

## **ABSTRACT**

*Hedging decisions are methods used by companies to protect the value of assets from losses that may occur due to existing risks. The principle of hedging is to cover the initial loss of an asset with a gain on the asset's instrument value. With this hedging value, it can provide benefits for companies that do business in international transactions because it can be an insurance tool that can protect the company from the possibility of currency exchange rate fluctuations so that losses that can be received by the company can be reduced.*

*This study aims to analyze the factors that can influence hedging decisions. The variables that are thought to influence hedging decisions are leverage, firm size, liquidity. The research object used is the food and beverage sub-sector companies listed on the Indonesia Stock Exchange (BEI) 2016-2019.*

*The sample selection in this study used a purposive sampling technique. The sample in this study amounted to 14 food and beverage subsectors listed on the Indonesia Stock Exchange (BEI) for a period of 4 years so that the total data obtained was 56 data. This study uses logistic regression analysis using the SPSS 25 application.*

*The test result of this study indicated that leverage, firm size and liquidity have a simultaneous effect on hedging decisions in food and beverage sub sector companies listed on the Indonesian Stock Exchange (BEI) 2016-2019. Partially, leverage has a negative effect on hedging decisions, and firm size has a positive effect on hedging decisions, while liquidity has no effect on hedging decisions in food and beverage sub-sector companies listed on the Stock Exchange. Indonesia (IDX) in 2016-2019.*

*Keywords: Leverage, Firm Size, Liquidity, Hedging Decisions*