

ABSTRACT

Firm value is an investor's perception of the manager's level of success in managing the company's resources entrusted to him which is often associated with stock prices. The value of the company can be a benchmark for managers on the work performance they have achieved. The increase in the value of the company indicates the increase in the company's performance.

This study aims to determine the effect of firm size (SIZE), corporate governance (managerial ownership) and leverage (DER) on firm value represented by Price Earning Ratio (PER) in banks listed on the Indonesian stock exchange in 2017-2020. The population in this study are banking companies listed on the Indonesia Stock Exchange in 2017-2020. The sampling technique used in this research is purposive sampling by applying certain criteria so that a sample of 5 companies is obtained.

Based on the test results using the panel data regression method, it is known that company size, corporate governance, and leverage simultaneously affect firm value. Partially, it is known that firm size and leverage have no effect on firm value. Meanwhile, the corporate governance variable has a positive effect on firm value. The results of this study are expected to be considered in making business decisions by conducting a more in-depth analysis of the company to be selected so as to avoid unwanted risks and see aspects from various perspectives based on investor needs.

Keywords: firm size, corporate governance, leverage, and firm value