

## **COMPARATIVE ANALYSIS OF FACTORS AFFECTING FIRM VALUE IN THE CONVENTIONAL AND SHARIA STOCK INDEX**

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**Abstrac:** This research aims to determine the effect of liquidity, profitability, good corporate governance and investment opportunity set on firm value in conventional and sharia stock index, namely is in Investor33 Indeks an Jakarta Islamic Index listed on the Indonesia Stock Exchange (IDX) for the 2017-2022 period. The sample selection used a purposive sampling technique, 21 samples of companies from 48 populations of Indeks Investor33 and 11 samples of companies from 53 populations of Jakarta Islamic Index. The data collection technique used was secondary data with data analysis technique using panel data regression analysis and using Eviews 10 software. The best model was obtained, namely is Fixed Effect Model (FEM). Based on the results of this research, it shows that partial liquidity has no effect on firm value in Investor33 Indeks and Jakarta Islamic Index. Profitability partially has a positive effect on the firm value in Investor33 Indeks, while profitability has no effect on the firm value of Jakarta Islamic Index. Good corporate governance partially has no effect on the firm value of Indeks Investor33, while good corporate governance has a positive effect on the firm value of Jakarta Islamic Index. Investment opportunity set partially has a positive effect on the firm value of in Investor33 Indeks and Jakarta Islamic Index. Apart from that, simultaneously liquidity, profitability, good corporate governance and investment opportunity set influence the firm value of in Investor33 Indeks and Jakarta Islamic Index. In this research, the firm value on the conventional and sharia stock indexes with the best performance on the IDX cannot be separated from other factors that can influence investors in assessing a company.

**Keyword:** Firm Value, Good Corporate Governance, Investment Opportunity Set, Liquidity, Profitability, Tobin's Q

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## **INTRODUCTION**

In the current digital era, almost all companies operating on a small, medium to large scale are competing with each other to keep up with the current era of digitalization so that the company continues to develop well and can achieve the company's goals. Stock movements in Indonesia often experience fluctuations in certain companies, this is due to current situations such as inflation, rising interest rates and other macroeconomic factors which cause company shares to be unstable.

There are many stock indices, both conventional and sharia, which have the best performance and are most popular on the Indonesia Stock Exchange (BEI) capital market. One of the conventional stock index groups that has the best performance is the Investor33 Index. The Investor33 Index was chosen as an object included in the conventional stock index because quoted from the official website of the Indonesia Stock Exchange (BEI), it is said that the Investor33 Index is an index that measures the share price performance of 33 shares selected from 100 (one hundred) listed companies

Submitted: January 27, 2024; Revised: August 12, 2024; Accepted: August 19, 2024;

Published: August 26, 2024; Website: <http://journalfeb.unla.ac.id/index.php/jasa>

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according to Investor Magazine. Meanwhile, one of the sharia stock index groups that has the best performance is the Jakarta Islamic Index. The Jakarta Islamic Index was chosen as one of the sharia stock index groups because quoted from the official website of the Indonesia Stock Exchange (BEI), it was said that the Jakarta Islamic Index is a sharia stock index consisting of the 30 (thirty) most liquid sharia shares listed on the BEI.

Quoted from the official website of the Financial Services Authority (OJK) in 2017, improvements in world trade and commodity prices show that global economic development is starting to improve. This improving economic development will have an impact on the economy in Indonesia which will also have an impact on investment growth as indicated by the growth of IHSG shares (Composite Stock Price Index) which have good performance and of course can influence the performance of company shares. Share prices have a strong relationship with company value, because share prices are one of investors' assessments of the company's ability to make investors prosperous. According to Mulyani et al. (2022), company value is an investor's view of a company which is related to the share price. In this research, the indicator used to measure company value is the Tobin's Q indicator.

There are many internal factors that can influence company value, some of which are used in this research, namely liquidity, profitability, good corporate governance, and investment opportunity set. Several internal factors that can influence the value of this company can be a consideration for investors when investing. The following is information regarding average liquidity, profitability, good corporate governance and investment opportunity set on the Investor33 Index and Jakarta Islamic Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period.

Research by Husna and Satria (2019) shows that liquidity has a positive effect on company value, while research by Artati (2020) states that liquidity has no effect on company value. Research by Afsar and Karacayir (2020) shows that profitability has a positive effect on company value, while research by Febrian, et al. (2022) stated that profitability has no effect on company value. Research by Mukhtaruddin, et al. (2019) shows that good corporate governance has a positive effect on company value, while research by Manurung (2022) states that good corporate governance has no effect on company value. Research by Febrianty and Mertha (2021) shows that the investment opportunity set has a positive effect on company value, while research by Nikmah and Amanah (2019) states that the investment opportunity set has no effect on company value.

The liquidity ratio is a ratio that shows the company's ability to pay off its short-term obligations or debt. In this research, the current ratio is used as a proxy for the liquidity variable, which is a ratio that can compare current assets with short-term debt. The higher the current ratio level, the greater the company's ability to pay off its debts (Sutrisno 2017,).

The profitability ratio is a ratio that can be used as a measuring tool to measure a company's ability to make a profit. In this research, return on assets is used as a proxy for the profitability variable, which is a measure of the company's ability to generate profits with all assets owned by the company (Sutrisno 2017).

Good corporate governance is a structured rule used by each company regarding their rights and obligations in order to realize the welfare of shareholders and other stakeholders. In this research, the ownership structure is used, namely institutional ownership and managerial ownership as a proxy for the good corporate governance

variable

Company value is the performance value of a company which is shown by the company's share price. There are several indicators or measuring tools that can be used to measure company value, one of which is measurement using Tobin's Q as will be used in this research. Measurement using Tobin's Q is based on the view of the capital market value which is the total of the capital invested and the incentives invested.

### **The Effect of Liquidity on Company Value**

According to Sutrisno (201), the higher the liquidity ratio as proxied by the current ratio, the greater the company's ability to pay off its debts. This indicates that a high liquidity value will have an impact on increasing company value because the company has a good ability to pay off its debt. This is in line with research according to Husna and Satria (2019) showing that liquidity has a positive effect on company value. so this research takes temporary answers to the research questions, namely:

H<sub>1</sub> and H<sub>6</sub>: Liquidity has a positive effect on company value.

### **The Influence of Profitability on Company Value**

According to Sutrisno, (2017) the higher the profitability ratio as proxied by return on assets, the better management is at managing the company through the assets it owns. This indicates that a high profitability value will have an impact on increasing company value because the company has a good ability to generate profits with the assets it owns. This is in line with research according to Afsar and Karacayir (2020) showing that profitability has a positive effect on company value. So this research takes temporary answers to the research questions, namely:

H<sub>2</sub> and H<sub>7</sub>: Profitability has a positive effect on company value.

### **The Influence of Good Corporate Governance on Company Value**

According to Taner (2019), the higher the level of good corporate governance as proxied by institutional ownership and managerial ownership, the higher the level of trust of investors, especially institutions or companies that invest their capital. This indicates that a high value of good corporate governance will have an impact on increasing company value because investors are interested in investing in good company management, so that it will have an impact on good company value as well. This is in line with research according to Mukhtaruddin et al., (2019) showing that good corporate governance has a positive effect on company value. So this research takes temporary answers to the research questions, namely:

H<sub>3</sub> and H<sub>8</sub>: Good corporate governance has a positive effect on company value

### **The Influence of Investment Opportunity Set on Company Value**

According to Nikmah and Amanah, (2019) the higher the value of the investment opportunity set as proxied by the market to book value of assets, the higher the company value will be. This indicates that a high investment opportunity set value will attract investors to invest so that it has an impact on share prices and company value. This is in line with research according to Febrianty and Mertha (2021) showing that investment opportunity sets have a positive effect on company value. So this research takes temporary answers to the research questions, namely:

H<sub>4</sub> and H<sub>9</sub>: Investment opportunity set has a positive effect on company value

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## **The Influence of Liquidity, Profitability, Good Corporate Governance and Investment Opportunity Set on Company Value**

Simultaneously, this research takes temporary answers to research questions, namely:

H5 and H10: Liquidity, profitability, good corporate governance and investment opportunity set simultaneously influence company value

### **METHODS**

This research uses a quantitative approach with descriptive and associative methods. This descriptive method is used to determine the condition of liquidity, profitability, good corporate governance and investment opportunity set, and company value. Meanwhile, the associative method is used to measure how much influence liquidity, profitability, good corporate governance and investment opportunity set have on company value on the Investor33 Index and Jakarta Islamic Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period.

The population used in this research are companies that are members of the Investor33 Index and the Jakarta Islamic Index which are listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period, totaling 48 Investor33 Index companies and 53 Jakarta Islamic Index companies. The sampling technique used was non-probability sampling using purposive sampling and considering samples based on sampling criteria, resulting in 21 samples of companies that were members of the Investor33 Index and 11 samples of companies that were members of the Jakarta Islamic Index.

This research uses panel data or pool data because it uses a total of 32 sample companies over a period of 6 years, namely 2017-2022. Meanwhile, the data source uses secondary data because the data comes from various articles, journals, annual reports, books, quotes, and other information related to the Investor33 Index and the Jakarta Islamic Index obtained from the Indonesia Stock Exchange (BEI), the company's official website, and other websites.

The data collection technique used in this research is documentation in the form of company financial reports, books, scientific articles, and other records related to the research object. Apart from that, the technique used in this research is through literature study and internet research from official sites. Next, the data that has been collected is then processed using editing techniques to check and adjust the data that needs to be compared and present the data so that it is easy to understand, then processing is carried out using Eviews 10 software.

In this research, data analysis uses quantitative techniques because it is based on data in the form of numbers from financial reports with descriptive statistical analysis. Panel data regression analysis techniques are used in this research in order to determine whether or not there is an influence of the independent variable on the dependent variable. In this panel data regression analysis technique, there are three estimation models, namely the common effect model (CEM), fixed effect model (FEM), and random effect model (REM), then the Chow test, Hausman test, and Lagrange Multiplier test are carried out to determine the best estimation model to use.

From the best estimation model in panel data regression, the coefficient of determination can then be analyzed using the adjusted R2 value in order to find out how

far the model's ability to explain the dependent variable, so that are you know the results of hypothesis testing between the independent variable and the dependent variable both partially (test t) and simultaneously (F test)

## RESULT AND DISCUSSTION

### Descriptive Analysis

The results of the descriptive test on 21 samples of companies included in the Investor33 Index and listed on the Indonesia Stock Exchange (IDX) for the 2017-2022 period are as follows

**Table. 2 Investor Index Descriptive Test Results33**

	Y	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>
<b>Mean</b>	1.441349	184.4792	7.729603	45.19317	193.1760
<b>Median</b>	1.160000	142.3200	6.105000	48.96000	134.4500
<b>Maximum</b>	4.580000	510.9000	44.67000	87.09000	1389.550
<b>Minimum</b>	0.570000	23.42000	0.070000	0.800000	16.08000
<b>Std. Dev.</b>	0.765475	103.1443	7.501149	12.62590	193.0056
<b>Sum</b>	181.6100	23244.38	973.9300	5694.340	24340.17
<b>Observations</b>	126	126	126	126	126

Source: Eviews 10 Data Processing Results (2024)

Based on table 4.11 above, using 21 samples of companies included in the Investor33 Index during the 2017-2022 period, it can be seen that the average liquidity variable (X1) of 184.4792 is greater than its standard deviation of 103.1443. Meanwhile, the mean value of liquidity is 142.3200. This shows that the average value of liquidity in the 21 samples of companies included in the Investor33 Index during the 2017-2022 period is 184.48% with a maximum value of 510.9000 and a minimum value of 23.42000.

**Table. 3 Jakarta Islamic Index Descriptive Test Results**

	Y	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>
<b>Mean</b>	2.296212	173.0730	11.64652	38.17045	308.0930
<b>Median</b>	1.530000	152.5900	9.375000	48.31000	190.4450
<b>Maximum</b>	14.41000	465.7700	44.67000	94.86000	1389.550
<b>Minimum</b>	0.570000	60.82000	0.450000	0.110000	61.84000
<b>Std. Dev.</b>	2.326245	92.38967	9.272931	23.06548	288.3428
<b>Sum</b>	151.5500	11422.82	768.6700	2519.250	20334.14
<b>Observations</b>	66	66	66	66	66

Source: Eviews 10 Data Processing Results (2024)

From the table above there are teh average, middle value, highest value, lowest value and standard deviation for the variables liquidity, profitability, good corporate governance, investment opportunity set and company value in the Investor33 Index and Jakarta Islamic Index for the 2017-2022 period.

### Panel Data Regression Model

The results of panel data regression using the fixed effect model (FEM) method on the Investor33 Index and the Jakarta Islamic Index are as follows:



**Table 4. Regression Estimation Model Using the Fem Method on the Investor33 Index**  
*Dependent Variable: Y (Tobin's Q)*

<i>Variable</i>	<i>Coefficient</i>	<i>t-Statistic</i>	<i>P-Value</i>	<i>Keputusan</i>
C	0.508362	1.260922	0.2102	
X <sub>1</sub>	-0.000113	-0.162993	0.4354	H <sub>0</sub> diterima
X <sub>2</sub>	0.071108	4.938692	0.0000	H <sub>0</sub> ditolak
X <sub>3</sub>	0.002019	0.257177	0.3988	H <sub>0</sub> diterima
X <sub>4</sub>	0.001620	4.763972	0.0000	H <sub>0</sub> ditolak
<i>R-squared</i>			0.823993	
<i>Adjusted R-squared</i>			0.782169	
<i>F-statistic</i>			19.70169	
<i>Prob(F-statistic)</i>			0.000000	

Source: Eviews 10 Data Processing Results, 2024

**Table 5. Regression Estimation Model Using the Fem Method on the Jakarta Islamic Index**  
*Dependent Variable: Y (Tobin's Q)*

<i>Variable</i>	<i>Coefficient</i>	<i>t-Statistic</i>	<i>P-Value</i>	<i>Keputusan</i>
C	-1.646125	-3.283894	0.0019	
X <sub>1</sub>	0.001340	0.681848	0.2492	H <sub>0</sub> diterima
X <sub>2</sub>	-0.016810	-0.916810	0.1818	H <sub>0</sub> diterima
X <sub>3</sub>	0.031271	4.451061	0.0000	H <sub>0</sub> ditolak
X <sub>4</sub>	0.008805	20.92168	0.0000	H <sub>0</sub> ditolak
<i>R-squared</i>			0.969997	
<i>Adjusted R-squared</i>			0.961761	
<i>F-statistic</i>			117.7729	
<i>Prob(F-statistic)</i>			0.000000	

Source: Eviews 10 Data Processing Results, 2024

Based on the test results of the three panel data regression estimation models, which were then carried out with the Chow test and the Hausman test, the best regression estimation model for the two stock indices was selected, namely the Fixed Effect Model (FEM) as in the table presented above. In addition, in the panel data regression estimation model using FEM, the constant values for each company will be different as presented in the following table:

**Table 6. Intercept of Each Difference for FEM in the Investor Index33**

<i>Fixed Effect Model (CROSS ID)</i>		
<b>NO.</b>	<b>STOCK CODE</b>	<b>INTERSEP</b>
1.	AALI	-0.083694
2.	AKRA	-0.355148
3.	ASII	0.516927
4.	BBCA	0.263581
5.	BBNI	0.263581
6.	BBRI	0.367035
7.	BBTN	0.276354
8.	BMRI	0.200694
9.	BSDE	-0.192595
10.	CPIN	1.365454

Submitted: January 27, 2024; Revised: August 12, 2024; Accepted: August 19, 2024;

Published: August 26, 2024; Website: <http://journalfeb.unla.ac.id/index.php/jasa>

11.	ICBP	0.905643
12.	INDF	-0.063555
13.	INTP	0.825201
14.	KLBF	-1.089668
15.	MYOR	-1.058427
16.	PWON	0.192657
17.	SMGR	0.285699
18.	TBIG	-0.081544
19.	TLKM	-0.238270
20.	UNTR	0.563708
21.	UNVR	-2.497664

Source: Eviews 10 Data Processing Results (2024)

Based on table 6 it can be seen that each company has its own intercept. The highest intercept value was obtained by PT Charoen Pokphand Indonesia, Tbk. (CPIN) of 0.905643, while the lowest intercept was obtained by PT Unilever Indonesia, Tbk. (UNVR) of -2.497664.

**Table 7. Intercept of Each Difference for Fem on the Jakarta Islamic Index  
Fixed Effect Model (CROSS ID)**

NO.	STOCK CODE	INTERSEP
1.	AKRA	0.035416
2.	ANTM	1.107769
3.	ASII	-6.734718
4.	ICBP	1.658975
5.	INDF	1.623671
6.	KLBF	-0.273966
7.	PTBA	0.099261
8.	SMGR	0.045294
9.	TLKM	0.397380
10.	UNTR	0.060095
11.	UNVR	1.980822

Source: Eviews 10 Data Processing Results, 2024

Based on table 7, it can be seen that each company has its own intercept. The highest intercept value was obtained by PT Unilever Indonesia, Tbk. (UNVR) of 1.980822, while the lowest intercept was obtained by PT Astra Internasional, Tbk. (ASII) of -6.734718

### Coefficient of Determination

Based on the test results in the table above, it shows that the adjusted R<sup>2</sup> value of the Investor33 Index is 0.782169, which means that 78.22% of the company value can be explained by the variables liquidity, profitability, good corporate governance and investment opportunity set. Meanwhile, the other 21.78% is explained by other variables not examined in this study.

Meanwhile, the adjusted R<sup>2</sup> value of the Jakarta Islamic Index is 0.961761, which means that 96.18% of the company value can be explained by the variables liquidity, profitability, good corporate governance and investment opportunity set. Meanwhile, the

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other 3.82% is explained by other variables not examined in this study.

### **Partial Test Results (t Test)**

Based on the table of partial hypothesis test results above, the test results obtained are:

1. The liquidity probability value (X1) is 0.4354 with a coefficient value of -0.162993. This shows that the probability value is  $> 0.05$ , meaning that H0 is accepted and H1 is rejected, so it can be concluded that partially liquidity has no effect on company value on the Investor33 Index.
2. The profitability probability value (X2) is 0.0000 with a coefficient value of 0.071108. This shows that the probability value  $< 0.05$  means that H0 is rejected and H1 is accepted, so it can be concluded that partially profitability has a positive effect on company value on the Investor33 Index.
3. The probability value of good corporate governance (X3) is 0.3988 with a coefficient value of 0.002019. This shows that the probability value is  $> 0.05$ , meaning that H0 is accepted and H1 is rejected, so it can be concluded that partially good corporate governance has no effect on company value on the Investor33 Index.
4. The probability value of the investment opportunity set (X4) is 0.0000 with a coefficient value of 0.001620. This shows that the probability value  $< 0.05$  means that H0 is rejected and H1 is accepted, so it can be concluded that partially the investment opportunity set has a positive effect on company value on the Investor33 Index.
5. The liquidity probability value (X1) is 0.2492 with a coefficient value of 0.001340. This shows that the probability value is  $> 0.05$ , meaning that H0 is accepted and H1 is rejected, so it can be concluded that partially liquidity has no effect on company value on the Jakarta Islamic Index.
6. The profitability probability value (X2) is 0.1818 with a coefficient value of -0.016810. This shows that the probability value is  $> 0.05$ , meaning that H0 is accepted and H1 is rejected, so it can be concluded that partial profitability has no effect on company value on the Jakarta Islamic Index.
7. The probability value of good corporate governance (X3) is 0.0000 with a coefficient value of 0.031271. This shows that the probability value  $< 0.05$  means that H0 is rejected and H1 is accepted, so it can be concluded that partially good corporate governance has a positive effect on company value on the Jakarta Islamic Index.
8. The probability value of the investment opportunity set (X4) is 0.0000 with a coefficient value of 0.008805. This shows that the probability value  $< 0.05$  means that H0 is rejected and H1 is accepted, so it can be concluded that partially the investment opportunity set has a positive effect on company value on the Jakarta Islamic Index.

### **Simultaneous Test Results (F Test)**

Based on the table of simultaneous hypothesis test results above, the test results obtained are:

- 1) The prob value (F-statistic) is 0.000000. This shows that the probability value  $< 0.05$  means that H0 is rejected and H1 is accepted, so it can be concluded that liquidity, profitability, good corporate governance and investment opportunity set simultaneously influence the value of the company in the Investor33 Index.

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Submitted: January 27, 2024; Revised: August 12, 2024; Accepted: August 19, 2024;

Published: August 26, 2024; Website: <http://journalfeb.unla.ac.id/index.php/jasa>



- 2) The prob value (F-statistic) is 0.000000. This shows that the probability value  $<0.05$  means that  $H_0$  is rejected and  $H_1$  is accepted, so it can be concluded that liquidity, profitability, good corporate governance, and investment opportunity set simultaneously influence company value on the Jakarta Islamic Index.

## **Discusstion**

### **The Effect of Liquidity on Company Value in the Investor33 Index Listed on the Indonesian Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that liquidity has no effect on company value with the Tobin's Q indicator. The results of this research are supported by previous research conducted by Artati (2020) which states that liquidity has no effect on company value. The results of this research also reject hypothesis one which states that liquidity has a positive effect on company value. This indicates that the liquidity ratio which is proxied through the current ratio shows that the liquidity value is not always able to influence investors' interest in investing capital in companies that are members of the Investor33 Index only by considering the company's ability to manage and utilize its current assets, so it does not too big an impact on the increase in company value.

### **The Effect of Profitability on Company Value on the Investor33 Index Listed on the Indonesian Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that profitability has a positive effect on company value with the Tobin's Q indicator. The results of this research are supported by previous research conducted by Afsar and Karacayir (2020) which states that profitability has a positive effect on company value. The results of this research also reject the null hypothesis which states that profitability has no effect on company value. This indicates that the profitability ratio which is proxied by return on assets shows that the profitability value can influence investors to be interested in investing their capital in companies that are members of the Investor33 Index with the hope of a large rate of return which will have an impact on the value of the company.

### **The Influence of Good Corporate Governance on Company Value in the Investor33 Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that good corporate governance has no effect on company value with the Tobin's Q indicator. The results of this research are supported by previous research conducted by Manurung (2022) which states that good corporate governance has no effect on value. company. The results of this research also reject hypothesis one which states that good corporate governance has a positive effect on company value. This indicates that good corporate governance which is proxied through share ownership, namely institutional ownership and managerial ownership, shows that the value of good corporate governance is not always a factor that is able to attract investors to invest their capital in companies that are members of the Investor33 Index by only considering the structure. Share ownership is based on the number of shares marketed by the company, so it cannot influence the company value in the Investor33

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**Index. The Influence of the Investment Opportunity Set on Company Value on the Investor33 Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that the investment opportunity set has a positive effect on company value with the Tobin's Q indicator. The results of this research are supported by previous research conducted by Rupilu, W. (2022) which states that the investment opportunity set has an effect positive for company value. The results of this research also reject the null hypothesis which states that the investment opportunity set has no effect on company value. This indicates that the investment opportunity set which is proxied by the market to book value of assets shows that the value of the investment opportunity set can influence investors to be interested in investing their capital in companies that are members of the Investor33 Index with a rate of return in the future that is greater than their expectations. so that it will have an impact on the company's value getting better.

**Simultaneous Influence of Liquidity, Profitability, Good Corporate Governance and Investment Opportunity Set on Company Value in the Investor33 Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that all independent variables simultaneously influence company value with the Tobin's Q indicator as the dependent variable. To find out how much the independent variables can simultaneously explain the existence of the dependent variable, you can see the adjusted R<sup>2</sup> value which produces a value of 0.782169 or 78.22%. This means that the independent variables which include liquidity, profitability, good corporate governance and investment opportunity set have an influence of 78.22% on company value on the Investor33 Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period, while the remainder is 21.78% is the influence of other variables not examined in this research. So it can be said that the variables liquidity, profitability, good corporate governance, and investment opportunity set have a strong relationship with company value using the Tobin's Q indicator in the Investor Index33

**The Effect of Liquidity on Company Value on the Jakarta Islamic Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that liquidity has no effect on company value with the Tobin's Q indicator. The results of this research are supported by previous research conducted by Husna and Satria (2019) stating that liquidity with the current ratio has no effect on company value. The results of this research also reject hypothesis one which states that liquidity has a positive effect on company value. This indicates that the liquidity ratio which is proxied through the current ratio shows that the liquidity value is not always able to influence investors' interest in investing capital in companies that are members of the Jakarta Islamic Index only by considering the company's ability to manage and utilize its current assets, so it does not too big an impact on the increase in company value.

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### **The Influence of Profitability on Company Value on the Jakarta Islamic Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that profitability has no effect on company value with the Tobin's Q indicator. The results of this research are supported by previous research conducted by Febrian, et al. (2022) which states that profitability has no effect on company value. The results of this research also reject hypothesis one which states that profitability has a positive effect on company value. This indicates that the profitability ratio which is proxied by return on assets shows that the profitability value cannot always attract investors to invest their capital in companies that are members of the Jakarta Islamic Index with the hope of a large rate of return so that the impact is not significant on company value.

### **The Influence of Good Corporate Governance on Company Value on the Jakarta Islamic Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that good corporate governance has a positive effect on company value with the Tobin's Q indicator. The results of this research are supported by previous research conducted by Tiep and Nguyen (2022) which states that good corporate governance has a positive effect on company value. The results of this study also reject the null hypothesis which states that good corporate governance has no effect on company value. This indicates that good corporate governance which is proxied through share ownership, namely institutional ownership and managerial ownership, shows that the value of good corporate governance can be a factor that is able to attract investors' interest in investing their capital in companies that are members of the Jakarta Islamic Index by considering the structure. Share ownership is based on the number of shares marketed by the company, so it can influence the company's value on the Jakarta Islamic Index.

### **The Effect of Investment Opportunity Set on Company Value on the Jakarta Islamic Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

Based on the results of the hypothesis testing that has been explained, it can be seen that the investment opportunity set has a positive effect on company value with the Tobin's Q indicator. This shows that the investment opportunity set which is proxied by the market to book value of assets shows that the value of the investment opportunity set can influence investors to be interested in investing capital in companies that are members of the Jakarta Islamic Index with the same value the rate of return in the future is greater than expectations, so it will have a better impact on the company's value. Based on Hypothesis Test Results That have been explained, it appears that all independent variables are simultaneous affects company value with the Tobin's Q indicator as the dependent variable. To find out how much the independent variable can simultaneously explain the existence of the dependent variable, it can be seen from the customized R2 value which produces a value of 0.961761 or 96.18%. This means that the independent variables which include liquidity, profitability, good corporate governance and set of investment opportunities have an influence of 96.18% on company value on the Jakarta Islamic Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period, while the remaining is 3.82% is the influence of other

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variables not examined in this research. So it can be said that the variables liquidity, profitability, good corporate governance, and set of investment opportunities have a strong relationship to company value using the Tobin's Q indicator on the Jakarta Islamic Index.

### **The Influence of Liquidity, Profitability, Good Corporate Governance, and Investment Opportunity Set on Company Value in the Investor33 Index and Jakarta Islamic Index Listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 Period**

From the results of the hypothesis test, it can be seen that the liquidity value of conventional shares and sharia shares is not used as a benchmark in assessing whether a company is good or bad in the eyes of investors. The company's ability to pay its obligations with the assets it owns is not necessarily a consideration for investors investing their capital in either conventional shares or sharia shares listed on the Indonesia Stock Exchange (BEI). So that for companies that are included in the two types of stock indexes that have the best performance on the Indonesia Stock Exchange (BEI), the value of the company is not influenced by the level of liquidity of the company concerned.

The profitability value of conventional shares can be used as a factor in assessing whether a company is good or bad, whereas sharia shares are not used as a factor in assessing whether a company is good or bad in the eyes of investors. In one of the conventional stock indexes that is used as the object of research, the company's ability to provide stock returns with the assets it owns can be a consideration for investors investing their capital in the company, whereas in one of the sharia stock indexes the opposite is true. So for companies that are part of the conventional stock index and have the best performance on the IDX, namely the Investor33 Index, the value of the company is influenced by the level of profitability generated. Meanwhile, for companies that are part of the sharia stock index and have the best performance on the IDX, namely the Jakarta Islamic Index, the value of the company is not influenced by the level of profitability generated.

The value of good corporate governance in conventional shares cannot be used as a factor in assessing whether a company is good or bad, whereas in sharia shares this can be used as a factor in assessing whether a company is good or bad in the eyes of potential investors. In one of the conventional stock indexes which is used as the object of research, the company's ability to manage the share ownership structure with the number of shares in circulation cannot be a benchmark for investors to invest their capital in the company, whereas in one of the sharia stock indexes the opposite happens. So, for companies that are part of the conventional stock index and have the best performance on the IDX, namely the Investor33 Index, the value of the company is not influenced by the value of good corporate governance. Meanwhile, for companies that are part of the sharia stock index and have the best performance on the IDX, namely the Jakarta Islamic Index, the value of the company is influenced by the value of good corporate governance.

The investment opportunity set value in conventional shares and sharia shares can be used as a factor in assessing whether a company is good or bad in the eyes of investors. The company's ability to provide investment profits in the future can be an attraction for investors to invest with the hope that future returns will be higher than their

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expectations when deciding to invest in companies that are members of the Investor33 Index and the Jakarta Islamic Index. So, for companies that are included in the two types of stock indexes that have the best performance on the Indonesian Stock Exchange, the value of the company is influenced by the level of investment opportunity set of the company concerned.

The results of the analysis state that among these independent variables, all of them can influence investors' interest in investing in companies if seen and carried out simultaneously so that they have a good impact on the value of companies included in the two stock indexes. This is also one of the factors that the value of the company in the conventional stock index and sharia stock index which has the best performance on the Indonesia Stock Exchange cannot be separated from other factors that can influence investors' interest in investing, so that several internal factors of this company cannot regardless of investors' views in assessing a company before deciding to invest

### **CONCLUSION**

Based on the results of the research and discussion above, it can be concluded: Partially, liquidity has no effect on company value on the Investor33 Index or Jakarta Islamic Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period. Partially, profitability has a positive effect on company value on the Investor33 Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period. Meanwhile, profitability has no effect on company value on the Jakarta Islamic Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period. Partially, good corporate governance has no effect on company value on the Investor33 Index listed on the Indonesia Stock Exchange (BEI) for the 2017 period -2022. Meanwhile, good corporate governance has a positive effect on company value on the Jakarta Islamic Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period. Partially, investment opportunity set has a positive effect on company value on the Investor33 Index and the Jakarta Islamic Index listed on the Stock Exchange Indonesia (BEI) for the 2017-2022 period. Liquidity, profitability, good corporate governance and investment opportunity set simultaneously influence the value of companies on the Investor33 Index and the Jakarta Islamic Index listed on the Indonesia Stock Exchange (BEI) for the 2017-2022 period. The variables liquidity, profitability, good corporate governance and investment opportunity set have an influence of 78.22% on company value in the Investor33 Index for the 2017-2022 period, while the remaining 21.78% is the influence of other variables not examined in this research. So it can be said that the variables liquidity, profitability, good corporate governance, and investment opportunity set have a strong relationship with company value using the Tobin's Q indicator. The variables liquidity, profitability, good corporate governance, and investment opportunity set have an influence of 96.18% on value. companies in the Jakarta Islamic Index for the 2017-2022 period, while the remaining 3.82% is the influence of other variables not examined in this research. So it can be said that the variables liquidity, profitability, good corporate governance and investment opportunity set have a strong relationship with company value using the Tobin's Q indicator. From the two objects used in this research, namely the Investor33 Index and the Jakarta Islamic Index, the results of hypothesis testing show inconsistent results. much different between the independent variable and the dependent variable. Partially, there are two hypotheses that have the same test results and the other two



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hypotheses are different. Meanwhile, simultaneously, both the Investor33 Index and the Jakarta Islamic Index have the same hypothesis test results, namely they are influential. This is one of the factors that the value of the company in the conventional stock index and sharia stock index which has the best performance on the Indonesia Stock Exchange cannot be separated from other factors that can influence investors' interest in investing, so that several internal factors of this company cannot be separated. from the views of investors in assessing a company before deciding to invest.

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**JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)**

Vol. 8 No. 2 / August 2024

ISSN 2550-0732 print / ISSN 2655-8319 online

DOI;10.36555/jasa.v8i2.2479

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Tiep Le, T., & Nguyen, V. K. (2022). The Impact of Corporate Governance on Firms' Value in an Emerging Country: The Mediating Role of Corporate Social Responsibility and Organisational Identification. *Cogent Business and Management*, 9(1). <https://doi.org/10.1080/23311975.2021.2018907>