

ABSTRACT

Every public company needs to provide information to investors which was presented through the issuance of financial statements. The quality of financial statement information will be considered by investors before making an investment. The better the quality of financial reports, it will affect several aspects, one of which was the value of the firm.

This study aimed to determine the effect of capital structure was measured using Debt to Equity Ratio (DER) proxies, firm size was measured using total asset proxies, and investment decision was measured using Capital Expenditure to Books Value of Asset (CPA/BVA) proxies on the value of measured using Tobin's Q proxy either simultaneously or partially.

Textile and garment sub sector companies listed on the Indonesia Stock Exchange in 2015-2019 was the population used in the study. The sample used in this study consisted of 6 textile and garment sub sector companies with a research period of 2015-2019 using purposive sampling. The data analysis method in this study was panel data regression analysis.

The result shows that there was a simultaneous influence between capital structure, firm size, and investment decision. Capital structure and firm size had a partial negative effect on firm value. While investment decision do not had a partial influence on the value of the firm.

Based on the research result, the firm was expected to be considered, especially for the firm's management to reduce the level of capital structure, that the value of the firm increases. In addition, it was expected to help investors to invest in firm that have a small capital structure, because it can increase the value of the firm.

Keywords: capital structure, firm size, firm value, and investment decision