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The Influence Of Profitability And Capital Structure On Company Value In Coal Sub-Sector Mining Companies Registered In Idx For The 2014-2017

Muhammad Yasin[1], Pramita Studiviany S[2]

[1,2]Faculty Of Economics and Business, University of 17 August 1945 Surabaya
Jl. Semolowaru No 45, Kec. Sukolilo, Kota Surabaya, Jawa Timur

A R T I C L E I N F O

ABSTRACT

This study aims to determine the effect of profitability, liquidity, and capital structure on firm value in coal mining companies listed on the Indonesian stock exchange for the 2014-2017 period. The total population in this study amounted to 21 coal mining companies and after selecting samples using purposive sampling technique, it was obtained 8 companies that will be used as samples in this study . The results showed that capital structure had a negative effect on firm value, profitability had a positive effect on firm value. Meanwhile, the simultaneous results of profitability and capital structure have a significant effect on firm value. The magnitude of the ability of independent variables (profitability, and capital structure) in explaining the variable dependent (the value of the company) is at 85.7% while the remaining 14.3% is determined by other variables not examined in the study of this.

E-mail:
muhammadyasin261092@gmail.com[1]
pramita@untag-sby.ac.id[2]

1.   Introduction

Company as one form of organization, have a common goal in dirikannya companies that benefit by maximizing resource power it has, and how company d apat utilize and manage capital, debt and assets owned. In this case, there is a need for company financial management because the function of financial management itself is to maximize the prosperity of company owners or shareholders. If the company can take advantage of its resources, and can utilize and manage its capital, debt and assets to the maximum, then this company is likely to get a large profit, so that it can affect the value of the company in the eyes of investors and investors.

The value of the company is very important because the value of the company were high would be followed by a high prosperity shareholders. The value of the company increases will affect the value of the holder of shares if a marked increase in the rate of return on investment are high to the holders of shares.

According to Sulasmiyati, et.al (2016), company value can be seen from the development of the company's share price in the stock market. High share prices have a positive impact on company value. The value of a good company into a company's prospects are positive in the future. According Husnan in Nuzula, e t.al (2014) argues that for companies that have not gone public value of the company represents a number of the costs incurred by the prospective buyer is willing if the company is sold, while for companies that have gone public value of the company d apat seen from the the value of shares in the capital market. The value of shares itself is defined as the number of shares multiplied by the market value per share plus the value of debt, with the assumption that if the debt value is constant, the increase in share value will directly increase the value of the company.

This study uses the Q ratio or Tobin's Q ratio as the dependent variable to measure firm value . The reason for using the Tobin's Q ratio is because this ratio is a ratio that can provide the best information in reflecting the company's value because in its calculations this ratio involves all elements of debt and share capital of the company, which not only includes common stock and shareholder equity will remain in all assets owned by the company. The factors that affect firm value are profitability, liquidity, capital structure and firm value .

Research on the factors that affect the capital structure has been done by some researchers but there are studies conducted Hudan Conan (2016) explains that from the results of the testing are partially obtained results that indicate the variables of profitability, liquidity, size

The company has a significant negative effect on the capital structure. In research by Leni Yulianti (2016), it is explained that from the results of testing the effect of profitability, liquidity, and capital structure simultaneously affects the value of the company. But in this study Bonar M Sinaga (2017) m de- scribes that the test results of the research states that the return on equity (ROE) positive and significant impact on the PBV so companies need to pay attention and keep on improving ROE by way of floating the prospect responsible Activity early in order to increase in profit. The greatest probability value is ROE when compared to other independent variables. Therefore, ROE can be used as a predictor in predicting firm value.

In Dwi Retno Wulandari's research (2013), the results of data analysis show that profitability, which is proxied by return on assets (ROA), has a relationship with firm value as the dependent variable and capital structure as an intervening variable. Operating leverage proxied by the degree of operating leverage (DOL) has a relationship with firm value as the

dependent variable and capital structure as the intervening variable, but liquidity proxied by the current ratio (CR) has no relationship with firm value as the dependent variable and capital structure as intervening variables..

2. Theoretical Basis

This study found that there is no effect of profitability, operating leverage, and liquidity on firm value through the capital structure as an intervening variable. Whereas in I Putu Sukarya's research (2019) The results show that simultaneously profitability has a significant effect on firm value, leverage has a significant effect on firm value, and liquidity has a significant effect on firm value. Partially profitability has a significant positive effect on firm value, Leverage has a negative and insignificant effect on firm value, and Liquidity has a significant positive effect on firm value.

The mining industry is one of the pillars of national economic development. This industry is run by mining companies that manage Natural Resources (SDA) to be used for the development and welfare of the Indonesian people. The mining industry is a sector that generates PNBP (Non-Tax State Revenue) and is one of the sources of state cash income received from fixed fees, production fees and sales of mining products (Ariska, 2016). This makes mining companies one of the main pillars of the national mining industry, which plays an important role in the development of the industry in general.

Mining companies consist of mining coal, oil and gas, metals and other minerals , and rocks (www.sahamok.com). Of the several mining subsectors, coal has a considerable influence on the Indonesian economy. Since 2005 when it surpassed Australian production, Indonesia was one of the largest coal producers and exporters in the world and a leading exporter of recognized quality coal. However, this situation changed during the global financial crisis in 2008 which resulted in a decline in global economic activity . Based on the data and analysis collected by the Vibiz Research Center, the weakening of the world economy has reduced the demand for coal exports to various main export destination countries for Indonesian coal, namely China, India, and Japan (Sumbayak , 2015)..

2.1 Conceptual Framework

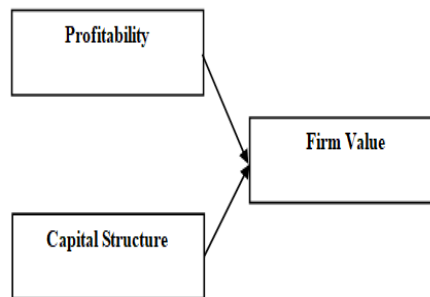To better understand writing, make a conceptual framework as follows:

Fig 1 Conceptual Framework

2.1 Hypothesis

Hypothesis is a temporary statement that the truth is still weak, so the truth is tested qualitatively and quantitatively. Based on the problems and problem formulations stated above, the hypotheses in this study are as follows:

H1: Profitability and Capital Structure partially have a significant effect on Firm Value in the Coal Mining Sub-Sector Company for the period 2014-2017.

H2: Profitability, and Structure Capital is simul tan effect significant to the Company's enterprise value Mining Sub-Sector Coal period 2014-2017

3. Research Methods

The selection of this type of research is based on the research objectives to be achieved. The research objective is to determine the effect of profitability, liquidity, and capital structure on firm value. Based on the research objectives, the type of research used in this study is quantitative research by analyzing secondary data. Quantitative research is research that emphasizes testing variables by numbers and analyzing data using statistical procedures . While data of secondary a dalah researchers obtained data from existing sources.

The sample is part of the number and characteristics possessed by the population. The determination of sample members carried out in this study is the purposive sampling method . Method of purposive sampling is one technique of taking samples of non-probability sample where technique must be done based on the considerations or specific criteria tailored to the purpose of the study (Sugiyono: 2014: 81). The population of this study is a company engaged in the coal mining sub-sector listed on the IDX from 2014 to 2017, totaling 8 companies.

In this study, the researcher has the consideration that the sample taken has the following criteria:

1. Companies mining sub-sector coal listed on the Stock Exchange Indonesia, which publishes reports financial per se years old 5 periods of the study, which was in 2014-2017.

2. Companies mining sub-sector coal that have reported financial income net positive listed in Stock Exchange Indonesia during the study period the year 2014-2017.

3. C ompany mining sub-sector coal which published the report financial during the period of the study , which was in 2014-2017.

4. Results and discussion

Description of research variables :

4.1 Normality test

Based on the Normality Assumption Test using *Kolmogorov Smirnov,* the test statistical probability value is 0.132 which is greater than the *Significant Alpha* value of 5% or 0.05 so that H 0 is accepted. This means that the residuals in the model are normally distributed. Thus the Normality Assumption is fulfilled.

4.2 Multicollinearity Test

Based on the results in the tabe above, it can be seen that the variable Profitability, Liquidity, and Structure capital produce VIF Value of 1.285, 1.244, 1.050 which is smaller than 10. This can taken that there are no symptoms multikolinieritas on the have model regression. So that the assumption of multicollinearity is fulfilled.

4.3 Heteroscedasticity Test

Testing the Heteroscedasticity Assumption using the Scatter Plot shows that the data points spread above and below the number 0 and the spread of data does not form a certain pattern. This means that the residuals are stated to have a homogeneous variety . Thus the Heteroscedasticity assumption is fulfilled.

4.4 Autocorrelation Test

Based on values obtained table *Durbin Watson* (DW) models amounted to 1,691, where the value is greater than 2 and less than 2. Thus Residual resulting from the equation Recourse i, which has been estimated stated There is no autocorrelation.

4.5 Multiple Linear Regression Analysis

Table 1
Multiple Linear Regression Analysis
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,946	,379		-2,499	,019
	ROEX1	3,198	,256	1,012	12,484	,000
	QUICKRATIOX2	,023	,008	,217	2,724	,011
	DERX3	,058	,071	,060	,825	,416

a. Dependent Variable: YPBV

The following is a multiple linear regression model obtained from the above research results:

$$Y = \alpha + b_1 X_1 + b_2 X_2 + b_3 X_3 + \varepsilon$$

Firm Value = -0.946 + 3,199 ROE + 0.023 Quick Ratio + 0.058 DER

The formula above shows:

Y	= Value Per usahaan
A	= Constant
B $1,2,3,$	= regression coefficient
X 1	= Profitability
X 2	= Capital Structure
ε	= Factor else that affects

4.3 Hypothesis test

a. Partial Significance Test (T Test)

Table 2
Partial Significance Test
Cofficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,946	,379		-2,499	,019
	ROEX1	3,198	,256	1,012	12,484	,000
	QUICKRATIOX2	,023	,008	,217	2,724	,011
	DERX3	,058	,071	,060	,825	,416

a. Dependent Variable: YPBV

Based on the table above shows how far the influence of one independent variable individually in explaining the dependent variable, the results can be explained and explained as follows:

1. Profitability (ROE)

Hypothesis 1: Profitability has an effect on Firm Value.

Based on the table above shows that the value of t $count$ (12,484) ≥ t $table$ (2,048). It is demonstrated that the variable Return On Equity (ROE) has no effect on the value of the company. In addition , to determine whether or not the influence of the independent variable on the dependent variable can be shown from the significance value (sig.) Of the Return On

Equity variable obtained by 0.000 which is smaller than α (0.05) then H0 is rejected and Ha is accepted. This means that the variable Return On Equity (ROE) partially has a significant effect on Firm Value.

2.   Capital Structure (DER)
      Hypothesis 2: Capital Structure has an effect on Firm Value.
      Based on the table above, it shows that the value of tcount (0.825) ≤ t table (2.048). This shows that the Debt To Equity Ratio (DER) variable has an influence on firm value. In addition, to determine whether or not the influence of the independent variable on the dependent variable can be shown from the significance value (sig.) of the Debt To Equity Ratio variable, which is obtained at (0.416) which is greater than (0.05), then Ho is accepted and Ha is rejected. .This mean that the variable debt To Equity Ration (DER) partially does not a significant effect on firm value.

b.   **Simultaneous Significance Test (Test F)**

Table 3
Simultaneous Significance Test (Test F)
ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	267,657	3	89,219	55,882	, 000 b
	Residual	44,704	28	1,597		
	Total	312,361	31			

a. Dependent Variable: YPBV
b. Predictors: (Constant), DERX3, QUICKRATIOX2, ROEX1

Based on the results of the simultaneous F test in the following table, it explains that the calculated F value is 55.882 with a significance value of 0.000. This means that it can be concluded that the Significance Value is smaller than the test level value, namely (0.000<0.05). So it can be said that the regression model used is variable.

c.   **Test The Coefficient Of Determination (R^2)**
      Profitability (ROE), Liquidity (Quick Ratio), Capital Structure (DER), and Company Value (PBV) have an influence on the *Coal Sub-Sector Mining* Companies listed on the IDX that meet the eligibility criteria for research.

Table 4
Test The Coefficient Of Determination (R^2)
Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	, 926 a	, 857	, 842	1,26355

a. Predictors: (Constant), DERX3, QUICKRATIOX2, ROEX1
b. Dependent Variable: YPBV

Based on the results of the SPSS output in the table above, it is known that the Rsquare value is.

5.   **Conclusion**

Equal to 0.857. This means that all Independent Variables used in this study include the Profitability Variable (ROE), Liquidity (Quick Ratio) , Capital Structure (DER) having an influence on Firm Value (PBV) amounting to 8 5.7% while the rest is 14, 3% is influenced by other variables outside the regression model.

Based on the results of the analysis "The Effect of Profitability, Liquidity, Capital Structure, on Company Value in Coal Mining Companies Listed on the Indonesia Stock Exchange for the 2014-2107 Period", the following conclusions are drawn :

1.   Profitability positive and significant effect on the value of the Company's Corporate Mining Sub-Sector Coal Listed on Bur sa Indonesia Exchange Period 2014-2107. The higher the Profitability value, the higher the Company Value in the Coal Sub-Sector Mining Company and it tends to increase the Company Value , the increase is Significant.
2.   Capital Structure (DER) a negative effect but not significant on the value of the company in the coal mining sub-sector listed on the Indonesia Stock Exchange for the period 2014-2107. Increasing Capital Structure (DER) tends to increase Firm Value (PBV), but the decrease is insignificant.
3.   Profitability (ROE), Liquidity (Quick Ratio), Capital Structure (DER) together have a significant effect on Firm Value (PBV) in Coal Mining Companies Listed on the Indonesia Stock Exchange for the 2014-2017 Period .

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