

ABSTRACT

The main goal of the company is to increase firm value. Firm Value is considered as a measure of the level of success of management in managing company resources. Firm value describes market confidence in the company's current performance and prospects for the company in the future. Several things that can affect firm value are profitability, liquidity, and capital structure, which is measured using Return of Assets (ROA), Liquidity (CR), and Debt to Equity Ratio (DER).

This study aims to determine the effect of profitability, liquidity, and capital structure on firm value in the consumer goods sector listed in Indonesia Stock Exchange period 2016-2019. The data in this study is secondary data, namely the company's annual report in 2016-2019.

The population in this study is the consumer goods sector listed in Indonesia Stock Exchange in 2016-2019. The sampling technique used was purposive sampling and obtained 23 samples. This research analysis uses panel data regression analysis using Eviews Software version 11.

Based on research, profitability, liquidity, and capital structure simultaneously affect firm value in the consumer goods sector listed in Indonesia Stock Exchange in 2016-2019. Partially, profitability has a significant effect on firm value in 2016-2019. Meanwhile, capital structure and liquidity have no effect on firm value in the consumer goods sector listed in Indonesia Stock Exchange in 2016-2019.

Based on the results of this study, companies in the consumer goods industry sector have been able to use and manage company assets effectively and efficiently in making company profits. Increased profitability will increase firm value. So the investors can be interested in investing in the company because of the increased firm value.

Keywords: Profitability, Liquidity, Capital Structure, Firm Value