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Potential Mapping of *Pesantren* as Community Economic Empowerment Capital

Cahayu Arum Min Tasnim[a 1]*, Eni Wuryani[a]

[a] Faculty of Economic and Business, Universitas Negeri Surabaya, Indonesia

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ABSTRACT

This study aims to examine the effect of the *Investment Opportunity Set* (IOS) and *Firm Size* on *Firm* Value. This research was conducted at companies listed on the Jakarta Islamic Index for the period 2017-2020. The sample used in this study were 116 companies listed in the Jakarta Islamic Index for the 2017-2020 period. The sampling technique used was *purposive sampling*. The type of data used in this study is secondary data obtained from www.idx.co.id. The data analysis technique used is multiple linear regression. The dependent variable in this study is firm value while the independent variables are *Investment Opportunity Set* (IOS) and *Firm Size* . Based on the analysis results show the *Investment Opportunity Set* (IOS) has a positive and significant effect on firm value, and firm size has no effect on firm value.

[1]* **Corresponding author**
E-mail address: cahayaarum@gmail.com

INTRODUCTION

The global economy is showing improvement but is still accompanied by a slowdown due to the uncertainty over the impact of the COVID 19 pandemic. The IMF projects that the global economy will grow -4.4 percent in the World Economic Outlook October 2020 report. According to the Ministry of Finance in the third quarter of 2020, the Indonesian economy is heading in a positive direction with economic growth of 5.05 percent. The IHSG for the fourth quarter of 2020 strengthened by 14.41 compared to the previous quarter. This increase occurred due to investor optimism about the policies being taken by the government. This statement is supported by IDX once again won the award as The Best Islamic Capital Market at the Global Islamic Finance Awards (GIFA) 2020 which shows that IDX has received international recognition so as to maintain achievements and promote consistency in supporting and realizing the Indonesian Sharia Capital Market as one of the benchmarks for the advancement of sharia capital market industry in the world. Data in August 2020 shows the dominance of the Islamic stock market with a percentage of Islamic stocks amounting to 63 percent of the total shares listed on the IDX with a market capitalization of 50 percent, and the transaction value of Islamic stocks amounting to 52 percent of the total stock trading on the IDX. In addition, IDX President Director Inarno Djajadi explained that since early 2020 there have been 35 initial public offerings (IPO) with a total value of Rp 4.04 trillion. However, OJK noted that there were 21 issuers out of 29 new issuers with net tangible assets of assets ranging from Rp 1 billion to Rp 100 billion. This shows that in 2020 many companies with small and medium assets will use the capital market as a source of financing (Prima & Winarto, 2020). Small companies that have just joined the capital market certainly want to improve the quality of the company, one of which is by increasing the firm value so that investors are interested investing in the company. According to Wijaya & Suganda (2020) investors in investing consider one of the factors, that is the firm value. Investors tend to be attracted to high value company when making investments. This is supported by Gapensi (1996) which states that firm value is directly proportional to the prosperity of shareholders, the higher the share price, the higher the firm value. Thus firm value can influence investors' decisions to invest in a company.

The firm value can be indicated in the company's financial position statement which contains past financial information and an income statement to assess the company's profit earned from year to year. On the other hand, according to Putri & Setiawan (2019), the company value is assessed based on the present value of the company's assets and the investment value of the company that will be issued in the future, not just financial statements. The firm value can also be described by the company's performance as reflected by the stock price formed by the demand and supply of the capital market, which reflects the public's assessment of the company's performance (Harnomo, 2017).

The main goal of companies that have gone public is to increase the firm value so that investors are interested in investing in the company. To find out the development of a company, it can be seen from the firm value, if the share price of a company is high, will increase investors' confidence in the company's prospects in the future. The success of a company in creating high firm value will certainly give hope to shareholders to get greater profits. There are many factors that can affect the high and low firm vaue and one of them is the Investment Opportunity Set. According to Brigham & Houston (2014), the Investment Opportunity Set can describe whether a company has a going concern characterized by increased profits from the achievement of investment activities. The Investment Opportunity Set is a combination of real assets with alternatives investment in the future that have a positive net present value (Wardani & Sirregar, 2009). The Investment Opportunity Set is expected to be bring a greater returns on the costs that have been incurred today (Hidayah, 2015). Companies with a high Investment Opportunity Set will be considered able generate high returns as well.. Research conducted by Juarsa et al. (2019) uses the market to book value of equity ratio because this provision describes the capital in a company that reflects the return on existing assets and future investment will exceed the desired return on equity.

According to Signaling Theory, the company will provide signals to investors through reliable financial information. A high Investment Opportunity Set (IOS) followed by an increase in firm value will provide a positive signal to the

market. According to Rizqia et al. (2013) These signals will be considered good news for investors who are able to influence investment decisions.
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Supported by previous research conducted by Juarsa et al. (2019) which stateted that the Investment Opportunity Set affects firrm value. In line with research conducted by Hariyanto & Lestari (2015) measuring IOS using the PER measuring instrument, the results of this study revealed that the Investment Opportunity Set has positive and significant effect on firm value. Contrary to the research conducted by Kolibu et al. (2020) conducted on Consumer Goods companies with High Leverage on the Indonesia Stock Exchange revealed that the Investment Opportunity Set has no effect on firm value because companies do not pay attention to the right investment opportunities that can increase firm value. This research is in line with Suryanawa (2017) which states Investment Opportunity Set has no effect on firm value. Differences in the results of previous studies regarding the effect of the Investment Opportunity Set on firm value motivates researchers to re- researching to determine the consistency of the research results.

According to Oggita (2018) firm size describes the amount of total assets owned by the company, the better the company's ability to face the possible risks faced by the company, so that firm size can be measured by the logarithmic value of total assets (Kartiko, 2015). The larger the size of the company, the better the company will obtain both internal and external sources of funding. According to Santoso & Wuryani (2013) firm size determines investor confidence, the bigger the company, the more it is known to the public, makes it easier to get information about the company. Clarity of information about the company increases firm value of company. Putu et al. (2014) explained that if the firm size is included on a large scale, usually information is available to investors in making investment decisions in relation to larger companies, and large companies have the incentive to encourage the economic growth of the company, so it is expected to increase the firm value. In addition, investors are more interested in large companies because they tend not to experience financial difficulties and have good economic growth in the future. Thus the size of the company reflects the size or number of assets owned by the company and has an influence on firm value.

According to Hirdinis (2019) a large firm size shows that the company is developing, so investors will react positively and the firm value will increase. The bigger the total assets and sales, the bigger the company. The larger the size or scale of the company, the more difficult it is for the company to obtain funding internally and externally. It is assumed that large companies have a higher sensitivity and relatively greater transfer of wealth than small companies. The results of Hirdinis (2019) research regarding Capital Structure and Firm Size on Firm Value Moderated by Profitability on the partial t test of company size variables obtained a regression coefficient value of -0.176 and a significance value of 0.038. The significance value is smaller than the error tolerance of 0.05. Because the coefficient value is negative and the significance value is less than 0.05, the firm size variable has a significant negative effect on firm value.

Research conducted by Anugerah & Suryanawa (2019) and Oggita (2018) firm size was stated to be positively and significantly related to firm value. In line with the research of Putu et al. (2014) proved that companies with larger company sizes can increase firm value. The results of this study show that the coefficient path of the Company's size towards the company is 0. 105 on the t-statistic of 2.008 with a positive path coefficient. A larger firm size can increase the value of a manufacturing firm. This is because manufacturing companies have an average size, which raises the urge to make improvements to firm value, compared to small-scale companies because large companies are seen as more externally critical and more optimal in managing their business activities. However, contrary to Dewi & Wirajaya (2013) research, revealed that firm size has a negative effect on firm value. In line with Nurvita & Budiarti (2019) which states company size has a negative and insignificant effect on firm value. Bhattarai (2020) conducted research on the determinants of firm value in Nepal, the results of his research proved that company size at banks in Nepal had no effect on firm value.

Based on the result of discussion above, theory and research on the influence of firm size and the Investment Opportunity Set on firm value show inconsistent results, thus motivating researchers to conduct research again to determine the effect of firm size and the Investment Opportunity Set on firm value.

LITERATURE REVIEW

Signaling Theory

Signaling Theory assumes that good company information will convey the company's reputation to the market. Investors see companies as entities that

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achieve growth and profitable prospects through expected investments (Panggabean & Suratno, 2014). Management is the information provider of the company, which has more information than outside parties or investors. Due to investors' distrust of the information provided, there is asymmetrical information between company's management and investors. Lack of information received by outsiders regarding the condition of the company will cause investors to tend to protect their interests by giving a low price to the firm value . Signal theory explains why companies need to provide information to third parties, including information that is directly related to company's finances and information that is not directly related to company's finances (Surya & Wuryani, 2015). According to Morris (2012) management as a manager can increase firm value by reducing asymmetry of information that occurs to investors. One way to reduce this distortion of information is to provide signals to outsiders through reliable and timely financial information, this can be trusted to reduce uncertainty about the future prospects and risks of the company.

Firm Value

Financial statements aim to provide the information investors, creditors, and other users with the information they need to make investment and funding decisions. Shareholders and investors can use accounting information about firm value to make better decisions about share purchases (Siboni & Pourali, 2015). According to Kurniawati (2018) high company value can increase welfare for shareholders so that shareholders will invest in the company. To increase company value requires an accurate financial management capability, if a financial decision is made it will affect other financial conditions that will lead to firm (Handriani & Irianti, 2015).

Firm value is the investor's view of the company, usually related to to the stock market price. The market price of a stock represents the price that investors are willing to pay. The market price of a stock can be higher or lower than its book value. When a company has many investment opportunities, the stock price tends to be high because it will increase shareholder income. High stock prices make the firm value high (Majid & Budiarti, 2019).

Firm value is based on two components namely, the first real assets are determined independently of the company's future investment opportunities. The reason is, when a company own real assets such as property and equipment, it faces many activities that can be exchanged when the real assets are low, in order to minimize agency costs that may arise between shareholders and managers. Both real options are determined based on the company's future investment decisions. Because, when the company has a debt risk, the manager acts on behalf of the shareholders and rejects investments that can increase the value of the company, on the grounds that it will increase the interests of the debtor. The company's ability to increase firm value can be obtained by selecting a series of investment opportunities (Investment Opportunity Set) (SC Myers, 1977). Firm value can be measured by market ratios. There are several ratios to assess the market value of a company, one of which is Tobin's Q. Tobin's Q is considered able to provide the best information, because it cover all elements of debt and capital stock, common stock, equity, and all company assets.

Investment Opportunity Set (IOS)

The company's Investment Opportunity Set (IOS) is an important characteristic of a company and has a huge influence on the way a company is viewed by managers, owners, investors and creditors. It is important to distinguish between IOS and growth. The commonly used term growth refers to a company's ability to grow, while investment opportunities are an option to invest in a positive Net Present Value project. Although certain investment opportunities can also lead to an increase in firm size, not all growth opportunities have positive Net Present Value . Companies may often have growth opportunities, but these opportunities do not have the potential to increase the company's market value (Kallapur & Trombley, 2001).

Reserve information is disclosed by metal mining companies to estimate the value of their investment options. However, since companies in most industries do not publish such information, proxies must be used to measure investment opportunities,

which rely on the perceived correlation between observable factors and unobservable investment opportunities. These proxies can be divided into four types: price-based, investment-based, variance-based and combined size (Adam & Goyal, 2008).

Firm Size

Firm size is determined from the total assets of the company's operating activities. The bigger the company, the greater the capital needed for the company's operational activities. One of the sources of company funds is debt from external parties. Therefore it can be concluded that the bigger the company, the bigger the debt. The withdrawal of debt by a large company should allow the company to reap large profits in the form of assets. The value of assets used as collateral to obtain debt is greater than the asset income received by the company. Therefore, this indicates a lack of solvency between the company's assets and liabilities. The company's bankruptcy raised concerns for investors. This is due to the high risk of the company which increases the possibility of bankruptcy (Majid & Budiarti, 2019).

Firm size reflects the total assets owned by the company. With the scale of the company expanding, more and more investors are paying attention to company trends. This is because large companies tend to have more stable conditions. This situation will attract the attention of investors to own the company's shares, because investors expect to receive large dividends from the company. The increase in demand for shares will encourage an increase in share prices in the capital market (Anugerah & Suryanawa, 2019).

A larger company has a higher firm value. In theory, this is based on the ease of large companies to obtain external funds. Compared to small companies, transaction costs will be reduced (Al-malkawi, 2008). Firm size is one of the factors that explains the advantages of having a relatively large assets, these assets can increase the value of their inventory options by making different investment decisions on entry barriers, thus preventing and delaying the use of opportunities in competitive opportunities. Concept for calculating return on project investment and cost, making it easier to compete and occupy market share (Pagalung, 2003).

RESEARCH HYPOTHESIS

The Effect of Investment Opportunity Set (IOS) on Firm Value

Company with a high Investment Opportunity Set must also have a high level of investment because the Investment Opportunity Set is converted into assets over time. According to Menurut Kallapur & Trombley (1999), investment based proxies are formed using a ratio that compares the size of the investment with the existing asset size or with operating result generated by existing assets. The Investment Opportunity Set will determine the company's future performance. If the company chooses the wrong investment option, it will interfere the company's survival and affect investors' evaluation of the company.

The results of research conducted by Majid & Budiarti (2019) state that Investment Opportunity Set has a positive and significant effect on firm value because the greater the value of the Investment Opportunity Set, it can increase the value of the company, because achieving company goals can be achieved through company investment activities. Results from these studies are supported by research Khoeriyah (2020), Putri & Setiawan (2019), and Wijaya & Suganda (2020) which prove that the Firm size significant positive effect on firm value

H1: Investment Opportunity Set (IOS) has a positive effect on the Firm Value

Effect Firm Size Firm to Value

Firm size describes the size company indicated by total assets, total sales, average level of sales and average total assets. In this study, Firm size is measured using total assets. A large company that has or will have easy access to the capital market, while companies that are new and small will experience many difficulties in having access to the capital market (Majid & Budiarti, 2019).

Based on research conducted by Anugerah & Suryanawa (2019), Sari & Sayadi (2020) and Oggita (2018), it can be concluded that firm size has an influence on firm value. This is supported by Nasution (2020) research with the results that firm size has a significant positive effect on firm value.

H2: Firm Size has a positive effect on Firm Value

METHOD

Types and Sources of Data

This research was conducted using quantitative methods. Quantitative methods are methods that use numerical data in statistical analysis. This study aims to determine the effect of certain variables on other variables. Based on the level of interpretation of the variable position, this research is related causally, namely the study of looking for a causal relationship (influence), namely the independent variable / variable that affects (X) the dependent variable / dependent variable (Y) (Sugiyono, 2013). The data source used in this study is secondary data obtained and managed with for research purposes. Data obtained indirectly from the company but obtained in the form of data that has been collected, processed and published by the Indonesia Stock Exchange (IDX) in the form of data through the internet (www.idx.co.id). Secondary data used in this study are financial statements of companies listed on the Jakarta Islamic Index (JII) period the 2017-2020.

Population and Sample

Population is a generalization area consisting of objects or topics with certain qualities and characteristics, which are determined by researchers to conduct research and draw conclusions (Sugiyono, 2013). The population in this study is the financial statements of this study in the form of financial statements of companies listed on the Jakarta Islamic Index (JII) as many as 127 companies from the 2017-2020 period.

Samples are part of the number and characteristics of the population (Sugiyono, 2013). This company sampling using a purposive sampling method. The criteria used in this study are as follows:

a. Companies listed on the Jakarta Islamic Index (JII) during the study period 2017 to 2020.
b. The company presents complete financial statements consecutively during the research period 2017 to 2020.
c. The company has data related to research variables

Variable

Independent Variable

Investment Opportunity Set (IOS)

Investment Opportunity Set (IOS) is a combination of company-owned assets and future investment options. This Investment Opportunity Set depends on discretionary expenditures expenditures (Hidayah, 2017). In this study, the Investment Opportunity Set (IOS) as X1 is measured using the formula:

Market to book value of equity

$$\frac{\text{total assets} - \text{total equity} + \text{number of outstanding share} \times \text{closing}}{\text{total equity}}$$

Firm Size

Company size reflects the total assets owned by the company. With the expanding scale of the company, more and more investors are paying attention to company trends perusahaan (Anugerah & Suryanawa, 2019). In this study, Firm Size as X2 is measured using the formula:

Ln = (Total Assets)

Dependent Variable

Dependent variable in this study is Firm Value (firm value). Firm value can be measured using Tobin's Q. The measurement method uses Tobin's because it is considered capable of providing the best information, because it includes all elements of debt and share capital, common stock, equity, and all company assets. Tobin's Q ratio with the formula:

$$Q = \frac{(\text{MVE} + \text{DEBT})}{TA}$$

Description:

Q : Firm Value
MVE : Equity market value (EMV = closing price x outstanding shares)
DEBT : Total book value of debt
TA : Total book value of assets

RESULT AND DISCUSSION

The method used in this research is multiple linear regression analysis, where the regression equation used is

$$Y = a + b_1X_1 + b_2X_2 + e_i$$

Description:

Y : *Firm Value*
a : Constant
$b_1 \ldots b_2$: The regression coefficient
X_1 : IOS (Investment Opportunity Set)
X_2 : *Firm Size*
e : Error

Data Description

This research was conducted on companies listed in the Jakarta Islamic Index in 2017-2020. The initial sample size of the study was 106 samples, but when testing the sample was not normally distributed, then the researcher added 21 samples from 2020 so that the total sample was 127.The results of the sample testing were abnormal, so the researcher deleted the outlier data so that there are only 116 companies left, then the researchers transform the data with Ln (natural logarithms) on the variable IOS and Firm Value.

Descriptive Statistics

The results of the descriptive statistical test on the variable IOS obtained a minimum value of 0.199, a maximum value of 2.377 with a mean of 1.051 and a standard deviation of 0.467. Then for the variable Firm Size the minimum value is 29.206, the maximum is 33.495, the mean is 31.33642 and the standard deviation is 0.902. Next the firm value variable obtained a minimum value of 0.002, a maximum of 1.596, a mean of 16.412 and a standard deviation of 0.429.

5.3.Normality Test

Table 1. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		116
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,31612470
Most Extreme Differences	Absolute	,048
	Positive	,048
	Negative	-,037
Test Statistic		,048
Asymp. Sig. (2-tailed)		,200[c,d]

Source: Output SPSS 24

The normality test serves to test whether the data used in the study is normally distributed or not. Normality tests should be conducted before researchers perform regression analysis. This normality test uses the statistical Kolmogorov-Smirnov test. The data is considered to be normally distributed if the significance value (Sig.) Is greater than a = 0.05 percent.

The test results show the Kolmogorov-Smirnov Z value and the value Asymp. Sig. (2-tailed) of 0.2, which is greater than the predetermined significance level of 0.05. Therefore, the model created is normally distributed and can be used for further research.

Autocorrelation Test

Table 2. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,677[a]	,458	,449	,318910	1,951

Source: Output SPSS 24

The autocorrelation test aims to test whether the linear regression model has a one-period correlation (t-1). This autocorrelation test using Durbin Watson. Based on the test results in table 2, it can be seen that the Durbin Watson (DW) value is 1.951. If seen in the DW table with n = 116 and K = 2, then the dL value is 1.6622 and the dU value is 1.7323, and the 4 - dU result is 0.2677, and 4 - dL is equal to 2, 3378. So it can be concluded that the DW value of 1.951 is between dU and 4 - dU, so it can be said that this regression model does not have autocorrelation symptoms so that further analysis can be carried out.

Multicollinearity Test

Table 3. Multicollinearity Test

Model		Tolerance	VIF
1	(Constant)		
	IOS_X1	,992	1,008
	FIRMSIZE_X2	,992	1,008

Source: Output SPSS 24

Based on the test results, it can be seen that the tolerance value of IOS and Firm Size variable is 0.992 greater than the predetermined tolerance value of 0.1 and the VIF value on each of the independent variables is 1.008 less than the the previously set VIF value of 10. Based on these results showes that there are no multicollinearity from the regression model made, so the model is suitable to be used to predict.

Heteroscedasticity Test

Table 4. Heteroscedasticity Test

	IOS_X1	FIRMSIZE_X2	Unstandardized

					Residual
Spearman's rho	IOS_X1	Correlation Coefficient	1,000	-,025	-,028
		Sig. (2-tailed)	.	,787	,765
		N	116	116	116
	FIRMSIZE_X2	Correlation Coefficient	-,025	1,000	,000
		Sig. (2-tailed)	,787	.	,996
		N	116	116	116
	Unstandardized Residual	Correlation Coefficient	-,028	,000	1,000
		Sig. (2-tailed)	,765	,996	.
		N	116	116	116

Source: Output SPSS 24

Based on the test results showed that the value of Sig. (2-tailed) from the IOS variable of 0.765 and firm size of 0.996, where the value of each variable is greater than the significance level of 0.05. Based on these results, it shows that there is no influence between the independent variables on residual absolutes, thus the model made does not contain of heteroscedasticity.

Analysis of the coefficient of determination (R2)

Table 5. Coefficient Of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,677[a]	,458	,449	,318910

Source: Output SPSS 24

The test results in table 5 show the value of Adjusted R Square is 0.458 or equal to 45.8%. This shows that IOS (X1) and Firm Size (X2) simultaneously affect firm value (Y) by 45.8%. Meanwhile 54.2% is influenced by other variables outside this regression equation.

F Test

Table 6. F Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9,719	2	4,860	47,782	,000[b]
	Residual	11,493	113	,102		
	Total	21,212	115			

Source: Output SPSS 24

This study uses the ANOVA output to test the feasibility of the model. If the value is Sig. smaller than 0.05, the variables X1 and X2 simultaneously have an effect on Y. Based on the calculation results in table 6, it can be seen that the significance value is 0.000. The basis for decision making is the significance level of 5% or 0.05. Because the significance value is less than 0.05, the IOS variable and company size simultaneously have an effect on the firm value variable.

t Test

Tablel 7. t Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,391	,549		,713	,477
	IOS_X1	,161	,034	,411	4,791	,000
	FIRMSIZE_X2	-,010	,017	-,048	-,558	,578

Source: Output SPSS 24

The t test aims to determine whether the independent variable partially affects the dependent variable. The basis for t-test decision making is based on a significance value with a significance level of 0.05 (α = 5%). If the value is Sig. smaller than 0.05, then there is an effect of the independent variable on the dependent variable or the hypothesis is accepted.

Based on the test results in table 7, it can be seen that the effect of the independent variable on the dependent variable partially is as follows:

1) Hypothesis 1 Testing

The test results for the variable IOS based on table 7, it can be seen that the t value is 4.791 with a significance level of 0.000 less than 0.05. This shows that hypothesis 1 is accepted, in other words IOS has a positive and significant effect on firm value.

2) Hypothesis 2 Testing

Based on table 7 it can be seen that the results of testing the variable Firm Size (firm value) has a negative t value of -0.558 with a significance level of 0.578 greater than 0.05. This shows that Firm Size (firm value) has no and insignificant effect on firm value. This means that hypothesis 2 in this study is rejected.

Based on the test results in table 7, it can be seen that the multiple linear regression equation is as follows:

Firm Value = 0.391 + 0.161 IOS - 0.010 Firm Size + e

Based on table 7, Investment Opportunity Set (IOS) shows a significance value of 0.000. The significance value is less than 0.05, which means that IOS has a significant effect on firm value. IOS variable shows a positive influence on the Firm Value of 0.161, which means that if the IOS increases by 1 (one), the Firm Value will increase by 0.161, assuming the other independent variables are constant.

While thevariable Firm Size shows a significance value of 0.578. The significance value is more than 0.05, which means that Firm Size does not have a significant effect on firm value. Thevariable Firm Size shows a negative effect on the Firm Value is -0.010, which means that if the Firm Size increases by 1 (unit) then the Firm Value will decrease by 0.010, assuming the other independent variables are constant.

CONCLUSION

Based on the research results can be concluded that the Investment Opportunity Set has a positive and significant effect on firm value. The higher the Investment Opportunity Set , the higher the company value. Meanwhile, the company size variable has no effect on firm value, this is because the size of the company with large total assets is used as collateral to obtain this debt which is greater in value than the return on assets received by the company. Therefore, investors are worried about the high risk of the company which increases the possibility of bankruptcy.

Based on the results of the research, suggestions for further research, researchers can add other factors that affect firm value that have not been included in the research model. The next researcher can add other variables such as liquidity and solvency. Then the next researcher can increase the number of research samples, not limited to the Jakarta Islamic Index. Research topics regarding the factors that influence firm value still need to be developed and explored again considering that there are still many other factors that are thought to affect firm value and take different research periods. Variables that have no significant effect on firm value should be reviewed in future studies in order to determine the consistency of research results**.**

LIMITATION

a. This study only uses two independent variables that can affect firm value, namely the Investment Opportunity Set and the firm size (Firm Size).

b. The research observation period was only carried out for 4 years from 2017 to 2020.

c. The sample used in this study is limited to only companies listed on the Jakarta Islamic Index

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