

ABSTRACT

This research was conducted to analyse the effect of profitability, liquidity, isolation, activity ratio, and investment on firm value. Firm value is one of the aspects to determine whether a company is a good company and has the right to be a place to invest, and firm value is also one of the crucial visions in establishing a company. Firm value is the shareholders' perspective on the company related to the share price. Firm value is very crucial, because firm value shows the level of return on investment from shareholders.

Shareholders are happy if they get a large return on their investment in the long run. The greater the value of the company, the more investors will be interested in investing in the company. In the long term, the company's goal is to optimise company value.

The events in this study were analysed using data. The data retrieval technique uses Excel 2019 Software which is able to review PBV movements that affect firm value. Broadly speaking, the price book value experienced fluctuations in the increase and decrease in the 2018-2019 period.

The population used is food and beverage companies listed on the Indonesian Stock Exchange in the 2018-2021 period. The research sample selection uses quantitative data management techniques. In this study using a 4-year period which resulted in 68 samples from 17 companies.

The results in this study show that profitability, liquidity, isolation, and activity ratios have no significant effect on firm value, while investment has an influence on firm value.

Keywords: Investment, Firm Value, Liquidity, Profitability, Liquidity, Activity Ratio, Solvency.