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The Influence of Investment Decisions, Funding, and Profitability on Company Value with Corporate Governance as Moderator

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ABSTRACT

This study aims to examine and analyze the effect of investment decisions, funding decisions, and profitability on firm value with corporate governance as the moderating variable. With the existence of corporate governance as a moderating variable, it is expected to make company managers to choose and decide on investment decisions, funding decisions and profitability correctly. This research was conducted on companies that went public on the Indonesia Stock Exchange in the period 2014 to 2018. The study tested samples using the purposive sampling method on 10 companies in the infrastructure, utilities and transportation sectors from 50 financial statements that were observed. The independent variables consist of market book value, debt to equity ratio, and return on assets, while the dependent variable is price book value, and the moderating variable is managerial ownership. Test analysis using multiple linear regression using Statistical Product and Service Solutions (SPSS) software. The results of the analysis show that the investment decision variables and funding decisions have a positive effect on firm value. While the profitability variable has no effect on firm value, and the corporate governance variable does not moderate the influence between investment decisions, funding decisions, and profitability on firm value

Keywords: Investment Decisions, Funding Decisions, Profitability, Good Corporate Governance, Firm Value

INTRODUCTION

In the era of globalization, business development in Indonesia has progressed rapidly (Sonia et al., 2020; Acquaah, 2011). This is shown by the increasing number of companies, the development of knowledge, technological advances and the development of the flow of information that must be conveyed by companies to meet the information needs of users so as to create increasingly fierce competition. Companies engaged in infrastructure, utilities and transportation compete with each other to survive and be the best. This encourages each company to carry out various innovations and business strategies to avoid bankruptcy (Švárová & Vrchota, 2014: Panayiotou & Stavrou, 2021).

High stock prices will also make the company's value high. A higher company value indicates a higher shareholder welfare that can be achieved (Sharafoddin & Emsia, 2016). In addition to stock prices, the value of the company can also increase if the company is able to make and distribute financial decisions appropriately, some of which are investment decisions, funding decisions and profitability.

The value of a company can be reflected in the stock price (Wasista & Putra, 2019; Piristina & Khairunnisa, 2019). The company's shares will be in great demand by investors if the company's achievements are good. This achievement can be known by investors in the financial statements published by the company (issuer). This report is very helpful for investors in making investment decisions such as selling, buying, or investing shares. For this reason,

issuers are obliged to publish financial statements for a certain period (Brigham & Houston, 2012).

The following is a graph of PBV in the utility and telecommunications infrastructure sector listed on the IDX in 2014-2018:

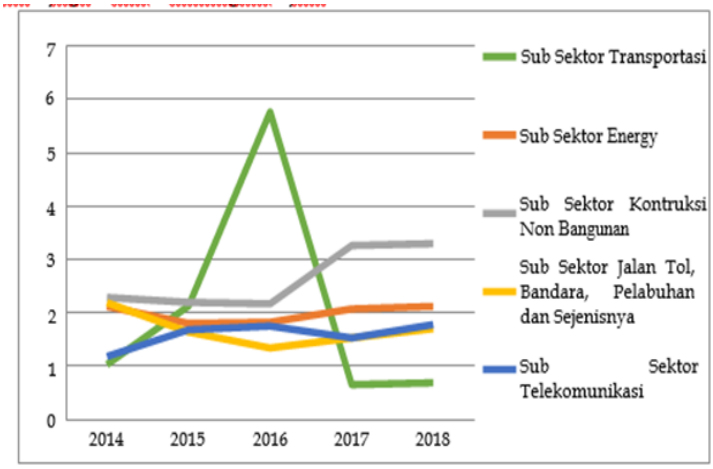

Figure 1. Value of Infrastructure, Utilities and Telecommunications Sector Companies
Source: Indonesia Stock Exchange

From the graph, it can be seen that in 2018 the value of companies in the infrastructure, utilities and telecommunications sectors increased, the transportation sub-sector increased by 0.69, the energy sub-sector was 2.07, the non-building construction sub-sector was 3. 26, the toll road, airport, port and the like sub-sector is 1.53, and for the telecommunications sub-sector it is 1.53. The increase in company value experienced in the transportation sub-sector was not better than other sub-sectors in the infrastructure, utilities and telecommunications sectors listed on the Indonesia Stock Exchange, the transportation sub-sector being the lowest. PBV value < 1 indicates that the PBV is low. A low PBV indicates a cheap or undervalued stock price. This shows that the value of the company in the transportation sub-sector is experiencing problems.

This study attempts to provide new empirical evidence regarding the effect of investment decisions, funding decisions and profitability on firm value with corporate governance as the moderating variable. With the existence of corporate governance as a moderating variable, it is hoped that company managers can choose and decide on investment decisions, funding decisions, and profitability correctly (Bintara, 2015; Noviani et al., 2019). This study uses a sample of infrastructure, utility and transportation companies assessed by the corporate governance perception index listed on the IDX in 2014-2018.

This study aims as follows: To examine and analyze the effect of investment decisions on firm value; To examine and analyze the effect of funding decisions on firm value; To examine and analyze the effect of profitability on firm value; To test and analyze corporate governance in moderating the effect of investment decisions on firm value; To examine and analyze corporate governance in moderating the effect of funding decisions on firm value, (6) To examine and analyze corporate governance in moderating the effect of profitability on firm value

METHOD

The research approach used is quantitative research. The quantitative research approach according to Sugiyono (2016: 8) can be interpreted as a research method used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is statistical/quantitative with the aim of testing hypothesis. The description (population) of the object of this research is the infrastructure, utility and transportation sector companies listed on the Indonesia Stock Exchange for the period 2014-2018.

The sampling technique used in this research is purposive sampling method. Purposive sampling is a sampling technique with certain criteria (Sugiyono 2016; Sugiyono 2018). The criteria used in this study, among others:

Table 1.
Sample Selection Process Based on Criteria Period 2014-2018

No	Criteria	Number of Samples
1	Infrastructure, utility and transportation sector companies	79
2	Infrastructure, utility and transportation sector companies not listed on the Indonesia Stock Exchange during the period 2014-2018	(34)
3	The company has a non-positive profit value during the 2014-2018 period	(19)
4	Infrastructure, utility and transportation sector companies that issue financial reports not in rupiah	(15)
5	The company did not publish complete financial statements during the 2014-2018 period in a row	(1)
Number of Sample Companies		10
Total Sample 10 x 5 50		50

Source: Secondary data, processed in 2021

RESULT AND DISCUSSION

Descriptive statistics

Descriptive statistics are part of data analysis that provides an initial description of each variable used in the study. The description of the data can be seen from the means, maximum, minimum and standard deviation of each variable in the study.

Table 2.
Descriptive statistics

	N	Min	Max	Mean	Std. Dev
MBVA	50	0.54	2.95	1.48	0.65
DER	50	0.08	13.54	1.96	2.77
ROA	50	1.18	24.86	7.53	5.86
MANJ	50	0.00	14.79	1.63	4.07
PBV	50	0.40	17.72	2.84	3.47

The firm value variable in this study was measured by price book value (PBV). The average price book value (PBV) is 2.84 and the standard deviation is 3.47, indicating that the variation in the price book value (PBV) data in this study is low so that the price book value

(PBV) is relatively the same. The next statistical descriptive result of the price book value (PBV) variable is the maximum value, the maximum price book value (PBV) is 17.72 and the minimum value of the price book value (PBV) variable is 0.40.

The investment decision variable in this study was measured by market to book value of assets. The average market to book value of assets is 1.48 and the standard deviation is 0.65, indicating that the variation in the market to book value of assets data in this study is very low, so it has a relatively similar market to book value of assets. The next statistical descriptive result of the market to book value of assets variable is the maximum value, the maximum market to book value of assets is 2.95 and the minimum value of the market to book value of assets variable is 0.54.

The funding decision variable in this study was measured by the Debt to Equity Ratio (DER). The average DER value is 1.97 and the standard deviation is 2.77, indicating that the variation in the DER data in this study is low, so it has relatively the same DER. The next statistical descriptive result of the next DER variable is the maximum value, the maximum value of DER is 13.54 and the minimum value of the Debt to Equity Ratio (DER) variable is 0.08.

The profitability variable in this study was measured by Return on Assets (ROA). The average ROA value is 7.53% and the standard deviation is 5.85, indicating that the variation in the ROA data in this study is low so that the ROA is relatively the same. The next statistical descriptive result of the next ROA variable is the maximum value, the maximum value of ROA is 24.86% and the minimum value of the ROA variable is 1.18%.

Corporate Governance in this study is assessed by managerial ownership (MANJ). The average value of the managerial ownership variable (MANJ) is 1.63 and the standard deviation is 4.06, indicating that the variation in the managerial ownership data (MANJ) in this study is low so that the managerial ownership (MANJ) is relatively the same. The statistical descriptive results of the managerial ownership variable (MANJ) are then the maximum and minimum values, where the maximum value of managerial ownership (MANJ) is 14.79. While the minimum value of the managerial ownership variable (MANJ) is 0.

Linear Regression Analysis Results

The results of model I testing (influence of investment decisions, funding decisions, and profitability on firm value) obtained from data processing using the SPSS 22 program are:

Table 3.
Multiple Regression Equation (Model 1) Coefficients

	Unstandarded Coefficients		Stan. Coeffits		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	-2,527	0,362		-6,983	0,000
X1=MBVA	2,316	0,312	0,431	7,425	0,000
X2=DER	0,948	0,058	0,757	16,214	0,000
X3=ROA	0,010	0,034	0,017	0,300	0,765

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on the results of the analysis obtained multiple linear regression equation as follows:

Y= - 2.527 + 2.316 X1 + 0.948 X2 + 0.010 X3

Based on the equation above, it can be explained that: (1) o = constant value of -2.527 indicating that if the MBVA (investment decision) (X1), DER (funding decision) (X2), and ROA (profitability) (X3) factor constant then the PBV (firm value) decreases by 2.527, (2) 1 = 2.316 indicates that the MBVA factor (investment decision) (X1) has a positive effect, it can be interpreted that if every time there is an increase in MBVA (investment decision) one unit, then the PBV (value company) will increase by 2,316 with the assumption that X2, and X3 are constant, (3) 2 = 0,948 indicates that the DER factor (funding decision) (X2) has a positive effect, it can be interpreted that if there is an increase in DER (funding decision) one unit then PBV (firm value) will increase by 0.948 with the assumption that X1 and X3 are constant, (4) 3 = 0.010 indicates that the ROA (profitability) factor (X3) has a positive effect, it can be interpreted if there is an increase in ROA (profitability) s one unit, then PBV (firm value) will increase by 0.010 assuming X1, and X2 are constant.

Correlation Coefficient and Multiple Determinants

The value of the coefficient of multiple determination from the results of data processing using the SPSS 22 program is:

Table 4.
Correlation Coefficient and Multiple Determinants Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,959	0,920	0,915	1,01410

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

The value of the multiple correlation coefficient (R) of 0.959 indicates a very strong (close) relationship between the variables, namely MBVA (investment decision) (X1), DER (funding decision) (X2), and ROA (profitability) (X3) with PBV (firm value) (Y). While the value of the multiple determinant coefficient (R^2) is 0.920 (92%) which means that PBV (firm value) is influenced by MBVA (investment decision) (X1), DER (funding decision) (X2), and ROA (profitability) (X3). of 8% (obtained from 100% - 92%) caused by other factors not included in the study.

Simultaneous Hypothesis Testing

The significance value of the F test obtained from the results of data processing using the SPSS 22 program is:

Table 5.
Simultaneous Hypothesis Testing Anova

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	543,871	3	181,290	176,283	0,000
Residual	47,307	46	1,028		
Total	591,178	50			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

The model generated from the multiple linear regression method used, needs to be tested for the overall significance of the regression equation, namely through the F test. If the significant level value of 0.000 is less than 0.05 (sig < 5%) then H0 is rejected and H1 is accepted which means the regression model The multiple linearity used is significant or suitable to determine MBVA (investment decision) (X1), DER (funding decision) (X2), and ROA (profitability) (X3) to PBV (firm value).

Partial Hypothesis Test

To find out the partial effect of the independent variables on the dependent variable, the F test was used. The significance value of the t test obtained from the results of data processing using the SPSS 22 program was:

Table 6.
Partial Hypothesis Test Coefficients

	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
Model	B	Std. Error	Beta		
1 (Constant)	-2,527	0,362		-6,983	0,000
X1=MBVA	2,316	0,312	0,431	7,425	0,000
X2=DER	0,948	0,058	0,757	16,214	0,000
X3=ROA	0,010	0,034	0,017	0,300	0,765

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

The results of the t-test above show that the MBVA (investment decision) variable has an effect on PBV (firm value) because the significance level is 0.000 which is smaller than 0.05. DER (funding decision) (X2) has an effect on PBV (firm value) because the significance level is 0.000 which is smaller than 0.05. ROA (profitability) (X3) has no effect on PBV (firm value) because the significance level is 0.765 which is greater than 0.05.

Model 2 Moderation Equation 1 MBVA (Investment Decision) (X1)

Based on the results of data processing using the SPSS 22 program, the results of the 1 MBVA moderation equation (investment decision) are as follows:

Table 7.
Multiple Linear Regression Analysis Results Moderation Equation 1 MBVA (Investment Decision) (X1)

Variable	Coefficient	t count	Sig.
Constant	-2,098	-2,144	0,037
X1 = MBVA	3,337	5,497	0,000
F-count = 30,218 Sig. = 0,000			
R = 0,622			
R Square = 0,386			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 7, the following regression equation is obtained:
PBV = -2.098 + 3.337 MBVA

The R value shows a correlation of 0.622, meaning that the influence between investment decisions on firm value is high with the measurement parameter of the correlation value between 0.6-0.79. While the value of the coefficient of determination R-Square is 0.386. This means that the independent variable of investment decisions can explain the dependent variable of firm value by 38.6%. While the results of the partial test with t test indicate that the investment decision variable has an effect on firm value because the significance value of 0.000 is smaller than 0.05.

Model 2 Moderation Equation 2 MBVA (Investment Decision) (X1) and Corporate Governance (Z)

Table 8.
Multiple Linear Regression Analysis Results Moderation Equation 2 MBVA (investment decision) (X1) and Corporate Governance (Z)

Variable	Coefficient	t count	Sig.
Constant	-2,129	-1,938	0,059
X1 = MBVA	3,351	5,166	0,000
Z = CG	0,007	0,065	0,948
F-count = 14,798 Sig. = 0,000			
R = 0,622			
R Square = 0,386			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 8, the regression equation is obtained as follows:

PBV = -2.129 + 3.351 MBVA + 0.007 CG

The R value which shows the correlation number is 0.622, which means that the influence between investment decisions on firm value is high with the measurement parameter of the correlation value between 0.6-0.79. While the coefficient of determination R-Square is 0.386 which indicates that the independent variable of investment decisions can explain the dependent variable of firm value of 38.6%.

In the F test for the moderating equation 1 regression 2, the significance value of 0.000 is smaller than 0.05, meaning that the investment decision variables and corporate governance together have a significant effect on firm value. Meanwhile, in the t-test, a significance value of 0.948 was obtained, which was greater than 0.05. This shows that the interaction variable of corporate governance with investment decisions has no effect on firm value. This means that corporate governance does not moderate the effect of investment decisions on firm value. The interaction of the moderating variable was not able to moderate the effect of investment decisions on firm value.

Model 2 Moderation Equation 3 MBVA (Investment Decision) (X1), Corporate Governance (Z) and MBVA*CG

Based on the results of data processing using the SPSS 22 program, the results of the 3 MBVA (investment decisions) (X1), corporate governance (Z) and MBVA*CG moderating equations are as follows:

Table 9.
Results of Multiple Linear Regression Analysis Moderation Equation 3 MBVA (Investment Decision) (X1), Corporate Governance (Z) and MBVA*CG

Variable	Coefficient	t count	Sig.
Constant	**-1,801**	-1,725	0,091
X1=MBVA	3,015	4,821	0,000
Z= CG	-2,141	-2,579	0,013
MBVA*CG	2,333	2,605	0,012
F-count = 13,343 Sig. = 0,000			
R = 0,652			
R Square = 0,465			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 9, the following regression equation is obtained:
PBV = -1,801 + 3,015 MBVA – 2,141 CG + 2,333 MBVA*CG

The F test is used to test the moderating equation 1 regression 3. The results obtained show a significance value of 0.000 which is smaller than 0.05, this means that the investment decision variables, corporate governance (CG), and corporate governance interactions with investment decisions are taken together. have a significant effect on firm value. While the t-test obtained a significance value of 0.012 which indicates it is smaller than 0.05 so that it can be concluded that the interaction variable of corporate governance with investment decisions has

an effect on firm value. This means that corporate governance moderates the effect of investment decisions on firm value. The interaction of the moderating variable was able to moderate the effect of investment decisions on firm value.

Model 2 Moderation Equation 1 DER (Funding Decision) (X2)

Table 10.
Multiple Linear Regression Analysis Results Moderation Equation 1 DER (financing decision) (X2)

Variable	Coefficient	t count	Sig.
Constant	0,730	2,321	0,025
X2=DER	1,073	11,525	0,000
F-count = 132,830 Sig. = 0,000			
R = 0,857			
R Square = 0,735			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 10, the regression equation is obtained as follows:
PBV = 0.730 + 1.073 DER

The value of R indicates the magnitude of the correlation number is 0.857, which means that the influence between funding decisions on firm value is very high with the measurement parameter of the correlation value between 0.8-1. While the value of the coefficient of determination R-Square is 0.735 which indicates that the independent variable of funding decisions can explain the dependent variable of firm value of 73.5%. In the t-test, it can be seen that the significance value of 0.000 is smaller than 0.05, meaning that the funding decision variable has an effect on firm value.

Model 2 Moderation Equation 2 DER (Funding Decision) (X2) and Corporate Governance (Z)

Table 11.
Results of Multiple Linear Regression Analysis Moderation Equation 2 DER (Funding Decision) (X2) and Corporate Governance (Z)

Variable	Coefficient	t count	Sig.
Constant	1,044	3,665	0,001
X2=DER	1,098	13,493	0,000
Z = CG	-0,223	-4,025	0,000
F-count = 95,545 Sig. = 0,000			
R = 0,896			
R Square = 0,803			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 11, the regression equation is obtained as follows:
PBV = 1.044 + 1.098 DER – 0.223 CG

The magnitude of the constant of 1.044 indicates the magnitude of the firm value for the moderating equation 2 regression 2 if there is no influence from funding decisions and corporate

governance or it can be said that the value of the independent variable is zero or constant. The regression coefficient for the funding decision of moderating equation 2 regression 2 of 1.098 indicates that if the funding decision increases by one unit, the firm value will increase by 1.098 with the assumption that corporate governance is constant. The regression coefficient for corporate governance moderation equation 2 regression 2 is -0.223, indicating that if corporate governance increases by one unit, the firm value will decrease by 0.223 with the assumption that funding decisions are constant.

The R value which shows the correlation number is 0.896, which means that the influence between funding decisions and corporate governance on firm value is very high with the measurement parameter of the correlation value between 0.8-1. While the coefficient of determination R-Square is 0.803 which indicates that the independent variables of funding decisions and corporate governance can explain the dependent variable of firm value of 80.3%.

In the F test for moderating equation 2 regression 2, the significance value of 0.000 is smaller than 0.05, meaning that the variables of funding decisions and corporate governance together have a significant influence on firm value. While on the t test, the significance value of 0.000 is smaller than 0.05 so it can be concluded that the interaction variable of funding decisions with CG has an effect on firm value. This means that corporate governance moderates the effect of funding decisions on firm value. The interaction of the moderating variable was able to moderate the effect of funding decisions on firm value.

Model 2 Moderation Equation 3 DER (Funding Decision) (X2), Corporate Governance (Z) and DER* CG

Based on the results of data processing using the SPSS 22 program, the results of the 3 DER moderation equations (funding decisions) (X2), corporate governance (Z) and DER*CG as follows:

Table 12.
Results of Multiple Linear Regression Analysis Moderation Equation 3
DER (Funding Decision) (X2), Corporate Governance (Z) and DER*CG

Variable	Coefficient	t count	Sig.
Constant	0,918	3,059	0,004
X2= DER	1,186	11,135	0,000
Z= CG	0,078	0,322	0,749
DER*CG	-0,133	-1,275	0,209
F-count = 65,085 Sig. = 0,000			
R = 0,900			
R Square = 0,809			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 12, the following regression equation is obtained:
PBV = 0.918 + 1.186 DER + 0.078 CG – 0.133 DER*CG

The R value which shows the correlation number is 0.900 which means that the influence between funding decisions, corporate governance, and CG interactions with funding decisions

on firm value is very high with the measurement parameter of the correlation value between 0.8-1. While the coefficient of determination R-Square is 0.809 which indicates that the independent variables of funding decisions, corporate governance, and the interaction of CG with funding decisions can explain the dependent variable of firm value of 80.9%.

In the F test for moderating equation 2 regression 3, it is found that a significance value of 0.000 is smaller than 0.05, meaning that the variables of funding decisions, corporate governance, and CG interactions with funding decisions together have a significant influence on firm value. Based on the t-test, a significance value of 0.209 is greater than 0.05, so it can be concluded that the interaction variable between CG and funding decisions has no effect on firm value. This means that corporate governance does not moderate the effect of funding decisions on firm value. The interaction of the moderating variable was not able to moderate the effect of funding decisions on firm value.

Model 2 Moderation Equation 1 ROA (Profitability) (X3)

Based on the results of data processing using the SPSS 22 program, the results of the moderating equation 1 ROA (profitability) are as follows:

Table 13.
Multiple Linear Regression Analysis Results Moderation Equation 1 ROA (Profitability) (X3)

Variable	Coefficient	t count	Sig.
Constant	2,130	2,652	0,011
X3 = ROA	0,094	1,113	0,271
F-count = 1,239 Sig. = 0,271			
R = 0,159			
R Square = 0,025			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 13, the following regression equation is obtained:
PBV = 2.130 + 0.094 ROA

The R value shows the correlation number, which is 0.159, meaning that the influence between profitability on firm value is very low with the measurement parameter of the correlation value between 0-0.19. While the coefficient of determination R-Square is known to be 0.025, indicating that the independent variable profitability is able to explain the dependent variable of 2.5% firm value. Based on the t test, the significance value of 0.271 is greater than 0.05, meaning that the profitability variable has no effect on firm value.

Model 2 Moderation Equation 2 ROA (Profitability) (X3) and Corporate Governance (Z)

Table 14.
Results of Multiple Linear Regression Analysis Moderation Equation 2
ROA (Profitability) (X3) and Corporate Governance (Z)

Variable	Coefficient	t count	Sig.
Constant	2,578	2,853	0,006
X3 = ROA	0,064	0,725	0,472
Z = CG	-0,137	-1,075	0,288
F-count = 1,199 Sig. = 0,310			
R = 0,220			
R Square = 0,049			

Dependent Variable: y=PBV
Source: Processed secondary data, 2021

Based on Table 14, the following regression equation is obtained:
PBV = 2.578 + 0.064 ROA – 0.137 CG

The R value shows a correlation value of 0.220, meaning that the influence between profitability and corporate governance on firm value is low with the measurement parameter of the correlation value between 0.2-0.39. While the coefficient of determination R-Square is 0.049, meaning that the independent variables of profitability and corporate governance are able to explain the dependent variable of firm value of 4.9%.

In the F test for moderating equation 3 regression 2, a significance value of 0.310 is greater than 0.05, meaning that the profitability and corporate governance variables together do not have a significant effect on firm value. While on the t test, the significance value of 0.288 is greater than 0.05 so that it can be concluded that the interaction variable between profitability and CG has no effect on firm value. This means that corporate governance does not moderate the effect of profitability on firm value. The interaction of the moderating variable was not able to moderate the effect of profitability on firm value.

Model 2 Moderation Equation 3 ROA (Profitability) (X3) Corporate Governance (Z) and ROA*CG

Table 15.
Results of Multiple Linear Regression Analysis Moderation Equation 3
ROA (Profitability) (X3), Corporate Governance (Z) and ROA*CG

Variable	Coefficient	t count	Sig.
Constant	2,588	2,843	0,007
X3= ROA	0,057	0,633	0,530
Z= CG	-0,289	-0,988	0,328
ROA*CG	0,058	0,576	0,567
F-count = 0,899 Sig. = 0,449			
R = 0,235			
R Square = 0,055			

Dependent Variable: y=PBV

Source: Processed secondary data, 2021

Based on Table 15, the following regression equation is obtained:
PBV = 2,588 + 0,057 ROA – 0,289 CG + 0,058 ROA*CG

The R value shows a correlation number of 0.235, which means that the influence between profitability, corporate governance, and the interaction of CG with profitability on firm value is low with the measurement parameter of the correlation value between 0.2-0.39. While the coefficient of determination R-Square is 0.055 which indicates that the independent variables of profitability, corporate governance, and the interaction of CG with profitability are able to explain the dependent variable of firm value of 5.5%.

In the F test for moderating equation 3 regression 3, a significance value of 0.449 is greater than 0.05, meaning that the variables of profitability, corporate governance, and the interaction of CG with profitability simultaneously have no significant effect on firm value. Based on the t-test, a significance value of 0.567 was obtained which is greater than 0.05 so that the interaction variable between CG and profitability has no effect on firm value. This means that corporate governance does not moderate the effect of profitability on firm value. The interaction of the moderating variable was not able to moderate the effect of profitability on firm value.

Discussion

The Effect of Investment Decisions on Firm Value

The results of data analysis showed that investment decisions have a significant positive effect on firm value. This shows that the hypothesis "Investment decisions have a positive effect on firm value", is accepted because the results of hypothesis testing show that investment decisions have a significant effect on firm value. These results are in line with the research results of Nasrum et al., (2015) which prove that investment decisions have a positive influence on firm value.

The results of hypothesis testing indicate that there is a significant effect between investment decisions on firm value. The relationship between investment decisions and firm value is positive. Companies with large investment decisions are better able to increase the value of the company. Investment decisions can encourage companies to increase profits.

The Effect of Funding Decisions on Firm Value

The results of data analysis conducted indicate that funding decisions have a significant positive effect on firm value on firm value. This shows that the hypothesis "Funding decisions have a positive effect on firm value", is accepted because the results of hypothesis testing show that funding decisions have a significant effect on firm value. This result is in line with the research results of Nasrum et al., (2015) where funding decisions have a positive influence on firm value. Likewise, Bintara's research (2018) where the capital structure as measured by the debt to equity ratio has a positive effect on firm value.

The results of hypothesis testing indicate that there is a significant effect between investment decisions on firm value. The relationship between investment decisions and firm value is positive. Companies with large investment decisions are better able to increase the value of the company. Investment decisions can encourage companies to increase profits (Gustiandika & Hadiprajitno, 2014; Gustiandika & Hadiprajitno, 2014).

The Effect of Profitability on Firm Value

Profitability has no significant effect on firm value. These results indicate that the higher the ROA value does not determine that the value of the company is good in the eyes of investors because there are many other factors taken into account by an investor such as in terms of other factors, for example regarding similar industry conditions, fluctuations, exchange rates, transaction volume, stock exchange conditions, economic conditions, social conditions, politics and national stability of a country. A high ROA value does not guarantee that investors see the value of the company either because of the security factor of their investment or the political security conditions prevailing at that time which were more concerned.

The absence of the influence of profitability on firm value occurs because investment decisions are made by the company not only to determine the profits that can be obtained by the company and the company's performance in the future but also for other things (Jensen & Meckling, 1976). This decision is very important because if the company makes a mistake in choosing an investment, it will disrupt the company's operations. Thus, managers must maintain investment development so that they are able to achieve company goals through the welfare of shareholders and are able to increase company value. Even though the company has increased profits, the company uses these profits for retained earnings and is not distributed to shareholders. So investors consider it a negative signal and have an impact on the value of the company.

The Influence of Investment Decisions on Firm Value with Corporate Governance as Moderating Variable

By comparing the three MBVA regressions (X1) with corporate governance moderation, it shows that corporate governance is a pure moderator variable, meaning the variable that moderates the relationship between the independent variable and the dependent variable. The interaction variable between investment decisions and corporate governance also has a significant effect on firm value. This shows that corporate governance moderates the effect of investment decisions on firm value in infrastructure, utility and transportation sector companies listed on the Indonesia Stock Exchange during the 2014-2018 period. Thus the hypothesis "Corporate Governance moderates the positive influence of investment decisions on firm value".

This result is in line with the research results of Nasrum et al., (2015) which states that the implementation of good GCG by the company will provide supervision to the management in management operations to provide prosperity to shareholders. This will suppress management policies or actions that only benefit their own prosperity. With good GCG implementation, management is expected and directed to be able to provide profit to the company. Thus, companies that implement better GCG are able to control investment decisions efficiently in order to increase company value

The Effect of Funding Decisions on Firm Value with Corporate Governance as Moderating Variable

Corporate Governance does not moderate the effect of funding decisions on firm value in infrastructure, utility and transportation sector companies listed on the Indonesia Stock Exchange during the 2014-2018 period. Thus, the absence of a moderating effect of GCG in moderating the effect of DER on PBV shows that the effect of DER on companies with more reliable GCG does not have a higher firm value. This shows that the high value of the CGPI (Corporate Governance Perception Index) does not guarantee that the company has a good capital structure. Companies with a high CGPI value have not been able to increase investor confidence that the company is able to manage their debt more optimally than companies without CGPI. So that CGPI has not been able to moderate the effect of investment decisions on firm value.

The effect of profitability on firm value with Corporate Governance as a moderating variable

Corporate governance does not moderate the effect of profitability on firm value in infrastructure, utility and transportation sector companies listed on the Indonesia Stock Exchange during the 2014-2018 period. Thus, the hypothesis "Corporate Governance moderates the positive effect of profitability on firm value", is rejected. This is because the corporate governance function of the supervisory manager is not effective. The existence of corporate governance is focused only on increasing the value of the company. In general, it does not focus on monitoring the effect of ROA on firm value, because the high ROA of the sample firms is large enough to directly affect firm value. This finding does not support the agency theory that corporate governance cannot effectively control the company and its stakeholders to prevent managers from manipulating the numbers in the financial statements that are used to calculate ROA.

CONCLUSION

Based on the analysis that has been carried out, several conclusions can be drawn, including; MBVA variable (investment decision) has a positive influence on PBV (firm value); DER variable (funding decision) has a positive influence on PBV (firm value); The ROA (profitability) variable has no effect on PBV (firm value); By comparing the three regressions of the 1 MBVA moderating equation, it can be concluded that the corporate governance variable is a pure moderator variable; By comparing the three regressions of the moderating equation 2 DER, it can be concluded that the corporate governance variable is a predictor variable, which means that this moderating variable only acts as an independent predictor variable in the inverse relationship model; By comparing the three regressions of Moderation Equation 3 ROA, it can

be concluded that the corporate governance variable is a homologizer variable. moderator means that the variable is m be a moderating variable.

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