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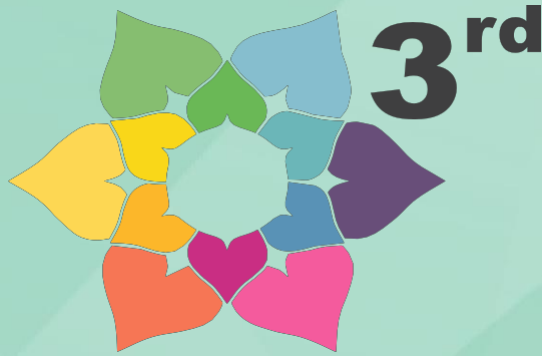
## 3rd

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# ROLE OF INFLATION AND IOS AS MODERATING VARIABLES ONSTRENGTHENINGCORPORATE VALUES THROUGH COMPANY PERFORMANCE

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## ABSTRACT

The growth rategood company willbe able to increasethe value ofthe company. Meanwhile,to obtaina goodrate ofgrowth, company managersmust beable to maintainthe company's positioninanyeconomiccondition

This studyaims to determine how role of inflation and IOS as a moderating variables on Strengthening corporate values through company performance, whetherthe role of inflation and IOS as a moderating variables has significant effect to strengthening corporatevalue. It is very importantto know becausethe inflation and IOS has effect to Corporate Value

Dataofresearchcollectedsince 2008to2013,hypothesistestingisusingModerating Regression Analysis, and wewillknow that role of inflation and IOS. Managers will be easiertomanagewhat steps should bedecided to Strengthening corporate values

The result of this study showed that the inflation and IOS has significant rule and positive as moderating variable to influence corporate value through company performance.

Key Word : inflation, IOS, moderating, company performance

# CHAPTER I
# INTRODUCTION

## Background

Maximization of existing corporate values can be achieved when the company pays attention to the interests of the stakeholders. The balance of the achievement of the objectives of the company stakeholders can make a company a chance to get the optimum benefit and ultimately judged by investors. The good performance of the company will positively responded by investors. This positive response will be on show with the growing demand for the company's shares. When a stock is on the rise, the demand for investors who already own shares does not want to sell (because of the good performance of the company), then the share price will rise.

Rising stock prices will increase the company's value, since value companies one of which is measured by multiplying the number of outstanding shares with a market price of shares (Hastuti, 2005). The value of the company is the price payable by prospective buyers if the company is sold. The value of the company is a reflection of the addition of the company's equity with debt of the company. There are several factors that affect the value of the company, namely: funding decisions, dividend policy, investment decisions, capital structure, the company's growth, the size of the company. Some of these factors have an impact on relationships and the value of the company is not consistent. . In addition to the fundamental factors that affect the share prices of the factors of political and macroeconomic conditions also affect the stock price (Purnomo, 1998)

According to Jhojor (2009) not Leverage effect on the value of the company, but simultaneously positive and significant effect against the value of the company, research is also supported by the research of Alfredo (2011). Meanwhile the high liquidity Level would indicate that the company is in a good condition so that will add to the demand for stocks and certainly will raise the price of a stock (Harjito and Martono, 2001).

Theory of Miller and Modligiani (1961) about dividend irrelevance theory States that the value of a firm is only determined by the ability to generate profit and its business risk. The result of research that supports this statement is Black and Scholes (1974). So the higher the company generates profit it will automatically raise the value of the company

According to Carningsih (2009) States the potential negative effect of ROA company property and real estate listed on the Indonesia stock exchange, meanwhile, according to Ang/(1997) that ROA positive effect significantly to return shares. Therefore the ROA was one of the influential fator against corporate values (Bringham, 2006)

If a country's economy growing continuously with a pretty good macro variables such as inflation rates, foreign exchange rates, SBI interest rate, unemployment rate, as well as the political situation under control, then the investors interested in cultivating a capital in the stock exchange, and vice versa (Sriyono,2015 ). The condition of the economy, the political situation, as well as other technical factor is determinant variables outside of the company's financial performance that could spur stock price movement direction. This gives an indication that not only the fundamental conditions that affect a company's stock price variations (Purnomo, 1998).

The company's growth will create a large selection of investment (investment option) the company can do in the future. Investment choice is then known as the Investment Opportunity Set (IOS). This ratio is used by Smith and Watts (1992) in his research connecting levels IOS with policy dividends and corporate funding and the results of testing conducted States that the ratio of IOS have significant correlation against funding and policy dividends. Research conducted by Hartono (1999) also showed that this ratio has a significant correlation against a policy dividend. Research conducted by Norpratiwi (2004), which States the existence of a significant correlation between IOS with return company stock.

In this study wanted to prove how the role variable inflation and increased value against IOS invesment company via the company's performance. What is inflation and investment IOS is able to be the moderating variable to this conditions

## CHAPTER II
## THEORETICAL TRACK

### 2.1 Basic theory

According to Rahmawati and Akram (2007), the high value of the company becomes the owner of the company's desire for high-value indicates the prosperity of shareholders is also high. The higher the stock price, then the higher prosperity shareholders, in order to

achieve the value of the company is generally the financier surrendered the management to the professional. The professional is positioned as the Manager or the Board of Commissioners. It can be concluded that the value of the stock ownership can constitute an appropriate index to gauge the effectiveness of the company. Based on the pedestal, then that's an objective of financial management is expressed in the form of corporate ownership of the stock value maximization of existing, or maximize the stock price.

Alfredo (2011) no significant positive effect of the liquidity of the company. This indicates that liquidity is not too taken into consideration by the external company in conducting an assessment of a company and does not have significant influence towards change in the stock price of a company. Leverage the potential negative effect is not significantly to the value of the company. Big nothingness of debt owned by the company is not too noticed by investors, because more investors see how the management of the company to use the funds effectively and efficiently to achieve added value to the value of the company.

Black and Scholes (1974) States that the value of a firm is only determined by the ability to generate profit and its business risk. Main and Santosa (1998) to find evidence that four of the fundamental factors (profitability, level of risk, growth prospects, and dividend policy) just profitability (ROE) which has a positive influence and significantly to the value of the company.

Based on the results of such research could be explained that the assessment of the achievements of a company can be seen from the company's ability to generate earnings. Research results Susilo (2009) supported by Lestroyini (2008), Fitriyanti (2009) shows that the value of the company to profitability.

Research on the influence of the liquidity of the company has been investigated by Nurhayati (2013) in the study interpreted value of the coefficient of liquidity is negative, meaning the higher the liquidity of the lower value of the company which is reflected through the stock price. . Interpretation of mentioning this occurs due to the economic conditions and the subjective perception of investors

The debt is expected to reduce agency conflict in addressing the free cash flow problem and the addition of debt in the capital structure can reduce the cost of supplies and equity (Jensen and Meckling, 1976). In line with the Jensen (1986), stated that the existence of the

debt then its free cash flow is excessive by management can be prevented, thereby avoiding wasted investment, which will be able to increase the value of the company

## 2.2 Framework for Thinking

This research analyzed using Structural Equation Modeling (SEM) to find out the truth concept of theories about the factors that affect the degree of public health at East Java and Moderated Structural Equation Modeling (MSEM) i.e. an approach that allows the relationship between an independent variable toward dependent variable influenced other latent variables (Ghozali and Fuad, 2005).

1. Simple Regression Analysis.

   a. $Y = \alpha + \beta 1 X1 + e$ ……………………...……………………….. (1)

   b. $Y = \alpha + \beta 1 X2 + e$……..…………..………...…………………….. (2) c.

   $Y = \alpha + \beta 1 X3 + e$ ……..…...…………………………………… (3)

2. Analysis Moderated Regression Analysis (MRA)

   a. Model Equations Moderated Regression Analysis (MRA) with IOS investment decisions as a moderating variable relationship between profitability, liquidity, leverage against the value of the company.

$Y = \alpha + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \beta 4 Z1 + \beta 5 (X1 * Z1) \beta 6 + (Z1 * X2) + \beta 7 (X3 * Z1) + e$ ... (4)

   b. Model Equation Regression Analysis Moderated (MRA) with inflation as a moderating variable relationship between profitability, liquidity, leverage against the value of the company.

$Y = \alpha + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \beta 4 Z2 + \beta 5 (X1 * Z2) + \beta 6 (X2 * Z2) + \beta 7 (X3 * Z2) + e$ ... (5)

   c. Simultaneous equations Model on M Moderated Regression Analysis (MRA) with inflation and moderating variables as IOS the relationship between profitability, liquidity, leverage against the value of the company.

$Y = \alpha + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \beta 4 Z1 Z2 + \beta 5 (X1 * Z1 * Z2) + \beta 6 (X2 * Z1 * Z2) + \beta 7 (X3 * Z1 * Z2) + e$ ... (6)

Description:
Y = The Value Of The Company
X 1 = Profitability
X 2 = Liquidity
X 3 = Leverage
Z1 = investment IOS
Z2 = Inflation
α = Constant
β1-7 = Regression Coefficient

e = Error Term, i.e. the level of errors in research

Test the interaction of this type are often referred to as Moderated Regression Analysis (MRA) is a special application of linear multiple regression where in the equation regressions contain elements of interaction (multiplication of two or more independent variables) (Ghozali 2006).

Jogiyanto (2010) States testing against the effects of the moderation can be done in two ways, namely by looking at the effect of Moderation caused by looking at indicators increase in R through the regression equation containing variables shared variable main  moderation and effect of moderation from the regression equation contains only the main effects with it.

Arsintadiani and Harsono (2002) stated that the results of his research in the interacts variable and independent variable the dependent variable by including Moderating. To see the results of the main effects and the effects of moderation that is if at any regression analysis has increased the value of R square of main effects

## 2.3 Hypothesis

Based on the Foundation of theory and equations models are used then the hypothesis proposed is:

1. H1 = Profitability effect significantly to the value of the company.
2. H2 = Liquidity effect significantly to the value of the company.
3. H3 = Leverage effect significantly to the value of the company.
4. H4 = Inflation being able to moderate the influence of profitability, liquidity and leverage against the value of the company.
5. H5 = IOS investment decisions capable of moderating influence profitability, liquidity and leverage against corporate values

## CHAPTER III
## RESEARCH METHODOLOGY

## 3.1 Design of the Study

This study belongs to the type of quantitative research, because research departs from theory to analyze the influence between variables that are observed

through a deductive approach. Moreover, this study also wants to analyze and examine the relationship between exogenous variables with endogenous variables in the regression model of moderating

## 3.2 Research Data

The data will be used in this study is a secondary data collected from several agencies, institutions, such as Indonesia stock exchange (idx), Bank Indonesia. The data used are of annual data, from the period of 2009 to the 2013.

## 3.3 Population and Sample

The population in this research is the company manufacture which belongs to the LQ 45 listed in Indonesia stock exchange (idx). During the four-year period, namely 2009-2013 was recorded in Indonesia stock exchange (idx) as well as the report on the financial statements and published in full at: http://ww.idx.co.id, the sample in this study using a Purposive Sample i.e. samples taken have certain criteria.

## 3.4 Variables and measurements

a. Performance

1. Profitability

Profitability shows the extent to which a company manages its own capital effectively, measuring the level of profit from the investment that has been made by the owner of the own capital or shareholders (Sawir, 2005) Profitability in this research is represented by the return on equity. Return on equity, using the following formula:

Return on Equity = net profit after tax/private equity

2. Liquidity

Liquidity in this research is represented by the cash ratio. The ratio in measuring the company's ability to o pay the debt immediately filled with cash that is available within the company and the effects that can be immediately at uangkan

(Arwana,2001:332). Mathematically, the cash ratio can be calculated using the following formula:

$$CashRatio = \frac{Cash + Effec}{Current\,Liabiliti}$$

3. Leverage

   Leverage is a measure of the company's ability to meet financial obligations consisting of short-term debt and long-term debt. Leverage in this study represented by debt to equity ratio. Debt to equity ratio is a ratio is a comparison between the total debts with private equity

   Debt Equity Ratio = Total Debt/Total Capitalization Of Own

3. Corporate Value

   The value of the company is a term which describes the degree to which the company appreciated the public. In this study using Tobin's Q Tobin's Q member, because the picture not only on fundamental aspect but also the extent to which the market is valuing the company from various aspects of the visits by outside parties including investors (Hastuti, 2005).

   Measuring instrument which is used for the value of the company used in this research was the Tobins Q, Tobins Q is the ratio between the market value of equity plus debt with the book market value plus debt (Susanti,2010).

$$Tobins\ Q = \frac{\{(CP\ xThe\ Number\ of\ Shares)\ +TL+I)\} - CA}{TA}$$

Where:
Tobins Q = the value of the company
CP = Closing Price
TL = Total Liabilities
CA = Current Assets
TA = Total Asset
I = Inventory

c. Investment Opportunity Set (IOS)

The ratio of the market to book value of equity is a proxy based on price. Proxy described the capital of a company. The intent of this proxy because elections can reflect the magnitude of return of assets existing and expected future investments will be exceeds the return from equities is desired. This ratio can be obtained by multiplying the number of shares outstanding by the stock's closing price to the total equity (Nurcahyo and Putriani,2009:9).

$$MBVE = \frac{(Saham\ Beredar\ x\ Harga\ Penutupan\ Saham)}{Total\ Equity}$$

d. Inflation

According to Samuelson (2004), inflation is a macroeconomic indicators that illustrate the increase in the price of goods and services in a given period. Then the same opinion expressed by Case (2004), which States that: "Inflation is an increase in the overall price level" that means that inflation is rising at all price levels. a country's currency on an ongoing basis. The data used in this research was obtained from BI in the form of secondary data for inflation.

**3.4 Test hypotheses and Data Analysis Techniques**

3.4.1 Classic Assumption Test

A classic Assumption test Testing assumptions, this classic aims to know and test the feasibility of regression models used in this study. This test is also intended to ensure that in the regression model used there is no multikoloniertas and heteroskedasititas as well as to ensure that the resulting data is Gaussian. A classic assumption test consists of a test of Normality, test Multikolonieritas test Heteroskedatisitas test Autokolerasi (Ghozali, 2006).

3.4.2 Hypothesis Test

a Simple Regression Analysis.

$$Y = \alpha + \beta 1 X1 + e \ \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \ (1)$$
$$Y = \alpha + \beta 1 X2 + e \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \ (2)$$

$$Y = \alpha + \beta1X3 + e \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (3)$$

b. Analysis Moderated Regression Analysis (MRA)

$$Y = \alpha + \beta1X1 + \beta2X2 + \beta3X3 + \beta4Z1 + \beta5 (X 1 * Z1) \beta6 + (Z1 * X 2) + \beta7 (X 3 * Z1) + e \dots (4)$$

$$Y = \alpha + \beta1X1 + \beta2X2 + \beta3X3 + \beta4Z2 + \beta5 (X 1 * Z2) + \beta6 (X 2 * Z2) + \beta7 (X 3 * Z2) + e \dots (5)$$

$$Y = \alpha + \beta1X1 + \beta2X2 + \beta3X3 + \beta4Z1Z2 + \beta5 (X 1 * Z1 * Z2) + \beta6 (X 2 * Z1 * Z2) + \beta7 (X 3 *$$

Z1*Z2)+e…………………..6)

Description:
Y = The Value Of The Company
X 1 = Profitability
X 2 = Liquidity
X 3 = Leverage
Z1 = investment IOS
Z2 = Inflation
α = Constant
β1-7 = Regression Coefficient
e = Error Term, i.e. the level of errors in research

### 3.4.3 Data analysis techniques

Technique of data analysis using SPSS Software Version 16, ranging from classic assumption test to test the hypothesis

## CHAPTER IV
## RESULTS AND DISCUSSION

### 1 The classic test results
a. Normality

Table 4.1

**Tests of Normality**

|  | Kolmogorov-Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
|  | Statistic | Df | Sig. | Statistic | df | Sig. |
| CR (X1) | .26 | 63 | .000 | .436 | 63 | .000 |
| DER (X3) | .319 | 63 | .000 | .331 | 63 | .000 |
| ROE (X2) | .448 | 63 | .000 | .167 | 63 | .000 |
| Tobin's Q | .144 | 63 | .002 | .851 | 63 | .000 |

a. Lilliefors Significance Correction

The results of the analysis in Table 4.1 indicates that data is used indicate its distribution is not normal because the value of Sig,< 0.05, because the data used under 100, This causes the data not distributed normaly

b. Heterokedasitas

Table 4.2

**Correlations**

| | | | Unstandardized Residual | CR (X1) | ROE (X2) | DER (X3) |
|---|---|---|---|---|---|---|
| Spearman's rho | Unstandardized Residual | Correlation Coefficient | 1.000 | -.157 | .374 | .043 |
| | | Sig. (2-tailed) | | .219 | .003 | .736 |
| | | N | 63 | 63 | 63 | 63 |
| | CR (X1) | Correlation Coefficient | -.157 | 1.000 | .081 | -.701 |
| | | Sig. (2-tailed) | .219 | | .521 | .000 |
| | | N | 63 | 63 | 63 | 63 |
| | ROE (X2) | Correlation Coefficient | .374 | .081 | 1.000 | -.130 |
| | | Sig. (2-tailed) | .003 | .521 | | .288 |
| | | N | 63 | 63 | 63 | 63 |
| | DER (X3) | Correlation Coefficient | .043 | -.701 | -.130 | 1.000 |
| | | Sig. (2-tailed) | .736 | .000 | .288 | |
| | | N | 63 | 63 | 63 | 63 |

**. Correlation is significant at the 0.01 level (2-tailed)

Based on the results of the analysis of Table 4.2 shows that the data is not good happens on ROE with the value of Sig <0.05, for the other variables not happen heterokedasitas

c. Autocorrelations

Table 4.3

**Model Summary**[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-----|---------|-------------------|---------------------------|---------------|
| 1 | .246ª | .060 | .013 | 48.22987 | 1.62 |

a. Predictors: (Constant), DER (X3), ROE (X2), CR (X1)

b. Dependent Variable: Tobin's Q

Analysis of the results obtained in Table 4.3 values Durbin Watson 1622, according to Table Durbin Watson Standard that for n = 63 and k = 3 and value dl = 1346 and du = 1,534. because the value is larger than the Standard Table Durbin=Watson, so the research data used in areas not yet definitely

d. Multicolinerity

Table 4.4
**Coefficientsª**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Collinearity Statistics | |
|-------|---|-----|-----------|------|-------|------|-----------|------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 66.558 | 8.672 | | 7.675 | .000 | | |
| | CR (X1) | .028 | .017 | .211 | 1.642 | .106 | .967 | 1.034 |
| | ROE (X2) | .011 | .022 | .063 | .496 | .622 | .990 | 1.010 |
| | DER (X3) | .033 | .027 | .154 | 1.203 | .234 | .967 | 1.034 |

a. Dependent Variable: Tobin's Q

The results of the analysis in Table 4.4 shows that VIF less than 5 then the conceptual research of the multicollinearity does not occur

## 2. The results of the single-stage Regression

a. results of the R Square

Table 4.5
**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|---------|-------------------|---------------------------|
| 1 | .246ª | .060 | .013 | 48.22987 |

a. Predictors: (Constant), DER (X3), ROE (X2), CR (X1)

b. Significance of Results

Table 4.6

**Coefficientsᵃ**

| Model | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | t | Sig. |
| 1 (Constant) | 66.55 | 8.672 | | 7.675 | .000 |
| CR (X1) | .028 | .017 | .211 | 1.642 | .106 |
| ROE (X2) | .011 | .022 | .063 | .496 | .622 |
| DER (X3) | .033 | .027 | .154 | 1.203 | .234 |

Based on the results of the analysis in table 4.6 shows that Current Ratio (CR), Return on Equity (ROE) and the Debt Ratio (DER) Equity effect insignificant against the value of the company (Tobin's Q) with a value greater than 0.05 significance i.e. CR (p = 0.106), ROE (p = 0.622) and DER (p = 0.234)

Profitability is the company's ability to earn profits through all of its capabilities and resources such as cash selling activities, capital (Agustina, 2006) so that the capability is expected to increase the company's value. However, based on the results of the analysis in table 4.2 shows that the relationship between the company's performance against the corporate value of the effect was not significant, this result is supported by research conducted Rahayu (2010) stating that the ROE effect is not significantly to the value of the company. While the research Yuniasih & Wirakusuma (2009); Rahayu (2010) found that financial performance (ROA) effect significantly to the value of the company. HA l indicates that the value of the company's much influenced by asset owned by the company, with a high asset so the company can do the development and investment, which in turn could increase the value of the company.

In addition the results obtained in this study suggest that leverage (DER) is influence not significantly to the value of the company, it is large and small showed that the debt did not influence the company's value made it at guess that the company loans do have different purposes, could be for the development of short-term investments, as well as long. This research is different from research conducted by Mule (2015) which says that the leverage effect is significant and negative.

Another result of the analysis is the extreme low liquidity (CR) do not affect significantly to the value of the company, as it is known that extreme low liquidity is an

important coordination tool and supports the implementation of the stability financial ratios and the implementation of the financial regulation so that its role in the increase in value of the company so less

## 3. The results of the regression phase 2 with Moderating Inflation

a. Results of the R square

Table 4.7

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .252ᵃ | .064 | .016 | 48.15220 |

a. Predictors: (Constant), X3IFL, X1IFL, X2IFL

b. Significance of Result

Table 4.8

**Coefficientsᵃ**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1  (Constant) | 68.684 | 7.898 | | 8.697 | .000 |
| X1IFL | .004 | .002 | .218 | 1.712 | .092 |
| X2IFL | .000 | .003 | .013 | .102 | .919 |
| X3IFL | .007 | .006 | .155 | 1.165 | .249 |

a. Dependent Variable: Tobin's

Based on the results of the analysis in table 4.5 and table 4.7 indicates that the R square shows no insignificant increase from 0.060 be 0064, this shows that the variable inflation not being able to moderate the main variable, this is emphasized by the value significance of the main variable is greater than 0.05 i.e. CR (p = 0.092), ROE (p = 0.919) and DER (p = 0.249 As unknown, that investor's decision was strongly influenced by the value of the return is received. Return to the main indicators being the ability of the corporate finance creating value for investors in the form of payment

## 4. The results of the regression phase 3 Moderating with Moderating IOS

a. Results of the R square

Tabel 4.9

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .422ª | .178 | .136 | 45.11220 |

   a.   Predictors: (Constant), X3IOS, X1IOS, X2IOS

b. Significance of Result

      Based on the results of the analysis in table 4.10 shows that the IOS investment capable of being moderate relationship between performance with company values in particular for variable ROE and CR, while for variable DER showed no significant results. The simultaneous use of IOS Investment as the variable value moderation R square of 0178 this value proves that IOS has the effect of moderation

Tabel 4.10

**Coefficients**ᵃ

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 69.045 | 6.315 | | 10.934 | .000 |
| X1IOS | .000 | .000 | .364 | 2.974 | .004 |
| X2IOS | -2.760E-5 | .000 | -.502 | -2.121 | .038 |
| X3IOS | .000 | .000 | .459 | 1.956 | .055 |

   a.   Dependent Variable: Tobin's Q

4. **The results of the Simultaneous Regression Moderating stage 4 with Moderating inflation and IOS**

a. Results of the R square

      ` Tabel 4.11

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .425ª | .181 | .139 | 45.03521 |

   a.   Predictors: (Constant), X3IFLIOS, XIIFLIOS, X2IFLIOS

b. Significance of Result

Table 4.12

**Coefficients**ᵃ

| | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|
| Model | B | Std. Error | Beta | t | Sig. |
| 1    (Constant) | 70.256 | 6.166 | | 11.394 | .000 |
| XIIFLIOS | 1.823E-5 | .000 | .339 | 2.777 | .007 |
| X2IFLIOS | -6.861E-6 | .000 | -1.040 | -2.484 | .016 |
| X3IFLIOS | 3.629E-5 | .000 | .990 | 2.361 | .022 |

a. Dependent Variable: Tobin's Q

Simultaneous analysis of results between the main variable, moderation of inflation and IOS is shown in Table 11 and 12 shows the change in the value of R square quite significant when compared with the initial conditions i.e. from 0.060 became 0181, this shows that the simultaneous IOS and inflation simultaneously able to do moderation towards the main variable with a value significantly i.e. CR (p = 0.07) , ROE (p = 0.016) and DER (0.022)

The results of this research provide an implication to that company managers to reinforce the strong values of a company there is a macro economic conditions and mikroenomi could be the moderation simultaneously. Microeconomic conditions can also provide a significant contribution to moderation has not been large (R square = 0178) but with a good macroeconomic conditions then it could give the value even though is not great. This also shows that between microeconomic and macroeconomic variables has a synergy in enhancing the value of the company.

Therefore the results of this research also provides additional evidence that the strengthening value of the company not only takes into account the microeconomic aspects, it would be better if it were paying attention to the macroeconomic variables are also

## HAPTER V
## CONCLUSION

1. Based on the results of the regression analysis on the primary variable prior to moderating shows that the results of the test on hypotheses 1, 2, 3 to the variable CR, ROA, DEBT ratio effect not significant

2, Based on the results of the Regression analysis of Moderating then it can be concluded that to do strengthening against the value of the company is not enough to just pay attention to microeconomic variables only i.e. extreme low liquidity, profitability, Market to book value but also macroeconomic conditions, since macroeconomic and microeconomic conditions simultaneously capable of moderating variables worked to strengthen the value of the company. This also means that all the economic variables of macroeconomic or microeconomic both simultaneously contribute to the strengthening of the value of the company

## CHAPTER VI
## ADVICE

Given the limitations of these studies then need to do more study about the strengthening value of the company from the other side of macroeconomics, there may be other variables that could give a better role simultaneously.This Research is the first step to become the next input on research.

## LITERATURE

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