Faculty of Economics and Business
Universitas Pamulang

INTERNASIONAL CONFERENCE & CALL FOR PAPER

ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2 No.: 1 No. E- ISSN: 3025-4086

THE EFFECT OF CAPITAL STRUCTURE AND FIRM GROWTH ON FIRM VALUE WITH DEBT POLICY AS A MODERATOR

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ABSTRACT

This study aims to determine and obtain empirical evidence of the effect of capital structure and company growth on firm value with debt policy as a moderator. This type of research is quantitative research and uses secondary data in the form of audited annual financial reports sourced from the official website of the Indonesia Stock Exchange (IDX). The population in this study were consumer non-cyclicals companies listed on the IDX in 2019-2023 as many as 125 companies as the population, and the sample technique taken using purposive sampling by meeting the criteria as many as 24 companies were sampled in 5 years of observation. The data analysis technique in this study uses moderated regression analysis in the Eviews 9 software application. The results of this study partially show that capital structure affects firm value while company growth has no effect on firm value, and debt policy can moderate capital structure on firm value, but debt policy cannot moderate company growth on firm value.

Keywords: *Capital Structure, Firm Growth, Firm Value and Debt Policy.*

ABSTRAK

Penelitian ini bertujuan untuk mengetahui dan memperoleh bukti empiris pengaruh struktur modal dan pertumbuhan perusahaan terhadap nilai perusahaan dengan kebijakan hutang sebagai moderator. Jenis penelitian ini adalah penelitian kuantitatif dan menggunakan data sekunder berupa laporan keuangan tahunan yang telah diaudit yang bersumber dari situs resmi Bursa Efek Indonesia (BEI). Populasi dalam penelitian ini adalah perusahaan consumer non-cyclicals yang terdaftar di BEI tahun 2019-2023 sebanyak 125 perusahaan sebagai populasi, dan teknik sampel diambil menggunakan purposive sampling dengan memenuhi kriteria sebanyak 24 perusahaan dijadikan sampel dalam 5 tahun pengamatan. Teknik analisis data dalam penelitian ini menggunakan analisis regresi termoderasi pada aplikasi software Eviews 9. Hasil penelitian ini secara parsial menunjukkan bahwa struktur modal berpengaruh terhadap nilai perusahaan sedangkan pertumbuhan perusahaan tidak berpengaruh terhadap nilai perusahaan, dan kebijakan hutang dapat memoderasi struktur modal terhadap nilai perusahaan, namun kebijakan hutang tidak dapat memoderasi pertumbuhan perusahaan terhadap nilai perusahaan.

Kata Kunci: Struktur Modal, Pertumbuhan Penjualan, Nilai Perusahaan, Kebijakan Hutang

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1. INTRODUCTION

In this era of globalization, business competition is increasing so that companies need to improve their performance to compete with other companies. To achieve its goals, the company must pay attention to several aspects such as company value. The higher the share price, the higher the company value. An increasing company value can attract investors to invest in the company. Company value can be measured through stock prices using a ratio called the valuation ratio. Firm value is the result of management work from several dimensions including net cash flow from investment decisions, growth and the company's cost of capital (Ukhriyawati & Dewi, 2019).

Firm value is defined as market value because firm value can provide maximum shareholder prosperity if the company's share price increases (Sari & Irawati, 2021). High company value can be an indication of high holder prosperity. The existence of company value is very important for investors to determine investment strategies in the capital market. Based on firm value, investors can predict stocks that are undervalued or overvalued, so that they can determine an investment strategy that is in accordance with investor expectations to obtain high dividends and capital gains. The value of the company can be measured from a stable stock price and an increase in the long term, a high stock price tends to make the company value also high. Firm value can show the value of assets owned by the company such as securities. Shares are one of the securities issued by the company (Suastra et al., 2023).

The phenomenon related to firm value is that the manufacturing industry is still the main driver of the national economy. This is reflected in the consistency of the non-oil and gas processing industry which contributed the most to the national gross domestic product (GDP) with an achievement of 16.30 percent in the second quarter of 2023. Agus said the growth of the food and beverage industry (4.62 percent). Chairman of the Food and Beverage Entrepreneurs (GAPMMI), Adhi S Lukman, said that the performance of the food and beverage industry in Indonesia this year has improved when compared to 2022. This is clearly seen from the ranking of investment realization in January-June 2023. In this period, the food and beverage industry ranked 4th with the value of Domestic Investment (PMDN) reaching IDR 26.72 trillion with a total of 5,416 projects. “Meanwhile, in terms of Foreign Investment (PMA), the food and beverage industry has recorded an investment of USD1.117 billion with 2,226 projects,” he said. When viewed from the contribution to the GDP of the non-oil and gas processing industry, in the first quarter of 2023 the food and beverage industry was the highest among other industries, which amounted to 38.61 percent. The growth of the food and beverage industry, continued Adhi, cannot be separated from the role of the Ministry of Industry's support which continues to implement the Making Indonesia 4.0 road map through the implementation of lighthouses. “This lighthouse status is companies appointed by the Ministry of Industry so that they have the responsibility to actively share their experiences with industries in their respective sectors, so that they can both benefit through digital transformation,” he explained. In the food and beverage sector, the Ministry of Industry has designated three companies as lighthouses, namely Amerta Indah Otsuka (Sukabumi and Kejayan), Kalbe Nutritionals (Sanghiang Perkasa and Kalbe Morinaga Indonesia) and Lautan Natural Krimerindo. (https://kemenperin.go.id/, 2023).

From this phenomenon related to this research where the higher the value of the company, it will make investors interested in investing their capital. An example of the

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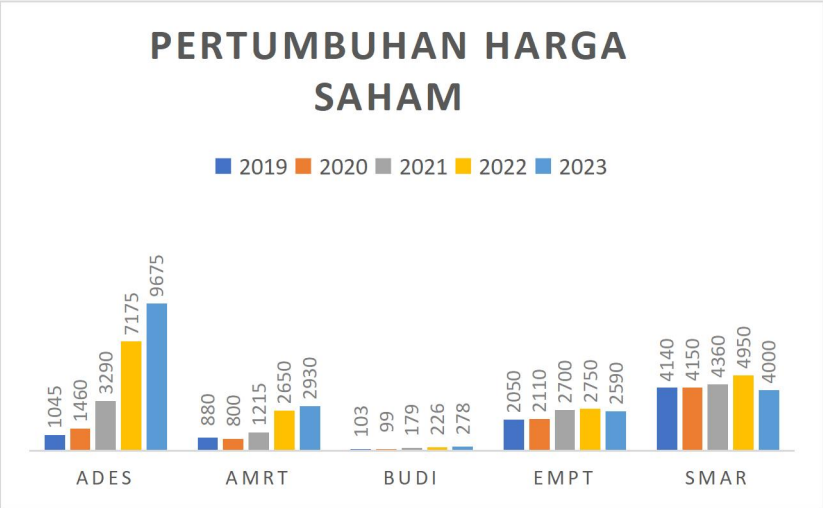
company's value can be reflected in its increasing stock price. Proven by the following stock price data:



The data was processed by researchers

Figure 1.1 : Share price data 2019-2023

PT Akasha Wira International Tbk (ADES) has always experienced an increase in its share price every year from the 2019-2023 period, as well as PT Sumber Alfaria Trijaya Tbk (AMRT) and PT Budi Starch & Sweetener Tbk (BUDI) even though in 2020 it had decreased, but after that the next period 2021-2023 always increased. For PT Enseval Putera Megatrading Tbk (EMPT) and PT Smart Tbk (SMAR), they also always experienced an increase from the 2019-2022 period, although in 2023 they experienced a decline in stock prices. Firm value is an indicator of the success of a company where the value of the company is indicated by the share price in the capital market. Stock prices are formed from the interaction of sellers and buyers of shares who expect a return (profit). From these events it can be concluded that an increase in company value will provide a signal to investors to invest in the company. A decrease in company value can be caused by several external and internal factors, such as (economic changes, geopolitical events, government policies, market manipulation, fluctuations in the rupiah exchange rate against foreign currencies, company fundamentals, company policies, and others). Firm value itself is influenced by several factors, in this study the authors took capital structure, firm growth and debt policy as research.

The first factor that affects firm value is capital structure. Capital structure is a combination or balance between debt and equity (preferred stock and common stock) used by companies to plan for capital (Ukhriyawati & Dewi, 2019). Capital structure is very important for companies because it will affect the amount of risk borne by shareholders and the expected rate of return. This requires the company to be able to manage its capital structure properly so that the company's objectives can be achieved so that with an optimal capital structure, the company's value can increase. Capital structure is defined as a description of the form of the company's financial proportion, namely between the capital owned which is sourced from long-term debt (long-term liabilities) and own capital (shareholder's equity) which is the source of financing for a company. So the capital structure is a combination of the company's sources of funds sourced from long-term debt

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and own capital used as a source of corporate financing (Anggara et al., 2019). Determination in making the company's capital structure policy must involve risk and return because with increasing debt, the risk and return expected by the company will also increase. The optimal capital structure is needed because it can optimize the balance between risk and return. The company's long-term funding ratio is indicated by the ratio of long-term debt to equity. The fulfillment of the company's funding needs from its own capital sources comes from share capital, retained earnings and reserves. If the company's funding from its own capital is still lacking, it is necessary to consider the company's funding from outside, namely debt.

The second factor that affects firm value is company growth. Company growth is a ratio that shows the company's ability to maintain its economic position amid economic growth and its business sector (Ramdhonah et al., 2019). Company growth reflects the growth of resources in the form of assets owned by the company as measured by the difference in total asset value each year. This is expected to increase the company's operational results. Internal and external parties really expect company growth because the development of the company is characterized by good growth. According to (Ukhriyawati & Dewi, 2019) said that company growth is the company's ability to increase its size and the company's growth rate can be measured by variables. Investors view the growth of a company as a sign that the company has favorable aspects and investors will expect a good rate of return from the investment made.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS (IF ANY)

This research uses signaling theory. Signalling Theory was first proposed by Michael Spence in 1973. Spence (1973) says that by providing a signal, the information owner tries to provide information that can be utilized by the recipient of the information. Furthermore, the recipient will adjust its behavior according to its understanding of the signal. Signal theory emphasizes the importance of information issued by the company on the investment decisions of the company's external parties. Information issued as an announcement will provide a signal for investors in making investment decisions. If the announcement contains positive value, it is expected that the market will react when the announcement is issued. One type of information issued by the company that can be a signal for parties outside the company, especially for investors, is the annual report. Information disclosed in the annual report can be in the form of accounting information, namely information related to financial statements and non-accounting information, namely information that is not related to financial statements.

Company Value

High firm value will increase market confidence in the company not only in current performance but also for prospects in the company in the future. Firm value is the investor's perception of the company's success rate which is closely related to its stock price. A high stock price makes the company's value high, and increases market confidence not only in the company's current performance but also in its future prospects (Ukhriyawati & Dewi, 2019). Firm value is a certain condition achieved by a company as an illustration of public trust in the company after going through a process of operational activities. In this study, the measure or proxy commonly used to calculate firm value is to use Tobin's Q. Firm Value is a reflection that shows the equity and book value of the company, both in the form of market value of equity, book value of total debt and book value of total equity. Signal

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theory has a relationship with firm value, because signal theory plays an important role in influencing investors' perceptions of firm value through information announcements, financial performance, liquidity, managerial ownership, and investment opportunities. When the company gets a good signal from the company's information, the signal will attract investors to invest their capital. The formula used is as follows (Nurhasanah & Napisah, 2024):

$$\textbf{Tobin's Q} = \frac{(\boldsymbol{EMV + D})}{(\boldsymbol{EBV + D})}$$

Description:
Tobin's Q: Company Value
EMV : Equity Market Value
EBV : Book value of total equity (Equity Book Value)
D : Total debt
EMV (Equity Market Value) is obtained from the result of multiplying the year-end closing stock price by the number of shares outstanding.
Closing Price at the end of the year with the number of shares outstanding at the end of the year.
outstanding at the end of the year.

Capital Structure

Capital structure is part of the company's decision in determining the sources of funding to be used (Lestari & Effriyanti, 2024). Capital structure is defined as the composition of the company's capital in terms of its source, especially showing the portion of the company's capital that comes from debt sources (creditors) and at the same time the portion of capital that comes from owners' equity (Ramadhayani & Widiyati, 2024). Capital structure is closely related to signal theory. If the level of capital structure in a company increases, the value of the company also increases. The increasing capital structure means that the amount of debt of the company is also increasing. For this reason, shareholders or investors will be more careful in investing their money, causing investor interest in buying shares from the company to decline. A company with a strong capital structure will provide a guarantee that the company is able to carry out its operational activities well so that it will generate a large level of profit (Anggara et al., 2019). Therefore, an optimal capital structure will provide a signal to investors to invest. Capital structure is the ratio between capital (debt) and own capital (equity) in a company. Capital can be in the form of short-term and long-term debt, while own capital includes equity, retained earnings, and reserves. Capital structure directly affects the company's financial position and can affect the company's ability to develop its business. In this study, the measure or proxy commonly used to calculate the capital structure is the Debt to Equity Ratio (DER), which is the ratio of total debt owned by the company to the company's total equity. This is like research conducted by (Krisnando & Novitasari, 2021). Here is the formula:

$$\textbf{DER (}\textit{Debt to Equity Ratio}\textbf{)} = \frac{\textit{Total Liabilities}}{\textit{Total Equity}}$$

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Description:
DER (Debt to Equity Ratio): Capital Structure
Total Liabilities: The amount of all debt owned by the company, which includes short-term debt and long-term debt.
Total Equity: Total capital owned by the company's shareholders, which consists of common stock, retained earnings, and other reserves. In this study using Debt to Equity Ratio (DER) measurement, this measurement is considered to be able to measure thoroughly about the capital structure compared to other measurements.

Company growth

Company growth is a ratio that shows the company's ability to maintain its economic position amid economic growth and its business sector. So that the higher the company's growth shows that the company has good performance which results in increased company value (Ramdhonah et al., 2019). company growth is also closely related to signal theory. Companies with high growth indicate that the company is developing. If the investment is made appropriately, then the company's growth will bring future profits. The level of company growth will show how far the company will use debt as a source of funding (Krisnando & Novitasari, 2021). Company growth is highly expected by internal and external parties, this is because company growth provides a sign for the development of the company and good growth will provide a good signal for the company. Company growth contributes to an increase in firm value, because growing companies tend to provide more signals to investors to invest, so that the company's stock price can rise and the company's value increases. Company growth is a signal for investors who will see that the growth of a company is a sign that the company has favorable aspects and makes investors interested in expecting high returns on their investment. This is like research conducted by (Ukhriyawati & Dewi, 2019). Here is the formula:

$$\textbf{Growth} = \frac{Total\ Asset\ t - Total\ Asset\ t-1}{Total\ Asset\ t-1}$$

Description:
Growth: Company Growth
Total Asset t: Total assets this year
Total Asset-1: Total assets of the previous year

Debt policy

Debt policy is a company policy that pays all its obligations, both short and long term. From the above understanding, the author can conclude that debt policy is a policy taken by company management to use debt as a source of funding in carrying out company operations (Pangaribuan et al., 2019). If a company uses debt continuously, the greater the risk borne by the company. Debt policy includes corporate funding policies that come from external sources. The determination of this debt policy is related to debt policy because debt is one of the compositions in debt policy. The company is considered risky if it has a large portion of debt in the debt policy, but on the other hand, if the company uses little or no debt, the company is considered unable to utilize additional external capital that can improve the company's operations. The measurement used to calculate debt policy uses Debt Assets Ratio (DAR), which is a ratio that compares total debt to total company assets. This ratio provides an overview of how much of the company's financial risk comes from the use of debt. A lower ratio indicates less dependence on debt, while a higher ratio indicates greater dependence on debt. However, in this study, researchers used the Debt to Assets Ratio (DAR) to measure the

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company's debt policy. DAR which reflects the ratio between total debt to assets. According to (Subiyanti, 2019) the following formula:

$$\textit{Debt to Assets Ratio}\ (\text{DAR}) = \frac{\textit{Total Liabilities}}{\textit{Total Assets}}$$

Description:
DAR (Debt to Assets Ratio): Debt Policy
Total Liabilities: The amount of all debt owned by the company, which includes short-term debt and long-term debt.
Total Assets: Total assets owned by the company, both current assets (such as cash and receivables) and non-current assets (such as property and machinery).

3. RESEARCH METHOD

Types of research

According to Sugiyono (2021), quantitative methods are methods used in research based on the philosophy of positivism which are used to research certain populations and samples and collect data using quantitative or statistical data analysis research instruments which aim to test predetermined research hypotheses. This research uses quantitative methods. The type of data used in this research is secondary data. This research data was obtained from financial reports and annual publications from non-cyclical consumer companies listed on the Indonesia Stock Exchange in 2019 - 2023. To obtain data relating to the problems to be studied in this research, the author took data from financial reports listed on the Indonesia Stock Exchange (BEI) which can be accessed via the official BEI website www.ldx.co.id.

Research location

The research location was chosen on the Indonesian Stock Exchange (BEI) as the research location because it is Indonesia's first stock exchange, which is considered to have complete data and has been well published. The population used in this research is all non-cyclical consumer sector companies listed on the Indonesia Stock Exchange in 2019-2023.

Operational Variables

Sugiyono (2019) said that a research variable is "an attribute or trait or value of a person, object, organization or activity that has certain variations determined by the researcher to be studied and then conclusions drawn." This research consists of three research variables, namely the dependent variable (dependent variable), independent variable (independent variable) and moderating variable (variable that strengthens/weakens).

Table 1.1
Operational Research Variables

No	Variabel	Jenis Variabel	Indikator	Skala Pengukuran

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No	Variabel	Jenis Variabel	Indikator	Skala Pengukuran
1.	Company Value (Y)	Dependent	Tobin's Q = $\frac{(EMV+D)}{(EBV+D)}$ Sumber: (Nurhasanah & Napisah, 2024)	Ratio Scale
2.	Capital Structure (X1)	Independent	*Debt to Assets Ratio* (DAR) = $\frac{\textbf{Total Liabilities}}{\textbf{Total Assets}}$ Sumber: (Krisnando & Novitasari, 2021)	Ratio Scale
3.	Company Growth (X2)	Independent	Company Growth : $\frac{Total\ Asset\ t - Total\ A}{Total\ Asset\ t -}$ Sumber : (Ukhriyawati & Dewi, 2019)	Ratio Scale
4.	Debt Policy (Z)	Moderation	*Debt to Assets Ratio* (DAR) = $\frac{\textbf{Total Liabilities}}{\textbf{Total Assets}}$ Sumber : (Subiyanti, 2019)	Ratio Scale

Population

The population used in this research is all non-cyclical consumer sector companies listed on the Indonesia Stock Exchange in 2019-2023.

Sample

The sampling technique used in this research uses a purposive sampling method, namely a non-random sample selection technique that has information based on certain considerations and the aim is tailored to the research problem. The sample taken must be truly representative, in sampling there is a sampling technique.

The following are the sampling criteria in the study:

1. Non-cyclical consumer sector companies that have been listed on the Indonesia Stock Exchange for the period 2019-2023.
2. Companies that publish complete financial reports for the period 2019-2023.
3. Non-cyclicals consumer sector companies that are continuously profitable during the 2019 - 2023 research period.

Data Analysis Techniques

This research uses Eviews 9 which is computer software that can help to analyze data, carry out statistical and non-paramatic calculations on a Windows basis. One of the tests is the MRA test.

Moderated Regression Analysis (MRA) Test

In this study using MRA, is a data analysis technique used to maintain sample integrity and provide a basis for controlling the influence of moderator variables

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(Ghozali, 2018). This analysis aims to determine whether the moderating variable will strengthen or weaken the relationship between the independent variable and the dependent variable.

4. DATA ANALYSIS AND DISCUSSION

The data analysis method used in this research is statistical analysis using panel data. Data analysis begins with processing data using Microsoft Excel which is then tested using Eviews 9 software.

Regression Model Selection

Uji Chow

Table 1.2

Uji Chow Test

Redundant Fixed Effects Tests Equation: Untitled Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	70.104811	(23,94)	0.0000
Cross-section Chi-square	**347.862316**	**23**	**0.0000**

Source: Eviews 9, processed by the author 2024

Table 1.2 shows that the probability value of Chi Square is 0.0000, meaning that this value is smaller than sig. 0.05 or (0.0000 <0.05) so that H0 is rejected and H1 is accepted. Which means the chow test shows that the Fixed Effect Model is the best model to use in the chow test.

Hausman Test

Table 1.3

Hausman Test

Correlated Random Effects - Hausman Test Equation: Untitled Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	**11.880484**	**2**	**0.0026**

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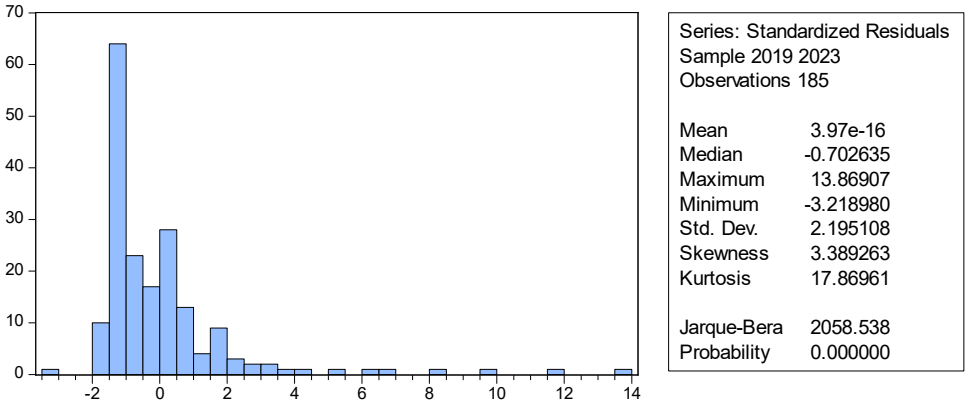
Source: Eviews 9, processed by the author 2024

Based on table 1.3 shows that the probability value of cross section random is 0.0026, meaning that this value is smaller than sig. 0.05 or (0.0026 <0.05) so that H0 is rejected and H1 is accepted. Which means the hausman test shows that the Fixed Effect Model is the best model to use in the hausman test. Due to the selection of panel data regression models using the chow test and hausman test, the results for the best model are fixed effect models, so the lagrange multiplier (LM) test no longer needs to be done.

Classical Assumption Test

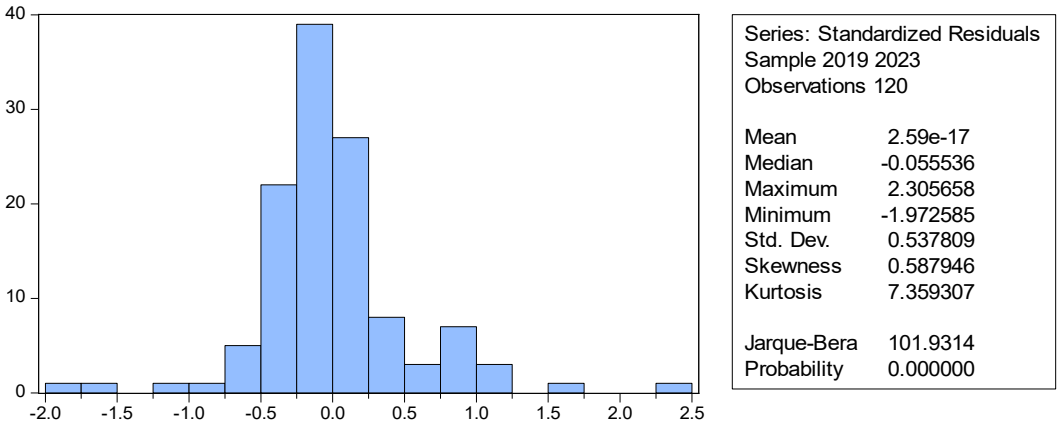
Normality Test



Source: Eviews 9, processed by the author 2024

Figure 1.2 Normality Test Histogram

Based on Figure 1.2, the normality test results show that the Jarque-Bera value is 2058.538. With Jarque-Bera, data can be shown with a probability value of Jarque-Bera > 0.00 and a probability value of 0.000000 < 0.05 (5%), which means the residual value is not normally distributed. Because the data was not normal, the researchers carried out outliers for 13 companies or a total of 65 samples. So the results of the normality test after outliers are obtained as follows:



Source: Eviews 9, processed by the author 2024

Figure 1.3 Histogram of Normality Test After Outliers

Based on Figure 1.3, the normality test results after the outliers are carried out show that the Jarque-Bera value is 101.9314. With Jarque-Bera, data can be shown with a probability value of Jarque-Bera > 0.00 and a probability value of 0.000000 < 0.05 (5%), which means the residual value is not normally distributed. According to (Ghozali, 2016, 168), we need to pay attention to the assumption of a normal distribution of residuals, especially for small sample sizes. This can also be explained by using the central limit theorem which states that the distribution of the amount of data greater than 30 will approach a normal distribution. Because the number of data entries in this study was 120 data, it can be assumed that the data is normally distributed.

Multicollinearity Test

Table 1.4

Multicollinearity Test

	DER	GROW
DER	1.000000	-0.115285
GROW	-0.115285	1.000000

Source: Eviews 9, processed by the author 2024

Table 1.4 shows that the correlation coefficient value between the independent variables X1 and X2 is <0.90. So it can be concluded that there is no correlation between independent variables whose results are above 0.90, so it can be said that this research is free from multicollinearity problems.

Heteroscedasticity Test

Table 1.5

Heteroscedasticity Test Results

Dependent Variable: RESABS

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Method: Panel Least Squares
Date: 10/09/24 Time: 20:06
Sample: 2019 2023
Periods included: 5
Cross-sections included: 24
Total panel (balanced) observations: 120

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.160137	0.138378	1.157244	0.2501
DER	0.188154	0.132567	1.419318	0.1591
GROW	0.142215	0.375342	0.378894	0.7056

Source: Eviews 9, processed by the author 2024

Based on the results of the heteroscedasticity test in table 1.5, it shows probability values of 0.1591 and 0.7056 > 0.05, which means that the regression model is homoscedastic or the data is free from heteroscedasticity problems or there are no symptoms of heteroscedasticity.

Autocorrelation Test

Table 1.6
Autocorrelation Test Results

R-squared	0.950494	Mean dependent var	2.279310
Adjusted R-squared	0.937327	S.D. dependent var	2.417118
S.E. of regression	0.605115	Akaike info criterion	2.022339
Sum squared resid	34.41941	Schwarz criterion	2.626296
Log likelihood	-95.34036	Hannan-Quinn criter.	2.267609
F-statistic	72.18988	Durbin-Watson stat	**1.147521**
Prob(F-statistic)	0.000000		

Source: Eviews 9, processed by the author 2024

Based on table 1.6, the Watson Durbin value is 1.147521, with 120 data and 2 independent variables, the DW value = 1.147521> -2, DW = 1.147521 < 2. So it can be concluded that this research has no autocorrelation because the DW value is between -2 to +2.

Panel Data Regression Test

Table 1.7
Panel Data Regression Test Results

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Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.267238	0.282429	11.56836	0.0000
DER	-1.016084	0.270568	-3.755380	0.0003
GROW	0.671352	0.766070	0.876359	0.3831

Source: Eviews 9, processed by the author 2024

Based on the panel data regression results, in this study the Fixed Effect Model (FEM) was selected. It can be seen in table 1.7, the regression equation can be concluded as follows:

Y = 3.267238 -1.016084DER + 0.671352GROW

1. The panel data regression equation obtained a firm value constant of 3.267238 and has a positive value, this means that if the capital structure and company growth variables are considered zero, then the amount of firm value activity in non-cyclical consumer sector companies is 3.267238.
2. The panel data regression equation obtained is that the capital structure constant is -1.016084 and has a negative value, this means that if the capital structure variable increases by one unit, then the company value will decrease by 1.016084 provided that the other variables are constant, and vice versa.
3. The panel data regression equation obtained is that the company growth constant is 0.671352 and has a positive value, this means that if the company growth variable increases by one unit, then the company value activity will increase by 0.671352 provided that the other variables are constant, and vice versa.

Analysis of the Coefficient of Determination (*R* 2)

Table 1.8
Coefficient of Determination Test Results (R 2)

R-squared	0.950494	Mean dependent var	2.279310
Adjusted R-squared	**0.937327**	S.D. dependent var	2.417118
S.E. of regression	0.605115	Akaike info criterion	2.022339
Sum squared resid	34.41941	Schwarz criterion	2.626296
Log likelihood	-95.34036	Hannan-Quinn criter.	2.267609
F-statistic	72.18988	Durbin-Watson stat	1.147521
Prob(F-statistic)	0.000000		

Source: Eviews 9, processed by the author 2024

Table 1.8 shows that the Adjusted R-squared value is 0.937327, which means 93.7327%. This value shows that the company value can be explained by capital structure variables and company growth of 93.7327%. Meanwhile, the remaining 6.2673% is explained by other variables or factors, where the ability of the independent variable is limited in explaining the dependent variable.

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Partial Influence Test (t Test)

Table 1.9

Partial Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.267238	0.282429	**11.56836**	0.0000
DER	-1.016084	0.270568	**-3.755380**	0.0003
GROW	0.671352	0.766070	**0.876359**	0.3831

Source: Eviews 9, processed by the author 2024

To find a t-table with sample size (n) = 120 and number of variables (k) = 2. The T-table can be seen in the T distribution table with a sig level. 0.05 with df = (n-k) = 120-2 = 118, so we get a t-table of 1.65787. So based on table 4.15 the results of the t statistical test can be explained as follows:

1. The capital structure variable shows a t-statistic value of -3.755380 < t-table 1.65787 and a probability value of 0.0003 < 0.05, meaning that the t-statistic value is smaller than the t-table and the probability value is smaller than the predetermined significance value (α = 0.05). So that partially the capital structure variable has an effect on company value.
2. The company growth variable shows a t-statistic value of 0.876359<t-table 1.65787 and a probability value of 0.3831>0.05, meaning that the t-statistic value is smaller than the t-table and the probability value is greater than the sig value. (α = 0.05). So partially the company growth variable has no effect on company value.

Moderated Regression Analysis (Moderated Regression Analysis)

Table 1.10

Moderated Regression Analysis Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.764898	0.570289	4.848236	0.0000
DER	-5.371204	1.509375	-3.558561	0.0006
GROW	-2.154555	1.815550	-1.186723	0.2384
DAR	6.974912	1.821813	3.828556	0.0002
DER*DAR	3.378591	1.468550	2.300630	0.0237
GROW*DAR	7.182326	3.763779	1.908275	0.0595

Source: Eviews 9, processed by the author 2024

Based on table 1.10, the results of the MRA statistical test can be explained as follows:

1. The debt policy variable (Z) shows a probability value of 0.0237 (0.0237< 0.05)

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and the DER variable (X1*Z) shows a probability value of 0.0237 (0.0237< 0.05). So it can be concluded that debt policy (Z) interacts with capital structure (X1) and has a significant relationship with company value (Y). Therefore, this type of moderation is pseudo-moderation, where the variable moderates the relationship between the independent variable and the dependent variable, where the pseudo-moderation variable interacts with the independent variable and at the same time becomes an independent variable.

2. The debt policy variable (Z) shows a probability value of 0.0595 (0.0595> 0.05) and the GROW variable (X2*Z) shows a probability value of 0.0595 (0.0595> 0.05). So it can be concluded that debt policy (Z) does not interact with company growth (X2) and does not have a significant relationship with company value (Y). Therefore, this type of moderation is pseudo-moderation, where the variable moderates the relationship between the independent variable and the dependent variable, where the pseudo-moderation variable interacts with the independent variable and at the same time becomes an independent variable.

5. CONCLUSION & SUGGESTION

Based on the research results, it can be concluded as follows:

a. Capital structure influences company value.
b. Company growth has no effect on company value.
c. Debt policy is able to moderate capital structure on company value.
d. Debt policy is unable to moderate company growth on company value.

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