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Analysis of Firm Value Mediated by Investment Decisions of Coal Subsector Companies Listed on The Indonesian Stock Exchange

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Abstract:

Firm value can be interpreted as a measure of the success of the company's performance in increasing shareholder prosperity. The purpose of this study was to determine the effect of company size, liquidity and leverage on firm value and the role of investment decisions as mediating variables in property and real estate companies listed on the Indonesia Stock Exchange for the 2019-2023 period. The sampling technique in this study used purposive sampling technique with a total sample of 19 companies. The analysis technique used is path analysis. This study found that company size and liquidity have a significant positive effect on firm value, while leverage has no significant effect on firm value, investment decisions are able to mediate the effect of company size and liquidity on firm value, and investment decisions are not able to mediate the effect of leverage on coal company value.

Keywords: Firm Value; Firm Size, Investment Decision; Leverage; Liquidity

1. Introduction:

Basically, the goal of financial management is to maximize firm value. The success of a business in providing profits to its shareholders is referred to as firm value (Sartono, 2010). Shareholders invest by considering the value of the company. An increase in the value of a company can be seen as a sign of success because the welfare of the owners and shareholders of the company is positively correlated with the value of the company. Investors prefer businesses with high company value (Ferdyansyah et al., 2023).

Investors or prospective investors expect a stable and high PBV value, which is indicates good company value. In a business context, there are many causes that can lead to an increase and decrease in revenue, such as natural situations, market prices, economic crises, and so on. Therefore, the value of companies in the coal subsector rises and falls due to some of these factors. By analyzing the company's financial statements, shareholders can assess the performance of mining companies.

Table 1 Average PBV Growth

PBV	2019	2020	2021	2022	2023
Average	1.71	1.10	1.43	1.82	1.82
Average Growth		-0.36	0.30	0.27	0.00

Source: www.idx.co.id data processed by the author

The phenomenon in table 1 shows that the average PBV tends to increase, but has experienced a decline once in 2020. When viewed from the growth of PBV, it tends to decrease from year to year. This decrease in PBV indicates a decrease in investor interest in investing in a company, this can occur due to investor doubts about investing so that it can trigger a decrease in stock prices which can cause a decrease in company value.

The first factor that affects firm value is investment decisions. Investment decisions, according to (Jogiyanto, 2015), are a way for companies to benefit in the future by determining how many assets are needed for the company's overall operations, both short and long term. The better the company's investment decisions, the higher the company's value.

Company size is an important indicator for investors in seeing the company's prospects. The amount of assets owned by a company can be described as its size (Brigham & Houston, 2019). The more assets a company has, the larger its size, and the larger the size of the company will affect its value.

Liquidity is the company's ability to pay maturing debts (Kasmir, 2019). The company has greater value when it has more liquidity, but when the company's liquidity is low, the company's ability to fulfill its obligations is also lower, so the sustainability of the business is in doubt.

Leverage is the amount of debt issued by a company to finance its assets and management (Brigham & Houston, 2019). With a higher level of leverage, the company's stock price increases and the company's value increases because of the company's ability to fulfill all its obligations.

Therefore, this study aims to determine how company size, liquidity, *leverage* in coal subsector companies on the IDX from 2019 to 2023 can affect firm value with investment decisions as an intervening variable. Thus, several problem formulations proposed in the study, namely, first, does company size affect firm value. Second, does liquidity affect firm value. Third, does leverage affect firm value. Fourth, whether investment decisions are able to mediate the effect of company size on firm value. Fifth, whether investment decisions are able to mediate the effect of company size on firm value. Sixth, whether investment decisions are able to mediate the effect of company size on firm value. Based on the results of previous research, it is found that the results are still inconsistent so that there is a gap to conduct research again.

Research is expected to provide theoretical and practical benefits. The theoretical benefits, this research is expected to provide empirical evidence on how profitability affects firm value. The practical benefits, this research is expected to provide information and considerations about things to consider before deciding to buy shares in a company. Companies are expected to use this research as a consideration when using this research variable to buy their shares.

2. Literature Review:

Siggnalling Theory:

Signalling theory was first created by Spance in 1973, which explains that the sender provides a signal or signal in the form of information that shows the condition of the company that benefits the recipient (investor). In signal theory, the sender (company) provides relevant information to the party (investor). Signal theory provides clues for investors to view the company's prospects carried out by company management (Brigham and Houston 2019). Companies usually provide signals through financial reports because financial reports can provide important information for shareholders to consider when making decisions (Saputri & Anwar, 2021).

The relationship between signaling theory and firm value, high firm value can serve as a positive signal for investors, while low firm value can serve as a negative signal for capital owners. This is due to the fact that investors will invest for profit, so if a company has a negative value, investors tend to avoid it, or in other words, capital owners will not invest in it.

Company Value:

The selling price of a company that is considered feasible by potential investors is the value of the company (Merinda & Pertiwi, 2019). The market price of the stock in question is determined by the book value per share, so investors should pay attention to this value before buying or selling shares and compare it with the price offered. In general, the better a company performs, the higher its operating profit and the more likely its stock price will rise (Pamungkas & Yuniningsih, 2022) (Agustin & Anwar, 2022). This variable can be measured on a scale that uses the PBV ratio

Investment Decision:

As stated by Setyowati et al. (2018), investment decisions include decisions regarding company funding on various types of investments within and outside the company. This investment decision will produce optimal performance and be able to provide positive signals to investors which will increase stock prices and company value (Rizkiwati & Anwar, 2023).

Company Size:

Company size shows the scale of the size of the company. Company size is a measure of the size of a company which is shown or assessed by total assets, total sales, total profits, expenses, and expenses. shown or assessed by total assets, total sales, total profit, tax burden, and others" (Brigham and Houston 2019). Company size becomes one way to increase the value of the company which is reflected by total assets. assets.

Liquidity:

According to Agustin and Anwar (2022), the liquidity of the company is the company's ability to fund the company's operations company's operations, liquidity also illustrates the company's efficiency in paying off its short-term liabilities (debt). pay off its short-term obligations (debt). Investors can be interested in invest if the company has a high liquidity value. Liquidity in this study is measured by Cash Ratio (CR). A higher CR indicates that the company has enough liquidity to face short-term obligations without holding too much cash. If the company has a lot of cash, this may indicate that the company has reserves to invest in growth projects or return value to the company. invest in growth projects or return value to shareholders through dividends

According to Agustin and Anwar (2022), company liquidity is the company's ability to fund its company operations, liquidity also illustrates the company's efficiency in paying off its short-term obligations (debt). Investors can be interested in investing if the company has a high liquidity value.

Leverage:

Leverage is the use of assets and capital by a company at a fixed cost with the aim of increasing potential profits for shareholders (Sartono 2010). leverage is the use of borrowed funds (debt) to finance the company's operational or investment activities with the aim of increasing the company's profit potential. Operational or investment activities of the company with the aim of increasing potential return on investment. Leverage allows the company to control more assets or conduct more operations than would be possible with only its own funds. than would be possible with only its own funds. Debt to Equity Ratio (DER) is used in the study as a proxy for capital structure and is determined as the ratio of the company's total debt to its total equity.

Hypothesis Development:

The Effect of Company Size on Firm Value:

Company size shows the amount of assets owned by a company and can be assessed based on total assets, sales, profits, tax burden, and other factors (Brigham and Houston 2019). Company size as a way to determine how large or small a company is based on the total amount of assets it has (Lutfita & Takarini, 2021). Based on signaling theory (Spance, 1973), a company with large assets means that the company has many resources, wealth, or capital that can provide benefits if managed properly and used as valuable assets. Investors will see the company's assets or sales level as a positive signal.

Based on research conducted by Yanti and

Darmayanti (2020), found research results that Company Size has a significant positive effect on Company Value.

H1: company size has a positive effect on firm value

The Effect of Liquidity on Firm Value:

According to Agustin and Anwar (2022), company liquidity is the company's ability to fund its business operations. In addition, liquidity also shows how effectively the company pays off its short-term debt. If the company has a high liquidity value, investors may be interested in investing (Karim & Nur, 2024) (Pradani et al., 2021). According to the signaling theory (Spance, 1973), it explains how management provides information to investors about how management pays attention to company performance. The company's financial statements with a high level of liquidity will show that the company has sufficient resources to improve performance and avoid financial difficulties to pay its obligations.

Based on research conducted by Agustin and Anwar (2022), Karim and Nur (2024), and Rizkiwati and Anwar (2023) who found research results Liquidity has a significant positive effect on Firm Value.

H2: liquidity has a positive effect on firm value

The Effect of Leverage on Firm Value:

The use of debt, or indebtedness, to increase the potential return on investment is known as leverage (Brigham and Houston 2019). If a company increases the proportion of its debt, it shows that the company is trying to increase its capital availability (Komala et al., 2021). Businesses can increase profits if the increase in operational funds can be followed by good management. Financial leverage involves using debt to increase the potential return on shareholder equity. According to the signaling theory (Spance, 1973), that the more useful information and it is shown that high corporate debt company can increase company value that companies that companies that have high leverage can create high company value due to the high trust given by investors. due to the high trust given by investors in the form of in the form of borrowing funds in financing the company's operationalization.

Based on research conducted by Pradani, Nur, and Wikartika (2021) and Karim and Nur (2024) who found the results of Leverage research had a significant positive effect on Firm Value.

H3: *leverage* has a positive effect on firm value

Investment Decision Mediates the Effect of Company Size on Firm Value:

High investment decisions can mediate the effect of firm size on firm value, as the market sees more promising growth potential. Conversely, if the investment decision of a large company is low, this could indicate that the market is not optimistic about the company's profit growth prospects, which in turn could suppress the value of the company despite its size.

In research conducted by Yuniningsih, et al (2019) and Indra Mariana et al., (2019), which found the results of research on Company Size mediated by Investment Decisions has a positive and significant effect on Company Value.

H4: investment decisions are able to mediate company size on firm value

Investment Decision Mediates the Effect of Liquidty On Firm Value:

If a company with high liquidity also has a high investment decision, this indicates that in addition to having good liquidity, the company also has a good investment decision. Potential for positive earnings growth in the future. In this situation, high investment decisions can mediate the effect of liquidity on firm value, as the market not only sees liquidity security but also promising profitability prospects, which ultimately increases the valuation of the company in the market.

In research conducted by Yuniningsih, et al (2019), which found the results of research on Corporate liquidity mediated by Investment Decisions has a positive and significant effect on Firm Value.

H5: investment decisions can mediate liquidity on firm value.

Investment Decision Mediates the Effect of Leverage on Firm Value:

The greater the investment decision financed by leverage provides an advantage for the company because it can attract investors to invest their capital and make it easier for management to get debt because of investor confidence in the company's performance.

In research conducted by Indra Mariana et al., (2019), which found the results of research on company leverage mediated by Investment Decisions has a positive and significant effect on Firm Value.

H6: investment decisions can mediate leverage on firm value.

Conceptual Framework:

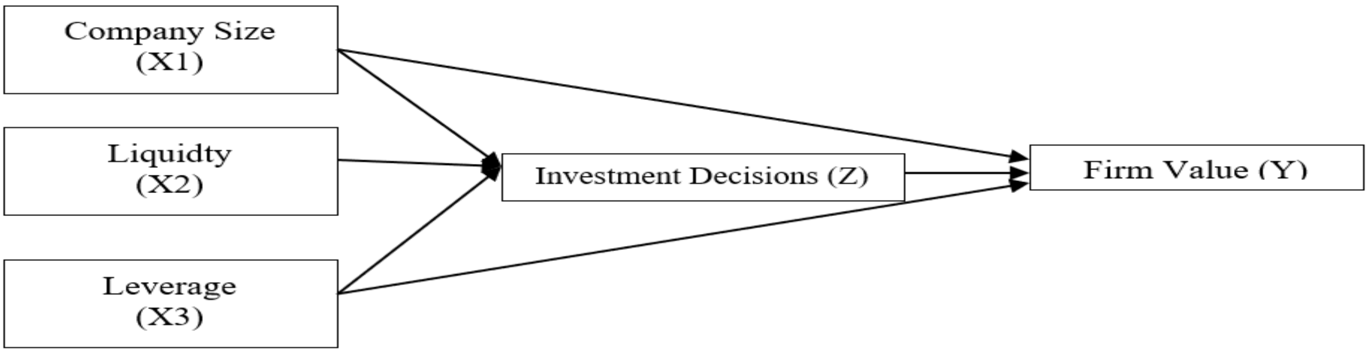

Figure 1 Conceptual Framework

3. Research Methods:

This research uses a quantitative approach. The independent variables used are Company Size, Liquidity, Leverage. The dependent variable is Firm Value and the intervening variable is Investment Decision. Secondary data, in the form of financial reports and annual reports of coal companies listed on the Indonesia Stock Exchange for the 2019-2023 period. The population of this study is coal companies listed on the Indonesia Stock Exchange for the 2019-2023 period totaling 38 companies and using purposive sampling method, so as to get a sample of 19 companies with the specified criteria. The research data analysis technique is path analysis, through the SPSS (Statistical Package for Social Science) program and the sobel test to test the effect of mediation.

4. Research Results and Discussion:

Normality Test Results

Table 2 Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		95
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	.14070133
Most Extreme Differences	Absolute	.074
	Positive	.074
	Negative	-.050
Kolmogorov-Smirnov Z		.722
Asymp. Sig. (2-tailed)		.674

a. Test distribution is Normal.

Source: SPSS processed data

The normality test in table 2 obtained the analysis results that the Asymp. Sig (2-tailed) of 0.674 is greater than the level of significance asymp. α = 0.05 (5%), meaning that based on the predetermined provisions, it can be concluded that the data in the table can be normally distributed.

Multicollinearity Test Results:

Table 3 Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Company Size	.355	2.814
	Liquidity	.172	5.822
	Leverage	.136	7.367
	Investment Decision	.121	8.295

a. Dependent Variable: Company Value

Source: SPSS processed data

Based on the multicollinearity test in table 3, the analysis results show that the VIF value on all variables is smaller than 10 and the Tolerance value is greater than 0.01. Terms of multicollinearity occur if the VIF (Variance Inflation Factor) value is greater than 10 and the Tolerance value is less than 0.01. So it can be concluded that all of these regression models do not occur multicolonierity.

Heteroscedasticity Test Results

Table 4 Heteroscedasticity Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	.096	.065		1.468	.145
Company Size	-.001	.004	-.048	-.305	.761
Liquidity	.040	.025	.360	1.582	.117
Leverage	.008	.010	.198	.774	.441
Investment Decision	.000	.002	-.073	-.268	.789

a. Dependent Variable: Residual_Y

Source: SPSS processed data

Based on table 4, the significance value of each independent variable is greater than 0.05. Referring to the basis for decision making, it can be concluded that the assumption of homoscedasticity is fulfilled, which means that there are no symptoms of heteroscedasticity

Autocorrelation Test Results

Table 5 Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
2	.746[a]	.556	.543	.14379	1.847

Source: SPSS processed data

Based on table 5, it is known that the first value of the Durbin-Watson statistic is 1.812. Because the Durbin-Watson statistical value lies between dU and 4-dU, = 1.755 < 1.847 < 2.245. Thus there is no autocorrelation.

Hypothesis Test

Simultaneous Test Results (F) Direct Effect

Table 6 F Test Results of Direct Effect

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	130.179	4	32.545	1.574E3	.000[a]
	Residuals	1.861	90	.021		
	Total	132.040	94			

a. Predictors: (Constant), Investment Decision, Company Size, Liquidity, Leverage

b. Dependent Variable: Company Value

Source: SPSS processed data

Based on table 6, the *Sig*. value of 0.000 <0.05 is obtained, then the Company Size, Liquidity, and Leverage variables simultaneously have a significant influence on the Company Value variable, so that the model is declared feasible/fit.

Partial Test Results (t) Direct Effect

Table 7 Results of Regression Analysis and Direct Effect t test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.315	.129		-10.206	.000
	Company Size	.104	.007	.300	14.278	.000
	Liquidity	.162	.049	.099	3.288	.001
	Leverage	.274	.019	.481	14.164	.335

a. Dependent Variable: Company Value

Source: SPSS processed data

Based on table 7, the *constant* value (a) is -1.315 while the value (b / regression coefficient) of the company size variable (x_1) is 0.104, the liquidity variable (x_2) is 0.162, the leverage variable (x_3) is

0.274 and the investment decision variable (Z) is 0.274. From these results, the regression analysis equation is obtained as follows.

$Y = -1.315 + 0.104X_1 + 0.162X_2 + 0.274X_3 + e$

Based on the above equation, it can be explained as follows.

1. Constant (β0) = -1.315

The constant value is -1.315, which means that if the value of the variables x_1 to Z is equal to zero, the company value variable (Y) will be -1.315.

2. Company Size (X1) = 0.104

The regression coefficient on the Company Size variable (X1) is 0.104 and the significance level is 0.000 which indicates a unidirectional (positive) and significant change between the Company Size variable (X1) and the Company Value (Y). If the Company Size as measured by Size (X1) increases by one unit, the Company Value as measured by PBV (Y) will increase by 0.104. Conversely, if the Company Size as measured by Size (X1) decreases by one unit, the Company Value as measured by PBV (Y) will decrease by 0.104.

3. Liquidity (X2) = 0.162

The regression coefficient on the liquidity variable (x_2) is 0.162 and the significance level is 0.001 which indicates a unidirectional (positive) and significant change between the liquidity variable (x_2) and the Company Value (Y). If Liquidity as measured by Cash Ratio (X2) increases by one unit, the Company Value as measured by PBV (Y) will increase by 0.162. Conversely, if the Liquidity as measured by Cash Ratio (X2) decreases by one unit, the Company Value as measured by PBV (Y) will decrease by 0.162.

From the results of table 7 of multiple linear regression analysis, the partial test results (t) can be taken as follows:

1. Company Size (X1)

The t test results show that the company size variable (x_1) has a *sig*. price of 0.000<0.05 and the path coefficient value is positive. This means that there is a significant positive effect of the firm size variable on the firm value variable (Y).

2. Liquidity (X2)

The results of the t test show that the liquidity variable (x_2) has a *sig*. of 0.001 <0.05 and the path coefficient value is positive. This means that there is a significant positive effect of the liquidity variable on the firm value variable (Y).

3. *Leverage* (X3)

The t test results show that the *leverage* variable (x_3) has a *sig*. price of 0.335> 0.05 and a positive path coefficient value. This means that there is a nonsignificant positive effect of the leverage variable on the firm value variable (Y).

Test Results of the Coefficient of Determination (R^2) Direct Effect

Table 8 Direct Effect R Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.746[a]	.556	.543	.14379

a. Predictors: (Constant), Investment Decision, Company Size, Liquidity, Leverage

b. Dependent Variable: Company Value

Source: SPSS processed data

Based on the results of table 8 of the coefficient of determination test, it appears that the output of the coefficient of determination is 0.556. This means that 55.6% of the Company Value (Y) variable can be explained by the Company Size (X1), Liquidity (X2), and Leverage (X3) variables while the remaining 44.4% is explained by other variables outside this study.

Results of the Indirect Effect t Test (*Sobel Test)*

Mediation 1

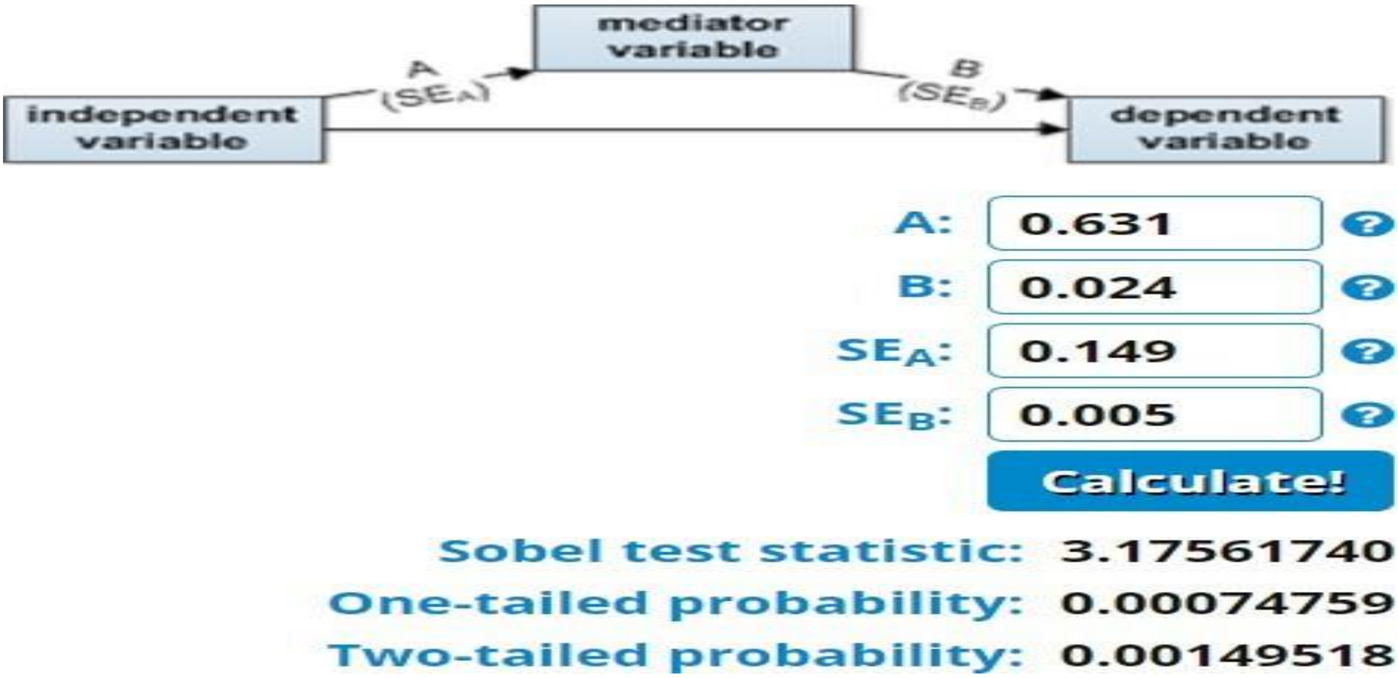

Figure 2 Sobel Test Results Mediation 1

Source: https://www.quantpsy.org/sobel/sobel.htm data processed by the author

Based on Figure 2, it is known that the sig price is 0.001 <0.05. This means that investment decisions significantly mediate the effect of company size on firm value.

Mediaton 2

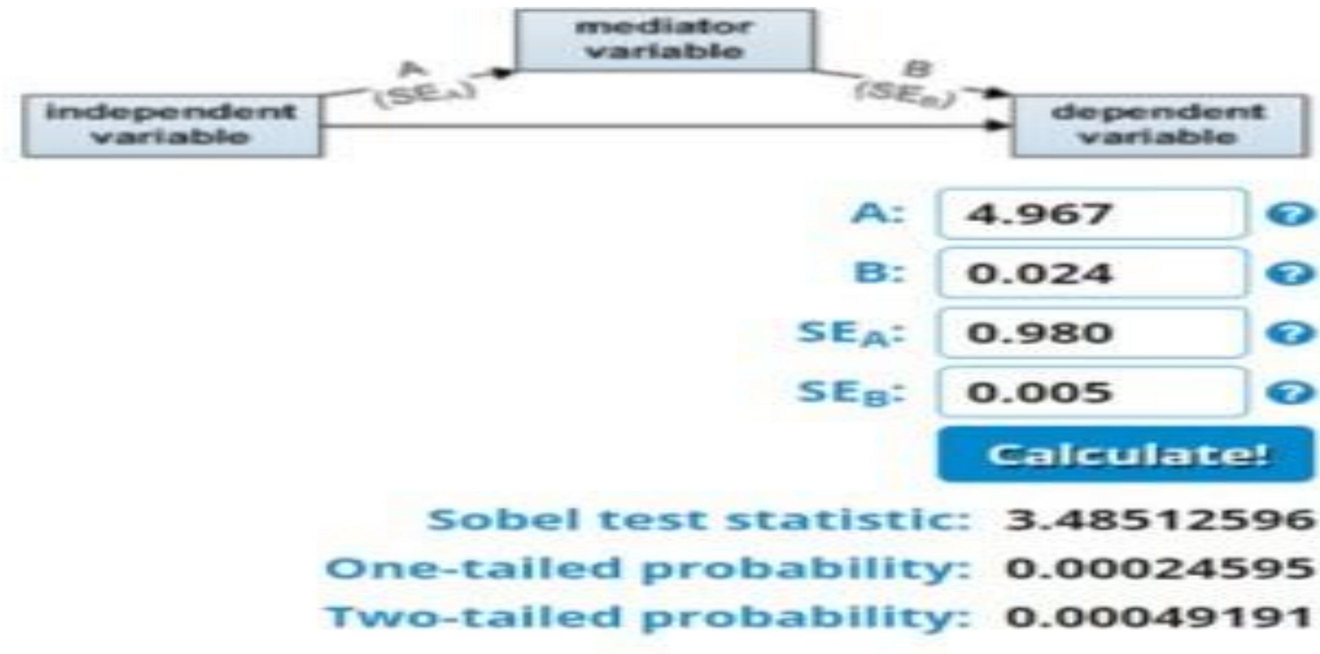

Figure 3 Sobel Test Results Mediation 2

Source: https://www.quantpsy.org/sobel/sobel.htm data processed by the author

Based on Figure 3, it is known that the sig price is 0.000 <0.05. This means that investment decisions significantly mediate the effect of liquidity on firm value.

Mediation 3

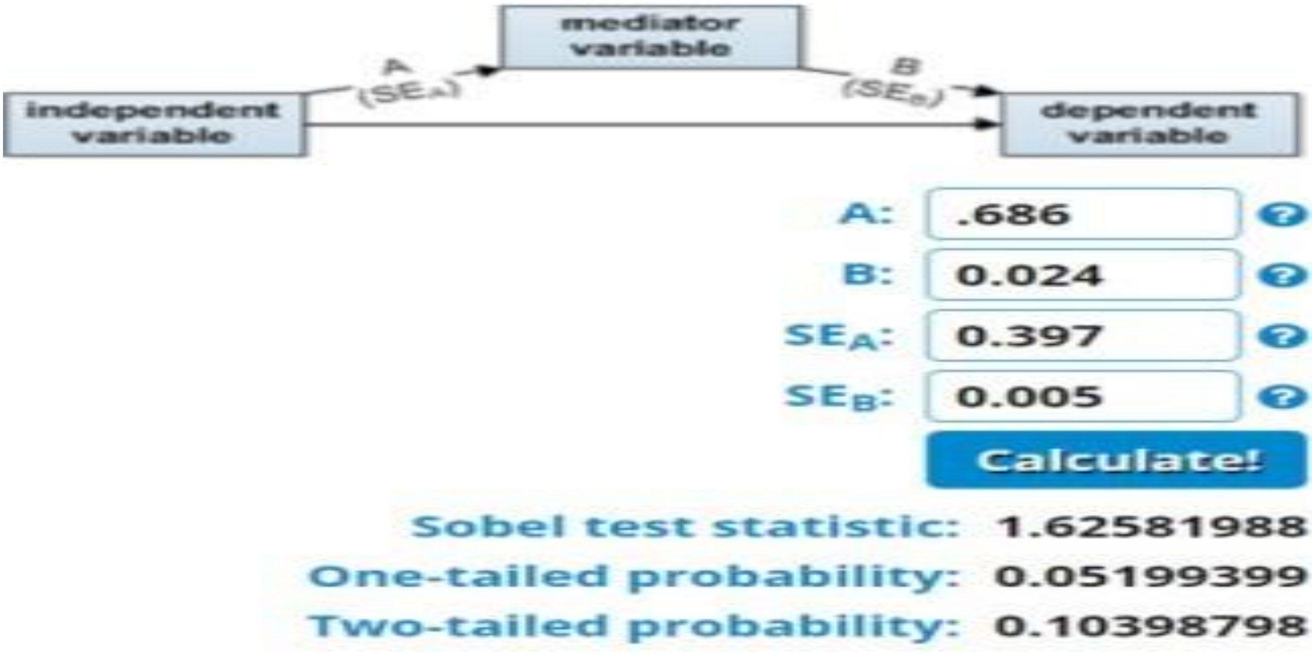

Figure 4 Sobel Test Results Mediation Test 3

Source: https://www.quantpsy.org/sobel/sobel.htm data processed by the author

Based on Figure 4, it is known that the sig price is 0.104> 0.05. This means that investment decisions do not significantly mediate the effect of leverage on firm value.

The Effect of Company Size on Firm Value:

Based on the results of the study, it can be stated that Company Size has a positive and significant effect on the Value of Companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. So that the higher the Company Size, the Company Value will also increase. Vice versa, when the company size decreases, it will reduce the company value.

The results of this study are in line with Signaling theory (Spence, 1973), large companies have large total assets that are able to generate greater profits, which will make it easier for companies to compete in the capital market and provide positive signals in the form of company performance information that is able to increase the size of the company through increased assets and provide an overview of the long-term period. The information conveyed will provide a positive response for investors or potential investors so that it will increase share prices and transactions and make the company value higher.

The results of the study are in line with research conducted by Yanti and Darmayanti (2020) which found research results that Company Size has a significant positive effect on Firm Value.

The Effect of Liquidity on Firm Value:

Based on the results of the study, it can be stated that Liquidity has a positive and significant effect on the Company Value of the Coal Subsector listed on the Indonesia Stock Exchange (BEI) for the 2019-2023 period. The higher the liquidity, the more the company value will increase. Vice versa, when liquidity decreases, the company value also decreases.

Based on Signalling theory (Spence, 1973), coal subsector companies that have high liquidity as measured using the *Cash Ratio* can provide positive signals to external parties because it is considered that the company is able to pay their obligations in a timely manner using their current assets without causing disruption to the company's operations. This reduces the risk of bankruptcy and higher loan interest costs, which in turn can increase the value of the company.

The results of the study are in line with research conducted by Agustin and Anwar (2022), Karim and Nur (2024), and Rizkiwati and Anwar (2023) who found that liquidity has a significant positive effect on firm value.

The Effect of Leverage on Firm Value:

Based on the results of the study, it can be stated that Leverage has no influence on the Company Value of the Coal Subsector listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. This means that the good and bad leverage *of* a company will not affect the company's value.

Based on Signalling theory (Spence, 1973), the large amount of corporate debt will give a negative signal to investors that the company is more vulnerable to bankruptcy if it cannot fulfill its debt obligations. This can affect investor confidence. The debt-to-asset ratio (DER) will not affect firm value because debt only changes the way risk and return are distributed between shareholders and creditors, without affecting the total cash flow generated by the company's assets.

The results of the study are in line with research conducted by Pamungkas and Yuningsih (2022) and Oktaviarni (2019), which found the results of the Leverage research had no effect significant to the Company's Value. Meanwhile, this research contradicts research conducted by Merinda and Pertiwi (2019) which found the results of Leverage research affecting Company Value.

Investment Decision Mediates Firm Size to Firm Value:

Based on the results of the study, it can be stated that the Investment Decision is able to mediate Company Size on the Value of Companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. So that when the investment decision rises, the company size is higher, which affects the rise and fall of the Company's Value.

Based on Signalling theory (Spance, 1973), it states that company size provides a positive signal to investors regarding future investment decisions, thereby increasing stock prices as an indicator of firm value. Company size can influence investment decisions through its influence on the company's ability to allocate funds and take risks. With investment decisions, the company's shares will be more attractive to investors so that the company's value increases.

The results of the study are in line with research conducted by Yuniningsih, Pertiwi, and Purwanto (2019) and Indra Mariana, Kamaliah, and Indrawati (2019), who found the results of the Investment Decision research to be able to mediate the effect of Company Size on Company Value.

Investment Decision Mediates Liquidity to Firm Value:

Based on the results of the study, it can be stated that the Investment Decision is able to mediate Liquidity on the Value of Companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. So that when investment decisions rise, liquidity also rises, which affects the rise and fall of Company Value. In this situation, high investment decisions can mediate the effect of liquidity on firm value, because the market not only sees liquidity security but also promising financial performance, which ultimately increases the company's valuation in the market. These conditions are the cause of the increase in the company's share price in the capital market.

Based on signaling theory (Spance, 1973), large liquidity will provide a positive signal to investors in the form of good and stable company financial performance. Investors have great expectations of the company so that it will attract high investor investment decisions. This reflects market expectations that the company has good and stable financial performance capabilities in the future, thereby increasing the company's value. In other words, high investment decisions can mediate the value of the company.

The effect of corporate liquidity on firm value is because the market sees the company's financial performance as more promising. Conversely, if the company's investment decision is low, this could indicate that the market is not optimistic about the company's profit growth prospects, which in turn can suppress the company's value.

The results of the study are in line with research conducted by Sulistiono (2017), Efni (2017), Yuniningsih et al., (2019) and Indra Mariana, Kamaliah, and Indrawati (2019), who found the results of the Investment Decision study were able to mediate the effect of Liquidity on Firm Value.

Investment Decision Mediates Leverage on Firm Value:

Based on the results of the study, it can be stated that the Investment Decision is unable to mediate *Leverage* on the Value of Companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. When companies take on high debt, but investors view this as a risky move that will not be offset by a sufficient increase in profits, the positive signal from leverage is not well received. This condition causes investment decisions to remain low, because the market is skeptical of the company's ability to utilize the debt to generate profits. This may occur if the company operates in an unstable industry. In signaling theory (Spance, 1973), leverage which should be a signal of confidence is instead considered a sign of high risk potential. As a result, low investment decisions indicate that the market does not respond positively to the leverage used by the company.

The results of this study are in line with research conducted by Yuniningsih, Pertiwi, and Purwanto (2019), stating that investment decisions are unable to mediate the effect of leverage on firm value. Meanwhile, the results of this study are not in line with Sulistiono (2017), Efni (2017), and Indra Mariana, Kamaliah, and Indrawati (2019), where Leverage mediated by Investment Decisions affects Firm Value.

5. Conclusions:

Based on the research results, it can be concluded that firm size and liquidity have a significant effect on firm value, while leverage does not. Investment decisions are significant or able to mediate the effect of company size, and liquidity but investment decisions are not able to mediate leverage on firm value. As for the suggestions that can be conveyed by researchers related to the research that has been done to obtain better results, further research is expected to present data with a longer research cycle and with various financial ratios of the company.

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