabel 4.3 Multicollinearity Test Result of Dependent Variables.....	46
Tabel 4.4 Durbin-Watson Test Result	47
Tabel 4.5 F Test Result	48
Tabel 4.6 T Test Result (Regression of DPR, ROE, r_s , and Ln Assets to PBV)	48



List of Figures

Gambar 3.1 Research Model.....	35
Gambar 4.1 Heteroscedasticity Test Result Using Scatter Plot	45

List of Appendices

Appendix 1. Table of PBV, DPR, ROE, and Minimum Required Rate of Return .	
.....	60
Appendix 2. Table of Market Return, Risk-free Rate, Beta, and Required Rate of Return of Shareholders	63
Appendix 3. Table of Total Assets and Natural Logarithm of Total Assets.....	66
Appendix 4. SPSS Results	69