V. CONCLUSIONS AND IMPLICATIONS

A. Conclusions

Based on the results of data analysis and discussion that have been outlined in Chapter 4, the following conclusions were obtained:

1. The influnece of ownership structure is significant to the value of the company. The hypothesis stating significance of institutional ownership on firm values is accepted. The results showed that small or big shareholding owned by the institutions affect the value of the company. In other hand by adding control variable ownership structure value became negative, resulting in the hypothesis is rejected.
2. The influence of leverage on firm values has no effect. It showed that internal problem and information asymmetry affect firm values. Because there is no significance so the hypothesis is rejected. Thus, it implies that issuing equity becomes more expensive as asymmetric information between insiders and outsiders increase. Firms which information asymmetry is large should issue debt to avoid selling underpriced securities. By adding control variable the result is also same.
3. Dividend policy does not affect the value of the company. Hypothesis stated dividend policy have significance effect on firm value was rejected. It showed that dividend does not affect the value of the company. By adding control variable the result is also same.
4. Size and ROE showed that it does affect the firm value as external variable

.::: DIGITAL COLLECTION OF UPT PERPUSTAKAAN UNSOED :::.

B. The implications

Based on the influence of ownership structure variable, dividend policy, and policy debt against the value of the company, then the implications may be proposed as follows:The magnitude of the ownership of shares by institutional investors could be used as material considerations before embedding in an enterprise Fund.

1. Investors should be taking business decisions that are not only focused on dividends distributed by the company, because as this study has indcated that Dividend Payout Ratio (DPR) does not affect the value of the company.
2. The magnitude of the debt owned by companies that counted on the Debt to equity ratio (DER) can be used as a reference to infuse funds in an enterprise. The company that have debt is considered will expand the company.
3. Debt to equity ratio (DER) showed positive prospects of a good company because the company is believed to be able to pay his debts.
4. Companies tend to embrace in determining the pecking order theory of capital structure, so that it will give priority to the retained earnings or equity compared to the capital and debt.
5. Big company also has a stock market value is relatively high compared with small companies, investors are expected to prefer large companies compared with small companies.
6. Profirtabilitas level is also likely to give a positive signal for the market,

.::: DIGITAL COLLECTION OF UPT PERPUSTAKAAN UNSOED :::.

thus impacting positively on the value of the stock market. For companies non conservative accounting policies better in increasing the market value compared with conservative accounting policies.

C. Limitation of Study

This study conducted by the researcher has a number of limitations namely:

1. Observation period used a sample of only five years (2010-2014). Further research is recommended to use a longer study period to obtain more meaningful results.
2. The study was limited to the manufacturing companies listed on the 100 Kompas Stock Exchange Index.
3. The study using firm size and profitability as control variable.

.::: DIGITAL COLLECTION OF UPT PERPUSTAKAAN UNSOED :::.